

Planning & Infrastructure Bill committee stage briefing: Nature Restoration Fund proposals

At the start of second reading of the Planning & Infrastructure Bill on 24th March, the Secretary of State for Housing, Communities & Local Government described the Nature Restoration Fund proposals in part 3 of the bill as a 'win-win for development and for nature', which would 'get Britain building' and enable action 'not just to avoid further decline in our natural world, but to bring about improvement'.¹

The ensuing second reading debate saw Labour, Conservative, Liberal Democrat and Green MPs combine to welcome this stated objective, but to ask for more detail behind the rhetoric and an explanation as to exactly how part 3 would contribute to nature's protection and recovery.

More information was provided on one aspect by the Minister for Housing and Planning in his summing up, when he stated that the Government was 'looking for opportunities to provide up-front funding so that we can kick off action in advance of need, with costs recovered as development comes forward'. This willingness to 'pump prime' the Nature Restoration Fund, to maximise capacity for the swift delivery of effective conservation measures, is welcome. It must be followed by confirmation of significant up-front funding for Natural England in June's Comprehensive Spending Review.

Aside from this, no further details on the operation of the Nature Restoration Fund were provided at second reading. This is deeply disappointing – we expected and needed to hear more.² Fresh rhetoric from the Chancellor attacking nature has undermined confidence in the intentions of parts of Government.³ As it stands, part 3 of the bill does not provide for proclaimed win-win for nature and development and will undermine vital nature protections. **Additions need to be made to prevent environmental regression.**

The Wildlife Trusts, Wildlife and Countryside Link and other organisations are supporting four key committee stage amendments to part 3 of the bill, which would – if accepted by the Government – fill critical detail gaps and prevent environmental regression. All four amendments would not obstruct the core objective of the bill to enable development. All four amendments further specific commitments the Government has made about the Nature Restoration Fund in documents published alongside the bill. As such we cannot see why Ministers would not be prepared to accept the amendments, to put their proclaimed nature win beyond its current state of rhetoric and into reality. Ministers have repeatedly promised to develop the proposals in collaboration with the nature sector, to deliver the objective of supporting development 'without weakening environmental protections'.⁴ In order to fulfil this promise, collaboration needs to take place during the passage of the bill.

With nature in decline⁵ and nature recovery targets currently due to be missed⁶, it would be disastrous to fail to add detail which could move regressive measures into better territory for nature. Without these amendments, the attempted progression of the Government's development ambitions risks

¹ Hansard transcript, 24.03.25

² See list of critical questions posed by TWT before second reading. There were not answered.

³ Press <u>release</u> from environmental organisations, 24.03.25

⁴ Labour Manifesto 2024

⁵ State of nature <u>report</u>

⁶ Office for Environmental Protection <u>report</u>, January 2025 and <u>reporting</u> in the Times, March 2025.

costing it its environmental ambitions, to the detriment of all.⁷ The amendments proposed below would help prevent this multiple loss scenario.⁸

We urge Minsters to accept these essential safeguards. Without these additions part 3 will not deliver for nature and risks confusion and uncertainty across the development sector.

Amendment: Timing of EDP measures (clause 52)

Tabled by Chris Hinchliff MP, amendment 3 on p3 of 09.04.25 amendment paper⁹

The amendment would add an extra requirement to Environment Delivery Plan (EDP) content, concerning the timing of conservation measures in the EDP.

As currently drafted, the EDP content clauses do not mention the timing of measures designed to enhance the environmental features covered by the EDP. This opens the door to mitigatory measures coming long after environmental features have actually been damaged. Such a delay could be fatal for habitats and species which have already suffered declines. Put simply, mitigation could come too late.

The amendment would require Natural England, when setting the content of an EDP, to set a timetable for the delivery of conservation measures, guided by the principle that gains for nature should come in advance of harm from development. When Natural England are of the opinion that harms to an environmental feature covered by the EDP will be irreplaceable, irreversible or significant, they would have to ensure through the schedule that a boost to conservation status has been achieved before the harm from development occurs.

These proposed requirements would fall primarily on Natural England, and as such would not impose a new burden on developers. Natural England would retain flexibility when setting the schedule, being required in most cases to follow a principle of up-front environmental gains, rather than mandated sequencing. It would also be up to Natural England to decide when the prospect of harm is such as to require an uplift to conservation status in advance of development. This is likely to only apply in a small minority of cases, when the most threatened habitats or species populations face possible destruction from harm coming before mitigation (for example, an ancient woodland SAC already in declining conservation status, where grassland buffers need to be in place before development takes place to prevent construction and occupation pressures from tipping the woodland over the edge).

