

BNG for NSIPs: What promoters need to know

ENVIRONMENT BANK

The nature experts

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Five key messages...

1 The guidance is no longer the hard part.

With all the guidance now available, promoters' real challenges are land, time, money, and risk. These are best tackled through early engagement with all teams and stakeholders.

2 Procurement is the surprise pain point.

Procurement teams are new to this market and varying industry regulations can slow down the process of reserving Biodiversity Units and fixing prices, so their early involvement is essential.

3 At the DCO stage, examining authorities want confidence, not completeness.

A credible plan means a known baseline, a reasonable worst case, an estimate of off-site need, a market assessment, and, ideally, early agreements with providers.

4 Time is tightening.

The Planning and Infrastructure Act is speeding up consenting. Where projects might once have had four years to DCO, they may now have two or three. BNG work needs to move faster – and ecologists and engineers need to be talking before anyone draws a line on a map.

5 A major question for promoters is: who will take long-term accountability?

BNG obligations run for thirty years, at minimum. Conservation covenants, responsible bodies, and Habitat Bank providers can carry that risk – but promoters should check how a scheme is funded, how it will be enforced, and who will manage the delivery project throughout its entire lifetime.

Contributors

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Regulation and governance

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Introduction

Since Biodiversity Net Gain (BNG) became mandatory for Town and Country Planning Act (TCPA) development in 2024, the market has grown rapidly. Thousands of acres of habitat restoration are already underway, driving hundreds of millions of pounds of investment into nature recovery in England, and a robust off-site market has been established.

Mandatory BNG for Nationally Significant Infrastructure Projects (NSIPs) opens up a major new opportunity. NSIPs are the country's best-resourced projects, and their scale and long timelines mean they can deliver nature recovery at a landscape level, creating connected habitats and lasting benefits for the communities around them. But promoters may still be uncertain about how to build BNG into pre-application work for their Development Consent Order (DCO) and deliver it over the long term.

This guide draws on Environment Bank's 2026 BNG for NSIPs Summit and sector-specific roundtables and webinars, bringing together the insights of thirty industry experts across twenty-five leading organisations. It sets out the unique challenges these major developments face and how to tackle them.

Here's what they told us...

Where the guidance has landed

The rules are now clear. The BNG boundary is the key difference from TCPA, and examining authorities want a credible, well-evidenced plan at DCO rather than every unit secured.

- **The BNG boundary is key.** It's the biggest difference from TCPA. The baseline covers the habitats your scheme affects, not the entire red line, which lets linear schemes such as cable corridors assess and plan for a realistic worst-case scenario.
- **Temporary impacts can be retained.** Habitats reinstated within five years (two for medium distinctiveness) can be counted as retained in your baseline. This only works if ecologists and engineers plan early together and make sure habitats are properly reinstated.
- **Evidence builds confidence.** Examining authorities want to see a known baseline, a reasonable worst case, an estimate of off-site need, a market assessment, provider engagement and, ideally, agreements in principle or deposits.
- **Sign-off has three stages.** The biodiversity gain plan shows how a project will achieve its 10% gain. Unlike under TCPA, where it's signed off once, NSIPs need an outline plan with the DCO application, approval before construction, and any loose ends approved before operation. Promoters can choose who signs it off: each local authority, one nominated authority, or the Secretary of State.
- **Rule 4 needs an ecological case.** The statutory metric's fourth rule allows departures from the standard trading rules, but only with a clear ecological justification, never to save costs. The 10% gain must still be met separately for area, hedgerow and watercourse units.



Present a really good market assessment [in your DCO application] and demonstrate that you've engaged with BNG providers... It's not rocket science. The more you can put in, the more confidence you'll give.

Julia Baker
Mott MacDonald

Managing risk

The biggest risks to promoters are drifting timelines, Biodiversity Unit availability, and cost. Flexible procurement and robust long-term legal structures, backed by credible enforcement, are how promoters can effectively manage these challenges.

