



Ministry of Housing,
Communities &
Local Government

Matthew Pennycook MP

Minister of State for Housing and Planning
2 Marsham Street
London
SW1P 4DF

To: Council leaders of local planning authorities
affected by nutrient neutrality

30 October 2024

Dear Council Leader,

Nutrient neutrality and Local Nutrient Mitigation Fund update

The Government is committed to implementing solutions to unlock the building of homes affected by nutrient neutrality without weakening environmental protections.

I am keenly aware of the difficult situation nutrient neutrality has created for housebuilding in affected catchments. Addressing nutrient neutrality is therefore a key priority for this government. We are committed to building 1.5 million new homes across the country over the next five years to tackle our housing crisis and boost economic growth.

The Planning and Infrastructure Bill, which was announced in the King's Speech on 17 July, provides an opportunity to accelerate housebuilding and infrastructure by using development to fund nature recovery where currently both are stalled, creating a win-win outcome for both the economy and for nature.

We are working with nature delivery organisations and the wider sector to determine the best way forward and will only act in legislation where we can confirm to Parliament that the steps we are taking will deliver positive environmental outcomes. We will share further updates in due course.

While this policy is developed, we are clear that we need to continue to take action so that development can continue in areas affected by nutrient pollution, while delivering positive environmental outcomes. This complements other work that is happening, such as Natural England's £30 million Nutrient Mitigation Scheme.

Today, as part of the Local Nutrient Mitigation Fund (LNMF), I am pleased to announce that:

- the department is making available up to £45 million capital and revenue funding to seven catchments to allow local authorities to bring forward mitigation schemes and provide mitigation credits (Annex A) under Round 2 of the LNMF, as well as capacity support funding for successful bidders, and;

- catchments over 10,000 hectares in size will each benefit from £100k of Nutrient Support Funding, which will be distributed to lead local planning authorities for each catchment.

The Local Nutrient Mitigation Fund will be recycled locally until nutrient mitigation is no longer needed, at which point it will be used for measures to help restore the relevant Habitat sites. This will enable sustainable development, unlocking stalled housing delivery whilst delivering benefits like enhanced public access to nature and supporting our commitment to leave our environment in a better state than we found it.

I wish those you every success with delivering nutrient mitigation schemes and look forward to working together with you to unlock growth.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Matthew Pennycook', with a large, stylized flourish at the end.

Matthew Pennycook MP
Minister of State for Housing and Planning

Annex A: table of successful LNMF Round 2 funding recipients

Lead Local Planning Authority (LPA)	Nutrient catchment(s)	LNMF Round 2 funding allocated
Broadland District Council	Norfolk Broads River Wensum	£8.85m
East Devon District Council	River Axe	£4.09m
Fareham Borough Council	Solent	£6.93m
High Peak Borough Council and Staffordshire Moorlands District Council	River Wye	£2.75m
North West Leicestershire District Council	River Mease	£2.56m
West Berkshire Council	River Lambourn	£2.43m
Westmorland and Furness Council	River Eden River Derwent and Bassenthwaite Lake River Kent Esthwaite Water Catchment	£15.28m

Annex B: Nutrient Support Fund and capacity support funding allocations

LNMF Round 2 capacity support funding

Lead Local Planning Authority (LPA)	Nutrient catchment(s)	LNMF R2 capacity support funding allocation
Broadland District Council	Norfolk Broads River Wensum	£287,382
East Devon District Council	River Axe	£192,494
Fareham Borough Council	Solent	£224,498
High Peak Borough Council and Staffordshire Moorlands District Council	River Wye	£129,428
North West Leicestershire District Council	River Mease	£120,485
West Berkshire Council	River Lambourn	£114,367
Westmorland and Furness Council	River Eden River Derwent and Bassenthwaite Lake River Kent Esthwaite Water Catchment	£931,346

Nutrient Support Fund award (awarded to the 20 largest nutrient neutrality catchments)

Nutrient catchment(s)	Nutrient Support Fund allocation
Solent	£100,000
River Eden	£100,000
Somerset Levels & Moors	£100,000
Teesmouth and Cleveland Coast	£100,000
The Broads	£100,000
River Avon	£100,000
Poole Harbour	£100,000
River Lugg	£100,000
River Wensum	£100,000
River Derwent and Bassenthwaite Lake	£100,000
River Itchen	£100,000
Stodmarsh	£100,000
River Axe	£100,000
River Camel	£100,000
River Clun	£100,000
River Lambourn	£100,000
Lindisfarne	£100,000
River Kent	£100,000
River Mease	£100,000
Peak District Dales	£100,000