

Report subject	Nitrogen Mitigation for Poole Harbour
Meeting date	1 October 2025
Status	Public Report
Executive summary	The report seeks approval for an updated strategy for the management of nitrogen mitigation for Poole Harbour and withdrawal of the current Supplementary Planning Document (SPD). The report also seeks authority for temporary use of up to £1m of Strategic CIL if the nitrogen CIL cash received is not timely with the need to spend.
Recommendations	<p>It is RECOMMENDED that Cabinet agree:</p> <ul style="list-style-type: none"> a. To cease use of and withdraw the Nitrogen Mitigation for Poole Harbour Supplementary Planning Document (SPD) and to replacement of the SPD with Natural England's approved approach involving the nutrient neutrality calculator and developer credit purchases. b. That the withdrawal of the SPD is to be implemented as soon as is practicable, with the replacement process in place, details published on the Council's website and developers and agents advised at least 21 days in advance. c. To give authority to temporarily use up to £1m from strategic CIL if the nitrogen CIL cash received is not timely with the need to spend, providing that Strategic CIL has received sufficient income to service the new demands. <p>It is RECOMMENDED that Cabinet note:</p> <ul style="list-style-type: none"> d. Regular (at least 6 monthly) reports being prepared for the Leader of the Council and Chair of Cabinet to monitor the Council's position in relation to the delivery of nutrient mitigation and transition from using the SPD to use of

	developer led mitigation.
Reason for recommendations	<p>Since Natural England updated their advice on nutrient neutrality in March 2022, the Nitrogen Reduction in Poole Harbour SPD is no longer considered to offer a robust mechanism for delivering nitrogen mitigation in the Poole Harbour catchment. The SPD therefore needs to be formally withdrawn and an alternative approach introduced.</p> <p>Dorset Council is the lead authority for co-ordinating nitrogen mitigation work for the Poole Harbour Catchment. Mitigation delivery projects are evaluated in accordance with Dorset Council's assessment and prioritisation criteria for securing nutrient mitigation projects. The nutrient reduction and suitability of land for mitigation is agreed by Natural England's discretionary advice. The Local Nutrient Mitigation Fund (LNMF) Steering Group with officers from both BCP and Dorset Councils provides the Governance for the fund.</p>
Portfolio Holder(s):	Councillor Millie Earl, Leader of the Council and Chair of Cabinet
Corporate Director	Glynn Barton, Chief Operations Officer
Report Authors	Caroline Peach, Head of Strategic Planning
Wards	Wards within the Poole Harbour catchment (13 wards affected)
Classification	For Cabinet decision

Background

1. As a 'competent authority' when reaching decisions in relation to plan making (local and neighbourhood) and decision taking (planning applications), the Council is required to screen the effects of new development on habitat sites and where necessary complete appropriate assessments of the developments' impact in accordance with The Conservation of Habitats and Species Regulations (2017) and government policy (National Planning Policy Framework, December 2024).
2. Poole Harbour is protected through the regulations and is defined as being in an unfavourable condition, with high levels of nutrients causing eutrophication leading to the formation of algal mats. These mats in turn degrade the Harbour's habitat, leading to

harm to the protected bird species which live in and visit the Harbour. The Harbour's unfavourable condition makes it susceptible to the impacts of further nutrient pollution. The evidence gathered by Natural England and the Environment Agency indicates that residential development within the Harbour's catchment increases nitrogen pollution (via wastewater discharges) which in turn would have adverse impacts on the harbour's integrity as a habitat site.

