

Overview

The Land, Planning and Development Federation (LPDF) is very supportive of this government's drive to reform the planning system to ensure it is fit for purpose and helps to bring forward much-needed new homes, commercial development, and new infrastructure as quickly as possible. We also recognise the need for improved data collection on many aspects of the planning system so that a robust analysis of policy changes which are intended to improve the system can be undertaken.

We acknowledge that the changes implemented through the new National Planning Policy Framework (NPPF) in December 2024, along with subsequent changes to the Planning Practice Guidance (PPG) and other elements of the planning system, will make a positive difference. Indeed, research by the LPDF has shown that in the first two quarters of 2025, there is an anticipated 160% increase in the number of planning applications which our members are seeking to submit compared with the 6 months leading up to the publication of the new NPPF.

The LPDF and its members also support the principle of Biodiversity Net Gain (BNG) and have been working within the current systems, trying to find solutions to the issues that have arisen as a result of the new system.

The system, despite being in place for nearly 18 months now, is still very much in its infancy and is still causing significant issues with a lack of resources (ecologists, Local Planning Authority (LPA) planners and LPA lawyers), a lack of skills and understanding of the new process and a still developing credit market (which is not established in many areas) all of which are leading to significant delays and additional costs within the planning system. Unfortunately, these issues have led the BNG regime to become slower, rather than easier, as we gain more experience with its operation.

Experience from some of our members suggests that on-site BNG provision is slightly easier to get through the system, and that off-site provision is proving somewhat trickier. However, on-site delivery of BNG, particularly on larger sites, is not without its difficulties. This is having a significant impact on SME builders who are more likely to rely on off-site provision but do not have the financial flexibility to cope with the additional costs, uncertainty, and delays in the processing of their applications.

In addition, ecologists are interpreting the legislation in different ways, leading to opposing views of what is required and challenges throughout the process on the interpretation of the legislation and guidance.

An additional problem that is regularly highlighted by our members is not only a lack of resources and skills in LPAs, but also, in some cases, a lack of willingness by LPAs to engage with the process and, in particular, significant struggles and time delays associated with getting S106's drafted and agreed.



The LPDF and its members are committed to ensuring that they achieve the objectives of the government when they deliver BNG as part of their development proposals, but they want to do so in a way that is proportional in terms of cost and process, simple to administer, easy to deliver, does not cause delays and produces meaningful and beneficial results for both our economy and the environment.

At present, SME builders unfairly carry the burden of the BNG system as they have less ability to deliver their BNG requirement on-site, less financial flexibility to deliver off-site solutions (especially when the BNG market in an area is prohibitively expensive and site viability is already tight owing to lower land values), with the delays currently caused by the overly complex system significantly impacting their cashflow. The government, therefore, needs to find a solution that ensures that SME developers still contribute to BNG but in a simple and proportional way so that the financial implications and delays are minimised.

This response concentrates on a limited number of questions, as we are not technical experts in the operation of the BNG system and have limited our responses to those questions that provide an overview of the changes proposed.

About the LPDF

The LPDF seeks to represent the UK's leading land promoters, home builders and commercial developers.

LPDF members support the housebuilding and commercial development sectors by promoting sites through the planning system, providing "shovel-ready" land with a planning permission which can facilitate the delivery of infrastructure and serviced land parcels.

The LPDF seeks to actively engage with the government on planning, housing, and commercial development policy, and to educate the wider public on the social, environmental, and economic benefits of development through an evidence-based approach.

The LPDF encourages its members to deliver well-designed, high-quality, sustainable places that deliver a mix of housing types and tenures, commercial spaces and community uses that have a positive social, environmental, and economic impact.

Our key values include:

- Working in a positive and cooperative way with central and local government and key stakeholders, to deliver a planning system capable of supplying the homes and employment space we need.



- Promoting research and an evidence-led approach to policy development.
- Increasing the supply of new homes to meet demand and make home ownership a realistic possibility for all those who aspire to it.
- Ensuring that we build the affordable homes of all types and tenures that this country so desperately needs.
- Delivering new employment space to meet demand from businesses and support economic growth.
- Championing the impact of increased housing delivery on reducing intergenerational unfairness.
- Creating well-designed, high-quality quality and sustainable places to live and work.
- Educating and informing about the social, environmental and economic benefits of development.
- Supporting diversity of delivery in the market and championing SME developers.
- Promoting diversity and inclusivity within the sector.



