IN PURSUIT OF HARMONY

HOW CONSERVATIVES CAN RESTORE NATURE AND BUILD THE HOUSES WE NEED

CONSERVATIVE ENVIRONMENT NETWORK

Introduction

The United Kingdom is one of the most nature-depleted countries on Earth. Within our urban areas, iconic species such as hedgehogs, butterflies, water voles, house sparrows, and doves are rapidly decreasing in number. As we expand our built environment, undeveloped land is being built upon, reducing the available habitat for wildlife in these locations. Nature-unfriendly development is contributing to the decline in our natural environment seen across the country. If this depletion is not halted, Britain's GDP could be reduced by almost 5% by the end of the decade, with nature-related economic risks, such as water scarcity and pollution, becoming increasingly severe.

At the same time, successive governments have overseen an historic failure to build the necessary housing and infrastructure to meet our needs. Our planning system has become synonymous with bureaucracy, complexity, delay, and expense. We now have a chronic housing shortage, with some estimating the shortfall to be as high as 6.5 million. This has led to ballooning house prices, and an economy constrained by a lack of housing, particularly in our most productive towns and cities.

The pressures caused by this lack of housebuilding are compounded by immigration levels. Between 2021 to 2024, net migration was estimated at 2.5 million, meaning one out of every 25 people living in the UK has arrived in the past five years. This dwarfs the approximately 600,000 new homes built over the same period. The gulf between population levels and our housing supply is leading to greater competition for scarce housing stock and rising rents, in turn placing pressure on our environment as governments look for more land for housing.

This shortage does not fall evenly across society: younger generations and families at the start of their lives together bear the heaviest burden. The dream of owning a home, settling down, and starting a family feels increasingly out of reach. The average age of a first-time buyer has crept upwards, while housing costs consume a growing share of household income. This undermines family formation, strains household finances, and creates a sense of instability and transience, preventing people from fully contributing to their local communities.

The failure to deliver attractive, well-designed, and environmentally sustainable development is also a failure of civic pride. Too often, new housing estates feel imposed, uniform, and disconnected from their surroundings. This includes a disconnect from our natural environment. Without trees, shrubbery, and green spaces, these new developments erode, rather than enhance, the sense of place which creates flourishing communities.

A politics that fails to make it easier for young people to form families and put down roots risks breaking the intergenerational contract on which conservatism depends. A conservative vision of society should place the family at its heart. Housing is the cornerstone of such a vision. Conservatives have long recognised the importance of Sir Roger Scruton's *oikophilia*, the love of home and the desire to protect and care for it. This is a potent conservative instinct: people flourish when they are rooted in their community. The housing crisis is therefore not only an economic failure but a profound challenge to conservative values.

Without access to affordable homes, young people delay marriage and family life. Without stable housing, communities weaken and social trust declines. Without stewardship of the natural environment, conservatives risk alienating younger generations for whom environmental protection is a moral expectation. Addressing these challenges is a political necessity if conservatism is to successfully renew itself.

In the face of an immigration and housing crisis, conservatives cannot sideline environmental considerations. Yes, many of our regulatory structures for the environment must be overhauled, streamlined, and improved. Too many legacy EU laws still sit on the statute book unreformed. But we must do so in a way that both enables more homes to be built and more nature to flourish across our green and pleasant land. As we build millions more houses, we must ensure that these become homes and communities for generations to come.

When we prioritise beauty and nature, we build houses worthy of being called homes, and foster trust, attachment, and pride of place. Homes that integrate nature-rich spaces and enhance local character create communities and increase public consent for future building. Nature-friendly development helps to resolve the housing crisis by marrying the need for growth with our instinct to conserve. The public's preferences for nature-friendly development are clear: house prices are higher where there are more green spaces.

Without nature, we lose crucial natural buffers to climatic threats. Our inhabited areas become more prone to flooding and overheating. We lose the foliage and root systems necessary to draw pollutants from our air and water. The millions who live and work across our communities - from villages to cities - will have poorer public health outcomes. This can all be prevented. Our natural environment is not the enemy of progress. True progress will see our natural environment restored alongside building the housing and infrastructure we need.

By entwining new development with nature restoration, we can finally put the old ideas to rest that new development must exacerbate biodiversity loss and that protecting the environment is a barrier to economic advancement. By utilising nature-friendly building methods, and building smartly, we can construct the homes we need and give nature the space it needs. After all, without the economic growth unlocked by new homes, we will be unable to fund future nature conservation.

Our policy response must reflect sound conservative principles: respect for local accountability, care for the land, and an emphasis on building genuine communities. Conservatives should seek a development model which is family-friendly, nature-friendly, and nation-friendly. A model which enables home ownership, safeguards the environment, and restores pride of place; one which grows our economy and strengthens society. Unless we conservatives lead this debate, others will set the terms and neglect these priorities.