3. The Council's current approach to achieving nitrogen neutrality is set out in the Nitrogen Reduction in Poole Harbour Supplementary Planning Document (SPD) (April 2017) [Nitrogen-Reduction-in-Poole-Harbour-Supplementary-Planning-Document-final](#). This SPD was produced and adopted by the legacy councils in the catchment and is supplemental to policies within the adopted Local Plans that cover the Harbour's catchment. It is therefore a material consideration in planning decisions.
4. The SPD establishes a method for calculating nitrogen pollution arising from new development and similarly, a method for determining the mitigation needed to achieve nitrogen neutrality. In calculating these requirements, the SPD uses several assumptions including the use of an average for the performance of wastewater treatment works across the catchment area and average levels of nitrogen pollution linked to different types of land use.
5. Both Dorset Council and BCP Council have been working together to deliver strategic nutrient mitigation projects on a catchment-wide basis at a rate that keeps pace with the demand from development. The mitigation measures are funded from contributions made by developers as part of the Community Infrastructure Levy (CIL). This approach has successfully delivered large scale mitigation projects across the catchment for both councils.
6. Most recently, Dorset Council bid for funds from the government's Local Nutrient Mitigation Fund (LNMF) and was awarded £4.63m to deliver nutrient mitigation. This award was made on the basis that the costs of delivering mitigation must be recovered through the sale of credits (using the Natural England catchment specific calculators) and that the recovered funds must be reinvested to deliver further mitigation.
7. The Governance associated with the fund is through the LNMF Steering Group and Delivery Team from both BCP and Dorset Councils. Investment of the fund and an indicative programme of spend which include land purchase and other forms of mitigation has been prepared by Dorset Council as the lead authority.

Change of approach for Nitrogen mitigation

8. Although the existing strategy and SPD has worked well to enable development to take place within the catchment without increasing nitrogen loading within the catchment, there is now a need to refresh the approach. This is because it is necessary to respond to the latest advice from Natural England including the national approach to calculating nutrient loading. [Poole Harbour SPA, Ramsar: nutrient neutrality calculator - GOV.UK](#)
9. The change in approach means that it will become the developers' responsibility to ensure that development is appropriately mitigated through their own on-site or off-site

mitigation or through the purchase of credits, rather than the Council ensuring that implemented planning permissions are mitigated. Dorset Council have already undertaken this update and are no longer using the SPD. Local developers and agents are therefore already aware of and using this system for planning applications submitted to Dorset Council.

10. The Monitoring report already indicates that BCP Council is likely to change from use of the SPD to the credit system, “BCP Council will continue the approach under the SPD, whereby developers can be assured that the Council will use CIL/S106 to fund mitigation until further notice. However, it is likely BCP Council will align with the national approach (and Dorset Council) during 2025 whereby the developer will take on the responsibility for securing mitigation.” (paragraph 5.9) [Microsoft Word - Nitrogen Reduction in Poole Harbour SPD - 6 November 2024 FINAL](#)
11. The implementation of a credit-based approach to nutrient mitigation enables three potential routes for delivering mitigation to offset the loading from development. Mitigation may be delivered:
 - on-site or through land in the ownership of the developer
 - through an agreement with an accredited third-party mitigation provider
 - through the Dorset and BCP Council nutrient mitigation scheme (i.e. mitigation projects funded and delivered using Local Nutrient Mitigation Fund grant)
12. Natural England have advised that it is no longer justifiable to continue to use the approach in the SPD as it is out of date with current national methodology. If the SPD is not withdrawn imminently and the Council move to the use of the national calculator and credits system, Natural England will formally advise BCP that new development which impact on nitrogen levels in Poole Harbour cannot be granted planning permission. This primarily impacts on planning permission for new homes.
13. The use of the SPD and CIL does not enable the recycling/reinvestment of funds nor does it reflect the true cost of delivering mitigation. A clear alternative process for mitigation and addressing the habitats regulations is critical to enable the granting of planning permissions for new homes within the Poole Harbour catchment area. Consequently, withdrawal of the SPD can only happen once this new process is in place. This will need to be a detailed process for validation and decision making for planning applications ensuring that the relevant information is received and considered. Planning agents and developers have been advised at Agents and Developer Forum meetings in recent months that this change is likely to be coming. Many have also been using the credit system with Dorset Council for several months. However, they will need to be advised of the Council's formal decision and implementation timeframe in advance of a change.

