

Stodmarsh Catchment Nutrient Mitigation Strategy



Image Grove Ferry, Explore Kent

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Prepared by Kent County Council

Supported by Ashford Borough Council, Canterbury City Council, Folkestone and Hythe District Council, and Maidstone Borough Council.



Stodmarsh Catchment Nutrient Mitigation Strategy

Executive summary

The Stodmarsh Catchment, including the nationally and internationally designated Stodmarsh National Nature Reserve (NNR), is experiencing ecological degradation due to excessive nitrogen and phosphorus from wastewater, urban runoff and agricultural practices. In 2020 Natural England advised that all new housing developments must offset the nutrients they contribute to the catchment and achieve nutrient neutrality to gain planning approval.

The impacted catchment area covers Ashford, Canterbury, Folkestone and Hythe, Maidstone and Swale. These districts have seen a notable decline in approval for housing resulting in a significant impact on economic growth, local service provision and affordable housing. In addition, LPAs risk failing to meet their five-year housing land supply targets.

In the five years since the advice was first issued over 7,000 homes have been delayed due to a lack of available mitigation measures with a predicted 30,000 potential homes impacted up to 2040. Water companies are required under the Regeneration and Levelling up Act to upgrade wastewater treatment works by 2030, reducing the levels of nutrients they release. These improvements are built into future forecast figures; however these upgrades do not reduce nutrient levels sufficiently to enable Natural England to withdraw their planning advice for the catchment.

In 2024 Kent County Council as the Stodmarsh catchment coordinator for nutrient neutrality received £9.8million from the Governments Local Nutrient Mitigation Fund (LNMF) to invest in mitigation measures within the catchment. This strategy sets out how the LNMF will be invested in mitigation measures to generate credits and expediate the release of housing.

This strategy identifies the main programme of works to achieve mitigation, with flexibility to deliver different components and seek innovative solutions. Recognising that there are a number of mitigation options available, but the scale remains challenging. Wetlands that either treat effluent from WwTW or from water abstracted from the river, land use change (e.g. agricultural offsetting), buffer strips, river restoration, water efficiency measures and septic tank replacement to package treatment works are all options that can provide mitigation in the catchment. In order to meet housing numbers and support SMEs, larger developments will be required to deliver the majority if not all of the mitigation on-site, so that off-site mitigation can support the release of small to medium developments.

The delivery of Nutrient Neutrality, the Local Nutrient Mitigation Fund and the strategy will be overseen and governed by the impacted Local Authorities and Kent County Council. Officers from KCC and the catchment partners, will provide oversight of the strategy and the financial decision making for mitigation investment through the LNMF. In addition, they will take responsibility for communicating the strategy and the delivery of nutrient neutrality to their own elected members and chief executives.

As mitigation schemes are delivered, the generated credits will be available to sell to developers. The Strategy supports a consistent approach to manage the release of credits to the development market to ensure that housing is released quickly and minimise the risk of credit being bought but not used. With the LPAs supporting the granting of planning permission for a

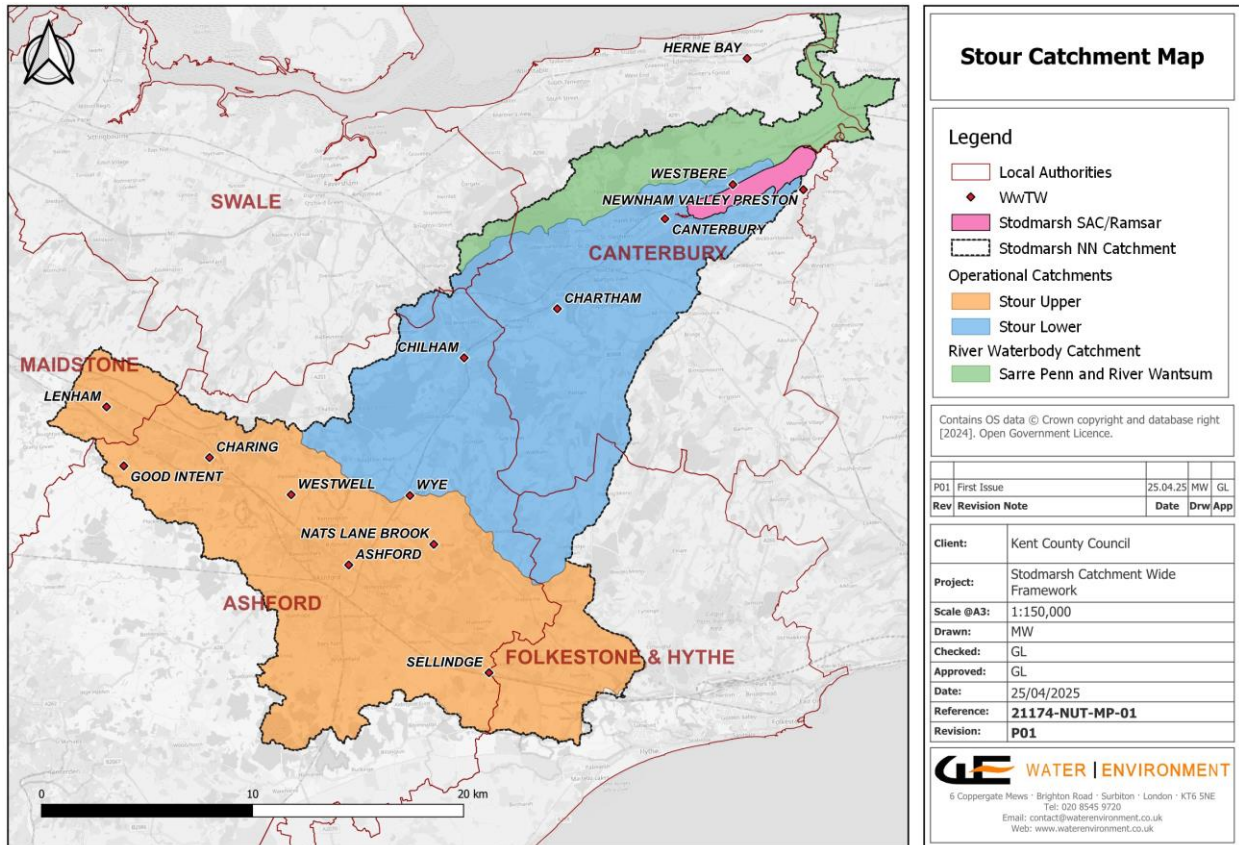
shorter period e.g. 1 year or 18 months for developments that have been prioritised for credits over and above another scheme.