Critique of the government's approach to housebuilding

The Labour government has committed to building 1.5 million new houses over the course of the current parliament, pledging to streamline the planning system and drive new infrastructure projects forward. These ambitions reflect the government's belief that Britain is overregulated, that the planning system is taken advantage of by anti-development campaigners, and that too many politicians are opposing new housebuilding in their areas to gain political currency. At face value, these concerns seem reasonable and marry with conservative concerns about housebuilding.

However, under closer examination, fundamental flaws emerge. Despite its rhetoric, Labour's approach remains overly statist and legalistic. Rather than empowering local stakeholders and the private sector to participate in oversight and delivery, the government has centralised delivery to bodies such as Natural England. Equally, the government has proven reluctant to diverge from EU law. This means foregoing the opportunity to reform regulations to create a more agile and dynamic economy and a healthier environment. There is a real danger that these structural issues will harm our natural environment without concomitant improvements to our housebuilding rate.

For Conservatives, championing nature-friendly development provides significant political opportunities. All parties agree that we should protect our natural heritage. But conservatives do not want to throttle industry with a legalistic approach. Rather, they believe that what the philosopher Edmund Burke termed 'little platoons' should be empowered to restore nature in their communities. This makes for more informed decision-making and better outcomes for nature. Similarly, conservatives should support diverging from EU law where Britain can regulate more efficiently. With this approach, it is possible to build new housing and restore our natural bounty. This will be welcomed by the public for decades to come.

The government has rebalanced housing targets: increasing targets in rural areas and decreasing them in urban areas. This will make our land use less efficient because developments within urban and suburban areas are often built to a higher density. The rebalancing has been accompanied by the creation of the 'grey belt', which has led to a step change in the planning system. Developers have succeeded in more than 80% of appeals against planning permission being rejected by claiming the land is 'grey belt'.

This decrease in our urban housing targets risks worsening a pre-existing housebuilding crisis. Lower housebuilding targets will most likely lead to fewer new developments being constructed, which will inhibit inner city regeneration and the densification of suburban sprawl. In London alone, fewer than 5,000 new homes began construction in 2024-25. The government was forced to respond to this by releasing £322 million in emergency funding to unlock new development schemes. This emergency funding is no substitute for urgent supply side reform to make it easier to build new houses.

The rebalancing of housing targets has been accompanied by proposed reforms to the National Planning Policy Framework (NPPF). Among these were some positive moves for

nature-friendly development. For example, planning rules within 'walking distance' (provisionally an 800m radius) of railway stations will be liberalised to encourage more 'medium density' housing developments. This is welcome because it makes sense to build more housing near to existing transport hubs. However, it must be noted that the housing target rebalancing means there are fewer incentives to densify around urban stations.

The government is consulting on new Design and Placemaking Planning Practice Guidance, aiming to foster 'good design and placemaking'. This guidance includes many promising ideas for creating nature-friendly developments, including the integration of sustainable urban drainage systems (SuDS) and the inclusion of green spaces threading through built-up areas. However, the government's decision to abandon references to beauty within the NPPF represents a short-sighted failure to promote sustainable and popular homes. Careful attention must be made to aesthetics, public infrastructure, connections with existing settlements, and places for work and leisure.

The push for 'medium density' developments represents a welcome return to the 'gentle density', championed by the last Conservative government. Some positive steps have been taken towards a greater integration of nature and housing, with new policies implemented to encourage the installation of 'swift bricks' (hollow bricks costing roughly £30 which provide nesting sites for small birds) in all new developments. A national standard for SuDS will also be created. However, these key flood mitigating systems have not yet been mandated via Schedule 3 of the Flood and Water Management Act 2010.

Regrettably, Biodiversity Net Gain (BNG) obligations have been removed from the smallest development sites, which risks undermining the functioning of this nascent natural capital market. Similarly, the government has failed to enact pro-densification measures from the last parliament, such as street votes.

The risk that new housing does not create real communities is high, and has been echoed by the chair of the New Towns Report, who wrote in its foreword that the aim of the initiative is "not just about building houses but rather the creation of thriving communities". This report is central to the government's push to begin construction of entire towns over this parliament. Whilst the government endorsed the report in October 2025, its wider actions raises doubts about whether it will implement the necessary policies to create these thriving communities.

The Planning and Infrastructure Act 2025 is the government's landmark planning reform, designed to remove barriers to new developments. Part three of the act, dealing with environmental regulations, was strongly criticised by environmental organisations and parliamentarians for weakening key protections. These reforms make Natural England both the regulator and delivery body for mitigating the impacts of new developments on protected sites, creating perverse incentives. Equally, empowering Natural England to compulsorily purchase land for nature recovery has reduced space for private sector action. The act does not do enough to unlock growth. For example, there are no new powers for development corporations to create new transport networks. This will lead to a continuation of the absurd situation of new towns being created without guaranteed new transport links.

