

From: Cllr Seán Woodward, Chairman Partnership for South Hampshire (PfSH)
Email: swoodward@fareham.gov.uk

Date: 23 September 2020

Submission to the Comprehensive Spending Review 2020 - Nutrient Mitigation as a way of Strengthening Economic Recovery

Housebuilding across South Hampshire is essentially on hold while solutions are found to mitigate the impact new development has on the discharge of nitrates into the Solent. This follows a requirement issued by Natural England that all new housing that discharges into water catchment areas flowing into the Solent be 'nutrient neutral' to prevent further eutrophication of its protected sites.

The negative effect of this on the construction industry, their own providers of goods and services, sustainability of jobs and job growth in the sector has been considerable. The ability of local authorities to meet their own government-set housing targets is therefore also at risk. The MHCLG's own standard assumption is that 1.5 jobs are supported per new dwelling built. Multiply that by the current number of homes currently on hold across the PfSH membership ([PfSH Nutrient Neutrality Update Report to Joint Committee 7 July 2020](#)), that's c2,000 jobs across just our sub-region.

Given the gravity of the situation and the impact it is already having on the supply of new homes across South Hampshire, PfSH has been working hard to work up a suite of long-term strategic solutions to mitigate the impact of this requirement. To do this, PfSH has been working with colleagues in central government departments (DEFRA and MHCLG), the Environment Agency, Natural England, water companies and others - culminating in the roll out a nutrient credit scheme. The scheme is based on the purchase of land (by PfSH and its partners) for re-wilding and selling nutrient credits to developers to off-set the nutrient discharge of new homes being built.

The scheme is in its early stages, with the Hampshire and Isle of Wight Wildlife Trust taking the lead. Such is the demand of developers, all land so far purchased has been oversubscribed. A successful bid submitted by PfSH to the Solent LEP for funding from the Getting Building Fund resulted in a provisional £2m loan which will help to pump-prime the purchase of 'mitigation land' - and DEFRA announced on 11 September a further £3.9m for an online nitrate trading auction platform for the same purpose. PfSH will be working very closely with DEFRA to coordinate the roll out of the separate schemes.

But it's not enough, and neither is the nutrient credit scheme alone enough to secure jobs and growth in construction long-term. Whilst there is definitely a need in the short term to purchase more land for mitigation (and more funding will be needed for this), there is a finite amount of land that can be purchased for re-wilding and the issue is not going to go away. The responsibility for the provision of sustainable nutrient neutrality to off-set the impact of development is a shared one, and a national one. Developers, local authorities, water companies and central government all have a part to play in finding long-term solutions.

PfSH welcomes the recent DEFRA-led joint announcement on 11 September and the provisional allocation of £2m through the Getting Building Fund. We are pleased that the situation, which cannot be unique to South Hampshire, is already on the Government's radar. However, these funds will only stretch to resolving the issue in the short to medium term. The challenge is to find a way of reducing nutrient discharge in a way that facilitates sustainable growth (house-building, other construction) that works in harmony with the environment. Our natural environment is precious and has numerous benefits - [the recent report published by NEF consulting for CPRE Hampshire \(June 2020\)](#) finds that the countryside north of the urban centres of South Hampshire could generate almost £26 million a year in health, wellbeing, economic and ecosystem benefits.

In terms of what else we can do, there are several other measures the Government should invest in to facilitate long term job security, sustainable growth and wellbeing if its ambitions for a green, nature-based recovery from coronavirus are to be realised.

1. [Investment in better technology to lower the levels of potentially harmful nutrients \(including nitrates\) returned back into the water system at Wastewater Treatment Works \(WwTWs\)](#). While there is no such things as 'pure water', what we can be doing is ensuring that what we take from the system is returned at a level that is similar to that at which it is drawn i.e. we are not 'adding' (or are reducing as far as possible) nutrients to the water we discharge back into the system - ['Latest Environment Agency Figures Reveal all English Rivers Fail Pollution Tests.'](#) While upgrades to WwTW are expensive - there is scope to further reduce the levels of potentially harmful nutrients returned to the water system. Better filtration technology will remove higher nutrient levels in water caused by run-off from agricultural practices of decades ago, benefiting our environment and wellbeing and

allowing the free growth of jobs and businesses unhindered by the delays we have already seen and levies on developers when housebuilding contributes to only part of the problem.