- **Balancing confidence and cost is a key challenge.** Requirements change as designs develop, and some potential habitat sites inevitably fall away, so some projects hold pipelines of up to eight times the Biodiversity Units they expect to need. This gives examining authorities confidence without committing to buy them all. Tiered procurement, guaranteeing a minimum and allowing a maximum, is the emerging model.
- **Procurement needs early consideration.** Land and Biodiversity Unit procurement can add months to your timelines, affecting the evidence available at DCO, price certainty and your entire programme. Dedicated procurement teams need to be brought on board early in the NSIP process.
- **Long-term liability can be shifted away from the promoter.** Your BNG provider can take it on, and working with a trusted organisation such as Environment Bank can also ensure your wider environmental obligations, such as habitats regulations assessment (HRA) mitigation and species mitigation, are met together without governance gaps.
- **Investors need certainty.** Future buyers and funders will want to see how BNG obligations will be met and discharged, with enough flexibility for changes over the asset's life. Developers could consider long-term option arrangements with BNG providers to give them that confidence.
- **Choosing the right provider is critical.** Promoters should look for secure lifetime funding, credible enforcement, and long-term monitoring and management capabilities.



You need to bring a BNG delivery partner on very, very early... Then you can run tiered procurement exercises where you guarantee a minimum but allow for a maximum.

Matthew Hanson
AECOM

BNG delivery options and the team you need

There is no single right mix of on-site and off-site. The strongest schemes look at all their land and obligations together, work through local partnerships, and build a team with the skills to carry out BNG from planning to delivery.

- **Mandatory BNG is different.** It's very different from voluntary BNG or other biodiversity commitments. The full 10% gain must be met for all unit types, the metric's trading rules apply, and gains must be legally secured for 30 years. Look first at what land within your scheme can deliver across all your environmental requirements, then fill the remaining BNG gap with off-site units.
- **Partnerships de-risk delivery.** On-site gain is difficult for linear projects, which mostly cross farmland that is reinstated after construction, avoiding a loss but creating no gain, and which avoid sensitive habitats by design. Partnerships with BNG providers, NGOs and ecologists provide long-term stewardship if assets are later sold, and create genuine outcomes for nature.
- **Ownership must be shared.** BNG needs consistent ownership across the whole team, from early design decisions, such as choosing a scheme's route to avoid valuable habitats, through to long-term maintenance. When knowledge is lost between designers, contractors and maintenance teams, unexpected costs can appear after budgets are already fixed.
- **Plan for enabling works.** Some supporting works, such as an extra construction compound or access road, may need separate TCPA planning permission, often because they arise before consent or once contractors are on site. These must meet TCPA BNG rules and can seriously delay your programme, so treat them as part of your core work stream from the start.
- **Skills gaps are real.** To meet complex BNG requirements, you need a team with the right expertise, including BNG leads, habitat surveyors at FISC Level 4 and above, interdisciplinary habitat designers and metric specialists, alongside credible BNG delivery partners who can secure, manage and monitor habitats for the long term.



The worst costs are the ones you didn't know about until you suddenly have to spend them at the end.

Claire Wansbury
AtkinsRéalis

Key takeaways by sector

The rules are the same for every NSIP, but each sector faces its own pressure points. Here's what energy, transport, water and coastal promoters need to know.





Energy

Energy assets can outlast the 30-year BNG period by decades, often change hands, and may not be built until a final investment decision is made, so BNG strategies need to be flexible enough to adapt.

- **Operational land is rarely the answer.** Transmission routes are often taken by easement, restored and handed back to the landowner, while the land around substations is needed for future expansion and connections. This means energy promoters often lean towards strategic, landscape-scale off-site delivery aligned with Local Nature Recovery Strategies.
- **Energy needs units at scale.** Large energy NSIPs can require hundreds of Biodiversity Units, and existing sites, however large, may not offer the right mix of habitats in the right location. A bespoke Habitat Bank, created around the project's needs, can deliver the required units alongside other environmental obligations while also providing social value for local communities.
- **Biodiversity Unit numbers move.** For energy, unit requirements can change drastically between DCO and construction. This creates a real risk of securing supply too early without flexible arrangements, such as a sell-back clause, to fall back on.
- **Final investment decisions affect timing**. Many energy projects, particularly offshore wind, aren't confirmed until a final investment decision (FID), often well after consent. Buying units before FID locks in a cost before the project is certain, but waiting risks losing supply. The emerging approach is to reserve supply early, often through tenders that prioritise high-integrity providers, then convert to a purchase at or after FID, with milestone payments releasing money in stages.
- **Long lifespans need to be accounted for.** BNG gains must be secured for at least 30 years, but for NSIPs the government also expects basic maintenance of on-site habitats for the project's remaining lifespan, which is often 50 to 60 years for energy assets, and sometimes in perpetuity.