Section 1: Reforming Biodiversity Net Gain

- **Equalise the uplift required for on-site and off-site credits**
- **Remove the ability of developers to self-exempt**
- **Maintain the small sites metric**

BNG is a landmark Conservative reform which aims to tackle one of Britain's most persistent market failures: the depletion of natural capital during development. Its foundation is the longstanding conservative principle of "polluter pays": that those who generate negative externalities should bear the cost of addressing them, rather than socialising these costs to current and future generations of taxpayers.

Whilst some critics of BNG have claimed that it is effectively a nature tax, this is not the case. In practical terms, it requires developers to mitigate the ecological impact of new homes and infrastructure by delivering a modest improvement to biodiversity of at least 10%. BNG both internalises the biodiversity impacts of development and ensures that new housing makes a small contribution to restoring previously depleted nature, shifting a pre-existing cost from taxpayers on to developers. In the process, BNG puts the responsibility to minimise biodiversity harm on those with the most agency to prevent it, whilst still allowing development to proceed.

BNG is a proportionate and market-oriented approach to nature conservation. It does not apply to irreplaceable habitats, which are dealt with on a bespoke basis. Instead, it exists to support nature recovery in qualifying planned developments; where habitats could either be improved on-site or a replacement created or enhanced off-site. Equally, from its outset BNG has not applied to very small developments (covering less than 25 square meters) and custom builds. These targeted exemptions were rightly focused on projects where any BNG uplift would have little practical effect on the natural environment. These exemptions have now been greatly expanded by the Labour government, with the lower limit for BNG-applicable developments being raised to 2,000 square meters (or 0.2 hectares) in area.

The minimum biodiversity uplift is calculated via the statutory biodiversity metric, which transforms the otherwise-intangible value of habitats into tangible biodiversity credits. These credits can either be acquired by improving biodiversity on-site, or by purchasing off-site BNG credits, funding the improvement of biodiversity elsewhere. As a backstop measure, if developers cannot purchase off-site credits, they can (with clear explanations) apply for statutory credits. If accepted, these credits are supplied by Natural England for a fee.

BNG credits can be 'stacked' with other environmental credits. 'Stacking' involves combining credits from one environmental service with another. For example, 're-wiggling' a river could absorb more carbon and reduce flooding, meaning both carbon and flood mitigation credits could be acquired in tandem. Importantly, there are strict rules to prevent double counting, or two different schemes paying for the same work. BNG credits can also be stacked on top of payments from the taxpayer-funded Environmental Land Management schemes. This enables the government to fund initial land restoration, with developers funding additional improvement works. By doing so, this reduces the pressure on farmland because the same

piece of land can be used for multiple schemes and further enhances the natural environment within these areas.

Off-site BNG has created a fledgling private natural capital market in which developers negotiate with landowners to purchase credits and restore habitats. The potential value of the market for nature recovery is enormous, with predictions that the sale of BNG credits could be worth £3 billion by 2035.

Put simply, BNG can unlock far more money for nature conservation than the government can afford - or indeed is willing - to spend. By securing private finance, via BNG or other private natural capital markets, landowners and businesses will have the funding and flexibility to produce better and more efficient outcomes for nature.

There are now more than 165 operational habitat banks covering almost 5,000 hectares. Businesses, such as Nattergal, have emerged, ready to participate in this market. These businesses have the benefit of enabling developers to 'cash-in' their credits whilst leaving the delivery of biodiversity improvements to professionals. Other organisations, from farmers to NGOs, are also realising the potential of becoming involved in the BNG natural capital market. Online marketplaces, such as BNGx, have emerged to facilitate the trade of credits. Each new delivery body and market facilitator provides increasing reassurance that the BNG market is stable and worth investing in. As this sector grows, nature conservation funding will be increasingly delivered by the private sector.

However, despite showing great potential, the BNG market has thus far performed below expectations. Although it has been operational for almost two years, only around £324 million has been invested into BNG and just 450 full-time jobs have been created. The growth of statutory credits has also been disappointing, with only £206,180 worth of credits sold by Natural England over BNG's first year, compared with the £300,000 of credit revenue Natural England expected to spend over that time.

Nonetheless, the principle of fostering privately financed nature restoration is sound. It is the implementation of BNG which has proven flawed. This is primarily due to political choices made during the design process. A decision had to be made: would BNG exist purely to restore our natural environment or would it seek to solve other planning issues as well? It was - wrongly - decided that BNG would be used to solve a plethora of problems.