The 'pump-priming' of Natural England to deliver EDPs, promised by the Housing Minister at second reading, will also play a critical role here. If EDPs can be well resourced from the start, they will be able to deliver some gains for nature at pace, especially where it is critical that gains come before damage. A well-funded EDP workstream will be more capable of sequencing conservation measures in way that delivers for nature, without causing significant delays to development plans.

In a 'Guide to the Planning & Infrastructure Bill', published on its introduction, MHCLG promised 'certainty that the conservation measures proposed under an EDP will outweigh the negative effects of development'. Without provision for the timing of conservation measures to meet the needs of the most threatened environmental features, this certainty cannot exist.

⁷ Wildlife & Countryside Link <u>briefing</u> on nature impacts & Wildlife Trust <u>polling</u> on public views on nature.

⁸ For more on possible bad outcomes if Part 3 is not amended, see The Wildlife Trusts' initial <u>response</u> to the bill, Wildlife & Countryside Link <u>press release</u> and CIEM second reading <u>briefing</u>.

⁹ Amendment paper, 09.04.25

¹⁰ MHCLG <u>Guide</u> to Planning & Infrastructure Bill

Proposed amendment: Evidence (clause 53)

Shortly to be tabled

The amendment would require Natural England to demonstrate, before preparing an EDP, that it would contribute to significant environmental improvement in the conservation status of the environmental features concerned.

This is required to prevent environmental regression compared to the current system. Currently, development impacting on a Habitat Regulations protected site or species (or SSSI or Ramsar site) has to be proceeded by a Habitats Regulations Assessment and/or an Environmental Impact Assessment (EIA), a detailed site-specific look at likely development impacts and how they could avoided, mitigated or compensated for. The Government proposes an end to these assessments for the environmental impacts covered by an EDP, which will mean a sharp reduction in ecological information.

We do not agree this diminution of environmental data. We support the constructive amendment proposed to clause 53, which would provide partial remedy for this environmental data shortfall by requiring Natural England to consider ecological evidence before preparing an EDP. *'Evidence-based'* EDPS are explicitly promised in the MHCLG Nature Restoration Fund factsheet published alongside the bill¹¹, but currently nothing in Part 3 would require this to be so. The amendment would put consideration of evidence at the very start of the EDP process and ensure that EDPs only come forward when they can be justified on ecological grounds.

The amendment would mean that proposed EDP which cannot be supported by ecological data would be identified and discontinued at an early stage. Again, this is promised in MHCLG factsheet, which states that: 'The government recognises there may be times when a strategic approach isn't feasible or will only be feasible once better evidence is available.' There is currently nothing in part 3 of the bill which will direct such evidence-based assessments of where EDPs are appropriate.

Crucially, under the amendment, the burden of amassing and considering this evidence would fall to Natural England rather than developers. The additional burden of this requirement on Natural England is likely to be limited, due to their institutional access to environmental expertise and some environmental datasets. Far from replicating previous developer assessment obligations, the amendment would simply ensure that EDPs only progress when underpinned by scientific evidence.

<u>Amendment: Significant improvement test (clause 55)</u>

Tabled by Gideon Amos MP, amendment 14 on p3 of 09.04.25 amendment paper

The amendment would strengthen the overall improvement test which each EDP will have to pass in order to be made by the Secretary of State. The current requirement for the Secretary of State to consider that conservation measures in the EDP 'are likely to be sufficient to outweigh the negative effect' of development on conservation status would be replaced by a requirement for the Secretary of State to consider that measures are likely to 'significantly outweigh the negative effect' of development.

The current 'sufficient to outweigh' wording test could be passed by an offsetting approach. 1002 apples technically offset and outweigh 1001 apples, despite effectively being a zero-sum game.

The lifting of the bar to 'significantly outweigh' is needed to secure a level of gain for nature capable of meaningfully improving conservation outcomes. This approach is explicitly in line with Nature Restoration Fund intentions as stated in the MHCLG & DESNZ factsheet, which describes the proposed

¹¹ MHCLG Nature Restoration Fund <u>factsheet</u>, March 2025

system as being a 'marked change from the current approach which, at most, requires development to offset its impact and no further', instead delivering 'a positive contribution to nature recovery'. 'Outweigh' won't be high enough of a bar to secure a positive contribution, 'significantly outweigh' should be.