Off-site gives us the opportunity to work with organisations for whom maintenance of habitat, conservation, land management and working with communities is part of their business as usual.

Kat Stanhope
National Grid



Transport

Long, linear routes, permanent land take, live operational networks and public funding cycles shape where BNG can be delivered, which units are needed, and when promoters can commit to them.

- **Safety limits on-site delivery.** Habitats must be safely accessible for 30 years of management, which makes land next to live roads and railways impractical. At airports, rules on bird strike and tight urban sites limit on-site habitat creation further.
- **Additionality limits on-site gain.** On-site habitat created as mitigation for protected species and sites can only count towards no net loss. Transport schemes take narrow strips of land permanently, so the little on-site space available is often needed for this mitigation, which makes reaching the full 10% on site difficult.
- **Corridors can connect nature.** Transport corridors have little space for habitat, but they run continuously across the landscape. By working with neighbouring landowners and delivery partners, promoters can use them to link BNG schemes into connected networks for nature.
- **Plan early for watercourse units.** Long linear routes cross many rivers and streams, so most transport schemes will need watercourse units, which are in short supply. Engaging BNG delivery partners early gives them time to find suitable land and secure the right units in the right places.
- **Build flexibility into contracts.** Long consenting and construction periods mean unit requirements will change. Agreements with delivery partners should let promoters scale up or down, adjust unit types, sell back surplus and substitute scarce units. This is especially important where spending reviews and cost scrutiny make early commitment harder.



We need to be doing this correctly and better rather than piecemeal... that's where the partnerships come in.

Neil Strong
Network Rail



Water

Water companies are regulated, permanently operational businesses, so BNG has to work alongside price reviews, refinancing and overlapping environmental duties.

- **Regulation slows finance.** Funders are moving fast, but water company regulation has historically favoured one-off capital spend over the long-term operating costs that habitat management needs.
- **On-site liability has a hidden price.** Water companies hold large landholdings, but much of that land is needed for future operations, and assets are regularly refinanced or sold. A 30-year BNG obligation on company land can raise refinancing costs or cut sale values by far more than the upfront cost of units.
- **Run delivery options in parallel.** Some water projects need habitat in place before construction starts. Thames Water's proposed White Horse reservoir, for example, is creating around 1,400 hectares of new habitat ahead of consent, much of it for species relocation, so the team is running several delivery options side by side with multiple partners and landowners.
- **Join up overlapping obligations.** Water NSIPs often face BNG, Water Framework Directive and habitats regulations requirements at the same time. Habitat delivered for these other regimes can count towards BNG within set limits, but separate legal regimes and litigation risk keep approaches cautious.
- **Make watercourse gains count.** Water projects are well placed to restore rivers through BNG, but without early engagement there's a risk of delivering low-value ditches instead.
- **Explain the value.** With water bills under scrutiny, water companies need to show the wider social value of BNG investment to keep public support.



Accept that there's no one option, but instead identify all the options and run them alongside each other.

Simon Pope
Thames Water



Coastal

Coastal NSIPs raise the most complex questions, where BNG meets habitat compensation, Crown land ownership and a yet-to-be-defined Marine Net Gain.

