

Cabinet Office

Biodiversity Net Gain

Evidence Policy Paper P.EP 03



Isle of Man Strategic Plan

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Front Cover Image:
Common Frog - (*Rana temporaria*)
(Shutterstock Images)

2 Development Plan

(2AA) The development plan must also take into account the following climate change policies established under the Climate Change Act 2021 -

- (a) the maximisation of carbon sequestration;
- (b) the minimising of greenhouse gas emissions;
- (c) the maintenance and restoration of ecosystems;
- (d) **biodiversity net gain**;
- (e) the need for sustainable drainage systems; and
- (f) the provision of active travel infrastructure.

Town and Country Planning Act 1999

*(as it will read when amended in accordance with
Schedule 1 of the Climate Change Act 2021)*

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Wild Orchid Meadow - The Ballaugh Curraghs
(courtesy of Ecosystem Policy Team, DEFA)

Introduction

1.1 Understanding Our UNESCO Biosphere Reserve Status

Human perceptions of our environment are changing over time. In the 19th and 20th centuries people sought protection from the environment. In the late 20th century the need to protect the environment from people emerged. In the 21st century, the environment is recognised as playing a valuable role in supporting human activities through the delivery of free ecosystem services. This can be achieved through a holistic approach that balances future human activities that take place within our natural environment.

The Island's UNESCO Biosphere Reserve Status encapsulates this principle perfectly. As the Island is the only entire country in the world to achieve this recognition, our Island community should be very proud of this achievement. Yet as an Island, we are very exposed to the impacts of climate change and there is no place for complacency when it comes to the fragility of our natural environment in the face of climate change. At the global level, the IPBES Global Assessment Report highlights that up to 1,000,000 species may be threatened with extinction¹. Our Island's biodiversity is not exempt from this risk. There is still more to be done to ensure the protection of our natural assets that support our Island's prosperity and increase our quality of life.

The **intention of this paper** is to start the public conversation about Biodiversity Net Gain and future planning policy and what it might mean in practice when planning and delivering new development. It will dovetail with other detailed work being progressed by others inside and outside of Government.

1.2 Recognising Our Ecosystem Services

The available range of ecosystem services can be split into four groups:

- Provisioning Services - such as water, food, clean air and timber;
- Regulating Services - such as pollination, carbon sequestration and the purification of pollutants;
- Cultural Services - such as amenity and recreation opportunities that support health and well being, and
- Supporting Services - such as the formation of good quality soil, nutrient cycling and soil stability.

1.3 The Global Context: Natural Ecosystems Services

The World Trade Report 2022² recognises the critical link between the global economy and healthy ecosystems, and the risks currently posed if we choose to ignore this risk. Yet the report also recognises the emerging economic benefits to be gleaned if we are prepared to review how we do things.

A nature based solutions (NbS) sector is emerging, as detailed in the report titled "A Market Review of Nature Based Solutions: An Emerging Institutional Asset Class"³. The report sets out a review of the global NbS market, with a view to gaining insights and identifying future opportunities for developing the NbS investment market in the UK and Europe. As a sector, it marries well with the principle of biodiversity net gain (BNG).

The environmental and social governance (ESG) movement has grown from a corporate social responsibility initiative launched by the United Nations into a global phenomenon for responsible corporate asset management. Within this context, corporate companies are seeking opportunities to implement their ESG responsibilities.

As part of the response to the UK's Environment Act 2021, emerging habitat banks are working collaboratively with private developers and landowners to provide opportunities to implement biodiversity net gain projects to enhance appropriate habitats, and secure financial models to fund longer term management requirements.

The Island needs to be aware of this context in devising future policy approaches associated with Biodiversity Net Gain.