The strategy also aims to support schemes that make a positive contribution to the local community such as regeneration schemes, policy compliant affordable housing provision or other key infrastructure which can deliver wider public benefit.

Finally, the strategy primarily aims to support the release of new housing development within the Stour catchment whilst ensuring that the Stodmarsh National Nature Reserve does not decline further as a result. The ultimate goal is for Stodmarsh to be in favourable condition and Natural England as the responsible body continues to work towards a plan to deliver this.

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Map 2. Shows the Stour catchment and areas affected by the Nutrient Neutrality Scheme.



Following the issuing of Nutrient Neutrality advice Natural England instructed that for new housing to be considered for planning approval, they must offset any additional nutrients resulting from the development, that would be introduced to the River Stour catchment in order to ensure no adverse impact on the Stodmarsh NNR. As a result, nutrient neutrality must be achieved to enable the delivery of housing in this area.

Nutrients from new developments arise from wastewater and urban runoff. Many existing wastewater treatment works (WwTW) in the catchment will be upgraded by 2030 by the responsible water companies, which will reduce the additional nutrients that arise from new houses they serve. Nutrient mitigation will still need to be achieved after 2030, though mitigation will be required at a lower rate.

Providing mitigation for these nutrients in the Stour catchment is a significant challenge. There are only limited sources of Phosphorus mitigation in the catchment, as it is predominantly polluting from foul wastewater. Improving the management of wastewater is the best option for delivering Phosphorus mitigation. Nitrogen mitigation is easier to achieve, as there are significant sources of Nitrogen pollution from fertilisers etc applied to agricultural land, which gives the option of managing land differently to reduce Nitrogen inputs (there is only limited Phosphorus in fertilisers etc applied to agricultural land in the Stour catchment).

The lack of available mitigation means planning approvals for new housing are difficult to secure in the catchment. Figure 1 shows the planning applications for dwellings, both major and minor, for Ashford Borough Council and Canterbury City Council, the two most affected planning authorities, from 2014 to 2024. There is a noticeable decline from 2020, when nutrient neutrality was first required to be delivered.

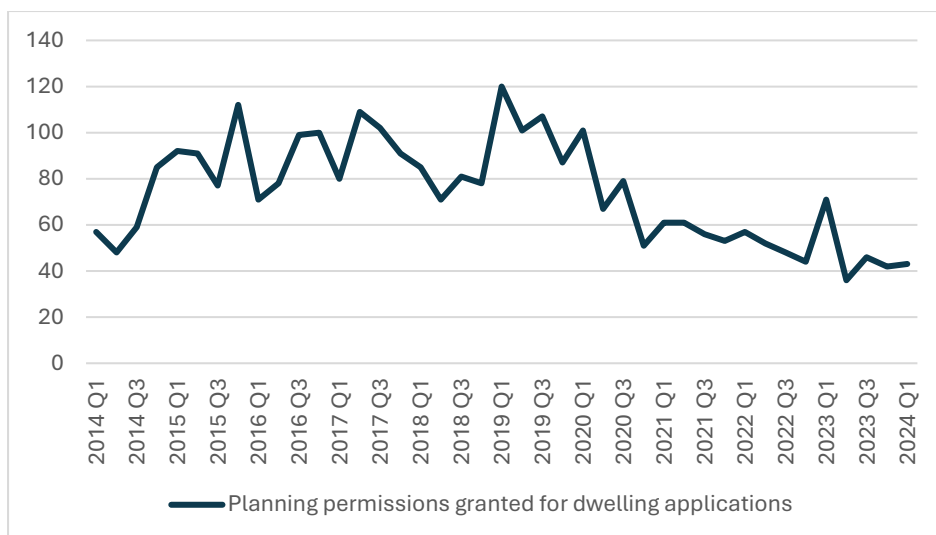


Figure 1 Planning applications granted for minor and major dwellings

This is having a significant impact on economic growth of the local economy and service provision in East Kent. Small local developers are significantly affected by this, as they are less able to deliver sites outside the Stour Catchment. It is also slowing the delivery of affordable housing.

Additionally, it means that affected LPAs are at risk of not meeting their five-year housing land supply targets. Both Ashford and Canterbury have large areas in the catchment and significant growth planned in these areas, they also have significant areas outside the catchment, where less development is planned.

The need to achieve nutrient neutrality means that planned development in identified growth areas cannot be delivered, providing support for planning appeals for unplanned developments outside the catchment. This is undermining the plan-led approach to housing delivery and other associated infrastructure.

Table 1 outlines the houses currently awaiting planning approval due to nutrient neutrality as of May 2025.

Table 1 Houses currently awaiting planning approval due to nutrient neutrality

Area	Ashford	Canterbury	Folkestone	Maidstone	Swale	Total
The number of dwellings consented with nutrient mitigation	726	5,360	8,554	102	0	14,568
The number of dwellings in undetermined planning applications because of nutrient neutrality	5,190	1,750	3	13	0	7,206

Strategy

Managing the issues faced within the catchment requires a holistic approach and commitment from stakeholders across the public and private sector. The strategy sets out the commitment to release homes with planning permission within the Stour Catchment and how the impacted Local Authorities will work collectively to deliver nutrient neutrality. The Government has awarded £9.8 million of funding from the Local Nutrient Mitigation Fund (LNMF) to the catchment to achieve the required mitigation.

This strategy identifies the main programme of works to achieve mitigation, with flexibility to deliver different components and seek innovative solutions to achieve the outcome of granting planning permission for houses. It does not need to be a commitment to a specific project or projects.

The strategy in the Stour catchment partly relies on large developments (e.g. 300 units or over) providing mitigation on site, likely in the form of on-site WwTW. This should provide mitigation on site at a reasonable cost. This approach has or will be taken at a number of sites, including Mountfield Park, Otterpool, Hoplands, and Kingsnorth Green.