- **BNG stops at mean low water.** Mandatory BNG applies down to the mean low water mark, covering the intertidal zone but not the sea beyond it, where Marine Net Gain is still to be defined. Some coastal schemes, such as those consented through harbour revision orders, fall outside mandatory BNG altogether, though they may still face policy expectations to improve biodiversity.
- **Many coastal habitats sit outside BNG.** Much of the coastline is irreplaceable habitat, often also protected under the Habitats Regulations or as SSSIs. Here no gain is required, but compensation is, with the aim of replacing ecological function, usually like for like and mainly through managed realignment. This requires specialist expertise, careful design and long-term monitoring.
- **The metric asks for more.** Coastal compensation has historically used case-by-case, area-based ratios. The metric values harder-to-create habitats differently, and its multipliers can mean significantly more habitat than past schemes required.
- **The intertidal market is small but emerging.** Coastal Habitat Banks need the right tides, sediment and salinity, and much of the coastline is owned by the Crown, which is immune from compulsory acquisition. Statutory credits for coastal habitats are prohibitively expensive, so they're a last resort. New initiatives, such as the Port of London Authority's intertidal habitat bank, show the market is starting to respond. Collaborating early with coastal landowners and port authorities, and with experienced delivery partners, helps bring suitable sites forward before they're needed.
- **Protect your compensation options.** Compensation obligations usually take precedence over BNG, so promoters should avoid using up sites they may later need for compensation.



Start early, keep compensation and BNG strategies aligned, but distinct, protect your compensation options and focus on creating or restoring a resilient coastline.

Angie de Burgh
GoBe Consultants

Uncertainties in the market

While our contributors agreed on the big picture of BNG for NSIPs, several areas of debate and uncertainty remain.

On-site or off-site?

Linear schemes on farmland will lean towards off-site delivery, ideally through local partnerships, according to Sophie Bevan-Thomas of Ørsted. Claire Wansbury of AtkinsRéalis takes a different view, arguing that on-site matters most because that is where the impacts happen. Matthew Hanson of AECOM makes the case for a hybrid, decided project by project.

Build it in, or hand it over?

Matthew Hanson of AECOM argues that schemes designed to last well beyond 30 years can embed long-term habitat management in their own design. He also acknowledges that most promoters lack those teams, and that specialist third parties will be critical.

Lock in now, or wait?

Fiona Ross of Pinsent Masons notes that promoters are split on whether to commit to costs early. Some have fixed prices from the outset, while others are betting on more Biodiversity Units reaching the market later. Opinions also differ on the most underpriced risk: Fiona points to programme and unit availability, while Matthew Hanson and Charles Sheldon both name a lack of flexibility.

Which last resort comes last?

Statutory credits are the backstop for BNG, but compulsory acquisition is another last resort for promoters. Angus Walker of TLT believes statutory credits come after compulsory acquisition, and Cathryn Tracey of Burges Salmon agrees. Both stress that this remains untested, and a definitive answer will only emerge once it is decided in practice.

Who should enforce?

Some promoters are writing their own enforcement rights into procurement requirements. Charles Sheldon of HF Environmental warns this can backfire: two enforcers make delivery harder to secure and blur who acts if something goes wrong.

What still needs clarity?

Contributors also highlight areas where guidance has yet to catch up: how far habitat delivered for other obligations can count towards BNG, how sign-off will work for schemes crossing many local authorities, and what Marine Net Gain will require beyond mean low water.

How Environment Bank helps NSIP promoters

With a proven track record of delivering BNG and Nature-based Solutions, our extensive team works alongside yours from start to finish, targeting each of your NSIP obligations, wider commitments and pain points.

- **Bespoke Habitat Banks.** Through careful land acquisition, design, and delivery, we create the right Biodiversity Units in the right place for your development. Our bespoke Habitat Banks can be shaped around your specific environmental obligations and social commitments – building resilience into the landscape as well as delivering BNG for one project or an entire portfolio.
- **Dedicated environmental consent and compensation.** We deliver compensation and mitigation across HRA, species licensing, EIA, and the wider Planning Act 2008 regime – supporting your project's wider commitments. We also take on long-term management and liability risks that create additional challenges for NSIP promoters.
- **Flexible options that facilitate early engagement.** While early engagement is essential for successful BNG delivery, we know that this can create uncertainty for developers. This is why we offer flexible options – such as sell-back clauses and forward purchase agreements – that allow promoters to engage and secure supply early, without any risk.
- **Off-the-shelf Biodiversity Units.** With England's largest network of Habitat Banks, we can provide high-integrity units to meet your requirements.



Find out more
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