Rather than focusing specifically on nature restoration and the 'polluter pays' principle, the last government chose to use BNG to make new developments look more beautiful, provide better access to nature, and deal with public health concerns. This has led to BNG becoming both ineffective and inefficient at restoring nature. Uplifting biodiversity in many smaller urban and suburban sites is a less efficient means of restoring nature than creating habitats at landscape-scale. Equally, by pushing some development land to be retained for nature conservation, on-site BNG leads to fewer houses where they are needed the most. None of this is necessary. It is possible to promote these other important goals via different mechanisms.

The last government incentivised the use of on-site credits over off-site ones via the spatial risk multiplier. Developers wishing to deliver BNG off-site must purchase enough credits to produce the standard 10% uplift, plus an additional 25% to 50% greater improvement in the natural habitat depending on the distance from the site. This preferential treatment for on-site credits theoretically reduces the risk of planning permission appeals because nature-rich developments are far more popular than denuded ones, thereby benefiting housebuilders.

For developers dealing with both on-site and off-site BNG, the system has proven overcomplicated. Surveyors must be brought in to calculate what the baseline level of biodiversity is in a given area. Whilst this generates business for surveyors and planners, it has meant money which should be used to improve nature is being diverted towards more paperwork and processes rather than tangible biodiversity uplifts. BNG has added another environmental survey, increasing the cost of construction.

All these issues have distorted the BNG natural capital market by both disincentivising off-site credits and causing an impediment for certain developers. Smaller developers (80% of all potential BNG sites) have found it more difficult to adapt to the BNG system because they often lack the money, expertise, and space within the development to accommodate the uplift or ready capital to fund off-site nature development.

These problems have led to BNG's greatest flaw: developers gaming the system to make their sites exempt. The ‘impact test’ (the extent to which a new development will affect the natural environment) is effectively voluntary, with exemptions being applied to 89% of proposed developments. BNG’s purpose is fundamentally undermined by this, and all of its benefits are put at risk. This was partially caused by a lack of resources available to local authorities to prepare for BNG, which has prevented councils from being able to examine the bulk of BNG claims. These issues have contributed to a perceived lack of ambition, with only 680 hectares of land and 93 habitats being created by January 2024: half the minimum expectation by that point.

Despite these issues, BNG continues to be supported by some in the development industry. Recognising its fundamentally conservative foundations, conservatives should continue to support BNG too. It is a fact that major new policies often face teething issues. But this does not mean we must scrap or neuter BNG, and in doing so block the path to market solutions for nature conservation. That would simply leave taxpayers picking up the bill for nature’s decline. Instead, policymakers should solve the problems in the implementation of BNG. To deliver these solutions, we propose the following reforms.

It is clear that BNG is not delivering nature recovery at scale. Its natural capital market is generating far less revenue than the government initially anticipated. To help resolve this, the penalisation of off-site credits must end. This will return BNG to its original objective: resolving the negative externality of nature loss that development causes. BNG must become a policy that focuses solely on nature recovery. By giving developers more freedom to access off-site credits, there will no longer be a financial incentive to squeeze biodiversity into projects

where it is difficult to restore nature (e.g. an urban brownfield site), lest they be penalised by having to produce a greater uplift elsewhere.

This would have an immediate, positive impact on developers, who would be able to access on- and off-site credits as is convenient for them and best commercially for their businesses. In many cases, it will be more convenient to purchase off-site credits, which will lubricate the natural capital market and free up more development land for homes. As the market matures and more landowners become involved in the scheme, any reduction in BNG credits on a per-site basis would be more than offset by the expanded market.

For BNG to work, developers must not be allowed to exploit the *de minimis* exemption. Currently, the Town and Country Planning (Development Management Procedure) (England) Order 2015 only mandates developers providing evidence for non-exempted sites. If developers claim that their site is exempt, they are asked to follow non-mandatory guidelines to prove their exemption. Accordingly, developers can provide as much or as little evidence to support their claim for site exemption as they so desire. This places excessive burdens on the often undertrained staff of local planning authorities, who are regularly forced to make decisions on weak evidence. The order should be amended to make these guidelines mandatory. Planning officers must then be required to review said evidence, providing reasons for doing so. Accordingly, consistency will be provided for, and the natural capital market boosted. This should not be burdensome, especially since the Labour government's reform to the BNG small sites exemption has exempted 80% of sites.

The small sites metric (dealing with sites up to 0.5 hectares in area) should be maintained. These sites comprise 80% of BNG-aligned planning applications, so abolishing the metric would render BNG, and its potential for financing nature recovery, irrelevant. Online tools are also available for small site developers which save time and money compared to full professional surveys.