2. Further incentives that promote farming practises that reduce the use, or off-set, potentially harmful nutrients that 'run-off' in to system. A significant percentage (up to c70%) of excess nutrients in water comes from run off caused by agricultural practises decades ago and that take years to filter into the water system. DEFRA is already exploring opportunities to address nitrate pollution from farming and is pursuing a strategy which combines incentives and nature based solutions, and tackling the prevalence of non-compliance and pollution incidents through advice led enforcement to reduce the contribution that agriculture makes to protected sites. In sharing the responsibility to addressing the issue, it follows that the farming industry too, should be working toward a requirement to reduce such run-off. The [NFU position statement](#) of October 2019) advocates farmers establishing changes to agricultural land in the wider landholding in perpetuity to remove more nitrogen loss at source. In practise this means creating, for example, wetlands on-site to remove potentially harmful levels of nutrients before they enter rivers and streams that feed the Solent. The NFU suggest that such measures can be easily and cost effectively implemented.
3. Investing, nationally, in ways of reducing the amount of water we use in homes and businesses. Water scarcity is already a problem, and the less we use, the less potentially harmful nutrients will be returned back in to the system. Investing in water efficiency measures in new building development, and upgrading what we have, can significantly reduce the amount of water we take from the system and the waste-water we have to put back - reducing costs long term for everybody and reducing the risk of water scarcity in the future (and associated costs financial and otherwise).
4. Investing in a grant to set up a revolving Solent mitigation fund. Such a grant, if issued to a local accountable body, would give local authorities the freedom and adaptability to implement relevant mitigations in the long term, and provide a dedicated sustainable source of funding to set them up. Until now, lack of funding to implement measures quickly has exacerbated the problem - which has persisted for 18 months since early 2019. A revolving fund would be sustained through payment by developers of nutrient credits for the purchase of rewilding mitigation land, but also reinvested in other mitigation measures over time as part of a long term strategy and as other opportunities for long-term nutrient mitigation measures arise. [Bird Aware Solent](#) is an example of how this might work - wholly funded by developer contributions, it was set up in 2017 by PfSH to protect habitats for birds that migrate to Special Protection Areas around the Solent in perpetuity.

We consider that taken together, and in addition to the land use change mitigation measures already in-train, these represent a strategic suite of measures that not only protect delicate environment balance but which will have a significant impact on securing jobs in the construction sector in the long term, facilitate sustainable economic growth in the sub-region and improve the public's health and wellbeing.

We strongly urge the Government to consider further investing and/or incentivising in such a measures now, and as part of its comprehensive spending review. As we begin to recover the economy and the Government's fresh approach to green, nature based economic growth we hope that these suggestions are welcomed.

About the Partnership for South Hampshire

The Partnership for South Hampshire (PfSH) was formed in 2003 and is comprised of 12 South Hampshire local authorities - the unitary authorities of Portsmouth and Southampton; Hampshire County Council and district authorities of Eastleigh, East Hampshire, Fareham, Gosport, Havant, Test Valley, New Forest, Winchester and the New Forest National Park Authority.

PfSH works collaboratively with partner agencies in the sub region as well as key government departments to ensure joined up strategies, pooling of resources and delivery of transformational programmes that focus on better outcomes for local people. More recently, the formation of Local Enterprise Partnerships and in particular, the establishment of the Solent Local Enterprise Partnership (LEP) has further enhanced PfSH's engagement with private sector businesses in a concerted effort to identify and align business priorities. PfSH continues to proactively engage with business leaders, universities and the voluntary sector through the Solent LEP in support of activities that facilitate sustainable economic growth and create additional homes and jobs for our residents.

ENDS