Female Common Hawker Dragonfly
(*Aeshna cyanea*)
(courtesy of DEFA Forestry, Amenity and Lands)

The Legal and Policy Context

2.1 The need for new statutory Planning Policy on Biodiversity Net Gain

The Climate Change Act 2021 - the 2021 Act received Royal Assent on the 14th December 2021. Within the accompanying Schedule, Section 6(a) requires that the Town and Country Planning Act 1990 be amended to ensure that the development plan takes into account biodiversity net gain. Section 6(b) requires that a national policy directive or a development plan must be issued before 1 January 2025 that takes into account a number of climate change policies including biodiversity net gain.

The current Strategic Plan does not set a policy approach which requires new development to strive for a net gain in biodiversity. The current approach is one of no net loss.

While the principle of bringing BNG into approved policy is recognised, there is still work to do and its successful integration will require cross Government collaboration and external expertise. Work is ongoing to ensure any introduction of BNG as a requirement as part of new development proposals is as smooth as possible. It needs to be clear, easily put into practice and able to be monitored over the longer term.

The Climate Change Duty on Public Bodies - Part 5, S.21 of the 2021 Act sets out the 'climate change duties' that apply to public bodies in the Isle of Man. The publication titled "Climate Change Duties Guidance for Public Bodies" provides further guidance⁴. It highlights the need for public bodies to embed the consideration of biodiversity, ecosystems and ecosystem services into decision-making processes to ensure that the manner in which functions are undertaken has a positive effect in these areas.

2.2 The Climate Change Action Plan 2022

In accordance with S. 17 of the 2021 Act, the Climate Change Action Plan 2022 was approved by Tynwald in October 2022. The Plan contains the policies and proposals to reduce emissions over the next five years, to keep us on track for the interim target of 35% reduction by 2030, 45% reduction by 2035 and net zero by 2050.

Key points in the action plan include the protection and enhancement of our natural carbon stores and biodiversity, suggesting that future development on the Island should support biodiversity net gain.

Biodiversity Net Gain and planning applications - the introduction of a policy on BGN will mean that this will be the starting point for decision making.

However, it is possible that there will be exceptions and it is essential to ensure that any methodology employed at the planning application stage is practical and workable. There may be exceptions/qualifying criteria and part of the purpose of preparing this paper on BNG is to prompt responses.

The Strategic Plan may not be the right place for detailed methodology but this is more likely to be set out in a Planning Policy Statement and/or other policy/planning application guidance.

2.3 The Isle of Man Biodiversity Strategy 2015 - 2025

The Biodiversity Strategy and accompanying documents set out a series of targets for biodiversity on the Island including the target to lower the rate of loss of all natural habitats, including forests, and to significantly reduce the levels of degradation and fragmentation.

The Strategy Actions originally set out to promote **no net loss** of semi-natural Manx habitats and species and ensure that unavoidable loss is replaced or effectively compensated for.

In the Mid-term Audit 2020, it recognised the work of the then Climate Change Bill and noted the inclusion of the **net gain** approach being added to the climate change programme which would go over and above the action described in the strategy.

The Biodiversity Strategy is further supported by a Biodiversity Delivery Plan, updated annually, and a series of Biodiversity Action Plans for species most at risk.

2.4 How will the Strategic Plan support the Biodiversity Strategy?

The review of the Strategic Plan is an opportunity to address the policy gap by establishing a statutory planning policy that requires as a starting point no biodiversity net loss as a result of new development.

Exploring Models used in:

England

Wales

Scotland &

Northern Ireland

3.1 Biodiversity Net Gain Model - England and Wales

England has now imposed a legal requirement to deliver biodiversity net gain, through the Environment Act 2021. It will apply from November 2023 for development under the Town and Country Planning Act 1990, unless exempt. It will apply to small sites from April 2024. The Environment Act stipulates the use of the UK Biometric Assessment Tool⁵ for larger schemes. The biometric helps to objectively establish a baseline measure for existing biodiversity and quantify the uplift required to achieve **biodiversity targets** (currently set at 10% gain) and inform decision making. There is also a requirement to manage and maintain the site for 30 years, with a legal charge placed on the land. Exceptions apply for development brought forward under a Development Order and urgent Crown developments.