Section 2: Making it easier and simpler to integrate nature into developments

- **Create permitted developments right for wetlands and ponds**
- **Amend the Highways Act 1980 and the Traffic Management Orders to boost road side tree planting**
- **Cut red tape to allow homeowners and businesses to 'green up'**

The planning system's role in delaying, and increasing the cost of, new housebuilding is well-documented. To achieve the increased housebuilding rates we need, the planning system should be made simpler and faster. But it is also holding back nature recovery. To address this, a number of planning liberalisations should be implemented, aiming to: integrate nature into new developments; create a presumption in favour of nature-friendly and aesthetically pleasing new developments; and harness nature as a buffer against the impacts of climate change.

If successful, these policies would marry with the public's desire to protect and restore our natural environment, which has been hampered by our overregulated state. Conservatives must seek to remove impediments to nature restoration.

Too often, barriers and costs within the planning system prevent those who want to restore nature from doing so. Nature restoration can - and should - be undertaken by both large, well-funded organisations and smaller-scale, voluntary groups with fewer resources available. Permitted development rights (PDRs) are an important mechanism to enable certain restoration projects to be undertaken without requiring formal planning permission. They range from simple home improvements to larger agricultural developments. Currently, some nature restoration projects are classified as being construction-like, forcing them to go through the planning system. PDRs should be extended to further nature restoration by making it easier for landowners and developers to create green infrastructure on their land. The benefits of doing so will ripple across the entire planning system, with fewer applications being submitted, freeing up time and resources which can be used elsewhere.

Ponds are classified as bodies of water created solely for nature conservation, which are up to two hectares in area. They are vital oases of biodiversity, providing habitats for two thirds of England's freshwater species. It is right, therefore, that landowners should be freely able to dig more ponds. A pond PDR should be created to allow ponds of up to one hectare in area to be dug without requiring planning permission. This new PDR could play a vital role in reversing the two-thirds decline in the number of English ponds since the 19th century.

Wetland restoration is vital for nature conservation, however, since 2006 more than 1000 hectares of this habitat have been converted to artificial surfaces. This represents a loss of crucial habitats, water storage, and carbon sequestration. Despite the endangered status of wetlands, landowners who want to create them are forced to go through an expensive planning process. Creating a wetland PDR will accelerate the restoration process, providing a mechanism to create and restore wetlands without applying for planning permission.

Both the pond and wetland PDRs would make it easier for farmers to create these habitats via the ELMs. These schemes fund nature restoration by landowners, both to improve our natural heritage and to bolster the resilience of agricultural land. It is counterproductive and inefficient for the government to be simultaneously paying farmers to deliver these projects, whilst also making them pay for planning permission to do so. The PDRs would also expedite similar projects funded by private investment, including BNG. Importantly, the PDR would also enable ponds and wetlands to be created without working within the BNG framework. This rationalises the existing overly bureaucratic system, whereby the creation of a wetland to restore nature must go through a process designed to prevent nature loss from development.

Tree and shrubbery planting is an obvious and popular way to restore nature. Unfortunately, an overly cautious interpretation of the Highways Act 1980 and various traffic regulation orders has made local authorities reluctant to plant trees along our roads. These pieces of legislation were created to prevent highway blockages. However, they require clarification to ensure that a better balance is struck between the need to keep traffic moving and a desire to have more greenery on Britain's streets. This change would make tree planting targets easier to meet, and create healthy foliage which will foster pride in our communities. These changes are easy to make, requiring small amendments to existing legislation.

Local authorities have also adopted an overly cautious approach to planting near underground utilities. Neither central government nor local authorities produce guidance on this, relying instead on utility companies to produce it. These are based upon a maximalist interpretation of the precautionary principle: whereby any risk of harm, no matter how small, should be minimised. For example, Water UK recommends buffer strips of six metres between trees and sewers and three metres between shrubs and sewers.

Buffer spaces around pipes and cables are needed, but their size must be based on sound data. The central government should produce a set of national guidelines, either based on trees and shrubbery as discrete categories, or a more precise, species-based categorisation accounting for differing levels of root penetration. These must be realistic, acknowledging that excessive caution has impeded good urban design, and empowering the public to plant.

Legislative changes should be made to unburden homeowners and businesses from the more egregious restrictions on what can be grown on private property and public land. These include overly stringent fire regulations preventing the planting of façade gardens (plants growing up the sides and in front of buildings), or those preventing individuals from planting small flowers in the earth around trees. Whilst it is right to restrict certain invasive species or plants which are too large for a certain area, people should not be prevented from growing and planting on their properties. Similarly, businesses should be able to grow façade gardens and homeowners should be able to place planters on their exterior garden walls. Streetscapes could also be improved by allowing residents to plant flowers and other greenery on bare patches of ground. There is a real economic incentive for taking these actions, with evidence suggesting that average house prices increase by 3% in greener areas.