Smaller sites and brownfield redevelopment within urban centres cannot viably utilise this approach, due to the land take requirements, significant infrastructure costs, or inability to meet the minimum housing numbers for a WwTW to work effectively. A catchment wide approach is required to provide mitigation for smaller sites.

Table 2 shows the total mitigation requirements in the catchment for pre- and post-2030. This highlights how much mitigation in kg of each polluting nutrient must be achieved per year to meet the forecast housing delivery of smaller sites up to 2040.

The mitigation requirement figures up to 2030 take into account the higher levels of Phosphorus and Nitrogen, which are currently found within the catchment. From 2030 onwards, wastewater companies are required to make technical improvements in WwTW performance for removal of Phosphorus and Nitrogen required by the Levelling Up and Regeneration Act 2023. The nutrient levels of Phosphorus and Nitrogen within the Stour catchment will be lower as a result of the improvements and so mitigation requirement for new housing will be lower post-2030.

The pre-2030 figures are for the bridging/interim mitigation required to achieve the housing forecast prior to 2030, the post 2030 figures are for the permanent mitigation required to achieve the housing forecast to 2040 including the mitigation delivered pre-2030.

Table 2 Nutrient mitigation requirements for smaller sites up to 2040

Date	Pre-2030	Post-2030
Nitrogen, kg/yr	17,921	14,251
Phosphorus, kg/yr	744	708

Mitigation options

There are a number of options for providing mitigation, as detailed below, but the scale remains challenging, due to the availability of land and associated cost of delivery.

- Built wetlands are designed to take a regular supply of water either from the river or wastewater treatment works and filter the sediment and nutrients through vegetation, which is managed annually, returning the water back to the river with a lower nutrient load.
- Sustainable drainage (SuDS) can be retrofitted within existing development to reduce nutrient loading from surface water run-off.
- Land-use change to less intensive agricultural practice, following the land (as a temporary measure) or permanent land use change or rewilding can be used to reduce the nutrient run-off entering the watercourse. Any land use change should be consistent with the Local Nature Recovery Strategy.
- Buffer strips provide areas of land maintained as permanent vegetation, which serve to capture and reduce runoff, sediment and nutrients into water courses and can act as a method to uptake of nutrients in the plants which are then permanently stored or can be cut and removed from the catchment.
- River restoration creates a more natural state by adding meanders, vegetation, woody debris, gravels helping trap nutrient rich sediment which can be absorbed by in channel vegetation.
- Water efficiency measures on council owned housing stock can reduce the amount of water consumed and therefore the amount of water reaching Wastewater Treatment Works
- Septic tank replacements to Package Treatment Works are more efficient and reduces the amount of nutrients discharged in the treated discharged water.

More details and definitions are listed on Annex C.

Mitigation opportunities

Given the limited scale of opportunities for mitigation it is imperative that larger developments deliver mitigation on-site, this is a significant source of nutrient mitigation in the catchment that needs to be realised. Delivery of onsite mitigation on large housing development presents an opportunity to Nutrient Neutrality obligations for a significant number of housing, and where possible release excess credits to support smaller developments within the Stour Catchment.

Catchment wide options for mitigation must be reserved primarily for housing sites that cannot achieve on-site mitigation, as the catchment does not have enough nutrient mitigation options to serve all the forecast housing.

Where off-site mitigation options are viable, opportunity to deliver nature recovery, public access and biodiversity net gain should be sought alongside nutrient mitigation.

In the long term, the options for restoration of the water environment and nature recovery which can ensure management of nutrients needs to be researched. The development of innovative approaches to nutrient mitigation through collaboration with the public and private sector will help to deliver sustainable economic growth.

Delivery

Mitigation schemes are anticipated to be delivered via a combination of private credit schemes and using the £9.8m Government grant that has been awarded to the catchment. The funding has been awarded to expediate the purchase of mitigation and generation of credits which will enable housing to be built that is currently being held up by Nutrient Neutrality.

Table 3 provides detail of the maximum potential for total Phosphorus and total Nitrogen that can be achieved by the mitigation measure based on desktop analysis and the catchment average nutrient budget. However, these figures may be subject to changes as the evidence body which supports Nutrient Neutrality mitigation grows. The number of dwellings is also the maximum that could be released, based on the available nutrient budget. The mitigation detailed is based on permanent credits. Temporary mitigation values, which bridge the gap between 2025 and 2030, have not been detailed within the strategy, as permanent mitigation will be required for development over its lifetime.

Septic tank upgrades have significant potential within the catchment. The estimated maximum figures for these two measures are unlikely to be achieved in reality and the figures need to be viewed cautiously, the total mitigation values go beyond what is required to achieve nutrient neutrality within the catchment. However, this illustrates the potential for septic tank upgrade and land use change to solve nutrient neutrality and delivery the strategy for the Stour catchment.

Table 3 Nutrient Mitigation Values

The table below highlights the potential mitigation measures available in the catchment.

Mitigation	Total Phosphorus (KG)	Total Nitrogen (KG)	No. Dwellings (Post 2030)
Retrofitting of water efficiency measures to social housing stock	40	1850	1,250
Septic tank upgrades to package treatment works	4000	380000	55,072
Wetlands	8000	13000	18,841

The table below breaks down the mitigation measures by district.

District	No. Dwellings required to be unlocked by all mitigation measures by district
Ashford	5,190
Canterbury	1,750
Folkestone and Hythe	3
Maidstone	134
Swale	0
Total	7,145

Local Nutrient Mitigation Fund (MHCLG)

The Local Nutrient Mitigation Fund (LNMF) for mitigation measures in the catchment has been paid to KCC, as the catchment coordinator, to invest in mitigation measures that will create credits and enable house building in the area that is currently held up by Nutrient Neutrality requirements.

Ashford Borough Council and Canterbury City Council have formed a joint venture company, Stour Environmental Credits Ltd to procure mitigation and generate credits to release housing across the catchment. The local authorities within the catchment which are not part of Stour Environment Credits Ltd may seek to bid independently to deliver mitigation within their own districts.