The National Planning Policy Framework⁶ (currently NPPF Policy 4) makes general policy provision for biodiversity net gain (paragraphs 180 - 182), and a Biodiversity Gain Plan has to be prepared for submission with a planning application.

Under the Environment Act 2021, BNG can be delivered

- on site;
- via a combination of on-site and off-site measures; or
- via a combination of on-site delivery together with a tariff being charged for the delivery of BNG on an identified strategic project.

The tariff is effectively the purchase of a BNG credit for delivery of BNG elsewhere if the BNG target can't be delivered by the developer, but this option is generally viewed as a last resort, to ensure compliance with legislative requirements in England and Wales.

The advantages of the English BNG model are that it sets out a conceptual framework for statutory BNG policy provision and supports the strategic approach of strengthening nature recovery networks through off-site habitat restoration. The disadvantage of this approach is its complexity and suitability for small schemes, which can serve to impact upon viability. A Biometric for Small Sites is currently under development.

In terms of delivery, the details for the delivery of BNG supply transfers to the private sector.

3.2 Biodiversity Net Gain Model - Scotland

Unlike England, Scotland has not followed the model of imposing a legal requirement to deliver biodiversity net gain. Instead, the Scottish Government delivers biodiversity net gain through the Scottish National Planning Framework⁷ and has adopted a qualitative approach, and requires the development industry to demonstrate how they have considered the relevant policies - a less onerous planning test than in England and Wales.

The biodiversity strategy and policies support development that helps to secure **'positive effects for biodiversity'**. Proposals will be required to contribute to the enhancement of biodiversity, including the restoration of degraded habitats and strengthening nature networks. Adverse impacts will be minimised through careful planning and design. A strong emphasis is placed on strengthening habitat connectivity - to reverse fragmentation.

A distinction between development types has been included. Development proposals for national, or major schemes - or schemes which need Environmental Impact Assessment (EIA) - will only be supported where it can be demonstrated that the proposal will conserve, restore and enhance biodiversity, including nature networks, so they are in a demonstrably better state than without intervention. Proposals for local development will include appropriate measures to conserve, restore and enhance biodiversity. The Scottish approach includes policy exclusions for small householder developments. A best practice approach for assessment is advocated. Use of the English Biometric is not compulsory. No targets have been set.

The advantages of the Scottish approach is that it has less impact on the viability of smaller schemes.

The disadvantages are that it is less supportive of the delivery of BNG to support strategically important Nature Recovery Networks and the measurement of gain is not standardised. It is unclear how this BNG model will be interpreted at the planning application stage, or how the Scottish BNG policy model will be monitored and/or adapted in the future.

3.3 Biodiversity Net Gain Model - Northern Ireland

Northern Ireland's approach to biodiversity currently follows EU standards.



Swifts in Flight (*Apus apus*)
(Shutterstock Images)

Considering an Isle of Man approach

4.1 What will be the Island approach to introducing Biodiversity Net Gain?

The work being undertaken in other jurisdictions will help policy makers work out what is the best fit for the Island and what will work in practice.

In terms of broad planning policy, the Strategic Plan will form a significant part of the statutory framework. It will help deliver biodiversity net gain through the planning process.

The next steps are to work with stakeholders to explore:

- **Possible methodologies** - In order to arrive at the best solutions to achieve BNG, whether on-site or off-site;
- **Whether BNG should be proportionate to the size of the scheme** - so as not to place an undue burden on smaller developments, this could involve a tiered approach;
- **The guidance required alongside the Strategic Plan** - including the status of such documents and the issues to be addressed (such as targets, tariffs and other matters); and
- **The potential of Nature Recovery Networks** - and what would be needed to make this happen as part of any BNG model?
- **How best to monitor the effectiveness of BNG policies and guidance** - to ensure any elements that are ineffectual are refined in a timely manner.

4.2 The need to ensure the BNG system works

It is important to get the policy framework right but it is also vital that the planning application process for delivering BNG is workable in practice.

