NEWARK & SHERWOOD
DISTRICT COUNCIL

Report to:	Cabinet Meeting - 11 November 2025
Portfolio Holders:	Councillor Paul Peacock – Strategy, Performance & Finance Councillor Simon Forde – Climate Change & Environment
Director Lead:	Matt Lamb, Director – Planning & Growth
Lead Officers:	Oliver Scott, Business Manager – Planning Development Nick Law, Biodiversity and Ecology Lead Officer, Ext. 5333

Report Summary	
Type of Report	Open Report, Key Decision
Report Title	Biodiversity Net Gain (BNG) Onsite Monitoring Fees
Purpose of Report	To inform Cabinet of issues arising with current approved fees for monitoring onsite BNG in relation to small developments and to make a recommendation for a temporary relief to cover the interim period before Fees and Charges are set for the 2026-27 financial year.
Recommendations	That Cabinet approves two levels of relief for the existing fees and charges schedule to create two new lower fee levels for monitoring onsite BNG for the remainder of the financial year 2025-26: Tier 1 - £1,033 (inc. VAT); and Tier 2 - £1,722 (inc. VAT).
Alternative Options Considered	Firstly, to take no action, or secondly to address as part of the setting of Fees and Charges for the 2026-27 Financial Year.
Reason for Recommendations	The proposed new fee levels are considered necessary in the light of the experiences with having actual small developments that are subject to mandatory BNG. In line with the Council's values, it is considered important that the Council responds appropriately to its experiences with small developments that are subject to mandatory BNG.

1.0 Background

1.1. This report concerns planning applications where, if planning permission were granted, the general Biodiversity Gain Condition (as set out in Paragraph 13 of Schedule 7A of the Town and Country Planning Act 1990 (as amended) would apply.

1.2. For these applications every grant of planning permission is deemed to have been granted subject to the condition that the biodiversity net gain objective is met. That objective is for the development to provide a measurable increase of at least 10% from the pre-development baseline biodiversity value of the application site.

1.3. The deemed Biodiversity Gain Condition is a pre-commencement condition. Failure to comply constitutes a breach of planning control against which enforcement action can be taken by the local authority.

1.4. The Biodiversity Gain Condition is discharged by the submission of a Biodiversity Gain Plan to the local planning authority and their approval of the plan. The Biodiversity Gain Plan sets out how the biodiversity gain objective (i.e., a measurable biodiversity net gain of ≥10%) will be met.

1.5. The required BNG can be delivered on-site, via purchase of biodiversity units from offsite biodiversity 'habitat banks' that are registered on the Government Biodiversity Gain Sites Register or by purchasing statutory biodiversity credits. It can be delivered for a single development by one or more of these routes.

1.6. The relevant legislation requires that 'significant onsite habitat enhancement' must be subject to a planning condition, section 106 agreement or conservation covenant that requires the habitat enhancement to be maintained for at least 30 years after the development is completed. There will be a need to monitor the delivery of the required 'significant onsite enhancement' so that enforcement action can be taken if necessary.

1.7. Whilst Government guidance gives examples of what might be 'significant onsite enhancement' it does not provide a clear set of criteria. Therefore, in January 2024 NSDC Cabinet approved the adoption of a document that sets out what NSDC considers this to be. This is all post-development onsite habitat types except the following:

- Artificial unvegetated, unsealed surface;
- Built linear features;
- Developed land; sealed surface;
- Unvegetated garden; and
- Vegetated garden.

1.8. With the need for 'significant onsite enhancement' to be monitored for 30 years there is a need to ensure that sufficient resources are available to do this. Consequently, there is a need to charge a monitoring fee, so for the 2024-25 Fees and Charges Document the following set of fees was worked up and subsequently approved by Full Council as part of the Fees and Charges Document. Then for the 2025-26 Fees and Charges Document these were increased by circa. 3.5% for inflation. More detail as to how these fees were calculated is provided in **Appendix A**.

Development Category	TOTAL (inc. V.A.T.)	
	2024-25 Fees & Charges	2025-26 Fees & Charges
>10 ha	£3,420	£3,520
more than 5 and up to 10ha	£3,325	£3,425
more than 1ha and up to 5ha	£3,040	£3,130
<1ha	£2,945	£3,050

1.9. Because of the lead-in time needed to produce the Fees and Charges Document and for Full Council to approve these in advance of the start of the financial year, the initial fees had to be worked up in the late autumn/early winter period of 2023 in anticipation of mandatory BNG commencing in early 2024. For major applications this commenced in February 2024 and for all other applications in April 2024. By the time we got to the next cycle of preparing Fees and Charges in autumn/winter 2024 we hadn't received many applications that were subject to mandatory BNG and which had progressed through the decision-making process sufficiently to be at the stage of considering monitoring before the 2025 fees had been fixed. Therefore, the bulk of our BNG applications have come in since fees and charges for 2025-26 had to be set.

1.10. Since then, with the experience of seeing what the onsite element would involve, particularly for small sites less than 1ha, it has become apparent that for many applications the current monitoring fee is disproportionately too high. This is reflected in the numerous negative comments from applicants and their agents.