Any grants from the LNMF money for nutrient mitigation measures will need to comply with these objectives:

- Provide nutrient mitigation in the Stour catchment through mitigation schemes
- Be used to deliver schemes that create credits, not buy credits that already exist
- Sell nutrient mitigation credits to developers delivering housing in the catchment
- Ensure benefiting developments that request credits from the catchment scheme cannot mitigate nutrients on-site following exhaustive consideration of all possible options
- Ensure the mitigation measures are retained and monitored in perpetuity (80+ years)
- Work with LPA's to identify and prioritise developments for credits ‘
- Evidence that houses are built as a result of the mitigation.
- Each application will be assumed on a case by case basis and supporting evidence will be requested as part of the process.

The mitigation measures may provide wider benefits, including Biodiversity Net Gain, however, the schemes that are funded must provide nutrient credits as a priority and LNMF should not be used to cover the cost of generating other types of credits, unless as a secondary benefit.

The investment from the LNMF will be allocated via a non-competitive bidding process to invest in mitigation which will generate credits which can be sold to developers. They will monitor the mitigation in perpetuity (for a minimum of 80 years), and must comply with the processes set-out within this strategy.

Bids will be required to detail:

- The proposed mitigation measures they are seeking funding for
- Demonstrate the quantity of Phosphorus and Nitrogen mitigation that will be achieved providing a technical assessment which includes the calculations based on the Natural England nutrient budget calculator
- The quantity of credits to be generated and the approximate number of housing units that will be released and over what timeframe.
- How the mitigation and credits created will sit alongside priority housing and local plans.
- How the credits will be secured in perpetuity
- Whether credits will be interim/bridging (up-to 2030), permanent or both.
- That measures accord with the Habitat Regulations Assessment (HRA) requirements.
- To provide all requested supporting information relevant to the application and the scheme.

The funding must be recycled and returns generated from the sale of credits will either be recirculated by the bidder into the purchase of additional mitigation measures or will be returned to KCC to be reallocated to further bids.

The grant agreement for funding will be between KCC with the applicant and conditions will be placed on how the grant is spent, monitored and recovered in the event that it is not spent. A legal agreement to confirm the arrangements will be signed by both parties.

The grant and any returns from it must be invested locally on nutrient mitigation schemes for the whole catchment. Priority will be given to bids which can realise mitigation measures quickly to unlock housing which is currently held up in the planning system.

The recycling of returned funds will continue until nutrient mitigation is no longer required. At this point, any residual funding must be invested in measures to aid the restoration of Stodmarsh NNR to a favourable conservation status; and secondarily to be invested in the objectives of sustainable development and promoting public access to nature.

Final decisions on grant awards will be made by the executive board.

Grant funding process

KCC as catchment coordinator will administer the application process and applicants are invited to discuss proposed mitigation measures in advance of submitting an application and supporting evidence.

Applications from Local Authorities, and other organisations or individuals will be considered where they can demonstrate they are able to achieve mitigation which will meet the requirements of an appropriate assessment.

Applications submitted to KCC will be initially reviewed by KCC and any questions or queries will be resolved with the applicant. The application should demonstrate value for money for the grant investment. Where the cost of mitigation is considered to be high this is likely to result in a high cost of the credits at the point of sale and may have detrimental impacts on the viability of developments and other contributions for essential infrastructure such as affordable housing. The grant funded mitigation will seek to minimise this impact where possible.

The mitigation must be able to demonstrate it is scientifically robust and will be secured in perpetuity with the associated legal agreements. Applications must also be consistent with the terms of MHCLG MoU (Memorandum of Understanding). The MOU is shown in Annex F.

A technical assessment of bids will be undertaken by a consultancy Water Environmental Ltd, who have been commissioned by KCC since 2022 to provide technical guidance for the development of nutrient neutrality in the Stour catchment. A financial review of applications will be undertaken by a commercial accountant within KCC.

Consideration will also be given to applications that deliver any wider benefits including creating space for nature and recreation as well as offering diversification for landowners but these will not be prioritised over schemes that will deliver credits that enable housing to be built in a shorter timescale that do not necessarily offer these additional benefits such as Package treatment works upgrades.

Following technical and commercial review the application will be submitted to the Executive Working Group for review, members being KCC, Ashford Borough Council, Canterbury City Council, Folkestone and Hythe District Council, Maidstone Borough Council, and Swale

Borough Council as the catchment partners, (Dover District Council and/or Thanet District Council as independents). The panel will be subject to terms of reference shown in Annex B. The panel will make recommendations in line with the application and evidence provided, applicants may be invited to present their application to the group.

The panel will vote on the submitted applications and the recommendations will be made to the Corporate Director of Growth Environment and Transport and the Corporate Director of Finance for sign off of transfer of funding.

Kent County Council strategic governance team will provide oversight of the application process as the accountable body and ensure that grants are released in accordance with the “spending the council’s money” policy ensuring that auditing, subsidy control and due diligence is adhered to. More information on “Spending the Council’s Money” can be found in Annex D.

A legal agreement for the grant funding between the applicant and Kent County Council will be completed in advance of payment. KCC will make payments of grant funding to applicants by issuing a purchase order and the applicants will be required to invoice for release of the funds.

The applicant will be required to provide 6 monthly monitoring information to KCC, and is expected to provide all information requested in order for KCC to undertake a financial review of the grant funding awarded.

Governance

Governance for the delivery of Nutrient Neutrality, the Local Nutrient Mitigation Fund and the strategy will be overseen by the Local Authorities impacted by the Stodmarsh, with KCC acting as catchment coordinator to host and coordination the groups and the activity within the catchment.

The Executive Working Group comprising of senior officers from KCC and the catchment partners, will provide oversight of the strategy, financial decision making and assess funding bids for the LNMF. In addition these senior officers will take responsibility for communicating the strategy and the delivery of nutrient neutrality to their own elected members and chief executives. The panel will be subject to terms of reference shown in Annex B.

The working group comprises officers from the Local Planning Authorities, Natural England, the Environment Agency and KCC. The remit of the group is to support and inform both the strategy and delivery of nutrient neutrality with regards to planning, permitting and consenting. They will ensure that the strategy aligns with relevant local policy and advise on their area of expertise and update on developments relating to Nutrient Neutrality.

As catchment coordinator, KCC will continue to communicate and engage with all stakeholders impacted by Nutrient Neutrality. Including providing regular updates to the East Kent Leaders group at agreed intervals. These updates will help to keep members informed, enable dissemination of information and present the opportunity of assistance if required.

