

## Submission to the Environmental Audit Committee's inquiry into Biodiversity Net Gain and ecosystems

November 2020

### Introduction

Before COVID-19 struck in early 2020, the Government committed to invest £100bn in public infrastructure over the next five years on projects including road and rail transport, social housing, energy, flood defence and communications infrastructure. Further schemes are being announced as part of efforts to stimulate the economy and to kickstart growth in the wake of the pandemic. However, while these projects aim to boost the UK's economy, they bring with them environmental challenges, especially with regard the natural environment and biodiversity. A new approach is needed to resolve those challenges that delivers the infrastructure the UK needs and enhances the natural environment for the long term. Balfour Beatty believes that the principle of delivering a Net Gain for biodiversity is that new approach.

Balfour Beatty believes it is incumbent on Government, local authorities, industry and NGOs to work together to plan, design, construct, and maintain infrastructure in a way that enhances the natural environment. Protecting and enhancing spaces around and on sites can help gain buy-in of local stakeholders, from local authorities, public and conservation groups, as well as bringing benefits to the eventual users.

It is essential that Biodiversity Net Gain is designed and implemented in ways that, as a minimum, safeguard people's wellbeing but, where possible, enhance it. Balfour Beatty is leading the way on this connection between Biodiversity Net Gain and wellbeing, for example, collaborating with leading academics to publish new international principles on Biodiversity Net Gain / No Net Loss for biodiversity and people<sup>1</sup>.

### Key points

- Contractors need to be involved early on when infrastructure is commissioned - in the planning phase. The later we are brought in, the less of a positive impact the scheme will be able to have on biodiversity and the more it will cost.
- Customers, those commissioning the schemes, are the key element in the process. They hold the purse strings and make the decisions. Balfour Beatty has significant knowledge and expertise which we use to advise and then deliver, but we do not unilaterally decide what to do and where. It is for Government to ensure that

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<sup>1</sup> [https://www.iucn.org/sites/dev/files/content/documents/ensuring\\_no\\_net\\_loss\\_-\\_bull\\_et\\_al\\_2018.pdf](https://www.iucn.org/sites/dev/files/content/documents/ensuring_no_net_loss_-_bull_et_al_2018.pdf)

Biodiversity Net Gain is appropriately prioritised in large scale infrastructure schemes and we support their efforts to do so.

- The construction and infrastructure industry needs a level playing field so that Balfour Beatty and other leaders in this area are not the outliers in recommending approaches which enhance biodiversity. Everyone should have to do it and there should be a consistent, measurable, ambitious approach in order to shift the dial on delivering health and thriving biodiversity.
- Biodiversity Net Gain is a fundamental cultural shift whereby development becomes a catalyst for a healthy, thriving environment. To achieve that, we must think about it from the beginning. Biodiversity should not be an afterthought.

## Responses to the inquiry's questions

### 1. How can the biodiversity net gain policy be best realised?

In our view, the best ways to realise the Government's Biodiversity Net Gain policy are:

- Each project should begin with a Biodiversity Net Gain feasibility assessment, undertaken by the designer with Contractor input. This should tap in to local stakeholder knowledge and expertise.
- This feasibility assessment sets out the project's Biodiversity Net Gain commitment to deliver. It also sets out how the project's Biodiversity Net Gain will make a wider contribution towards local and regional biodiversity and wellbeing strategies.
- The Local Planning Authority should set out Biodiversity Net Gain within local plans, targeting locations where Biodiversity Net Gain activities will generate the greatest benefits for the environment and for people.

For the construction and infrastructure industry to play its part in Biodiversity Net Gain, enlightened customers involving contractors early specifically on planning Biodiversity Net Gain is critical. By the time a project reaches the construction phase and contractors are brought in, most of the decisions about a project have already been made. At this stage it is difficult to introduce plans and measures which look at Biodiversity Net Gain, as changes introduced once the design has been agreed are expensive and can involve going back to the drawing board on key elements of the scheme. It is a similar situation on the related issue of reducing the carbon footprint of new schemes during both construction and the operational phases of schemes. These critical, interlinked points must be considered from the start with contractors being involved during the early stages of a project so that customers benefit from the industry's expertise, especially on what is feasible to build and where, in order to enable Biodiversity Net Gain to occur. Early planning and involvement of contractors from the outset allows for Biodiversity Net Gain measures to be integrated into the design, programme and budget of schemes, reducing the cost and ultimately generating long-term benefits for nature and society.

