

Biodiversity Net Gain - Government changes

FAQs for HBF Members (August 2026)

1. What has the Government announced?

In April 2026, the Government published [its response](#) to the consultation on improving the implementation of BNG for minor, medium and brownfield development.

The key change is the introduction of a new exemption for sites up to 0.2 hectares, alongside a wider package of changes to exemptions, the biodiversity metric and the operation of the off-site market.

Alongside this, a [separate consultation](#) was launched on a potential exemption for residential brownfield development (up to 2.5ha), which ran until 10 June 2026.

2. Why are these changes being made?

The Government has recognised that BNG is not working proportionately for smaller sites. In particular, it has highlighted that SMEs face costs of around £13,000-53,000 per hectare and are disproportionately affected by fixed ecological and administrative costs, which cannot be spread across multiple units.

The Government's changes are therefore intended to reduce cost and administrative burdens on small sites, support delivery by SME home builders, and allow local authorities to focus on larger schemes with greater biodiversity impact.

3. What is the new 0.2-hectare exemption?

A new exemption applies to all development types on sites of 0.2 hectares or below (based on the red line boundary).

This is a new area-based exemption and is separate from the existing de minimis exemption. It will not apply where priority habitat is affected, and the mitigation hierarchy will still need to be followed.

There will be no wider exemption for minor or medium development beyond this threshold at this stage.

The Government estimates that the changes could:

- Remove around 50% of residential permissions from BNG requirements
- Reduce baseline biodiversity units by around 12%
- Reduce demand for off-site units by around 10%.

The exemption broadly equates to schemes of around 6-7 units or fewer (based on 34 dwellings per hectare, the Government's estimate).

4. Is the 0.2-hectare exemption now in force?

Yes. The [secondary legislation](#) has now been published, and the change came into effect on Thursday 6 August 2026.

5. What is happening to the self-build exemption?

As of 6 August, the self-build and custom build exemption has been removed. A proposed exemption for single dwellings will not be taken forward, with the expectation that most such sites will instead fall within the new 0.2ha threshold.

6. Are there other new exemptions?

Yes. Temporary development (up to five years) is now exempt from BNG, as of 6 August.

Further exemptions - including those for development primarily for biodiversity enhancement and for development affecting parks, public gardens and playing fields - are expected to follow later in 2026, subject to further secondary legislation.

7. What is happening to the 'de minimis' exemption?

No changes are being made to the de minimis exemption at this stage.

However, the Government has indicated that it will consider potential changes alongside the outcome of the brownfield consultation. It has also been recognised that a low-impact exemption may still be needed for certain types of development with minimal habitat impact.

8. What changes are being made to the BNG metric?

The Government intends to move away from the current Excel-based tools and introduce a **new digital biodiversity metric service**, which is expected to improve usability, integrate mapping and provide stronger validation. The timing of this change remains uncertain, and the digitisation may not align with other updates to the metric.

No significant changes are being made to the **Small Sites Metric (SSM)** at this stage, as had been proposed in the original consultation document. The introduction of the 0.2ha exemption is expected to reduce the number of sites that need to use it.

The Government has confirmed that **biodiverse features in private gardens** will not be permitted to contribute toward BNG delivery under the metric, subject to final metric rules and definitions.

A simplified approach to **watercourse assessments** will be explored, although further work and testing are required, and any changes may come forward in a later update.

Defra will also review ‘**Rule 4**’ in the metric to ensure it better supports development with significant infrastructure elements. Transitional arrangements will be put in place alongside any updates to the statutory biodiversity metric.

Overall, these changes will require further legislation, with updated metric tools and guidance expected later in 2026.

9. What is changing in the off-site market?

The Government has amended the biodiversity gain hierarchy so that, for minor development, off-site delivery is placed on the same footing as on-site delivery. Statutory biodiversity credits will remain the last resort option.

In addition, the Spatial Risk Multiplier (SRM) will be reformed so that it is based on Local Nature Recovery Strategy (LNRS) areas rather than local planning authority boundaries. This will allow developers to source off-site units across a wider geographic area.

10. What changes affect brownfield development?

The Government has confirmed that it will review how Open Mosaic Habitat (OMH) is treated within the metric, including its definition, condition assessment and supporting guidance. It will also explore the introduction of a new urban habitat category and the use of proxy habitats where appropriate.

Alongside this, [a consultation](#) has been launched on a potential targeted exemption for residential brownfield development (up to 2.5ha). This consultation is seeking views on:

- How brownfield land should be defined,
- Appropriate site size thresholds, and
- The impact of BNG on brownfield viability and delivery.

At this stage, no decision has been made on whether such an exemption will be introduced, nor on the final threshold. The 2.5ha figure represents a consultation option only.



The consultation closed on 10 June 2026. Any resulting changes, subject to further policy decisions and legislation, would be brought forward later in 2026.

11. What about the draft NPPF?

The Government has published a [draft revised](#) National Planning Policy Framework (December 2025) for consultation.

The draft introduces a clearer policy position that development plans should not require more than the statutory 10% BNG, except where justified through the plan-making process. This is a shift towards a more nationally consistent approach and limits the ability of local planning authorities to set higher blanket requirements.

The draft also strengthens the expectation that local planning authorities should avoid duplicating or adding to requirements that are already addressed through legislation, including BNG.

In addition, it reinforces the role of plan-making in identifying strategic priorities for nature recovery, including alignment with Local Nature Recovery Strategies, which are expected to guide off-site BNG delivery.

The draft NPPF is subject to consultation and has not yet been finalised. The final policy position may change.

12. What about NSIPs?

The Government has [confirmed that](#) BNG will apply to Nationally Significant Infrastructure Projects (NSIPs) from November 2026.

A mandatory 10% BNG requirement will apply across all NSIP types, with no exemptions. The requirement will apply only to habitats that are impacted by development (the “BNG boundary”), rather than the full site area.

Developers will be able to deliver BNG on-site or off-site. A staged approach to biodiversity gain plans will also be introduced, with further detail to be set out in guidance, reflecting the complexity of NSIPs.

13. What should home building companies do now, and what happens next?

The first tranche of changes came into effect on 6 August. This includes the 0.2ha exemption, removal of the self and custom build exemption, the exemption for temporary planning permissions, and the changes to the hierarchy for minor development.

For more information, see below:

HBF

- [Regulations, Explanatory Memorandum and Impact Assessment](#)
- [Updated Defra guidance](#)
- [Defra blog on the changes](#)
- [Updated Planning Practice Guidance \(PPG\)](#)

Further changes, including the other additional exemptions, changes to the metric and any brownfield measures, are expected to follow later in 2026.

HBF will continue to engage with the Government as the changes are brought forward.