This element falls outside of the scope of the review of the Strategic Plan, but it is essential that this is considered alongside policy formulation and is central to the ongoing work to embed BNG in the planning process.

Taking a broad view, any future BNG model for the Island needs to ensure that it responds to the Island's unique context, and allows for a proportionate response to achieve biodiversity net gain.



Cronk Y Bing Nature Reserve, The Lhen

Quantifying Biodiversity Net Gain

5.1 How are other places seeking to monitor BNG?

The introduction of a quantified approach to BNG in England and Wales will help set best practice in the policy approach to BNG. In following the progress being made elsewhere, it is easy to see that the BNG requirement has resulted in a fundamental shift in how the issue of biodiversity is being addressed within the planning application process.

Natural England have devised a bespoke biodiversity biometric that dovetails with the existing Environmental Impact Assessment Process for larger schemes. It takes into account habitat distinctiveness, with habitat values attributed within a pyramid. The development of the biometric has been a complex journey, and it is only right that the Island reflects on the merits of such systems in other jurisdictions ahead of settling on any preferred approach here. One of the approaches being examined is the 'Biodiversity Metric v. 4'.

It is becoming more apparent on Island that developers are becoming more accustomed to thinking about biometrics like the Biodiversity Metric for developments in England and Wales, and there may be advantages to be had in employing a tried and tested methodology - particularly for larger schemes on the Island.

The Role of the Area Plans - Environmental Constraint Mapping allows sites that would affect high and medium value habitat types to be ruled out. All sites are assessed using a Site Assessment Framework which at the time of each plan process is updated to take into account new policy guidance and constraint considerations.

5.2 What are Biodiversity Biometrics?

In simple terms, biometric calculations look at identified baseline figures and the uplifts ('credits') necessary to meet required BNG targets.

In England and Wales, it is recognised that BNG can be delivered through on-site provision, off-site provision, or a mix of the two. The options and delivery routes are set out in Table 1:

Table 1: Delivery Routes for BNG - England and Wales

BNG Delivery Options	BNG Delivery Routes
On-site provision	via a planning condition and/or legal agreement attached to the planning permission
Off-site provision	via the purchase of BNG credits from an Independent Trust Fund OR via a donation to a Land Management Trust Fund with a remit to deliver BNG credits.
A mix of both on-and off-site provision	via a condition and/or legal agreement attached to the planning permission and the purchase of BNG credits

None of the BNG delivery options (detailed in Table 1) have been ruled out on Island and work continues as part of a wider stakeholder collective on weighing up the advantages and disadvantages of different approaches.

5.3 Continuing work on a future BNG Model for the Island

While BNG Models are already being rolled out elsewhere in the UK, the Manx approach is still taking shape. It is vital to consider the whole process from statutory policy - to delivery - to monitoring. This will ensure an effective model being deployed and better outcomes in the long run.

Topics being worked on include:

1. How schemes put forward in planning applications will be assessed;
2. Guidance needed for applicants;
3. Time-frames for any off-site habitat creation;
4. How BNG policy provision links with other policy approaches relating to environmental services, such as carbon sequestration and woodland creation; and
5. What will the approach be to habitat distinctiveness?
6. Could BNG delivery be monitored using industry standards and or an awards system? The Building with Nature (BwN) Standards⁸ provide an established benchmark for independently assessing and accrediting the quality of a new development. The scheme provides a national framework of evidence-based, industry-tested standards, three of which are very relevant to biodiversity net gain (Standards 3, 11 and 12).

Further consideration will be given to what elements need to be policy based in the Strategic Plan and which can be dealt with in other policy guidance. Further factual information on standards and awards used elsewhere is set out below.

5.4 The Building with Nature Standards (BwN)

Standard 3 This Standard ensures that new development uses green infrastructure to help mitigate any unavoidable residual harms to the local environment resulting from development, particularly from new sources of air or noise pollution and soil degradation.

Standard 11 serves to seize the opportunity that development offers to enhance existing and create new, habitat for wildlife (which previous development and land-use approaches may have overlooked or implemented inappropriately).

