



Appendix 13-PD-6: Biodiversity Net Gain Statement

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Appendix 13-PD-5: Biodiversity Net Gain Statement

1. Introduction

1.1 Purpose of this Document

- 1.1.1 This document has been prepared on behalf of Affinity Water (AfW) and Severn Trent (ST) (the 'Applicants'). The purpose of this document is to inform statutory consultees of the Biodiversity Net Gain (BNG) strategy for the Proposed Development, highlighting the Applicant's position to deliver BNG.

1.2 Project Description

- 1.2.1 The Proposed Development will transfer water from Severn Trent's supply area via up to approximately 120 kilometres (km) of canal to areas of forecast deficit in Affinity Water's (AfW) supply area.
- 1.2.2 Associated works will include pumping stations, new pipelines, bypasses, canal bank raising, and up to four new transfer locks, with Daventry and Drayton Reservoirs providing additional storage.
- 1.2.3 The components of the Proposed Development are split into a number of parts; a detailed description of the Proposed Development is provided in **Chapter 3: The Proposed Development** in PEI Report **Volume 2** of this PEI Report.
- 1.2.4 The Proposed Development will pass through ten local authority areas:
- a. Birmingham City Council;
 - b. North Warwickshire Borough Council;
 - c. Nuneaton and Bedworth Borough Council;
 - d. Coventry County Council;
 - e. Rugby Borough Council;
 - f. Warwickshire County Council;
 - g. West Northamptonshire Council;
 - h. Milton Keynes City Council;
 - i. Buckinghamshire Council; and
 - j. Central Bedfordshire Council.

1.3 BNG Assessment Parameters

- 1.3.1 The 'Preliminary Order Limits' (POL) define the potential maximum extent of land required for all works and activities (temporary and permanent) associated with the Proposed Development. The POL are currently indicative and may be refined as design development, surveys, stakeholder engagement, and consultation feedback continue. The final Order Limits will be confirmed and assessed within the Environmental Statement (ES) submitted as part of the Development Consent Order (DCO) application.
- 1.3.2 An approach to BNG has been implemented for the Proposed Development whereby temporary and permanent impacts are considered separately, and utilising 'working areas' as per the current design rather than assessing the entire POL – which will be refined as the design progresses.
- 1.3.3 The Preliminary Order Limits are split into component Parts – Part 1a, 1b, 2, 3, 4a and 4b. For Parts 2 and 3 of the Proposed Development only, the POL has been divided into Indicative Work Areas and Indicative Non-Work Areas:
- a. **Indicative Work Areas:** includes areas anticipated for temporary and/or permanent works associated with the Proposed Development. It should be noted that works will not be required across the entirety of the Indicative Work Area, but the extent of the Indicative Work Area reflects the current need for flexibility, where the Proposed Development's design details are not confirmed at this stage; and
 - b. **Indicative Non-Work Areas:** includes areas where no temporary or permanent works are proposed (excluded from the BNG Assessment); however, which are required to operate the Proposed Development, for example for the conveyance of water along the canals.
- 1.3.4 The POL for each Part of the Proposed Development are shown on the figures illustrated in **Figure 1-PD-1: Preliminary Order Limits** in PEI Report **Volume 3**.
- 1.3.5 The POL incorporate a spatial tolerance to allow small changes to the design, location of infrastructure, or construction activity, which may be required as the design progresses, for example when more detailed ground investigation information is available. Because of this, the POL do not represent the realistic extent to which habitat will be impacted by a development. The BNG assessment will therefore include areas of permanent and temporary works (the 'working areas'), which will be refined further as the design of the Proposed Development progresses.
- 1.3.6 Areas of temporary impacts will be considered separately in the BNG assessment. This will allow these areas to be either incorporated at a later stage or excluded from the BNG assessment. Excluding temporary impacts

allows a proportionate approach to BNG of this large-scale linear Proposed Development. The approach to exclude temporary impacts (habitats that can be reinstated within a 2-year period back to the original type and condition) will be revised if necessary to be in line with the forthcoming Defra guidance on BNG for Nationally Significant Infrastructure Projects (NSIPs).

1.3.7 A similar approach has been adopted for other NSIP projects in England, whereby the scale of mitigation and net gain is proportionate to the impact of the Proposed Development.

