

HBF response to Exeter Local Plan Examination MIQs- Matter 11 – Natural Environment

HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

Please note that we have not responded to all the questions only those of relevance to our members, and reflecting the issues in our Reg 19 response that HBF submitted.

Issue 2 – Biodiversity and Green Infrastructure – Policies NE3 and NE4

Q1. What is the justification for the biodiversity net gain requirement in Policy NE3? What information is available to demonstrate that the target can be achieved? Has this requirement been adequately tested to ensure that it is viable and deliverable?

In order for this Plan to be sound it must comply with the Environment Act and DEFRA Guidance. This is separate from, and in addition to, MHCLG advice and the NPPF. Care is therefore needed to ensure that any policy on Biodiversity Net Gain policy complies with the latest policy and guidance on adoption. It is noted that some of the DEFRA legislation and guidance has recently been under review, and changes are now being made to the national BNG system to ensure that it continues to deliver the win-win for both nature recovery and housing as intended and does not become a barrier to much needed housing delivery.

There have been significant challenges around the delivery of mandatory BNG, particularly in relation to brownfield sites with Open Mosaic Habitats, and the smallest of sites. To help address these issues the Government is intending to bring in an exemption for mandatory BNG for all sites under 0.2 Ha before the parliamentary recess and is currently consulting on the need for a further exemption for brownfield sites up to 2.5Ha. This demonstrates the Government's recognition that there can be significant additional costs associated with biodiversity net gain.

The costs of BNG should be fully accounted for in the Council's viability assessment, however this is very difficult as the amount of BNG units needed will vary greatly depending on the baseline of the site. The costs of delivering or purchasing BNG units also vary greatly depending on the location, type of habitat and market availability. The BNG off-site market is still developing and there is variation in the availability of units and their costs, with significant differences in different areas. As such the actual costs of BNG are difficult to model or predict.

The whole plan Viability Assessment should clearly set out how it considered the implications of mandatory BNG and how it was arrived at using the most up to date BNG costs information available. However, BNG costs include the financial costs, and the additional time needed for preparing and processing planning applications. BNG also impacts on land take- which will impact on densities achievable if BNG is provided on site. As this is still a new policy area and the market for off-site provision is still emerging, any figure used for BNG costs are likely to be

unreliable. Experience shows a wide range of costs. It is also important to note that you may need one BNG unit to deliver ten houses, or ten units to deliver one house, so establishing a cost per home is very difficult. As BNG is non-negotiable, the reality is that where BNG costs impact viability, it is likely to be affordable housing that is reduced.

In relation to the policy wording itself, this is confusing and unclear, especially the caveat of 'where relevant' as where relevant is then not defined. Criterion c is particularly confusing and leaves it unclear to developers what is expected of them. The policy wording is also inconsistent with the national system of mandatory biodiversity net gain. This requires eligible sites to provide 10% Biodiversity Net Gain. The system is mandatory.

Criterion 3 appears to be attempting to explain the biodiversity net gain hierarchy which seeks BNG units should be delivered on-site, but where this is not possible national mandatory net gain can be delivered through the purchase of off-site units from habitat banks and as a last resort through statutory credits. However, this three-step process is muddled in the same criteria with reference to the LNRS and meeting Biodiversity Net Gain Objectives. In order to be effective, justified and consistent with national policy HBF suggest reference to the BNG mitigation hierarchy should be in one criterion, and reference to the LNRS is a separate one.

HBF also notes that there seems to be significant potential for confusion around environmental hierarchy, and suggest particular care is needed to avoid any confusion between the well-established mitigation hierarchy and the new BNG hierarchy. There is need for the policy wording and/or supporting text to be clearer about the differentiation between the mitigation hierarchy (which seeks to avoid harm in the first place, then mitigate and only then compensate it in relation to protected habitats) and the BNG hierarchy (which prioritises on-site BNG delivery, then off-site units and finally allows for statutory credits). We have seen significant confusion between the two difference hierarchies elsewhere. We therefore suggest that the Exeter Plan should do all it can to explain how the two hierarchies work in different ways and that they seek to achieve different aims. We would suggest the use of the term "BNG spatial hierarchy" may help with this issue.

Main Modifications are needed to Paragraph 10.21 of the Plan so that it is more accurately reflect current, and emerging BNG policy. It may need to be revised further to ensure it up to date on adoption of the Plan through a further additional modification/factual update.

