

New approach on nutrient mitigation to help development

Suzie Horne 29 January 2025



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A new approach to nutrient mitigation is planned by setting up a body to deliver measures to address nitrogen and phosphate pollution across many river catchments in England, alongside other environmental requirements.

This was set out recently in a [policy paper](#) which will contribute to the planning and infrastructure bill expected to be published this spring.

Currently, developers must buy nutrient credits, mainly in the private market, to offset the nitrogen and phosphate impact of what they build.

These credits are created mainly by landowners entering agreements to change the use of their land for the long term (80-120 years).

As well as changes in land use, credits can be created by other measures, such as replacing old septic tank installations with package treatment plants.

See also: [Nutrient mitigation market merits careful consideration](#)

Aim to speed up development

As well as its commitment to build 1.5 million homes in England during the current parliament, the government aims to decide 150 planning applications for major infrastructure projects.

The approach proposed by the policy paper is designed to speed up housebuilding and other development by addressing nutrient pollution on a wider scale through a single assessment and delivery plan, rather than developers making individual arrangements for each of their sites.

Under the plan, developers would contribute to a nature restoration fund which would be managed by a public delivery body (or bodies), possibly Natural England, which would in turn arrange the environmental measures needed to meet the requirements.

While the government says delivery bodies will be expected to work with private providers and land managers wherever possible to ensure competition and innovation in securing interventions that deliver good value for money, they will also have compulsory purchase powers.

Land use changes

Mitigation measures often involve woodland or wetland creation, lower stocking rates on grassland, or arable reversion to grassland.

While nutrient mitigation will be a prime focus, other measures such as providing habitats to increase the population of a protected species will be within the scope of the changes.

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The working paper does not propose to make changes to the biodiversity net gain regime, which is expected to continue as now on a site-by-site basis.

Broker Hugh Townsend, of Townsend Chartered Surveyors, says it is expected that the bulk of nutrient mitigation sites in delivery plan areas will be provided and run by private landowners.

"It's very early days and the legislation will take time to run its course," says Hugh.

"There are a few questions, including whether landowners and developers will continue to have the option to sell and buy privately if in a delivery plan area. We expect this will be the case, but there is no certainty yet.

"For example, will a developer be able to create their own mitigation by buying land alongside their site, or entering an agreement privately with a landowner?"

"Also, we do not know how the price will be fixed by the delivery body, or bodies, either for developers or landowners."

Ambitious

The proposal has been broadly welcomed by planning advisers, but at the same time has been labelled ambitious.

Law firm Freeths, which advises on planning matters, has welcomed the proposals but warns that there is a great deal to be carefully thought through.

It says that while this approach has the potential to unlock big problems, there could be delays in the adoption of the strategic plans, delays in accumulating the funds from developers needed for delivery of the plans, and delays putting into place the nature recovery measures needed before development can commence.

In the light of this, the firm questions whether in practice it is possible to uphold existing standards.

"Crucially, this solution relies entirely on the ability of a delivery body to be able to assess impacts and secure and monitor offsetting in place of developers," it says.

"Doing that efficiently and effectively will require a great deal of funding, expertise and political clout. That is a tall order for anyone."

Freeths partner Penny Simpson says: "There are likely to be more difficulties in using this sort of system for less commonly encountered and more complex impacts, for example from large nationally significant infrastructure projects."

High demand for nutrient credits in Norfolk

Norfolk Environmental Credits (NEC) is a non-profit collaboration between Breckland Council, Broadland District Council, North Norfolk Council and South Norfolk Council.

It sources mitigation measures for credits in the Bure, Wensum and Yare catchments through changes in land use by arrangement with landowners, most commonly through a Section 106 agreement under the Town and Country Planning Act 1990.

NEC general manager Tom Sayer says demand for nutrient mitigation credits in Norfolk exceeds supply.

The organisation is looking for schemes that relate mainly to the generation of temporary nutrient credits, providing developers with short-term mitigation for five years, ahead of scheduled improvements to water recycling centres by water companies in April 2030.

"There may also be limited opportunities for permanent credits to be generated through long-term change in land use [80-plus years], primarily associated with woodland creation," Tom says.

"Although we recognise that changing the use of land could secure a lot more nutrient mitigation in Norfolk, one of the reasons we have sought a range of different offset solutions is to avoid large swathes of land simply becoming fallow for decades to come."

NEC currently has one land use change scheme in its portfolio which has generated 116kg/year of permanent phosphorus mitigation, 3,186kg/year of permanent nitrogen mitigation, 20kg/year of temporary phosphorus mitigation, and 1,720kg/year of temporary nitrogen mitigation.

Its phosphorus nutrient credits for the Yare catchment currently cost £3,650 plus VAT for permanent credits and £2,500 plus VAT for temporary credits (valid until 1 April 2030).

NEC also invests in other mitigation solutions.

"We currently have a scheme which is upgrading existing septic tanks in the catchment to private package treatment plants and securing the nutrient offset," Tom

says.

This involves replacing old septic tanks with more environmentally efficient kit at no cost to the householder, who must then contract to maintain the plant appropriately for 90 years, with the obligation passing to their heirs or subsequent buyers of the property.

What is nutrient mitigation?



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Nutrient mitigation is a statutory requirement to ensure that new developments do not add to phosphate and nitrogen loads in water bodies where protected sites are already in unfavourable condition through the effects of nutrients.

Nutrient mitigation requirements are in place across 27 river catchments in 74 local planning authorities, and are being met by reducing or capturing nutrients that would otherwise end up in protected water bodies.

Mitigation measures create nutrient credits, with 1kg of nitrogen or phosphate each requiring one mitigation credit.

These are traded in private markets, although statutory credits have been created by Natural England for the Tees and Poole Harbour catchments and are sold in regular tranches.

The Natural England credits are generally created through wildlife trusts buying land on which to develop mitigation measures on its behalf, such as the recent purchase by Dorset Wildlife Trust of more than 300ha of chalk downland and farmland at Lyscombe Farm near Dorchester.

The site is expected to enable about 3,700 homes to be built in the Poole Harbour catchment over the next few years.

The cost of a nitrogen credit (to mitigate 1kg of nitrogen) in the Poole Harbour catchment area for the current round, open until 4 February, is £3,250.

The next application round for the Tees catchment (round eight) opens on 5 February and closes on 4 March. The cost of a nitrogen credit in this catchment is £2,700.

Private market nutrient mitigation prices

- **Nitrogen credits** £3,000-£4,000 a unit
- **Phosphate credits** £35,000-£55,000 a unit

Values are dependent on area, with phosphate credits more highly priced depending on proximity to septic tank mitigation schemes..

Source: Townsend Chartered Surveyors