1.3.8 The areas for BNG Assessment are defined as follows:

- a. **Part 1a:** Entire Preliminary Order Limits (permanent works);
- b. **Part 1b:** 50 m pipeline working width (corresponding to a 25 m working width either side of the centre of the pipeline route) with environmental buffers applied to key environmental receptors including woodland, irreplaceable habitat, hedgerow crossings, individual trees, main rivers, open-cut crossings or ordinary watercourses, ditches and drains. The working width will be reduced to 20 m at hedgerow and open-cut watercourse crossings. The working width will not encroach onto statutory designated habitat;
- c. **Parts 2 and 3:** Entire indicative work area included. Environmental buffers / stand-offs to be applied; non-working areas excluded (no impacts to habitats);
- d. **Part 4a:** Entire Preliminary Order Limits (permanent works); and
- e. **Part 4b:** 50 m pipeline working width (corresponding to a 25 m working width either side of the centre of the pipeline route) within the Preliminary Order Limits, with environmental buffers applied to key environmental receptors including woodland, irreplaceable habitat, hedgerow crossings, individual trees, main rivers, open-cut crossings or ordinary watercourses, ditches and drains. The working width will be reduced to 20 m at hedgerow and open-cut watercourse crossings. The working width will not encroach onto statutory designated habitat.

1.4 BNG Target

1.4.1 The Proposed Development is committed to achieving wider environmental gains, including BNG, and will aim to achieve a minimum 10% biodiversity net gain.

2. BNG Policy Drivers

2.1 National Policy

National Significant Infrastructure Projects (NSIP)

- 2.1.1 In 2024, the Secretary of State (SoS) confirmed through a Section 35(1) Direction under the Planning Act 2008 (Ref. 1) that the Proposed Development is to be treated as development for which development consent is required and is therefore being treated as a NSIP.
- 2.1.2 The National Policy Statement for Water Resources Infrastructure (NPSWRI) is the primary policy document relevant to the Proposed Development. The NPSWRI was last updated in July 2025 (Ref. 2) and requires NSIPs to avoid, mitigate and, where possible, enhance biodiversity and deliver measurable BNG in accordance with the mitigation hierarchy.
- 2.1.3 The government consulted on BNG requirements for NSIPs during summer 2025. The government's response to that consultation is currently awaited but it was indicated in the consultation document that BNG would become mandatory for NSIPs from May 2026. The government's response to the consultation and any associated guidance will be taken into account once available to inform the ongoing BNG assessment for the Proposed Development.
- 2.1.4 Further detail on relevant national policy and specific NPSWRI paragraphs is provided in Annex A.

2.2 Local Planning Policy

- 2.2.1 The Proposed Development will pass through ten local authority areas.
- 2.2.2 All ten LPAs align with national policy and have a BNG target of 10% for relevant developments.
- 2.2.3 BNG targets will be aligned with local planning policy where possible.

3. BNG Technical Update

Methodology

- 3.1.1 A BNG assessment compares the biodiversity value of habitats before and after development, within the defined BNG assessment area (see section 1.3) using the Statutory Biodiversity Metric (Ref. 3), hereafter referred to as 'the Metric'. It is anticipated that the metric will continue to apply but that it is possible that the imminent government guidance for NSIPs may make changes to how it is to be used for NSIPs; therefore its use will be kept under review.

- 3.1.2 Surveys of terrestrial habitats – UK Habitat Survey) (Ref. 4) and aquatic habitats – Modular River Physical survey (Ref. 5) (including canals), and ditch condition assessments, are being carried out by qualified ecologists, and MoRPh accredited surveyors, supported by BNG specialists, with desk-based assessment being used to complete the BNG baseline pending ongoing surveys.
- 3.1.3 The Metric assesses habitat distinctiveness, condition, extent, and strategic significance to determine whether a project achieves a net gain, meaning the post-development score exceeds the baseline. Risk multipliers are applied to account for habitat creation risks, time to reach target condition, and the location of compensatory habitats. The Metric's rules prevents "trading down" of habitat quality, and requires at least a 10% net gain for each habitat type, and ensures losses are compensated on a like-for-like or better basis. Strategic significance has been assigned in line with Statutory Metric guidance and local strategies, and the assessment will adhere to the BNG Good Practice Principles (Ref. 6) to ensure measurable, sustainable, and transparent biodiversity gains.
- 3.1.4 A summary of assumptions and limitations considering the collation of the BNG baseline and calculation at this stage is described below. A detailed BNG assessment will be included with the DCO submission, and will present the overall methodology and results of the Proposed Development's net gain assessment.