BCP Council's current nitrogen mitigation position

14. Table 1 below summarises paragraphs 3.5 and 4.2 of the Monitoring Report. It sets out the mitigation required and already delivered, for impacts from development completed or under construction and emerging impacts from development with planning permission

from April 2017 to March 2024 in the BCP Council area. This information has been updated in Table 1 to include the latest annual monitoring data up to 31 March 2025. This data has yet to be finalised and published in an updated Monitoring Report. The current published monitoring report details are shown in brackets.

Table 1 - Summary of Nitrogen Reduction in Poole Harbour monitoring report (April 2017 to March 2024)

[Latest data figures, which include April 2024 to March 2025 are indicative and are to be finalised prior to publication in the updated Monitoring Report]

Mitigation delivered			221.3 hectares (unchanged from monitoring report)
	Impacts from development completed or under construction	Impacts from development with permission but not started	Total
Mitigation required	Latest data: 202.54 hectares (156.03+11.47+35.04 ha) (Current monitoring report:156.03 hectares)	Latest data: 221.48 hectares (127.80+93.68ha) (Current monitoring report:127.80 hectares)	Latest data: 424.02 hectares (Current monitoring report: 156.03+127.80=283.83 hectares)
Mitigation Surplus/Deficit	Latest data: 18.76 hectares surplus (Current monitoring report: = 65.27 hectares surplus) (221.3 delivered-156.03 required hectares)	Latest data: 74.92 hectares deficit (Current monitoring report: 62.53 hectares deficit) (65.27 surplus-127.80 requirement	Latest data: 74.92 hectares deficit (Current monitoring report: 62.53 hectares deficit)

		hectares)	
--	--	-----------	--

Financial implications and need for monitoring

15. At Cabinet on 5 March 2025, prioritisation of spend for the next 5 years on Strategic CIL was agreed. This included £1.5m for Nitrogen Mitigation ([Public Pack](#))[Agenda Document for Cabinet, 05/03/2025 10:15](#), Appendix 4. This was in acknowledgement of the Nitrogen Reduction in Poole Harbour Monitoring Report and the need to provide 62+ hectares of land to mitigate planning permissions granted as at 1 April 2024. This relates to all planning permissions, whether they have been implemented or not.
16. If the SPD is no longer in use, then the Council's responsibility for mitigation delivery for new development falls away. However, even with a new credit system, there will be the need to ensure that planning permissions already granted under the SPD are still appropriately mitigated by the Council if they are implemented. CIL and S106 will still need to be collected to address this in the immediate term.
17. It is not anticipated that there will be any reduction in CIL income because of this change. CIL is collected to mitigate a range of impacts from new development and not just nitrogen mitigation. It will still be required to provide mitigation until all relevant developments are constructed. Once this has happened, the Council can choose to re-prioritise this element of CIL income to other critical infrastructure.
18. Monitoring of housing development that has: not started, is under construction and completed, has recently been carried out and provides the latest position (up to 31 March 2025) on the amount of land needed to mitigate these planning permissions. (see Table 1 above).
19. Paragraph 28 of the Nitrogen Reduction in Poole Harbour SPD states that, "The mitigation needs to be provided before the new development is occupied and remain in perpetuity". [Nitrogen-Reduction-in-Poole-Harbour-Supplementary-Planning-Document-final](#). CIL payments are therefore made once development commences.
20. The mitigation that will certainly need to be delivered by BCP Council therefore is for developments that are completed or under construction. As at 31 March 2025, there is a surplus in mitigation delivery relating to these. In addition to the homes that have not started to be built, the local planning authority has also continued to grant planning permission for new homes within the Poole Harbour catchment area since 1 April 2025 and so the amount of mitigation that is likely to be needed has further increased. This situation will continue until the SPD is formally withdrawn (see paragraph 13).
21. Planning permission lasts for 3 years. It is unclear which of the developments with planning permission will be implemented and trigger the need for CIL to be paid and for nitrogen mitigation to be delivered by the Council. A 2021 report by the Housing, Communities and Local Government Committee highlighted concerns about the gap between planning permissions granted and homes actually built. It noted that in some areas, a significant proportion, up to 40%, of permissions were not built out. Therefore, some but not all the mitigation identified in Table 1 above will likely be needed.