Finally recognising the wider role Nutrient Neutrality has within the Stour catchment a stakeholders group will be set up to engage a wide range of industry experts, landowners, environmental groups and regulators. This stakeholders group will enable Nutrient Neutrality to reach a wider audience, provide a further reach in communication around the work being

undertaken, identify possible mitigation projects and will enable a strong position to be held ahead of any changes to planning law and processes that might affect Nutrient Neutrality in the future.

Credit allocation and prioritisation

As mitigation schemes are delivered, the generated credits will be available to sell to developers. A key challenge in implementing the Strategy will be the allocation of a potentially limited number of credits before the credit market is established. A consistent approach should be sought to manage the release of credits to the development market to ensure that housing is released quickly and minimise the risk of credit being bought but not used.

Where Districts are enabling the creation of nutrient credits through their own actions (for example retrofitting water saving measures) in respect of their own stock (land or buildings), then they will determine when and how those credits are utilised in releasing schemes within their Districts.

Credits generated through LNMF investment, will be made available to smaller sites, which cannot realise their own mitigation on-site, as the primary recipient. Initially an estimated 60% of the available credits will be made available to small sites and 40% of credits will be available to larger sites which may require a small number of top up credits to meet the nutrient budget. However large sites will be required to demonstrate they have maximised viable on-site mitigation, and the additional credits will help unlock a large number of houses. This figure is intended to guide the release of small and larger development sites but a proportionate approach will be taken to ensure credit demand is met and that housing can be released quickly.

Credits allocation should aim to facilitate development that can be built out in the very short term. Priority should also be given to schemes that make a positive contribution to the local community such as regeneration schemes, policy compliant affordable housing provision or other key infrastructure which can deliver wider public benefit.

Planning permission will be granted by the LPAs for a shorter period e.g. 1 year or 18 months for developments that have been prioritised for credits over and above another scheme on the basis they have committed and can achieve early technical start of housing as part of a S106 for their development. This will maximise the efficiency of credits in the prompt delivery of new housing ready for occupation.

The efficiency in the use of credits should also be supported by an agreement between the credit provider and the developer that any credits not used will become available for sale to other developers. It will be reasonable for the amount paid by the developer to be refunded to the developer, minus any administrative costs incurred by the credit provider.

Credit allocation process for credits created from LMF funding

The LPAs will work closely with credit suppliers and provide information about which developments should be allocated credits. The allocation of credits will be based on the LPAs knowledge of the planning permission, the timeframe for the resolution to grant and the ability of the development to progress quickly.

If several applications meet this criteria, they will all be escalated to the credit provider on an equal basis. At this point credits will be allocated to the developments in accordance with the individual credit suppliers credit allocation policy.

It is expected that the majority of planning applications will follow this process, however, this strategy recognises there may be exceptions to this process. Where exceptions occur they will be dealt with on a case-by-case basis and it will remain with the LPA to provide the justification for recommending a development for credits. Ensuring where exception occurs those developments are meeting the strategy aim of releasing housing.

For a development to be prioritised and credits to be allocated to a development by the LPA, the following must be in place:

1. The development is in a position where construction can proceed at pace- credits or funding should not be banked for later use.
2. Developments that deliver the LPA's local plan will be prioritised.
3. All appropriate assessment and habitat regulations have been met
4. Planning permissions with policy compliant levels of affordable housing will be prioritised in line with local planning policy.
5. The LPA has indicated planning permission is likely to be granted or has resolved to grant planning permission
6. The mitigation has in place guarantees of existence in perpetuity through section 106 agreement or covenants on the mitigation.
7. suitable provision and guarantee that the mitigation will be held in perpetuity have been made.

To begin with, those who have been on the waiting list the longest as well as demonstrating they have met the additional requirements detailed above will be prioritised. This will be in place until the backlog of applications has been cleared. Following this, applications will be prioritised according to points 1-7 above.

Once all these requirements have been met, LPA's will recommend the developments to credit suppliers to release credits.

Where planning applications make use of credit schemes generated through LNMF or privately, it will be for the LPA as competent authority to be satisfied of the monitoring and enforcing of the mitigation schemes. This will be considered as part of the Appropriate Assessment (AA) of the scheme, or as a part of AA for a housing proposal that is using a new mitigation scheme.

Monitoring and enforcement in perpetuity may be secured through agreements under Section 106, Section 33, covenants or unilateral undertakings.

Natural England will only take responsibility for monitoring and enforcing mitigation schemes that it establishes (i.e. schemes set up by NEs Nutrient Mitigation Scheme).

Credit Pricing

The credit price is determined by calculating the cost of delivering the mitigation solution, its ongoing monitoring and maintenance including inflationary pressures, as well as administrative costs. The strategy will seek to deliver a range of mitigation measures with variability in delivery, monitoring and maintenance costs. Credits generated through the Local Nutrient Mitigation Fund will be priced at cost, including ensuring the whole life costs of mitigation can be recovered.

Stodmarsh NNR

The ultimate goal is to enable housebuilding in the catchment that does not input additional nutrients into the system and for this action to enable Stodmarsh National Nature Reserve to be in a favourable condition, this would remove the need for nutrient neutrality and Stour would be a healthier environment for the native species. Nutrient neutrality does not help Stodmarsh NNR to recover, it serves to prevent it from further decline.

Natural England is responsible for the management and maintenance of the NNR and for developing and implementing the recovery plan. As part of this work research restoration techniques and enhanced management practices are being implemented, with the findings used to inform efforts to restore the wider Stodmarsh lake systems. However, high nutrient levels in the River Stour, which feed the lakes, pose a significant challenge and restoration of the lakes alone is unlikely to succeed without addressing nutrient loading from the catchment.

To fully support the restoration of the lakes and reduction of nutrients within the catchment a broader, landscape-scale approach is needed. To support this, Natural England is exploring the development of a Protected Sites Strategy under the Environment Act 2021. This strategy would build on the Kent & Medway Local Nature Recovery Strategy and bring together a wide range of partners and local communities to co-create and deliver a collaborative restoration strategy for the Stour and Stodmarsh catchment, with benefits for nature, people, and the local economy.