2.0 <u>Proposal/Details of Options Considered</u>

Do Nothing Option

2.1. It is considered that to do nothing and to retain the current fees for certain development proposals runs a high risk of increasing complaints and a potential challenge to NSDC's adopted position as to what constitutes 'significant onsite enhancement'. To not respond positively to the current situation would be contrary to many of the Council's values, particularly 'Commercial and business-like', 'Professional and trustworthy' and 'Welcoming and responsive'.

To address the situation as part of the process for determining Fees and Charges for 2026-27

2.2. Whilst this might seem the most logical option, there is concern given the number of applications that this will affect before those charges came into force in April 2026.

2.3. Also, this has highlighted the need to undertake a more in-depth review of the fees for the larger and more complicated developments.

2.4. Alongside this, the Ecology Team consider that it is probably timely to evaluate the adopted approach regarding 'significant on-site enhancement' but to do this alongside the process of reviewing the other fees for the 2026-27 financial year.

2.5. Therefore, it is considered that there is insufficient time to adequately consider these other factors and address what is considered to be the urgency to resolve the current issue.

Preferred Option

2.6. The preferred option is to recommend that Cabinet approve the immediate introduction of a relief against the set fees and charges monitoring of BNG resulting in two new fee levels, that would most likely be appropriate for most applications that are less than 1ha in size. These are summarised in the table below. **Appendix B** and **Appendix C** provide detail and evidence as to how these have been calculated.

Monitoring Level	(Ex. V.A.T.)	(inc. V.A.T.)
Tier 1	£861	£1,033
Tier 2	£1,435	£1,722

2.7. The criteria for a Tier 1 application are as follows:
"Will apply where the entire onsite element of BNG is formed by habitats that either have a pre-set habitat condition within the Statutory Biodiversity Metric, or where the target habitat condition is 'poor'."

2.8. The criteria for a Tier 2 application are as follows:
"Will apply to any sub-1hectare development that does not meet the Tier 1 criteria."

2.9 For the avoidance of doubt the new Tier 1 and 2 categories, should they be approved, will replace the current under 1ha tier.

3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial Implications - FIN25-26/4803

3.1 This report proposes the introduction of two new fee tiers for monitoring onsite Biodiversity Net Gain (BNG) associated with small-scale developments. Currently, the lowest applicable fee for developments under 1 hectare, as outlined in the 2025/26 Fees and Charges schedule, is £3,050 (inclusive of VAT). As detailed in paragraph 2.6, the proposed new structure introduces a Tier 1 fee of £1,033 (inc. VAT) and a Tier 2 fee of £1,722 (inc. VAT), both applicable to developments under 1 hectare.

3.2. Paragraph 2.7 outlines the criteria for developments qualifying for the Tier 1 fee and the Tier 2 fee.

3.3. To date, in the current financial year, a total of £8,837 has been received across three applications under the existing fee structure. Of these, two applications relate to developments exceeding 5 hectares and would not be impacted by the proposed changes. The third application, which falls under the sub-1-hectare category, could potentially be affected. However, it is currently anticipated that any changes to the fee structure will not be applied retrospectively. Therefore, no budgetary shortfall is expected within the current financial year should the revised charges be implemented immediately.

3.4. The revised fees will be incorporated into the budget-setting process for the 2026/27 financial year and beyond.

Legal Implications - LEG2526/248

3.5. Cabinet is the appropriate body to consider the content of this report as this being dealt with as a relief from the approved fees and charges where applications satisfy set criteria.

Background Papers and Published Documents
Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Town and Country Planning Act 1990

Search the biodiversity gain sites register - GOV.UK

https://www.newark-sherwooddc.gov.uk/media/nsdc-redesign/documents-and-images/your-council/planning-policy/other-planning-policy-information/biodiversity-and-landscape/Mandatory-Biodiversity-Net-Gain---Significant-On-site-Enhancement.pdf

APPENDIX A – Calculation of onsite biodiversity net gain (BNG) monitoring fees for 2024-25 financial year

	Services Provided											
Development Category	**Site visit (inc. prep and travel) (hrs)**	**Cost**	**Document review (hrs)**	**Cost**	**Meetings (hrs)**	**Cost**	**Misc comms (hrs)**	**Cost**	**Physical Monitoring Cost - 5 occasions**	**Annual Monitoring (Report Check) - 25 occasions, 1.5 hours each**	**Cost**	**TOTAL**
>10 ha	5	£475.00	10	£950.00	3	£285.00	3	£285.00	£2,375.00	2,375.00	£2,375.00	**£3,420.00**
more than 5 and up to 10ha	4	£380.00	8	£760.00	3	£285.00	3	£285.00	£1,900.00	2,375.00	£2,375.00	**£3,325.00**
more than 1 and up to 5ha	3	£285.00	6	£570.00	2	£190.00	2	£190.00	£1,425.00	2,375.00	£2,375.00	**£3,040.00**
<1ha	2	£190.00	6	£570.00	2	£190.00	2	£190.00	£950.00	2,375.00	£2,375.00	**£2,945.00**
Calculated using an Officer charge out rate of £95/hr												