

Written evidence submission – Environment Bank.

1. Introduction

1.1

Environment Bank, the nation's leading off-site biodiversity net gain specialist, is pioneering the establishment of large-scale Habitat Banks across England, aiding compliance with Biodiversity Net Gain (BNG) policy, effective since February 2024.

1.2

Environment Bank employs over 100 specialists, including ecologists, planners, and legal experts, and is rapidly expanding. The company assists developers and councils in complying with their off-site BNG planning requirements promptly and professionally. A key customer group of Environment Bank is local councils and we have sold millions of pounds worth of units to more than 25 local councils this year already, so that they can quickly deliver on their BNG obligations, deliver new homes and infrastructure, and stimulate the economy. We have more than £250 million pounds worth of enquiries in the pipeline.

1.3

We offer a large national pool of biodiversity units across England, available for purchase quickly and easily, enabling developers to discharge BNG efficiently and proceed with their projects without hassle or delay. Environment Bank has sold Biodiversity Units to some of the largest developers in the market, including Vistry Group, Miller Homes, Wates Developments, Barratt Redrow, and Keepmoat Homes. This is alongside major infrastructure companies like National Grid, Network Rail, the majority of water companies in England (to assist with AMP8), and blue chip retail companies such as Unilever, Proctor and Gamble, Tesco, Aldi and Lidl. Environment Bank has also sold units to assist numerous Nationally Significant Infrastructure Projects (NSIPs) including Drax Power Station and is in the process of consulting on the most appropriate solutions to BNG for NSIPs such as Yorkshire GREEN and Eastern Green Link 1 and 2.

1.4

Environment Bank has a strong delivery record, including:

- 35+ BNG Habitat Banks already live
- 2500+ acres of land already restored
- 6500+ Biodiversity Units already generated
- 1000+ development projects currently being supported
- £240 million private investment committed directly into nature recovery, only achieved due to the regulatory clarity and certainty offered by the Environment Act

1.5

BNG is driving economic activity through job creation, market transactions, and ecosystem service enhancements. BNG is already unlocking a projected £1bn in private investment into the rural economy by 2030 and delivering extensive environmental, social, and economic benefits, without asking taxpayers to foot the bill. Environment Bank is key in facilitating BNG compliance and nature recovery.

1.6

The BNG market has been approximately 15-20 years in development, during which substantial effort has been invested to instil confidence in private investors, enabling significant capital flow into the newly created natural capital market. To consider introducing an alternative to the private BNG market, such as a levy, may undermine the confidence painstakingly built over the years and cause irrevocable damage in an emerging market that already provides the advantageous outcomes for nature and development sought by the government.

2. Overview of BNG and its alignment with the Planning and Infrastructure Bill

2.1

Although BNG is not explicitly referred to in the Planning and Infrastructure Bill, the BNG policy is working well and is complementary to the Bill's objectives, by making it easier to deliver the new homes and infrastructure the country needs while also boosting biodiversity and increasing access to nature. BNG avoids the need for site by site mitigation due to the ability to purchase from offsite Habitat Banks which 'pool' Biodiversity Units.

2.2

The government's BNG policy enhances biodiversity, supports carbon sequestration, and reduces flood risks, aligning with the government's nature strategy. Moreover, it facilitates sustainable development under the Environment Act 2021 while supporting the government's mission to revitalise the building of new homes and infrastructure in the UK.

2.3

BNG has a clear national framework with a hierarchy to follow, with a private offsite market allowing offsetting anywhere in England (but incentivised locally) where on-site isn't wholly achievable, and the government's credit system as a backup. In brief, there are options for developers at every step and as the market matures, the breadth of these options continues to grow. The rest of the world is looking at English BNG as a blueprint for mandatory biodiversity frameworks; the Scottish Government has just advertised roles to work on the Scottish metric.

3. The benefits of BNG

3.1

Economic impact

- Total annual economic value: £454.6 million
- Jobs sustained: 4,459 (direct, indirect, and induced)
- Average economic value per Biodiversity Unit: £18,373

- Average economic value per hectare: £63,386
- Projected 5-Year cumulative economic impact: £2.51 billion

Source: Carter Jonas report "Biodiversity Net Gain: Navigating the Evolving Market" (February 2025)

3.2

Employment impact

- Total Ongoing Jobs: 4,459
- Direct Jobs: 2,973 (£109.1 million economic value)
- Indirect Jobs (such as upskilling local contractors in how to create and manage habitats for wildlife benefit): 1,486 (£54.5 million economic value)

3.3

Environmental benefits

BNG contributes to enhanced biodiversity, carbon sequestration, and flood risk reduction. It transforms landscapes into flower meadows, woodlands, and wetlands, benefiting soil health and species richness and abundance, and also delivering benefits for communities.

3.4

Community gains

BNG creates thousands of acres of accessible green spaces, improving public health and wellbeing. It aligns with local environmental priorities, including educational engagement opportunities, public access to enhanced nature, and local economic benefits, through collaboration with local authorities, landowners, and policymakers. It enables income diversification for the rural economy, providing an income replacement to grant schemes like the Sustainable Farming Incentive (SFI).