The higher 'significant improvement' bar also benefits from being a well-established gauge for environmental progress, being a legal benchmark established under the Environment Act 2021. It is notable that, four years on from the Environment Act receiving royal assent, the use of this robust benchmark has not led to any legal challenges — there is no reason to expect any to arise from the application of this tried and tested legal benchmark to this legislation. Any EDP that passed this high bar and was made by the Secretary of State would, by definition, be environmentally robust and as such would be less vulnerable to legal challenge than those which passed the lower bar currently in the clause.

It is in everyone's interest for EDPs to deliver the promised positive contribution to nature's recovery. The amendment to clause 55 would help ensure that each EDP made by the Secretary of State is of a standard capable of going beyond offsetting damage and into significant improvement.

Amendment: Mitigation hierarchy (clause 61)

Tabled by Ellie Chowns MP, amendment 19 on p5 of 09.04.25 amendment paper

This amendment would instruct Natural England to only accept an application to pay a Nature Restoration Levy for a development if the developer had first taken reasonable steps to apply the mitigation hierarchy. The mitigation hierarchy prioritises avoidance of harm to environmental features, with mitigation and then compensation actions only permitted after the preceding steps have been taken.

It is important that this well-established ecological principle is carried across into the Nature Restoration Fund. Natural habitats and species populations take a long time to build up, and some damage can take decades to be repaired by mitigatory action. Damage to irreplaceable habitats, like ancient woodland, can never be repaired. Nature cannot afford such irredeemable damage. Just one in seven of the habitats by the assessed by the 2023 State of Nature report were in good condition, contributing in turn to declines in the species dependent on those habitats. That State of Nature report confirmed that one in six UK species is now at risk of extinction.¹³

The mitigation hierarchy, and its prioritisation of avoiding harm, is essential to arresting these declines. It is deeply concerning that this critical tool to protect nature is currently not recognised within part 3 of the bill. A parliamentary question asking the Government to confirm that the mitigation hierarchy would apply to EDPs received a non-committal response.¹⁴

This requirement to demonstrate consideration of the hierarchy created by the amendment would not place an insupportable burden on developers. Compliance with the requirement could be demonstrated by the developer explaining how development proposals had been informed by efforts to prioritise the avoidance of harm to environmental features. As part of this explanation the developer could, for example, propose planning conditions being used to secure onsite measures to reduce harm — by including green infrastructure to provide habitats and reduce pollution. Many developers will already be looking to integrate these features anyway - as they recognise the wider health and wellbeing benefits green infrastructure within developments can deliver.

¹² Section 7, Environment Act 2025

¹³ State of Nature <u>report</u>

¹⁴ Response to parliamentary question, April 2025

The 'reasonable steps' wording in the amendment would help ensure that developers' consideration of how to apply the mitigation hierarchy would not be onerous. The consideration would be a matter of factoring environmental considerations and efforts to avoid irreparable damage into early development plans (and demonstrating to Natural England that this has been done) rather than any lengthy assessment process.

The need to prioritise avoiding ecological harm in some circumstances was recognised in a MHCLG and DESNZ briefing on the bill, which stated of EDPs: 'we cannot use these to put our protected sites and species at risk of irreparable harm'. The amendment to clause 61 would put this welcome recognition of the need to consider how to avoid irreparable harms, through use of the mitigation hierarchy, into part 3 of the bill.

Further amendments

The above four amendments are the essential measures needed to prevent environmental regression as a result of part 3. Further improvements to these clauses can and should be made. We support amendments already tabled to exempt irreplaceable habitats from EDPs and to prevent the Secretary of State from making amendments to an EDP which would reduce the amount of environmental protection it offers (amendment 18 tabled by Ellie Chowns MP and amendment 11 tabled by Gideon Amos MP in the 09.04.25 amendment paper). Further amendments are also needed to amend clause 62 to remove its prioritisation of developer viability over the effectiveness of conservation measures, and to part 3 more widely to protect any compensatory wildlife sites created by EDPs in perpetuity and to maintain community access to nature-rich spaces.

We strongly encourage Ministers to amend and add to part 3. As set out in a recent letter to Ministers from The Wildlife Trusts and 31 other environmental organisations, the proposals currently threaten to dismantle 'essential protection for wildlife without the scientific safeguards, the delivery quarantees, or the positive plans for nature recovery that could justify such serious risks'. ¹⁵

For more information on this briefing, or to discuss working together on amendments to the bill, please contact:

Matthew Browne, Head of Public Affairs mbrowne@wildlifetrusts.org Becky Pullinger, Head of Land Use Planning bpullinger@wildlifetrusts.org

09.04.25

-

¹⁵ <u>Letter</u> from environmental organisations on part 3 of the bill, see also <u>media coverage</u>