

**CABINET  
7 NOVEMBER 2023**

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**DELIVERY OF NEW HOMES AT NEASHAM ROAD –  
LAND DISPOSAL AND NUTRIENT NEUTRALITY CREDITS**

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**Responsible Cabinet Members –  
Councillor Chris McEwan, Economy Portfolio  
Councillor Mandy Porter, Resources Portfolio**

**Responsible Director – Ian Williams, Chief Executive**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To seek approval to fund the purchase of additional nutrient neutrality credits from Natural England in order to satisfy planning permission and to build out the whole site of 144 new homes.

**Summary**

2. Cabinet approval was obtained in July 2023 to dispose of site C to the Council's Joint Venture partner, Hurworth Gardens JV (Joint Venture) Ltd for the development of 144 new homes. Contracts have been completed and work has started on site.
3. Natural England had previously advised that the nutrient neutrality credits obtained by the Hurworth Gardens JV Ltd were sufficient to build out the whole site of 144 new homes. However, during the planning process, Natural England changed their methodology for their assessment of credits and advised that credits obtained were only sufficient to build out 51 new homes and that additional credits for the remaining 93 new homes would be required. Planning permission was granted on this basis and that additional credits would need to be obtained to complete the development.
4. Further credits are required from Natural England to build the remaining 93 properties, details are provided in **Appendix 1, Part III report**.

**Recommendation**

5. It is recommended that Cabinet agree to fund the purchase of additional nutrient neutrality credits required to build out the remainder of the houses as set out in Appendix 1 Part III.

## Reason

6. The recommendation is supported in order to contribute to the delivery of new housing to satisfy the Borough's housing need.

**Ian Williams**  
**Chief Executive**

## Background Papers

No background papers were used in the preparation of this report.

Jenny Dixon : ext 6320

S17 Crime and Disorder	The report has no implications for crime and disorder
Health and Wellbeing	The report has no implications for health and well being
Carbon Impact and Climate Change	Not anticipated
Diversity	No impact
Wards Affected	Hurworth
Groups Affected	Not Applicable
Budget and Policy Framework	This report does not represent a change to the budget and policy framework
Key Decision	This is not a key decision
Urgent Decision	This is not an urgent decision
Council Plan	There are no issues adversely affecting the Council Plan
Efficiency	An investment return from the JV will help the Council's MTFP position.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

## MAIN REPORT

### Information and Analysis

7. Nutrient neutrality credits are required to fund Natural England's mitigation activities as mitigating nutrient pollution is now part of the process to obtain planning permission. To do this, an application for additional credits now needs to be made to Natural England.
8. Natural England had previously advised that the credits obtained were sufficient to build out the whole site of 144 new homes. However, during the planning process, Natural England changed their methodology for the assessment of credits and advised that the credits acquired were only sufficient for 51 new homes and that additional credits for the remaining 93 new homes would now be required.
9. Planning permission was subsequently granted for the whole site of 144 new homes, but with a condition that only 51 new homes can be built in line with the nutrient neutrality credits obtained. Further credits would need to be applied for from Natural England in order to build the remaining 93 new homes.
10. Natural England have now also advised that the cost of credits has increased from £1825 to £2300 per credit. Further details are provided in Appendix 1 Part III identifying the costs involved.

### Financial Implications

11. The costs of the additional nutrient neutrality credits will be deducted from the Council's capital receipt.

### Legal Implications

12. The rules and regulations surrounding nutrient neutrality have been subject to change. To protect the Council's position, if there are any subsequent changes in the regulations for example, if refunds for the cost of buying nutrient neutrality credits were refunded to Hurworth Gardens JV Ltd, under the terms of the sale contract these monies would be repaid to the Council.