Questions

Q. Do you support the following statements (yes/no):

I. No changes should be made to exemptions

II. Some changes should be made (please state which options you support with thresholds where applicable)

III. All minor development should be exempt.

The LPDF considers that some changes should be made to the exemptions to include all single dwellings and a higher de-minimis threshold.

Q. Do you agree with the proposal for a 0.1 hectare threshold?

Yes - The LPDF agrees with the 0.1 hectare threshold proposal.

Q. Do you agree the area de minimis threshold should be extended? If yes, which of the following thresholds do you think is most appropriate:

- **50 square metres**
- **100 square metres**
- **250 square metres**
- **Other threshold**

Yes – The LPDF agrees that the de-minimis threshold should be extended to 100 square metres.

Q. Do you think the BNG requirement should be removed for minor development (for example including up to 9 residential homes) you provide evidence for your response where possible.

Yes – The LPDF supports the removal of the BNG requirement for minor development, including proposals for up to 9 residential homes. These sites are typically unable to provide BNG on-site because of their size limitations and need to purchase off-site credits through the market, often in denominations of less than 1 unit. This has proven to be both a costly and often unachievable outcome as many providers are unwilling or unable to sell credits in less than 1 unit amounts, and the cost attributed to these units has made sites, particularly in urban areas, unviable. This is because many of these sites are operating at the margins of viability already, before the cost and delays caused by BNG are factored in.

Removing the BNG requirement for such sites or introducing a simple and proportionate financial contribution for such schemes would assist SME builders significantly and would allow them to contribute to meeting the government's ambitions of 1.5 million new homes in this Parliament to a greater extent.



Q. If minor development were to be exempted from BNG, do you agree that the de minimis threshold should be extended to cover other types of development outside of the minor development category having little or no impact on biodiversity?

Yes – If a minor development has little or no impact on biodiversity, then it should be exempted from BNG to make the process simpler and to remove workload from already over-stretched professional disciplines.

Q. Do you agree that parks, gardens and playing fields development, as defined above, should be partially exempt from BNG? Please give evidence where possible.

Yes – Although the government must be wary of the possible imposition of the removal of Permitted Development rights for gardens, stopping residents from utilising their private garden space as they want.

Q. Do you agree that development whose sole or primary objective is to conserve or enhance biodiversity should be exempt from BNG? Please provide evidence where possible, including examples of developments that you think would be exempted. If yes, do you think there should be an upper size limit?

Yes – As the principal purpose of these developments is to conserve or enhance biodiversity, it would be perverse to require them to provide additional BNG provision as part of their proposals. There should not be an upper size limit.

Q. Do you agree the biodiversity gain hierarchy should be updated for minor development?

Yes.

Q. Would relaxing the biodiversity gain hierarchy for minor development support small developers to deliver BNG more easily?

Yes – Relaxing the BNG hierarchy for minor development would help small developers deliver BNG off-site more easily. However, SME developers, who deliver small and medium-sized sites (as defined following the outcome of the 'Reform of Site Thresholds' consultation), should continue to be required to contribute proportionally to BNG through a nature recovery fund mechanism, rather than having to provide on-site or off-site BNG. This would make the process less complex, less costly, and would cause fewer delays for SMEs who have less financial flexibility to engage with the current BNG procedures.



Q. Do you think placing off-site habitat enhancements with the same preference as onsite habitat enhancements for minor development would deliver better outcomes for nature? Please provide evidence to support your answer where possible.

Yes – Allowing for flexibility in the provision of BNG units for minor development would allow for BNG to be provided on a more strategic scale rather than in very small pockets of provision on-site. This is likely to offer considerable benefits for nature due to the strategic nature of the provision.

Q. Should the Spatial Risk Multiplier be disapplied for minor development purchasing off-site units?

Yes – The Spatial Risk Multiplier (SRM) should be disapplied for minor development as it would make it cheaper and easier to source units. The SRM should also be disapplied for medium-sized development where off-site provision away from the site is not the fault of the developer (i.e. there are no BNG units available in the local market).