This approach would help to address the longer-term issue that mitigation options will be increasingly difficult to find, and the cost of mitigation could hamper economic growth in East Kent.

Annex A: Table of successful Local Nutrient Mitigation Fund

Nutrient catchment	Lead local authority	Local Nutrient Mitigation Fund round one maximum
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River Camel	Cornwall County Council	£2 m
Poole Harbour	Dorset Council	£4.63m
Solent and River Itchen	Fareham Council	£9.6 m
River Lugg (sub-catchment of the River Wye)	Herefordshire County Council	£1.76 m
Stour	Kent County Council	£9.8 m
Norfolk Broads	Broadland District Council	£9.6 m
Somerset levels	Somerset County Council	£9.6 m
River Avon	Wiltshire Council	£9.8 m

Annex B: Nutrient Neutrality Executive Working Group Terms of Reference

Purpose

The Nutrient Neutrality Executive Working Group will provide oversight and strategic direction for the delivery of nutrient mitigation in the Stour catchment and agree the strategy for nutrient mitigation. The group will agree how funding for nutrient mitigation is allocated in the catchment, in accordance with the strategy, and oversee the delivery of nutrient mitigation measures. The group will escalate any matters or decisions as required.

The group will have an oversight of the financial performance of all grants and monitoring of delivery against targets. An annual report will be made available which partners can report to their council.

The members of the Executive working group will be responsible for communicating the nutrient mitigation strategy to their authorities, including Chief Executives and Leaders, and for ensuring that their authorities seek to act consistently with the strategy.

Membership

The Executive Working Group will consist of senior officers from Ashford Borough Council, Canterbury City Council, Folkestone and Hythe District Council, Maidstone Borough Council and Kent County Council. Dover District Council and Thanet District Council will be invited as independent members to support the decision making process for funding bids.

Current members are:

Matt Smyth, KCC - Chair
Peter Davies, CCC
Ben Lockwood, ABC
Ewan Green, FHDC
William Cornall, MBC

The Executive Board is supported by:

Louise Smith, KCC, the catchment coordinator for the Stour catchment.
Guy Laister, Water Environment Ltd, a consultant working for KCC and other LPAs in the catchment.

Other groups

Planning officers meet regularly (currently every 3 weeks). This group will continue to provide direction on planning matters relevant to nutrient neutrality. The Executive Group will provide direction to the planning group as necessary.

A stakeholders group has been set up to explore opportunities for nutrient mitigation. The group will also be in a strong position to consult on any changes that result from the New Planning and Infrastructure Bill to ensure the Stodmarsh NNR remains suitably protected.

Other groups may also be needed to cover other aspects of nutrient mitigation delivery. These will be established as necessary.

Annex C: Potential Nutrient Mitigation Measures

Retrofitting of Water Efficiency Measures

This relies on increased water usage efficiency to households as a method to reduce the volume of wastewater generated by households, for example reducing water use from 120l per person per day to 90l per person per day. This can be achieved through the installation of flow valves on the water meter.

This mitigation measure reduces the total phosphorus discharged from WwTWs by reducing the flow of waste water through the treatment works because the permits are based on a set concentration. However, these measures can only be implemented on properties which are connected to a WwTW with a phosphorus permit.

The mitigation measure is recommended primarily for council owned housing stock due to the need for long term retention of the measures.

Septic Tank Upgrade/Replacement

Septic tanks are below ground chambers where solids from wastewater are captured whilst liquids flow into a drainage field where it is treated by bacteria and soaks into the ground or discharge to watercourses. The biodegradation and filtration process is natural and no biological or chemical interventions are added to the process.

Mitigation measures can be achieved by upgrading existing septic tanks to small sewage treatment plants, or Package Treatment Plants (PTP). PTP also utilise an underground tank, but also comprise mechanical parts to aerate bacteria within the tank which makes them more effective at treating wastewater. Chemicals can also be added to improve the treatment efficiency further. Higher treatment levels means that PTPs can discharge treated effluent into a drainage field or directly into a watercourse.

Wetlands

Constructed wetlands which either receive water directly from waste water treatment works (“end of pipe” wetlands) or receive water from the river, are able to trap nutrients and remove them from the water flow. The wetland provides a biological and physical process for removal of nutrients and allows the settlement of sediments and uptake of nutrients which are removed through the annual cutting and removal of arisings.

Land use Change

Moving away from intensive agriculture to another land use that has less impact on biodiversity and ecosystems. This can reduce runoff from agricultural practices which in turn will reduce levels of nutrients entering water courses.

Buffer strips

Areas of land maintained as permanent vegetation, often along the edges of agricultural or recreational fields. The buffer strips serve to capture and reduce runoff into water courses and

can act as a method to uptake of nutrients in the plants which are then permanently stored or can be cut and removed from the site.

River restoration

By restoring rivers to a more natural state by adding meanders, vegetation, woody debris, gravels etc can help the natural function of a river which will in turn enable the nutrients to be absorbed by vegetation and cleaned from the system in a more natural way.

Water efficiency measures

Reducing the amount of water consumed will in turn leave more available water for natural ecosystems to function. With more water in the natural ecosystems then the natural function of these watercourses will be more efficient at removing nutrients.

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Annex D Summary of Spending the Council's Money

The MOU from MHCLG states that it is the duty of the LPA receiving grant money to be responsible for ensuring that any third-party partnership arrangements or procurement activities related to delivery of the Fund comply with Procurement Law and their own procurement procedures.

