



# Partnership for South Hampshire Planning Officers Group

## DEFRA Online Nitrate Trading Platform

06 October 2020

The PfSH Planning Officers Group welcomes the announcement of a DEFRA-led £3.9m pilot online nitrates trading platform to unlock housing growth in south Hampshire. It demonstrates a central government commitment to both protecting our environment, and in the short to medium-term will help to resolve the ongoing problems local authorities and developers have been experiencing in securing funding for a solution until a long-term strategy is developed. Our report to PfSH's governing body of 7 July 2020 stated that, the requirement that all new development be nutrient neutral was a significant factor in holding up issuing consent for 4,839 new housing units. These figures are due to be reviewed in November.

Following a bid submitted by PfSH £2m has been awarded, in principle, from the Government's Getting Building Fund (GBF) to pump-prime a nutrient credit scheme for developers that will work by purchasing land for rewilding to off-set the impact of nutrient discharge from new housing development. We await confirmation of this funding from the Solent LEP once due diligence procedures and governance arrangements have been satisfied.

### **Coordinating the roll out of the schemes**

DEFRA officials have advised us that the rollout of the online nitrate trading platform is in its early stages of development and will run for an initial period of 25 months from the date of the announcement (11 September). We consider it crucial to the success of both of these schemes being worked up (the online nitrate trading platform, and our own nutrient credit scheme) are rolled out in a coordinated fashion. There will be limitations to how land purchased from the Getting Building Funding can be allocated (for housebuilding that directly benefits the Solent economy) and so we feel that the online nitrate trading platform should roll out across all water catchment areas that flow directly into the Solent. Furthermore, neither scheme should operate so independently as to have competing priorities. The allocation of credits/credits trading across local authorities should be apportioned fairly, based on need - and in consultation with local planning authorities. Mechanisms should be in place to prevent the bulk buying of credits by large developers and to the detriment of smaller developers.

### **Governance**

PfSH is already in the process of recruiting a temporary Strategic Environmental Project Manager to coordinate our initial work on nitrate neutrality and develop a wider long term nutrient mitigation strategy across the South Hampshire sub-region. Our intention would be to set up a steering group to manage the allocation of credits depending on who, ultimately, will have responsibility for the purchase and delivery of mitigation land (likely to be HIWWT). However DEFRA decides to implement the online platform, our strong preference is that our Strategic Environmental Project Manager be offered a place at any steering group set up to govern the project. The post holder will be able to offer local knowledge and contribute PfSH Planning Officers Group expertise, local knowledge and views. The officer will play a pivotal role in linking the two projects together, ensuring coordination. Representatives of the Environment Agency and Natural England are already embedded in our own Planning Officers Group and proven to be an invaluable source of advice and guidance.

### **Enforcement and monitoring**

We think that a range of trusted partners should be used for the delivery of mitigation land. Land purchased and credit allocation in the sub-region to date has been well led by the Hampshire and Isle of Wight Wildlife Trust (HIWWT). However, there is a danger that opportunities for identifying suitable land may be missed unless a range of partners are chosen to work with us to enforce the use of mitigation correctly, and monitor its positive impact of nutrient discharge. Careful consideration of how, and crucially who, allocates credits will also be needed to ensure the success of the platform. There must obviously be no doubt as to the transparency and accountability of this. Colleagues at Fareham Borough Council have already independently secured an agreement jointly with HIWWT and Isle of Wight Council for delivery of land on the island for the purpose of

mitigating the impact of housing development in Fareham borough - and will be able to provide insight in to the legal, enforcement and monitoring considerations given their experience to date.

### **Long Term Strategy**

We consider that nitrate trading, or issuing nutrient credits via the purchase of land for re-wilding, at best a medium term resolution to the issue. There is a finite amount of land that can be purchased for mitigation to off-set new development. In September PfSH sent a submission to the HMG Comprehensive Spending Review 2020 'Nutrient Mitigation as a Way of Strengthening Economic Recovery' which set out other options that HMT should consider investing in to reduce nutrient discharge in the long term. These included investment in the technology to upgrade Wastewater Treatment Works' ability to remove more nutrients from the system, water efficiency and incentives that promote farming practices that offset or reduce the use of nitrates. We also consider the need for a comprehensive WWTW permit review as urgent and necessary to understand and manage the scale of the issue.

While the online nitrate trading platform and our own credit scheme will resolve the issue in the short to medium-term, it is not going to go away. PfSH will continue to explore all options - that taken together, form a strategy comprising a suite of mitigations that secure both the need for new housing *and* protect the environment in to the future. We know that DEFRA, Environment Agency and Natural England continue to work on initiatives and projects with similar goals and, in order for PfSH to understand these 'in the round', think it appropriate that our Strategic Environmental Planning Manager be invited to attend forums at which the nature and impact of these are discussed. We fully support the benefits for both the public and nature that come from a biodiversity net gain approach in development, suitable alternative natural green spaces and ecological networks. The ELM scheme, and the way agriculture is regulated in the future, will play an important part in minimising the scale of the issue to be addressed through mitigating development so that it's more manageable. All of these themes dovetail with the [Prime Minister's announcement of 28 September](#) and the aims of the Environment Bill 2020 - so we consider that the most effective (and cost effective) long term solutions to the problem are nature based.

Most of all, PfSH is very keen to work with DEFRA from the outset - to ensure the success of the pilot and that it is implemented alongside that funded by the GBF in a coordinated way. We are keen for the knowledge and expertise of our planning officers is used to help design the operation of the platform that works with, and complements, existing structures.

ENDS

Claire Upton-Brown  
Chair, PfSH Planning Officers Group  
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