It should also be noted that the PPG is clear that there is no need for individual Local Plans to repeat national BNG guidance, and that additional advice on phased development has been provided in the BNG PPG. For large and complex sites where the development is phased, the guidance is clear that the 10% must be delivered at the end of the development, and this may not result in 10% BNG on each phase.

Q2. Are the requirements set out in policies NE3 and NE4 justified, consistent with national planning policy and based on robust, up to date evidence? Have these requirements been adequately tested to ensure that they are viable and deliverable?

No. As you may know the Government published its responses to their recent consultations about BNG on 15th April 2026. The responses are available via the link below:

[Improving the implementation of BNG for minor, medium and brownfield development](#)

[Biodiversity net gain for nationally significant infrastructure projects](#)

There is also currently a [separate consultation](#), which is seeking views on the proposal to include a targeted exemption for brownfield residential development. This consultation runs until 10 June 2026.

In our view, as the requirements for BNG are set out in the Environment Act and DEFRA guidance, supported by the NPPF and PPG the Local Plan, the Exeter Local Plan will need updating to ensure that it reflect the current national policy position in relation to BNG on adoption. As such further Main Modifications and additional Modifications are likely to be needed to the Plan to reflect the latest position and ensure the policy and text fully reflects national policy. It is not logical, or sound, to adopt a plan that references legislation and policy requirements that have already been superseded before the Plan is adopted.

Existing DEFRA and MHCLG guidance has always been clear that there is no need for Council's to include "local" policies on this issue that duplicate or seek to augment national approach. The national metric calculations and spatial multipliers already account for the Biodiversity Hierarchy including avoiding harm in the first place, and rewarding off-site units delivered closest to the development. However, national mandatory 10% BNG policies have been established to work at a national level, and for the system to function as intended the national system needs to be constantly applied nationally. The national BNG system already includes elements that reflect local circumstances and priorities, and these will be further supported Local Nature Recovery Strategies (LNRSs) once these have all been completed and nation-wide coverage established. The Plan should however clearly set how the LNRS and the Local Plan policies work together. However, as currently drafted the wording is unhelpful, and has the potential to introduce policy conflict, confusion and inconsistency.

Q3. Are policies NE3 and NE4 positively prepared, justified, effective and consistent with national planning policy?

Policy NE3 reads as suggesting that biodiversity gain is required on all developments, but this is caveated with where possible. National guidance is clear that where mandatory BNG is required, it is mandatory and cannot be negotiated through a site-specific viability appraisal. National guidance is also clear that where development is exempt nationally, local policies should not seek to require BNG. The current wording in both contrary to national policy and confusing.

HBF note that other Local Plans have addressed this issue by making reference in the supporting text directly to the national mandatory BNG legislation and guidance this also helps to future proof the Plan, so that if and when this changed, the Plan remains up to date. This approach would seem sensible given the Government's explicit commitment to seeking to introduce legislative changes to BNG in at least two stages- some before parliamentary recess and others afterwards, and that it is currently consulting on further exemptions for brownfield sites.

Q4. In terms of this issue, are any of the suggested modifications in the Schedule of Suggested Modifications necessary for soundness?

HBF note that, despite the concerns we raised in our Reg 19 response (which are not repeated here) no Modifications are proposed to NE3. We remain of the view that the Exeter Local Plan should reflect the national policy position in relation to BNG, and as such changes are needed to the policy and text. The wording of the policy and the supporting text, including in particular paragraph 10.20 and 10.22 need revising.

The wording in para 10.21 of the text should be updated to reflect the current status of the Devon LNRS. This could possibly be an Additional Modification as it is a factual update.

Issue 3 - Green Circle, Urban Greening and Trees - Policies NE5, NE6 and NE7

Q1. Are the requirements set out in policies NE6 and NE7 justified, consistent with national planning policy and based on robust, up to date evidence? Have these requirements been adequately tested to ensure that they are viable and deliverable?

HBF remains concerns about how these policies work with, or in additional to national mandatory BNG. Where viability is already challenging this is another factor cumulatively impacting on housing delivery.

Q2. Are policies NE5, NE6 and NE7 positively prepared, justified, effective and consistent with national planning policy?

HBF remains concerns about how these policies work with, or in additional to national mandatory BNG.

Q3. In terms of this issue, are any of the suggested modifications in the Schedule of Suggested Modifications necessary for soundness?

HBF note that it is proposed to change the wording of the Urban Greening policy from being a requirement that need to be 'achieved' to a 'target'. However, even with this change it is unclear how all the policies are intended to work together and what happened if everything being sought makes the plan unviable from a cost perspective and/or undeliverable if it is not possible for everything being sought to actually fit on a site.