As an example, one of Balfour Beatty's customers, Scape Group, supported by Balfour Beatty, has committed to a 'Biodiversity Net Gain Options' report for every project. Balfour Beatty's

internal ecologists develop the report, taking a detailed look at the specific location and a wide range of external factors which could help maximise any biodiversity net gain delivered. The final report highlights the potential benefits that could be delivered and what needs to happen to make that a reality, and is bespoke to the area, the size of the scheme and the needs of the local community. The report is then shared with the customer who then makes the decision whether to accept the recommendations. In our experience, the existence of the report and being able to see the potential benefits, teamed with a discussion with our experts dramatically increases the likelihood that they will be accepted.

## **2. What support or resources are required to realise this policy?**

We assume that the Environment Bill will be enacted and introduce a mandatory requirement to achieve Biodiversity Net Gain for development in England subject to planning permission. If that is the case:

1. Capabilities and resources must be made available within Local Planning Authorities. This would include, for example, Local Planning Authority Ecologists, training and support for Local Planning Authority planners.
2. Consistency will be needed in:
  - a) Developer requirements on Biodiversity Net Gain from local planning authorities; and
  - b) the development of simple, consistent, robust resources including Biodiversity Net Gain report templates and Biodiversity Net Gain management and monitoring plan templates.
3. An effective, efficient and transparent market for developers to purchase biodiversity units (UK and regional Biodiversity Net Gain unit trading), as a last resort.
4. An agreed protocol for monitoring for both on-site and off-site Biodiversity Net Gain.
5. A significant level of up-skilling for ecological consultant professionals to transition from mitigating environmental damage to enhancing nature for the long term.
6. Building capabilities and resources to integrate wellbeing impact assessment into the design and implementation of Biodiversity Net Gain [learning from the Well-being of Future Generations (Wales) Act 2015].
7. Policy integration of Social Value, Wellbeing and Biodiversity Net Gain Policies.
8. A consistent measurement for the Social Value of Biodiversity Net Gain [e.g. for every £1 invested in BNG = £XX social value added].

## **3. Are there any problems in realising this goal?**

Realising this goal requires a cultural shift away from a focus only on mitigating environmental damage to looking at ways for development to become a catalyst for a healthy and thriving environment. Cultural change takes time and requires genuine commitment and a concerted effort to achieve. Realising the goal will also require the creation of trust and real collaboration between all value chain partners and stakeholders.

One area which may prove to be a blocker is the lack of the necessary funding available to establish a national-level evidence base for Biodiversity Net Gain, including case studies and

lessons learnt on what works and does not work, therefore illustrating where real tangible value can be delivered.

#### **4. Would you welcome increasing the biodiversity net gain percentage from 10%?**

Yes. For larger schemes it could be increased possibly up to 20%, in recognition that these schemes often have the greatest impact. Work we have undertaken for a formal study (yet to be published) showed that the costs for larger schemes of doing so were a minimal increase for schemes of this size.

#### **5. Would you support extending the biodiversity net gain requirement to all public infrastructure projects?**

We certainly believe that it would be helpful to do so for large scale infrastructure in order to give developers certainty and to provide a level playing field. On larger schemes, the cost this adds is marginal, while the benefit achieved can be significant.

Providing certainty is a key point. There is significant uncertainty in the market at the moment and a lot of difference between what different publicly funded commissioning authorities specify and require. Our view is that the Government should set a firm date by which it will begin to assign Net Gain targets to infrastructure development, ensuring it is properly planned, designed, budgeted and implemented.

#### **6. What plans and scoping have you done to prepare yourselves for the policy's introduction?**

Balfour Beatty is investing in and expanding its internal Biodiversity and Ecological expertise, including technical experts, as well as competencies at all levels. We are also integrating Biodiversity Net Gain project reporting into our wider internal sustainability reporting requirements across the business and are proactively engaging our clients to support their preparations.

### **About Balfour Beatty**

Balfour Beatty ([balfourbeatty.com](https://www.balfourbeatty.com)) is a leading international infrastructure group. With 26,000 employees – 14,000 in the UK - we provide innovative and efficient infrastructure that underpins our daily lives, supports communities and enables economic growth. We finance, develop, build and maintain complex infrastructure such as transportation, power and utility systems, social and commercial buildings.

Our main geographies are the UK, US and Hong Kong. Over the last 110 years we have created iconic buildings and infrastructure all over the world including the London Olympics' Aquatic Centre, Hong Kong's first Zero Carbon building, the National Museum of the Marine Corps in the US and the Channel Tunnel Rail Link.

Balfour Beatty is the lead contributing author on the UK's first Good Practice Principles on Biodiversity Net Gain<sup>2</sup>. We have designed an infographic which outlines, in simplified form, Balfour Beatty's approach to Biodiversity Net Gain scoring<sup>3</sup>.

## Contact

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<sup>2</sup> <https://cieem.net/wp-content/uploads/2019/02/Biodiversity-Net-Gain-Principles.pdf>

<sup>3</sup> <https://www.balfourbeatty.com/media/316898/biodiversity-net-gain-scoring.pdf>