3.5

Public support

A [recent survey](#) by biodiversity tech firm Joe's Blooms found that 75% of the public believe all new housing schemes should improve the natural environment, for instance by creating green spaces or habitat banks. Research by Stuart *et al*/(2024) found that overall, the public holds a generally positive view of BNG as an approach, with only 6.4% of respondents having a [negative](#) view of BNG as an approach to the environment. In February, a group of 47 investment firms, environmental market actors and property companies [wrote](#) to the government to champion the role of BNG in driving "a sustainable housebuilding revolution".

4. Case study: how BNG supports housebuilding

4.1

Developer Hooper Urban Partnerships was under pressure to find an off-site BNG solution for a social housing project being carried out on behalf of Wakefield District Housing involving the construction of 26 new social housing dwellings within three miles of Sheffield city centre.

4.2

With a rapidly approaching deadline to secure funding, Hooper Urban Partnerships needed to source local [off-site Biodiversity Units](#) before the end of March 2024. After they reached out to Environment Bank for help, our Strategic Account Director, Sean Rooney, worked closely with Hooper Urban Partnerships (and Sheffield City Council Planning Department) to successfully provide a complete solution before their deadline.

4.3

By providing Biodiversity Units within the Sheffield City Council LPA, we've helped to ensure that the associated biodiversity restoration benefits remain local to the development, and supported the development of much needed social housing.

4.4

Environment Bank provided Hooper Urban Partnerships with the full upfront cost of the Biodiversity Units for the required 30-year period, during which time we will undertake all liability for the maintenance and management of the habitats. By doing so, we delivered a clean break for Hooper Urban Partnerships, with no additional legal or agency charges and no ongoing or recurring payments.

4.5

After doing everything possible to minimise on-site biodiversity impacts, Hooper Urban Partnerships were initially looking to source Biodiversity Units for grassland and individual trees, but they were unable to secure these locally within such a tight timeframe. Following BNG trading rules, we were able to offer them local Biodiversity Units of a higher habitat distinctiveness classification and offer better quality habitats as an offset than those being lost.

4.6

Environment Bank provided lowland meadows and mixed scrub Biodiversity Units from our [Bolsterstone Habitat Bank](#), located a short distance away from the development site and sat within the same local planning authority, Sheffield City Council. Here, we're restoring the landscape to its historic state, enhancing the woodland, and transforming existing fields into biodiverse meadows and scrubland.

4.7

Sat at the doorstep of the Peak District National Park, this Habitat Bank is helping to create ecological connections between rural and urban spaces in the wider Sheffield area. It sits adjacent to a series of Local Wildlife Sites and lies within Natural England's Network Expansion Zone. We will continue to manage the Habitat Bank for the next three decades in partnership with the landowner.

4.8

What the developer says: "Our aim on this project was to achieve planning consent with no pre-commencement planning conditions to allow an effective start for our client, Wakefield District Housing, and secure Homes England funding. Environment Bank provided us with a quotation promptly, set very tight timescales, and dealt with this effortlessly. We would recommend them to other developers in similar situations."

5. Case study: How BNG supports farming communities

5.1

Richard and John Pendlebury, of Yate Fold Farm near Bolton, found making an income from their family farm no longer financially viable, due to rising costs and plummeting returns. They needed a new plan if they wanted the third-generational family farm to continue profitably – and they turned to biodiversity restoration.

5.2

Richard and John are part of a growing number of farmers integrating new environmental diversification schemes, like BNG Habitat Banks, into their farming business.

5.3

Horwich Habitat Bank features 49 hectares of new habitat, including lowland meadow, natural grassland, lowland fen and ponds, used for large-scale biodiversity restoration – helping to secure the farm's future.

5.4

What the farmers say: “Our land is difficult to farm. It's grade 4 pasture land so often, it isn't the most suitable for generating an income. After hearing about Environment Bank, I registered my land on their website and within three weeks, one of their senior ecologists, Fleur, had come to Yate Fold Farm to walk the site and talk me through initial plans. The more I researched Environment Bank, the more I learned about the people behind it. What immediately made me feel more comfortable about making this change was reading about the founder of Environment Bank, Professor David Hill. Knowing that he was part of a team that had lobbied for Biodiversity Net Gain to become a legal requirement demonstrated to me his vested interest in restoring nature across the UK and made me really confident in the process. Finally, the prospect of a Habitat Bank aligns with what I want for my family. The partnership with Environment Bank is enabling us to see a clear picture of how the farm can stay within the family for generations to come, and we're comfortable that there will be no legal or tax issues in the future, as we're still farming and grazing the land and thereby preserving its agricultural status.”

Richard Pendlebury, Yate Fold Farm

6. Conclusion

6.1

BNG policy is not only working well, but is also crucial in helping the government realise the aims of the Planning and Infrastructure Bill by promoting economic growth, environmental benefits, and community gains from new housing and infrastructure development. Environment Bank's efforts in establishing Habitat Banks are vital for achieving these goals and ensuring sustainable development.

6.2

The private sector is already demonstrating how effectively it can implement BNG policy, highlighting that it doesn't require Treasury funds or a government agency to administer payments or distribution. Amending the BNG policy would undermine these successful, cost-effective practices and hinder the progress toward a sustainable future.