Need for further mitigation

22. Table 1 identifies that further mitigation will need to be delivered by BCP Council. This can be achieved through land purchase or third-party agreement, by making changes in the way that the land is used e.g from intensive agriculture to nature reserve, woodland or wetland.
23. The future spend on the nitrogen mitigation CIL has been profiled to reflect the likely level of income ie around £468,000 a year. However, the spend on the mitigation has peaks as opportunities arise and income levels are not guaranteed due to the unknown factor of when or if planning permission will be implemented. Each home costs around £1,500 to mitigate.
24. Opportunities for land purchase or to work with third parties for the delivery of in perpetuity mitigation delivering for nitrogen mitigation alongside nature recovery and access, do not come up predictably or frequently. Dorset Council on behalf of BCP Council will need to find land to mitigate the nitrogen levels for new developments. With the updated housing monitoring information and the need to change the nitrogen mitigation strategy, there is a known and residual unknown (but estimated) level of outstanding mitigation that will be needed.
25. It is important that BCP Council officers can respond quickly to facilitate Dorset Council's identified opportunities for land purchase or third-party mitigation.
26. Alongside delivering nitrogen mitigation measures, there are opportunities to achieve wider environmental benefits, delivering for nature recovery and ecological connectivity within designated sites. The LNMF Memorandum of Understanding states that the council should consider additional benefits which could be delivered for both biodiversity and people, and any land purchase or third-party mitigation, should look for opportunities to deliver for both.

Summary of financial implications

27. The budgetary implications of this report relate to the cashflow of the nitrogen mitigation allocation. At the time of writing there is not sufficient CIL income received earmarked for nitrogen mitigation. However, based on trends, the council can anticipate approximately £468,000 per annum top sliced for nitrogen, therefore sufficient future income is projected to service the Cabinet agreed £1.5 million prioritised in the CIL strategy report (March 2025) over the 5 year medium term.
28. It is likely that to service the nitrogen related expenditure, there will be a need to use income from the strategic CIL allocation. The strategic CIL allocation will be replenished as the nitrogen related CIL income is received. This arrangement has

been used in the past and worked successfully (see recommendation c of this report).

29. Both the nitrogen CIL and strategic CIL future income estimates are based on trends, therefore both elements carry projection variability risks. Detailed monitoring of all CIL income will be required before new commitments are implemented.
30. In the event that there is not sufficient CIL income received across nitrogen CIL and strategic CIL to service pre-existing priorities and the new nitrogen mitigation requests, the new expenditure will need to be delayed until such time there is sufficient income banked.

Summary of legal implications

31. The Conservation of Habitats and Species Regulations (2017) and government policy (National Planning Policy Framework, December 2024), require the Council to assess the impacts of new development on Poole Harbour Special Protection Area (SPA) and Ramsar (collectively known as habitat sites).

Summary of human resources implications

32. N/A

Summary of sustainability impact

33. There are no sustainability impacts as the mitigation will continue to be delivered but in a different way.

Summary of public health implications

34. Implications will be considered as part of plan-making and decision-taking.

Summary of equality implications

35. An equalities screening has been carried out. This indicates that the impact of the change in how mitigation is delivered, will not negatively impact those with protected characteristics.

Summary of risk assessment

36. There is risk associated with not providing the necessary mitigation measures to address the habitats regulation as Natural England could say that they will not support further planning permissions for new homes. This would be harmful to the development industry, potential buyers and occupants of the new homes and the wider local economy. It would also be damaging to the Council's reputation for compliance with environmental law.

Background papers

March Cabinet: [\(Public Pack\)Agenda Document for Cabinet, 05/03/2025 10:15](#)

Nitrogen Mitigation SPD: [Nitrogen-Reduction-in-Poole-Harbour-Supplementary-Planning-Document-final](#)

Monitoring Report: [Microsoft Word - Nitrogen Reduction in Poole Harbour SPD - 6 November 2024 FINAL](#)

Appendices

Appendix 1 – Poole Harbour SPA and Ramsar Catchment Map