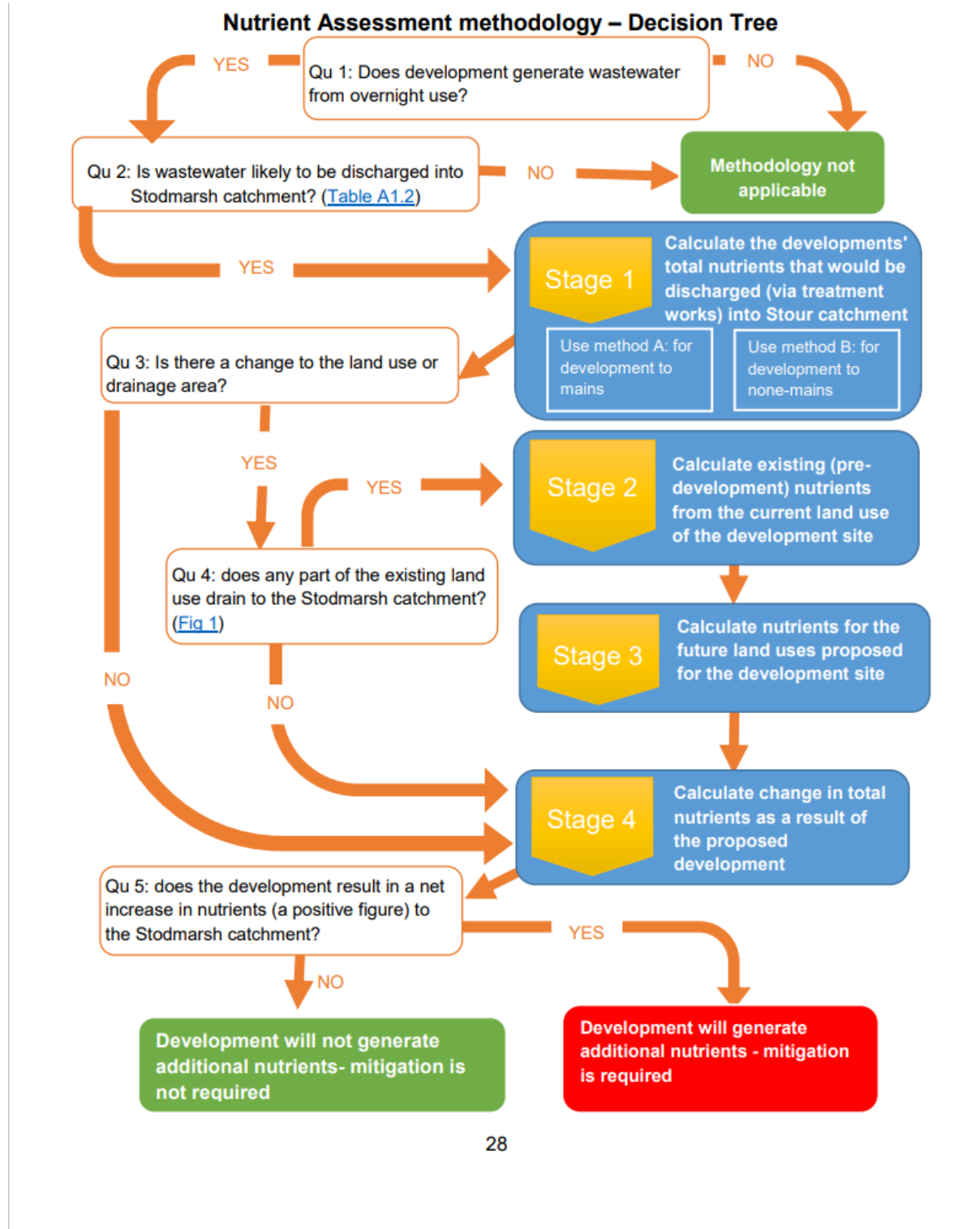
Procurement Law" includes but is not restricted to the Public Contracts Regulations 2015, Concession Contracts Regulations 2016, Defence Security Public Contracts Regulations 2011 and the Utilities and Contracts Regulations 2016 together with their amendments, updates and replacements from time to time.

Kent County Council's "Spending the Council's Money" is the council's policy for procurement and spending activity. The MHCLG funding is held by KCC and so grants that are awarded must adhere to those rules.

If required the document can be viewed here: [Spending - Kent County Council](#)

Annex E. Planning process

Figure 1. Nutrient assessment methodology decision tree taken from Natural England Advice



Nutrient assessment methodology decision tree taken from Natural England Advic. Flow chart description

A flow chart showing the process involved in assessing nutrients.

The process is as follows:

Question 1: Does the development generate waste water form overnight use?

Answer: No means that the flow chart is not applicable and does not need to be followed.

Answer: yes to question 1 then this leads the reader onto Question 2.

Question 2: Is the waste water likely to be discharged into the Stodmarsh catchment?

Answer: No then the flow chart is not applicable.

Answer: yes, then the flow chart takes the reader to stage 1.

Stage 1 reads: Calculate the developments total nutrients that would be discharged into the stour catchment.

Once this is complete the flow chart takes the reader to Question 3.

Question 3: Is there a change to the land use or drainage area?

Answer No: The flow chart takes the reader to Stage 4.

Stage 4 reads: Calculate the change in total nutrients as a result of the proposed development.

Stage 3 reads: Calculate the nutrients for the land used proposed for the development site then go to stage 4.

Answer: Yes-the flow chart takes the reader to Q 4.

Question 4 reads: Does any part of the existing land use drain to the Stodmarsh catchment?

Answer yes: Go to Stage 3

Answer No: Go to stage 4

Question 5 reads: Does the development result in a net increase in nutrients to the Stodmarsh catchment?

Answer Yes: Final answer is that the development will generate additional nutrients and mitigation is required

Answer No: The final answer is that the development will not develop nay additional nutrients and mitigation is not required.

This is the end of the flow chart.

The information below sets out a summary of LPA process for planning applications requiring nutrient mitigation credits. Taken from Natural England's Nutrient Neutrality Principles Guide



When competent authorities assess projects and planning applications, they must consider whether the plan or project is likely to have significant effects on the Habitats Sites. They do this using the Habitats Regulations Assessment (HRA), made up of several distinct stages of assessment which must be undertaken in accordance with this legislation



When a planning application is submitted where significant environmental effects cannot be ruled out, a competent authority (usually the LPA or Environment Agency) must make an appropriate assessment of the implications of the plan or project for that site, taking account of the site's conservation objectives. If the appropriate assessment cannot rule out damage due to nutrient pollution, mitigation to reduce or eliminate the impact can be put in place.