Section 3: Supporting nature and protecting properties

- **Activate Schedule 3 of the Flood and Water Management Act 2010**
- **Reform the surface water drainage rebate by initiating a sliding scale depending on the absorptiveness of individual properties**
- **Amend the National Model Design Code to embed nature into developments**

Nature-friendly developments come with a variety of ancillary benefits, including a reduction in the impact of heavy rain and flooding on our homes, businesses, and sewerage network. Rainwater must go somewhere. More should be absorbed before reaching and overwhelming our sewerage system, causing river pollution and requiring expensive infrastructure upgrades. A number of levers should be pulled to help increase the absorptiveness of our properties.

Within our urban and suburban areas, SuDS allow for nature restoration and protect communities from flooding, reducing the need to use storm overflows. This is important given the tremendous social and economic costs of flooding, with the 2015 floods in England alone causing more than £2 billion in damages. These costs will increase due to climate change. SuDS are flood-control methods which mimic natural drainage cycles. Examples include permeable pavements, green roofs, swales, wetlands, and ponds. They slow the runoff rate into watercourses and sewers, clean water by filtering it through root systems, and increase the amount of urban vegetation, providing habitats for animals. SuDS are cheaper, less intensive, and less obtrusive than conventional, hard-engineered flood mitigation methods.

Approximately 1.3 million homes built since 2010 have not included SuDS. It has been estimated that, had these properties been constructed with SuDS, there would have been £36 million of annual water-related benefits and £219 million of annual welfare savings for residents of these properties. By absorbing excess water, the number of storm overflow incidents would decrease from the current average of more than 30 per overflow *per annum*. Additionally, increasing the absorptive capacity of our land will reduce the impact of flash flooding for the 4.3 million at-risk houses. Whilst a nationwide programme of SuDS installation will come with a cost, these are often lower than those of traditional flood prevention systems. These financial benefits are magnified by the fact that retrofitting existing developments (and dealing with flooding) is more expensive than installing SuDS at the outset. SuDS also make communities greener, boosting the mental health of residents and the livability of these areas.

The government has committed to creating a national standard for SuDS. However, the government should go further by initiating Schedule 3 of the Flood and Water Management Act 2010, which it committed to doing prior to the general election. This would mandate SuDS across all new developments, something which has proven effective in Wales since it was introduced in 2019. If this is done, new developments will become more attractive to housebuyers, especially those in historically flood-prone areas. Equally, by lowering the risk of flooding, currently at-risk areas of land could be opened up for housing. Existing housing could benefit because flood mitigation measures can make it easier to secure mortgages by reducing the long-term risk of flooding which will render some properties uninsurable.

To incentivise action by existing homeowners, the surface water drainage rebate (the rebate) should be reformed. Household water bills consist of fees for the water we use and the rainwater which flows from our properties into the sewerage system. The rebate was created to encourage property owners to minimise the amount of rainwater flowing into the system. However, this rebate is too restrictive, with fewer than 2% of households utilising it. This is due to an 'all or nothing' approach adopted by Ofwat, the water sector regulator. The rebate is only available to customers who can demonstrate that no rainwater enters the public sewerage system from their property, for example, by having all water flow into a soakaway, pond, reed bed, stream, or other riparian system. The existing rebate also disincentivises certain water retaining and absorptive measures. For example, United Utilities prevents households from accessing the rebate if they use rainwater harvesting systems, whilst almost all water companies specify that water butts cannot be factors in support of a rebate. This makes the rebate inaccessible to the majority of households which do not have access to riparian areas, existing soakaways, or the £2,000 it costs to install one. The rebate system as it stands thus actively disincentivises the use of SuDS and other absorption systems by penalising consumers for using them.

The disincentive can be easily addressed via amendments to Ofwat's 'Charges scheme', which is the power granted to water companies to manage the rebate. This scheme should be amended to actively incentivise SuDS and other water absorption methods. It should include a sliding scale, whereby a 25%, 50%, or 75% rebate could be granted based on how absorptive properties are. Nature will also benefit: more absorptive gardens and landscapes will have more foliage, providing new spaces for plant and animal life. Importantly, these reforms are fundamentally conservative, offering a reduction in water bills in return for making properties more absorptive rather than introducing a new tax or requirement. This empowers households to choose whether or not to make their properties more absorptive.

The National Model Design Code (NMDC) should be amended to include provisions to embed SuDS and other water absorptive systems into developments by default. The NMDC provides detailed guidance for local authorities on how to create good local design codes, which local authorities are then expected to implement. Currently, the code encourages local planners to create design codes which embed nature and enhance the natural environment. However, SuDS are merely offered as schemes which "may be integrated into the built environment". Mandating the inclusion of SuDS within design codes will create more spaces for nature, lower flooding risks, and reduce the chance of our sewerage system becoming overwhelmed with rainwater. This would not be an over-centralising policy, with local decision makers continuing to make the final decisions about how these schemes should operate. Equally, local preferences and architectural styles would still be promoted in accordance with the NMDC's overarching remit.

