

Environmental Net Gain (ENG)

This online resource paper provides information about ENG, which the government is exploring as part of the 25 Year Environment Plan

Definition and Purpose

Whilst development management teams, developers and applicants are working towards a better understanding of Biodiversity Net Gain and offsetting, it is clear that the direction of policy travel within the planning system is towards utilising a wider Environmental Net Gain approach. In England, the 25 Year Environment Plan committed the Government to exploring the potential for a wider environmental net gain.

‘Environmental Net Gain’ is a term that covers multiple environmental benefits. Whilst ENG does not yet have a single agreed definition, in Defra’s public consultation on Biodiversity Net Gain (2018) it was defined as: *“improving all aspects of environmental quality through a scheme or project. Achieving environmental net gain means achieving biodiversity net gain first, and going further to achieve increases in the capacity of affected natural capital to deliver ecosystem services and make a scheme’s wider impacts on natural capital positive.”*

In 2020, the Environmental Industry Commission’s Natural Capital Taskforce stated that: *“Environmental net gain is an approach for improving the condition of, and ecosystems services that flow from, our natural assets in the context of development”* (EIC 2020).

It can be seen from the different sections of the **Environment Act 2021** (<https://www.legislation.gov.uk/ukpga/2021/30/contents/enacted>) that it addresses ecosystem service provision, namely through Part 3: Waste and resource efficiency. Part 4: Air quality and environmental recall, Part 5: Water, and Part 6: Nature and biodiversity.

Key points to consider

- Whilst it is widely recognised that an approach that includes a wider natural capital approach is desirable, there is currently no agreed methodology for assessment;
- A whole range of factors can be assessed, but it seems difficult to understand how many ecosystem services could be ‘offset’. It is also important to treat with caution any approach that sees different ecosystem services as ‘tradable’;
- Whilst there can be a cautious welcome for the wider focus on natural capital (i.e. natural elements such as air, water, soil etc.), it is important that the ground that has been gained on BNG is not lost. Understanding ENG is a genuinely open question at present, and an entirely new approach is most likely required.

What this means for spatial planning and development management

Environmental Net Gain follows the same ideas as biodiversity net gain (see **Biodiversity Metric 3.0 (/planning/spatial-planning/spds-and-information/green-infrastructure-and-biodiversity/biodiversity-metric-30/)** resource paper) but requires developers to deliver a wider range of environmental benefits over and above the full environmental impact of the proposed development (e.g. air quality, flood risk management).

There are few legislative drivers yet for delivering ENG in most of the UK. However, the Natural Capital Committee (NCC) has called for BNG requirements to be expanded to ENG. The NCC argues that a broader scope will help businesses avoid unintended negative consequences of BNG and to ensure that their positive impact lasts. Their report also asks for interim targets to be set in law to map out the road to long-term legally-binding targets.

For now, it seems that ENG is being implemented largely through Local Nature Recovery Strategies (see **LNRS (/planning/spatial-planning/spds-and-information/green-infrastructure-and-biodiversity/local-nature-recovery-strategies-lnrs/)** resource paper). These are a new system of spatial strategies for nature, which will cover the whole of England. They are established by clauses 104 to 108 of the Environment Act (under Part 6: Nature and biodiversity) and are designed as tools to drive more coordinated, practical and focussed action to help nature. A Local Nature Recovery Strategy has been assigned to the West Yorkshire Combined Authority by DEFRA, which will represent the closest LNRS to the Craven local plan area. For the Craven local plan area, it has not been announced at the time of writing what organisation or body will design and implement the LNRS. The LNRS for each designated area in England will be required once the Environment Act comes into force.

Relevant Craven Local Plan policies

- **ENV4: Biodiversity (/planning/accessible-craven-local-plan/#BIODIVERSITY)**
- **ENV5: Green Infrastructure (/planning/accessible-craven-local-plan/#GREENINFRASTRUCTURE)**

Relevant Craven Local Plan policy guidance

- **Green Infrastructure and Biodiversity Supplementary Planning Document**

March 2022. This webpage provides general information about relevant planning topics and we hope you find it helpful. Please be aware that it is not a statement of Council policy and does not provide formal policy guidance. For those things, please refer to the Craven Local Plan and supplementary planning documents.