Natural England issued advice highlighting the need to carefully consider the nutrient impacts of any new plans and projects on Habitats Sites, and whether mitigation is needed to protect sites from additional nutrient pollution. This falls under Natural England's statutory duties and is part of a coordinated cross departmental response by government, supported by Defra and MHCLG. Natural England's advice comes with tools and guidance to help developments demonstrate that they do no harm, so that they can go ahead. We call this approach 'nutrient neutrality'. The methods created by Natural England use the latest evidence and bespoke catchment calculators to assess the site's current nutrient status and the likely impact of any new development. This allows competent authorities and developers to identify the level of mitigation required to cancel out the additional nutrient pollution expected from a particular project.



Implications for local planning authorities Natural England has advised LPAs in relevant catchments that they should undertake Habitats Regulations Assessments (HRA) of all development proposals which may give rise to additional nutrients entering their catchments, in line with the requirements of the Conservation of Habitats and

Species Regulations 2017. Where developments may fail the tests of an appropriate assessment based on nutrient pollution, LPAs may choose to use nutrient neutrality to counterbalance nutrient impacts.



Implications for developers Where developments would fail the requirements of the Habitats Regulations appropriate assessment, developers may be asked to take action to mitigate impacts through nutrient neutrality such as:

- building additional mitigation into their plans onsite
- working with the LPA to arrange for mitigation offsite
- purchasing nutrient credits via a nutrient trading scheme (where other landowners in the catchment have taken action to reduce their nutrient load), or buying credits through the Natural England-led Nutrient Mitigation Scheme Nutrient neutrality provides a mechanism by which development that would otherwise be prohibited on the grounds of nutrient pollution may be given consent if mitigation is put in place.

Using nutrient neutrality, developers only pay for mitigation required to counteract nutrients generated by their development. Natural England's Nutrient Mitigation Scheme.



Natural England will be accrediting mitigation projects according to environmentally robust standards and then providing developers with a Nutrient Credit Certificate to demonstrate they will meet requirements as part of a Habitats Regulations Assessment. Developers will be able to submit this to LPAs as part of the planning process. Therefore, LPAs can be confident that the mitigation provided meets the requirements of the Habitats Regulations.

Annex F. Copy of MOU for MHCLG Local Mitigation Funding

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Nutrient Support Fund Memorandum of Understanding

Purpose

1. This Memorandum of Understanding (MOU) is entered into between the Ministry for Housing, Communities & Local Government ('MHCLG') and Kent County Council ('the LPA') as a Local Planning Authority on behalf of **Stodmarsh catchment** affected by Natural England's (NE) nutrient neutrality advice. The MOU provides a framework for the LPA and MHCLG to collaborate on the Nutrients Support Fund and sets out the expectations of all parties. For the purpose of this MOU the LPA is acting as the lead for the group of LPAs affected by nutrient pollution in the catchment.

- 1 While this is not a legally enforceable agreement, this MOU sets out:
- 2 Funding arrangements for MHCLG to fund the LPA to deliver the agreed activity and outcomes and
- 3 The agreed principles for monitoring and evaluating the delivery and outcomes of the project, including the respective responsibilities of the LPA and MHCLG.

Duration

1. All funding is to be committed as spend on activities in 2024/25 and by 31 March 2025.

MHCLG is expected to:

- 1 Pay £100,000 revenue funding to the LPA under Section 31 of the Local Government Act 2003. This is in the expectation that the funding will have a meaningful impact in implementing nutrient mitigation on the ground and address nutrient neutrality; support development management planning teams with the Habitats Regulations Assessment process; work with Natural England on mitigation schemes; and ensure strategic action is not confined to LPA boundaries. Payment will be made as one payment.
- 2 Maintain a relationship as grant funder and will;
- 3 Monitor progress on delivery and towards mitigating for additional new homes,
- 4 Provide steer to grant-holding LPAs on potential nutrient neutrality solutions, through workshops provided by the Planning Advisory Service,
- 5 Work with grant-holding LPAs to facilitate sharing of good practice and collaborative problem solving, through the Planning Advisory Service Nutrients Advisors.

The LPA is expected to:

1. Ensure dedicated resource is committed to respond to the stalling of housing as a result of nutrients pollution. This can be through the hiring of an additional dedicated staff member(s) or through identifying dedicated resource from within existing teams.
1. Identify where there are potential nutrient mitigation solutions within the catchment and produce a strategic plan that sets out how these solutions will be implemented.
1. Work collaboratively with MHCLG to evaluate the programme, providing quarterly reports.

Aims

- 1 This funding will be used to respond to the stalling of housing as a result from nutrient pollution. This will vary between catchments but may include;
- 2 Understanding the pollution sources in the catchment,

- 3 Identifying the most appropriate mitigation for the catchment,
 - 4 Determining possible locations for these mitigation projects.
1. These actions should then be brought together in a strategic plan for the catchment, setting out a clear plan for progressing development in the catchment.

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Monitoring and Evaluation

1. The LPA agrees to collaborate with MHCLG over monitoring and evaluation requirements, which will likely include quarterly progress reporting towards outcomes, milestones or any problems they may be facing. Regular meetings with officials and the LPA will take place as needed. MHCLG will provide further details on the monitoring and evaluation approach.

Data Protection

1. The LPA is responsible for meeting requirements under the General Data Protection Regulation and Data Protection Act 2018.

Procurement

1. The LPA is responsible for ensuring that any third-party partnership arrangements or procurement activities related to delivering projects for this programme comply with Procurement Law and the LPA's own procurement procedures.

"Procurement Law" includes, but is not restricted to, the Public Contracts Regulations 2015 (SI No 102/2015), as amended, and the Utilities Contracts Regulations 2006 (SI No 6/2006) as amended.

Due diligence

1. The LPA will be responsible for procedure, contract management and undertaking due diligence processes (including but not limited to the prevention of financial crime), on all organisations in receipt of financial support, which will be used in the delivery of this programme.

Amendment of this Memorandum of Understanding

1. The arrangements under this MOU will be kept under review by MHCLG and the LPA and can be amended upon securing written agreement between both parties.

References

Advice on Nutrient Neutrality for New Development in the Stour Catchment on Relation to Stour Designated sites for local planning authorities. Natural England 2020

Nutrient Neutrality principles and use of Diffuse Water Pollution Plans (SWPPs) and Nutrient Management Plans (NMPs). Natural England 2022

Taken from Nutrient Neutrality Mitigation Scheme -A summary guide and Frequently Asked Questions-Natural England

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