Standard 12 aims to ensure opportunities to restore and improve the connectivity of existing and planned for habitats are taken. In doing so, new green infrastructure can play its role in sustaining wider ecological networks and nature recovery goals.

Use of Awards - a feature of the BwN Standards is the possibility of recognition through an awards system. There are two types of BwN Award available for physical development:

- A BwN Design Award is used to accredit projects at an early stage of design, for example an 'outline' planning application in larger schemes, and
- A BwN Full Award is used to accredit projects at a more detailed stage of design and includes a post-construction check.

When granted, a BwN Award represents an assurance that the development scheme meets BwN standards.



Brown Long Eared Bat - (*Plecotus auritus*)
(Shutterstock Images)

Responding to the Challenges



Brown Hare (*Lepus europaeus*)
(Shutterstock Images)

6.1 Meeting the Challenge to Introduce BNG into Planning Policy

Cabinet Office is working with other stakeholders to address the challenges of introducing Biodiversity Net Gain into the planning process. This needs to be done in such a way as to be fit for purpose in the long term.

Ahead of the publication of the Draft Strategic Plan, more work across different disciplines and with different stakeholders will make the future Isle of Man approach a measured and effective response to the requirements of the Climate Change Act 2021.

Responses to this preliminary paper will help shape the progress and success of introducing BNG as a consideration at all levels of the planning process and help to see tangible results of such policy and delivery mechanisms across the Island.

6.2 Further Study Areas

It is important that any Manx Biodiversity Net Gain Policy and delivery mechanisms through the planning process are fit for purpose, clear, and straightforward to implement. Additional work is essential.

Areas include:

- Identification and assessment of appropriate habitats that could be used for off-site delivery of BNG and further examination of how such land could be 'registered' and retained. This includes further work on the potential for habitat banking and nature recovery networks;
- The potential for off-site provision of BNG using 'BNG credits' and how a coordination and verification process would work both in theory and in practice, and
- The potential for different approaches to different types and scales of development including consideration of tariffs and setting out of standards such as the Building with Nature Standards.

Endnotes

- 1 IPBES (2019): Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science - Policy Platform on Biodiversity and Ecosystem Services. S. Díaz, J. Settele, E. S. Brondízio, H. T. Ngo, M. Guèze, J. Agard, A. Arneth, P. Balvanera, K. A. Brauman, S. H. M. Butchart, K. M. A. Chan, L. A. Garibaldi, K. Ichii, J. Liu, S. M. Subramanian, G. F. Midgley, P. Miloslavich, Z. Molnár, D. Obura, A. Pfaff, S. Polasky, A. Purvis, J. Razzaque, B. Reyers, R. Roy Chowdhury, Y. J. Shin, I. J. Visseren-Hamakers, K. J. Willis, and C. N. Zayas (eds.). IPBES secretariat, Bonn, Germany. 56 pages.
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- 2 World Trade Organisation, 'World Trade Report (2022): Climate Change and International Trade, Geneva, Switzerland. 152 pages
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- 3 Finance Earth (2021) 'A Market Review of Nature Based Solutions: An Emerging Institutional Asset Class' - Commissioned by Green Purposes Company,
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- 4 Net Zero Isle of Man (2022), 'Climate Change Duties Guidance for Public Bodies (GC 2022/0002) in collaboration with Eunomia, Douglas, Isle of Man. 62 pages.
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- 5 Natural England (2023), 'The Biodiversity Metric 4.0: Auditing and Accounting for Biodiversity Calculation Tool (JP039), online application
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- 6 Ministry of Housing, Communities and Local Government (2021), 'National Planning Policy Framework v. 4 (NPPF 4), London, England. 75 pages.
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- 7 Local Government and Housing Directorate (2023), 'National Planning Framework (NPF) v. 4, Edinburgh, Scotland. 162 pages.
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- 8 Building With Nature (2021), Standards Framework (BwN 2.0), Gloucester, England. 26 pages.
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