BNG Baseline Assessment

- 3.1.5 A BNG baseline assessment is currently being undertaken, informed by and to support further design evolution. The BNG baseline has been split into the six components of the Proposed Development (Parts 1a - 4b), with a baseline metric being compiled for each part, specific to their BNG assessment parameters, as defined in section 1.3.
- 3.1.6 The BNG Baseline Assessment has been developed using a combination of survey and spatial datasets, with the following precautionary assumptions and limitations:
- a. Where habitat falls outside of designated sites or mapped priority habitat layers, and where survey data is currently not available, habitat types have been assigned based on best available evidence including aerial imagery, Google Street View, and the Living England Priority Habitat dataset.
 - b. Where habitats fall within a designated site or mapped priority habitat (habitat of principal importance – HPI) layer, the habitat has been defined by that data set. The presence, extent and condition of any HPI will be confirmed through ground-truthing surveys to inform the final BNG assessment.

- c. All HPI and habitats within designated sites are assigned good condition. All other habitats of a low and moderate distinctiveness are assigned Moderate condition in the absence of survey data.
 - d. All water bodies identified as ponds are classified as Lakes, Ponds (Priority Habitat) as a precautionary approach in the absence of ecological survey data.
 - e. Individual trees located within 15 m of woodland boundaries are excluded from separate classification and considered part of the woodland ecotone.
 - f. Ancient and veteran trees are not included within the tree dataset at this stage of assessment. This information will be supplemented at a later stage informed by ongoing surveys.
 - g. Trees located within urbanised areas are classified as Urban Trees, while those within rural habitats (e.g., arable fields) are classified as Rural Trees.
 - h. Watercourse habitat type will be assigned based on a review of freely available information including Ordnance Survey maps, aerial imagery and historic maps.
 - i. Watercourse surveys are ongoing and condition information relating to these watercourses will be included within the final BNG assessment.
 - j. Where watercourse condition information is not available, priority habitat, other rivers and streams, and canal watercourse habitat types will be assigned a condition based on professional judgement. Ditches will be assigned a condition of Moderate in the absence of condition information.
 - k. Riparian and watercourse encroachment, where information from surveys is not available, will be assigned based on a review of freely available information including Ordnance Survey maps and aerial imagery.
- 3.1.7 It is intended that the current BNG baseline assessment is an initial version to prepare for future refinement of the design of the Proposed Development and final Order Limits and will be subject to updates upon receipt of ongoing ecological and arboriculture survey data.
- 3.1.8 The BNG assessment will be aligned with the Environmental Net Gain assessment, and other aspects of the environmental assessments including terrestrial and aquatic ecology, arboriculture, climate resilience, and social value, to support aspirations for wider environmental benefits for the Proposed Development.

- 3.1.9 Recommendations of the final BNG assessment to support the DCO submission will be based upon agreed habitat enhancement and creation interventions and outline long-term management with all stakeholders.
- 3.1.10 BNG offsetting will be sought as close to the areas of impacts, where possible, according to the mitigation hierarchy. Offsetting opportunities will prioritise native species planting, habitat connectivity and ecological function in line with upcoming local nature recovery strategies.
- 3.1.11 The final BNG assessment will be provided alongside the Environmental Statement to support the DCO application for the Proposed Development.
- 3.1.12 The BNG team will continue to consult and engage with key stakeholders in relation to the approach to BNG and assessment, including ongoing engagement with landowners in relation to potential provision of BNG on a voluntary basis.

4. References

- Ref. 1 HM Government. (2008). Section 35(1) Direction under the Planning Act 2008. Available at:
<https://www.legislation.gov.uk/ukpga/2008/29/section/35#:~:text=%5BF1%2035%20Directions%20in%20relation%20to%20projects%20of,following%20provisions%20of%20this%20section%20and%20section%2035ZA>. [Accessed 05/02/2026]
- Ref. 2 DEFRA. (2025). National Policy Statement for water resources infrastructure. Available at:
<https://www.gov.uk/government/publications/national-policy-statement-for-water-resources-infrastructure> [Accessed 05/02/2026]
- Ref. 3 DEFRA. (2024). Statutory Biodiversity Metric User Guide. Available at:
https://assets.publishing.service.gov.uk/media/689c5ee17b2e384441636196/The_Statutory_Biodiversity_Metric_-_User_Guide_-_July_2025.pdf
[Accessed 05/02/2026]
- Ref. 4 UKHab. (2018). UK Habitat Classification. Available at:
<https://www.ukhab.org/> [Accessed 05/02/2026]
- Ref. 5 Modular River Survey. (2024). A Guide to Assessing River Condition. Available at:
<https://docs.modularriversurvey.org/signin/cartographer?go=%2Fpro>
[Accessed 05/02/2026]
- Ref. 6 CIEEM et al. (2019). Biodiversity Net Gain. Good Practice Principles for development. A practical guide. Available at:
<https://cieem.net/resource/biodiversity-net-gain-good-practice-principles-for-development-a-practical-guide/> [Accessed 05/02/2026]
- Ref. 7 DEFRA. (2025). Biodiversity net gain for nationally significant infrastructure projects. Available at:
<https://www.gov.uk/government/consultations/biodiversity-net-gain-for-nationally-significant-infrastructure-projects> [Accessed 05/02/2026]
- Ref. 8 HM Government. (1990). *Town and Country Planning Act*. Available at:
<https://www.legislation.gov.uk/ukpga/1990/8/contents> [Accessed 05/02/2026]
- Ref. 9 Planning Inspectorate. (2012). Nationally Significant Infrastructure Projects: National Policy Statements. Available at:
<https://www.gov.uk/guidance/nationally-significant-infrastructure-projects-national-policy-statements> [Accessed 05/02/2026]

