

Report of the Portfolio Holder for Sustainable Growth and Economy

Subject: Bio-diversity Net Gain (BNG) monitoring fees

Date: 08 January 2026

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Wards Affected

Borough-wide

Purpose

To gain Portfolio Holder approval of Gedling Borough Council's proposed Biodiversity Net Gain monitoring calculator.

Key Decision

This is not a Key Decision

Recommendation(s)

THAT:

The Portfolio Holder approves the updated BNG monitoring calculator, reproduced in Appendix 2.

1 Background

1.1 The primary legislation for Biodiversity Net Gain ('BNG') came into force through Schedule 7A of the Town and Country Planning Act 1990 (as inserted by schedule 14 of the Environment Act 2021). With the exception of nationally significant infrastructure projects, for which BNG is due to apply from May 2026, the legislation is now fully in force having been staggered as to when BNG would be required for planning applications. Major applications that were submitted on or after the 12 February 2024 were obliged to provide 10% BNG. Minor applications, typically 1-9 dwellings and smaller commercial proposals, were obliged to provide BNG

	from the 2 nd April 2024, subject to certain exemptions.
1.2	There is a hierarchical approach to providing BNG with three options available. The preferred means is on-site; alternatively, off-site or by purchasing statutory bio-diversity credits, or a mixture of the three. Any BNG will be protected for a period of 30 years and there is a requirement on behalf of the Local Planning Authority to monitor significant on-site gains and off-site gains that are secured via a legal agreement upon completion, then at one month and years 1, 3, 5, 10, 15, 20, 25 and 30 (unless otherwise agreed in the HMMP or S106 agreement).
1.3	Linked to the above, and to bring the legislation together in a format that is specific to Gedling Borough Council, a 'Gedling Borough Council Biodiversity Net Gain Guidance (April 2024)' was published, which is reproduced in full in appendix 1. Within that document, appendix 4 identifies that the monitoring fee would be based on the current Monitoring Fee Policy, which is used for the monitoring of triggers within S106 Legal Agreements. The monitoring fee set out within the Monitoring Fee Policy is calculated based on the number of obligations that are triggered following commencement of the development, with the base rate increasing annually on the 1 st April in line with inflation (which is achieved by being linked to the Retail Prices Index (RPI)). The current fee per trigger for the financial year 2025/2026 is £437.44.
1.4	For the avoidance of doubt, the means by which to secure the financial contributions would remain the same and would be through a section 106 legal agreement.
	<u>Implications</u>
1.5	Based on the above, it is considered that the current Monitoring Fee Policy does not adequately cover the cost of monitoring BNG, given that it needs to be completed regularly over a 30-year period and that the effort required for monitoring will vary considerably depending on the scale and complexity of the site. The current monitoring fees may be adequate for a small, simple gain site, but would not meet the costs for the review of monitoring reports and updated Habitat Management and Monitoring plans, and carrying out monitoring visits, for a large site with a variety of complex habitats. Therefore, should a more cost-effective means to monitor BNG not be achieved, it is likely that the Council would have a significant deficit in terms of revenue when it comes to its statutory duty to monitor BNG, particularly for larger sites.
2	Proposal
2.1	To ensure that the Council has adequate revenue to monitor BNG, there is, therefore, a requirement to update the fee outlined in the 'Gedling

	Borough Council Biodiversity Net Gain Guidance (April 2024)' to better reflect costs that are likely to be incurred. To this end, reproduced in appendix 3, is a BNG monitoring fee calculator. It is based on other similar calculators used in the country and identifies costs based on the size of the site, maximum technical difficulty of the habitats to be enhanced/created and the frequency of monitoring instances set out in the approved Habitat Management and Monitoring Plan for the site. The costs will be based on an Ecology Officer rate of £238 per day, with inflation at 5% and corporate overheads set at 27%. This is required to ensure that costs for monitoring BNG are appropriately covered. It is also intended to receive the payment 'upfront' given the difficulty in receiving staggered payments and risks associated with that approach e.g. firms may cease trading over such a long period, which could leave a shortfall in revenue that would need to be covered by the Council. A word summary of the likely costs would be uploaded to the Council's web-page and is reproduced in appendix 2.
3	Alternative Options
3.1	The alternative option is for Gedling Borough Council to continue with the payment identified in the Gedling Borough Council Biodiversity Net Gain Guidance (April 2024); however, this would likely result in significant shortfall in funding to monitor the BNG.
4	Financial Implications
4.1	As above, there is a greater financial implication in not updating the payment schedule for monitoring BNG, which would likely lead to a financial deficit.
4.2	The BNG monitoring would be conducted by the Ecology Officer therefore the income received would contribute towards funding of this post.
4.3	At this stage it is uncertain how much BNG monitoring income the council will receive per annum however the applicant will pay the fee upfront.
5	Legal Implications
5.1	Section 93 of the Local Government Act 2003 permits local authorities to charge for discretionary services, provided the fees are set on a cost recovery basis. Additionally, Section 1 of the Localism Act 2011 grants authorities the general power of competence, enabling them to charge for non-statutory functions, as long as these are not otherwise restricted by law. There are no new legal implications arising from the introduction of the

	BNG monitoring fee calculator. The Council already has the legal basis to charge for this work. The calculator simply provides a more accurate method for calculating the monitoring fee, ensuring it reflects the actual costs incurred over the 30-year period.
6	Equalities Implications
6.1	None.
7	Carbon Reduction/Environmental Sustainability Implications
7.1	None.
8	Appendices
8.1	Appendix 1 - Gedling Borough Council Biodiversity Net Gain Guidance (April 2024)
8.2	Appendix 2 – Update to BNG monitoring fee guidance (to be uploaded to the web-page)
8.3	Appendix 3 – BNG Calculator
9.0	Background papers
9.1	Generic guidance on BNG can be found in the below link Biodiversity net gain - GOV.UK
10	Reasons for Recommendations
10.1	To ensure that the Council has adequate revenue to monitor BNG to better reflect costs that are likely to be incurred.
10.2	To allow the relevant Council web-page to be updated and make it clear that the payment regime for monitoring BNG will be the new BNG Calculator and not the Gedling Borough Council Biodiversity Net Gain Guidance (April 2024), which is no longer considered fit for purpose.

Statutory Officer approval

Approved by: Scott Anderson (?)
(Deputy S151 Officer)

Date: ??/01/2026
On behalf of the Chief Financial Officer

**Approved by: Natalie Osei (Deputy
Monitoring Officer) (?)**
Date: ??/01/2026
On behalf of the Monitoring Officer