



Department for Levelling Up, Housing & Communities

Lee Rowley MP

*Minister of State for Housing, Planning
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Council Leaders of Local Planning Authorities
affected by nutrient neutrality

By email only

6 March 2024

Dear Council Leader,

Local Nutrient Mitigation Fund round 2 and Designation of Sensitive Catchment Areas

In December I wrote to you to provide an update on nutrient neutrality and the steps Government is taking to address the issue, including the award of £57m to eight successful bidders as part of Local Nutrient Mitigation Fund (LNMF) Round 1. Providing mitigation required for housing affected by nutrient neutrality is a priority.

Today, I am pleased to inform you that Round 2 of LNMF has opened for Expressions of Interest. The focus remains the same as Round 1, seeking high quality proposals to boost nutrient mitigation supply through locally led mitigation schemes to enable sustainable development. Developer nutrient mitigation payments received by Local Planning Authorities (LPAs) as a result of any funding allocated is to be reinvested locally until nutrient mitigation is no-longer needed for development, when it will be spent improving the relevant Habitats Sites.

The Expression of Interest process is open to all nutrient neutrality catchments and seeks high quality proposals as part of strategies and programmes for delivering mitigation. I welcome costed proposals of up to £10m. The Expression of Interest will **close on 26 April 2024**. Further information is available here:

<https://www.gov.uk/government/publications/local-nutrient-mitigation-fund-round-2>

The Planning Advisory Service (PAS) will continue to offer support to all affected LPAs and targeted support to aid delivery of local mitigation schemes¹.

To tackle the underlying sources of nutrient pollution affecting Habitats Sites; the Levelling-up and Regeneration Act 2023 (LURA) inserted new provisions into the Water Industry Act 1991. This places a duty on water companies in designated catchment areas, to upgrade wastewater treatment works serving a population equivalent over 2,000, unless otherwise exempt, to a specific nutrient pollution standard². This duty applies in areas designated as 'sensitive catchment areas' which are identified for either for phosphorous and/or nitrogen; with an online map showing designated catchments, and the wastewater treatment works which are to be upgraded within these catchments being listed publicly.

¹ Further detail is available here: <https://www.local.gov.uk/pas/topics/environment/nutrient-neutrality-and-planning-system>.

² 0.25mg/l for phosphorous and 10mg/l for nitrogen

On 25 January 2024, the Secretary of State for the Environment, Food and Rural Affairs designated 16 catchments in which water companies are required to upgrade wastewater treatment works before 1 April 2030. A separate and limited exemption process for the wastewater treatment works upgrade duty will be completed by 1 April 2024, when any final exemptions will be confirmed.

The Habitats Regulations³ have been amended to direct that these upgrades are treated as 'certain' - assuming the wastewater treatment works will meet the standard by 1 April 2030 and so factored into the baseline for Habitats Regulations Assessments. **Planning decision-makers and plan-makers are required to make this assumption for development proposals draining, via a sewer, to a wastewater treatment works subject to the upgrade duty.**

The assumption for development connecting to wastewater treatment works subject to the upgrade duty, will significantly reduce the mitigation burden on housing schemes, whilst remaining 'nutrient neutral'. Developers will be able to secure 'bridging' / temporary mitigation (up-to 2030), to mitigate for the higher levels of pollution prior to upgrades taking effect and then much lower levels of mitigation thereafter (to mitigate the residual pollution after 2030).

Alongside the designation of catchments where upgrades are required, there are accompanying enforcement and remediation requirements which secure the delivery and efficacy of the upgrades to the nutrient pollution standards. Water companies not delivering upgrades on time will be liable to provide remediation for the excess nutrient pollution discharged.

Further information on designations and a map of sensitive catchment areas, can be found in the [Notice of designation of sensitive catchment areas 2024](#). Natural England have provided affected Local Planning Authorities with revised nutrient calculators, which accounts for the assumption and the Planning Practice Guidance will be updated shortly.

These measures to boost the supply of mitigation whilst also preventing pollution at source are actions we are taking to provide mitigation for stalled housing delivery and enable sustainable development in affected catchments, allowing people to have access to the homes that they need. As in the Autumn Statement, the LNMF is estimated to provide mitigation for up to 40,000 homes over the next five years and Round 2 of the fund will play a major part in this. It will support LPAs unable to grant planning permission for housing delivery in affected sites/catchments unless developers mitigate against nutrient pollution.

Yours faithfully,



Lee Rowley MP

Minister of State for Housing, Planning and Building Safety

³ Conservation of Habitats and Species Regulations 2017