Ref. 10 MHCLG. (2024). National Planning Policy Framework. Available at:
<https://www.gov.uk/government/publications/national-planning-policy-framework--2> [Accessed 05/02/2026]

Ref. 11 HM Government. (2021). Environment Act. Retrieved from
<https://www.legislation.gov.uk/ukpga/2021/30/contents>

5. Annex A – National Policy

National Significant Infrastructure Project (NSIP)

- 5.1.1 In 2024, the Secretary of State (SoS) confirmed through a Section 35(1) Direction under the Planning Act 2008 (Ref. 1) that the Proposed Development is to be treated as development for which development consent is required and is therefore being treated as a NSIP.
- 5.1.2 From May 2026, 10% BNG is expected to be mandatory for NSIPs. Defra is developing a draft biodiversity gain statement, which will set out the detail of the BNG requirement for NSIPs. The consultation on this draft statement was undertaken in July 2025 (Ref. 7). The new BNG requirements are expected to broadly align with the existing BNG requirements for development under the Town and Country Planning Act 1990 (the “1990 Act”) (Ref. 8).
- 5.1.3 National Policy Statements (NPS) set the government’s objectives and need for NSIP developments (Ref. 9). The overarching NPS for Water Resources Infrastructure (NPSWRI) contains policy relevant to the Proposed Development. The NPSWRI was last updated in July 2025 (Ref. 2) and states the following in relation to Biodiversity:
- a. *Paragraph 2.1.1 “The pressure on our water resources is increasing due to... the need for sufficient water in our watercourses, lakes and wetlands to enhance biodiversity and protect the environment”.*
 - a. *Paragraph 3.4.1: “Biodiversity net gain is an essential component of environmental net gain. Projects should consider and seek to incorporate improvements in natural capital, ecosystem services and the benefits they deliver when planning how to deliver biodiversity net gain”.*
 - b. *Paragraph 4.3.1. “Government policy for the natural environment is set out in the Environmental Improvement Plan. The Plan sets out the vision for enhancing biodiversity, by supporting healthy, well-functioning ecosystems and establishing more coherent ecological networks that are more resilient to current and future pressures”.*
 - c. *Paragraph 4.3.2. “ The Secretary of State should have regard to the aims and goals of the Environmental Improvement Plan and any relevant measures and targets, including statutory targets set under the Environment Act 2021 or elsewhere”.*
 - d. *Paragraph 4.3.4 “The development of water resources infrastructure could have impacts (both adverse and beneficial) on biodiversity and nature conservation interests during construction and operational phases”.*
 - e. *Paragraph 4.3.8: “The government’s policy for biodiversity in England is set out in the Environmental Improvement Plan, Biodiversity 2020, the National Pollinators Strategy and the UK Marine Strategy. The aim is to halt overall biodiversity loss, support healthy well-functioning*

ecosystems and establish coherent ecological networks, with more and better places for nature for the benefit of wildlife and people”.

- f. Paragraph 4.3.9: “The Secretary of State should consider what appropriate requirements should be attached to any consent and/or in any planning obligations entered into, in order to ensure that any mitigation or biodiversity net gain measures are secured, delivered and maintained. Habitat creation or enhancement which is proposed for the purposes of delivering biodiversity net gain should be secured on a long-term basis”.*