Beyond SuDS and rainwater harvesting, making design codes more nature-focused should ensure that more biodiversity is incorporated into new developments as a baseline (with allowances for different development types). We could see more parks, street foliage, façade gardens, and green roofs on multistorey car parks. By drafting these new codes, planners will ensure that there is a focus on natural and aesthetic qualities determined by the local area.

Section 4: Making a more efficient use of the land we have via 'gentle densification'

- **Increase housing targets in our towns and cities to regenerate urban areas via 'gentle density'**
- **Introduce 'Brownfield Passports' and reform the Building Safety Levy to support the redevelopment of brownfield sites**
- **Amend the National Planning Policy Framework to include a presumption in favour of gentle density and require beautification**
- **Enact secondary legislation to enable street votes and mansard roofs**
- **Amend the National Model Design Code to drive gentle density through local and neighbourhood design codes**

New developments do not require the destruction of our natural heritage and green spaces. By creating new developments with sufficient density and, where possible, within existing urban and suburban areas, we can build homes and protect nature. These new sites need not be skyscrapers or tower blocks which have been proven to be both deeply unpopular with residents and damaging to our social fabric. Instead, gentle density housing should be prioritised, raising our comparatively low-density housing stock to the level of our European urban equivalents.

This is important because nature-friendly developments are also people-friendly. Surveys consistently reveal that the British public want to live in 'gently densified' communities. These communities comprise a mixture of terraced housing and low-rise apartment blocks, which are walkable and cyclable and have strong public transport links. These developments ensure that British people have the homes they need and our native wildlife has functioning habitats, even in our bustling city centres.

British cities are suffering from serious housing shortages. London alone requires 88,000 new houses per year, but only saw 4,170 homes begin construction in 2024-25. This lack of urban housing has a cascading effect. Expensive urban housing is forcing workers to find more affordable housing in commuter belts. In turn, this has led to increased competition and rental prices rising sharply in these areas. If the government is serious about supporting urban housebuilding, urban areas with low density housing (e.g. the outer London boroughs) and inner city areas requiring regeneration should be made national priority areas for new housing. Housing targets must be rebalanced in favour of building within our cities.

A 'gentle density' approach to urban development would allow the outer areas of cities to densify sufficiently for strong public transport links to be developed, such as new 'crossrails', to join up previously disconnected railway services. This would regenerate estates, rehabilitate brownfield areas, utilise under-developed public land, and densify our urban areas, driving economic growth. A reformed approach would also add value to an area without overwhelming local services. Gentle density developments do this by creating 'human-scale' communities. These communities are based around buildings which are not so tall as to become obtrusive, and which have ample spaces to live, work, and rest within a short distance of each other. This is important because the ability for people to live near to where they work is key to boosting our economy. In many ways, this approach mirrors the

much more densely populated mainland European cities. Barcelona and Paris have five and three times the density of London respectively, whilst still maintaining a high quality of life.

Gentle density is also beneficial for nature. These communities make space for nature which benefits people, such as parkland, allotments, and gardens. Weaving together nature and human development ensures that biodiversity can thrive, even in our most urban settings. Their density also reduces urban sprawl: reducing the need for cars, and ensuring that people can be part of strong communities by increasing opportunities for connection. By improving access to nature, gentle density boosts physical and mental health, and makes for more livable communities.

These communities are profoundly conservative, creating ample space for what Edmund Burke termed the 'little platoons' to grow and thrive. This is why gentle density received such strong governmental support during the last parliament, with the Building Better, Building Beautiful Commission's report becoming a cornerstone of English housing policy. Unfortunately, the current government has pledged support for 'ambitious density'. There is more than a semantic difference between 'gentle' and 'ambitious'. Aesthetics have been lost, and the rationale for including nature in our streetscapes diluted. Conservatives should, instead, continue to champion gentle densification to regenerate our cities and create new spaces for nature.

We must also prioritise brownfield developments, as successive governments have rightly aimed to do. Building on brownfield sites promotes gentle density and reduces the need to develop on greenfield sites. By reducing building pressures on these sites, spaces are preserved in the landscape for nature to thrive. However, the cost of remediating brownfield sites often undermines the viability of these developments. This could be remedied by permitting the full expensing of brownfield sites. Full expensing enables developers to deduct the investment costs of new homes from their tax liability, making more brownfield sites viable. It is estimated this could lead to 150,000 brownfield homes being started each year. This would result in an average return of 17% to the exchequer, or £4.3 billion in downstream tax from the growth of the sector and economic development near brownfield sites. These economic and environmental benefits make it unsurprising that the 2024 Conservative manifesto included a commitment to extend full expensing to brownfield sites.