5.1.4 The NPSWRI states the following for Biodiversity Net Gain in England:

- a. Paragraph 4.3.20: “Biodiversity net gain delivers measurable improvements for biodiversity by creating or enhancing habitats in association with development. Biodiversity net gain should be applied in conjunction with the mitigation hierarchy and does not change or replace existing environmental obligations. It does not override protection for designated sites, protected or priority species and irreplaceable or priority habitat”.*
- b. Paragraph 4.3.21: “Development should contribute to and enhance the natural environment by providing net gains for biodiversity. Applicants should use the current version of the biodiversity metric and should use the same version to calculate their biodiversity baseline and inform their biodiversity net gain outcomes. Applicants should take into account the requirements of any biodiversity gain statement published in respect of nationally significant infrastructure projects. Opportunities should be explored to deliver biodiversity net gain within the development footprint in the first instance. Applications for development consent should set out how opportunities for on-site delivery of biodiversity net gain have been considered and, where they are proposed, how they have been incorporated into the project design”.*
- c. Paragraph 4.3.22 “Biodiversity net gain can also be delivered wholly or partially off-site. Any off-site delivery of biodiversity net gain should also be set out within the application for development consent. When delivering biodiversity net gain off-site, developments should do this in a manner that best contributes to the achievement of relevant wider strategic outcomes, for example by increasing habitat connectivity or enhancing other ecosystem service outcomes. Reference should be made to relevant national or local plans and strategies, such as green infrastructure strategies or Nature Recovery Networks, to inform off-site biodiversity net gain delivery. Applicants are encouraged to refer to industry good practice principles and guidance for development before preparing their application. Where biodiversity net gain considerations have featured as part of the water resources management plan strategic options appraisal process to select a project, then applicants could reference that information to supplement the site specific details”*
- d. Paragraph 4.3.23: “Development proposals potentially provide many opportunities for building in beneficial biodiversity or geological features as part of good design. When considering proposals, the*

Secretary of State should consider whether the applicant has maximised such opportunities in and around developments. The Secretary of State may use requirements or planning obligations where appropriate in order to ensure that such benefits are delivered”.

National Planning Policy Framework

- 5.1.5 The National Planning Policy Framework (NPPF) (Ref. 10) sets out government’s planning policies for England and how these should be applied for development being progressed under the 1990 Act (Ref. 8).
- 5.1.6 The NPPF states the following for Biodiversity Net Gain in England:
- a) Section 15, Paragraph 187, states that: *“Planning policies and decisions should contribute to and enhance the natural and local environment by... Part d) Planning policies and decisions should contribute to and enhance the natural and local environment by “...minimising impacts on and providing net gains for biodiversity, including by establishing coherent ecological networks that are more resilient to current and future pressures.”*
 - b) Paragraph 193 states that: *“when determining planning applications, local planning authorities should apply the following principles:*
 - i. *if significant harm to biodiversity resulting from a development cannot be avoided (through locating on an alternative site with less harmful impacts), adequately mitigated, or, as a last resort, compensated for, then planning permission should be refused*
 - ii. *development on land within or outside a Site of Special Scientific Interest, and which is likely to have an adverse effect on it (either individually or in combination with other developments), should not normally be permitted. The only exception is where the benefits of the development in the location proposed clearly outweigh both its likely impact on the features of the site that make it of special scientific interest, and any broader impacts on the national network of Sites of Special Scientific Interest.*
 - iii. *development resulting in the loss or deterioration of irreplaceable habitats (such as ancient woodland and ancient or veteran trees) should be refused, unless there are wholly exceptional reasons and a suitable compensation strategy exists; and*
 - iv. *development whose primary objective is to conserve or enhance biodiversity should be supported; while opportunities to improve biodiversity in and around developments should be integrated as part of their design, especially where this can secure measurable net gains for biodiversity or enhance public access to nature where this is appropriate.”*

Environment Act 2021

The Environment Act 2021 (Ref. 11) includes provisions to make BNG a mandatory requirement within the planning system in England. Schedule 15, Part 1 of the Environment Act relates specifically to biodiversity gain in NSIPs (Ref. 11) Schedule 2A, Regulation 3:

“(1) A biodiversity gain objective is an objective that the biodiversity value attributable to development to which a biodiversity gain statement relates exceeds the pre-development biodiversity value of the onsite habitat by a percentage specified in the statement.

(2) The percentage specified under sub-paragraph (1) must be at least 10%.”

5.1.7 As of 12 February 2024, Biodiversity Net Gain (BNG) is mandatory under Schedule 7A of the Town and Country Planning Act 1990 (as inserted by Schedule 14 of the Environment Act 2021). This requires all relevant developments to achieve a minimum 10% net gain in biodiversity units relative to the site's baseline biodiversity value.

5.1.8 For Development Consent Orders (DCOs), the mandatory 10% BNG requirement is anticipated to come into force in May 2026. The BNG process for DCOs is expected to broadly align with the BNG regime established under the Town and Country Planning Act 1990 (Ref. 8).