The redevelopment of brownfield sites should be further supported by a reform of the Building Safety Levy. The levy exists to fund the removal and replacement of dangerous cladding, and is about 0.5-2% of the total price of a new development. Brownfield sites should continue to be subject to the 50% reduction in the levy, which was designed to promote brownfield re-development. However, the levy uses a much narrower definition of 'brownfield' than the National Planning Policy Framework (NPPF). Under the NPPF, 'brownfield land' includes both buildings and fixed surface infrastructure, whilst the Building Safety Levy's narrower definition only includes sites where at least 75% of the land was actually built upon. The definition of brownfield land found within the Building Safety Levy should, therefore, be re-written to match that of the NPPF. This would make it cheaper to re-develop brownfield sites, thereby encouraging developers to build on these sites, rather than on greenfield land.

The NPPF is the single most powerful agent for gentle densification due to its ability to project policy from central government into local authorities. This is why the last Conservative government amended the NPPF to include a requirement for beauty in the planning regime. Nature conservation within our built-up areas was considered key to this: parkland for leisure, street trees for shade, and greenery for SuDS and improved mental health. After the last general election, the new government amended the NPPF to remove this requirement.

To make the NPPF a more effective agent for driving gentle density, these requirements should be re-inserted. Additionally, the sustainable design presumption should be amended to explicitly include gentle density principles. This will ensure that gentle densification is put at the centre of our planning regime across the whole country, not just in brownfield redevelopments and around railway stations.

Additionally, the NPPF should be amended to encourage local authorities to approve Local Development Orders (LDOs) and Neighbourhood Development Orders (NDOs) over whole developments which abide by the principles of gentle densification. LDOs are used by local planning authorities, and NDOs by parish councils and community fora, to provide planning permission to specific types of developments in specific areas. Using Nansledan as an example, developments which are supported by local people and which will create high-quality, sustainable, and gentle density communities with strong public transport links should be granted LDOs and NDOs. For NDOs, this process could be further expedited by the creation of a pathfinder tool, which would provide funding and tools for communities to initiate them. The tool would be based on the last government's Design Code Pathfinder Programme.

The government should utilise existing powers in the Levelling Up and Regeneration Act 2023 to finally enact street vote development orders. This would formalise the basis of planning permission necessary for local authorities to allow communities to densify their streets more easily. Where street votes have been utilised by councils on an informal basis, whole streets have voted to grant themselves a permitted development right to extend their properties, for instance by adding an extra storey or constructing mansard roofs. Importantly, this can expand the floor area of urban properties by one quarter to one third, making urban areas denser without requiring the construction of entirely new properties.

The National Model Design Code should be amended to include gentle density principles across all areas. The present code only includes these principles in urban and suburban areas. For the outer suburbs, towns, and rural areas, the code lays out an expectation for low density (or no density requirements at all). To prevent sprawl and to condense new developments, this should be amended to include gentle densification measures across all development types. This would have the added benefit of providing another avenue for measures such as installing mansard roofs to be actioned, rather than waiting for the government to finally enact street votes via secondary legislation. If this succeeds, then even rural areas could follow the example of new developments such as Fairford Leys: gentle density, mixed-use developments which are sustainably designed.

Conclusion: in pursuit of harmony

This paper presents a wide-ranging set of conservative proposals to ensure that protecting our natural environment does not come at the expense of building the houses we need, and *vice versa*. Conservatives can - and should - offer a compelling counter argument to the current government's belief that increasing centralisation, legalistic rigidity, and regulations will solve this problem. It will deliver neither the homes nor the nature we need.

By reforming BNG, conservatives can support natural capital markets to grow, while ensuring that restoring nature is not a barrier to housebuilding. We should not allow regulations to stand in the way of sensible, pro-environment measures. There should be more freedom for individuals and private organisations to engage in nature restoration efforts which help create greener, more beautiful communities.

Nature-friendly developments offer benefits beyond biodiversity which should be recognised and seized. This is why we call for mandating SuDS which will reduce the impact of flooding across the country, and lead to reduced water bills for consumers. Finally, this paper calls on conservatives to ensure housing is built at gentle density, beautifully, and in the places where people want to live, rather than continue the historic trend of unattractive and environmentally harmful urban sprawl.

By choosing to support this plan, conservatives will make great strides in pursuit of harmony between our built and natural environments. In doing so, two of the most electorally compelling objectives can be achieved: ensuring that housing is plentiful and affordable for decades to come, while also safeguarding our natural inheritance for future generations.