

HEP Briefing Note

Subject: Nutrient Mitigation Programme

Service Area: Sustainability and Natural Environment

Date: 8th July 2026

Matters for the Committee to Consider:

1. The progress update on the council's WwTW upgrade projects across the three delivery strands: i.e., cost reduction sites; New Housing/HRA sites; and PfSH sites.
2. The programme management and governance framework, delivery timescales, and current risks for the programme.
3. The emerging third-party nutrient mitigation schemes being delivered within the Winchester district including the Solent Householder Septic Tank Upgrades Programme and the Hinton Ampner Nutrient Mitigation Scheme.
4. The role of the council as Local Planning Authority (LPA) in securing nutrient mitigation and monitoring, and the increasing number of third-party Strategic Mitigation schemes.

Purpose

This note provides councillors with a comprehensive overview of the council's nutrient mitigation programme. It provides an update on the delivery progress of the various constituent projects and activities within the programme. It also sets out the programme management and governance framework and delivery timescales and a summary of emerging third-party nutrient mitigation schemes in the Winchester district.

The information shared here, together with the water management briefing also being considered at this meeting, aligns with the points considered by the Committee Nutrient Neutrality Members' Working Group.

Introduction

The Winchester district falls within three riverine catchments in relation to nutrient neutrality – the East Hampshire, Test, and Itchen catchments. Within the East Hampshire and Test catchments, new housing development is required to be

nutrient neutral for nitrogen. Within the Itchen catchment new housing development is required to be nutrient neutral for both phosphorus and nitrogen.

The council is currently developing a programme of mitigation solutions to reduce nutrient pollution and facilitate the delivery of new development within the Winchester district. The council is upgrading its wastewater treatment works (WwTW) within the district to generate nitrogen and phosphorus mitigation and generate additional revenue through the sale of credits. The council is also supporting the Solent Mitigation Partnership (SMP) and other third-party developers to develop additional mitigation schemes within the district. Additional programme management resource has been put in place to manage and coordinate the delivery of the various projects and activities within the council's nutrient mitigation programme.

This report provides an update on the delivery of the council's WwTW upgrades; sets out the governance framework and delivery plan for the programme; identifies emerging third-party mitigation schemes in the district; and highlights current programme risks and issues. It also considers the role of the council as competent authority in considering nutrient mitigation strategies that facilitate development proposals and ensuring that it is legally secured and properly monitored for the requisite period.

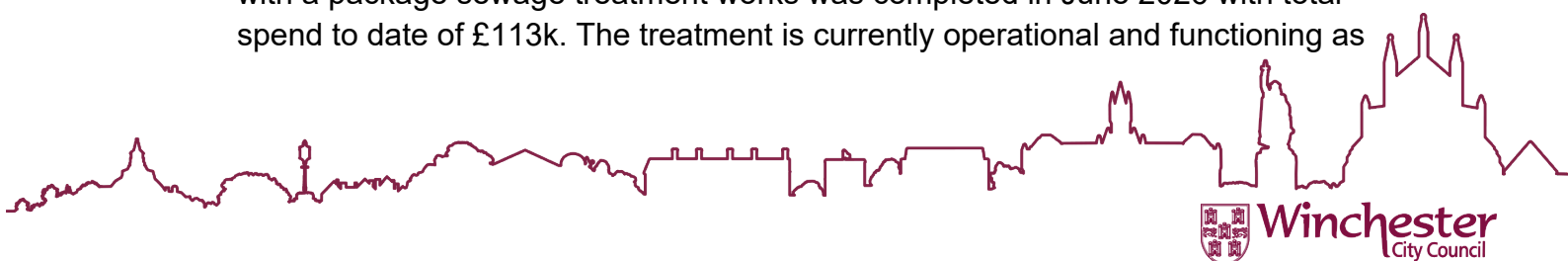
Council wastewater treatment works upgrades

The council's Nutrient Mitigation Programme aims to support the creation of nitrogen and phosphorus mitigation across the Winchester district through the upgrade of council wastewater treatment works (WwTW). The council operates 28 WwTWs across the district which could be upgraded to generate nitrogen credits. 17 of the WwTWs are within the Itchen catchment and have the potential to generate both nitrogen and phosphorus credits. The programme of WwTW upgrades is currently being delivered through three separate strands:

1. Cost reduction sites

The HRA has made provision to undertake works to WwTWs where running costs are high to mitigate service charge recharges (i.e. cost reduction). Any works to WwTWs are undertaken with the primary aim of reducing the running cost of the plants. 11 sites have been identified for delivery under the cost reduction programme. The council has investigated the following five sites as part of the first phase of the cost reduction programme:

- **Furzeley Corner (Denmead)** – the site with the highest running costs with annual costs of £8.3k per property. The works to replace the existing cesspits with a package sewage treatment works was completed in June 2026 with total spend to date of £113k. The treatment is currently operational and functioning as



intended delivering significant cost savings with annual costs of £500 per property upon completion.

- **Doctors Lane (West Meon)** – site investigation has been conducted, and a solution has been identified to reduce running costs from about £4.6k per property to £500 per property. This involves replacing the existing cesspools with a new package treatment plant, including an on-site pumping station, and disposing of treated effluent via a properly designed drainage field located away from the treatment site (on land owned by the Diocese of Portsmouth). Tender submissions have been received from contractors, and these are currently under evaluation. We are unable to award the contract until the easements are finalised and formally documented. The council's Legal team have been instructed, and this is currently in progress.
- **Meonwara Crescent (West Meon)** – site investigation has been conducted, and a potential solution has been identified that could reduce annual running costs from £4.5k to £500 per property. The proposed solution is reliant on permission from the Environment Agency as the site is close to the River Meon and there could be significant environmental concerns. Advice has been requested from EA, and we are awaiting their response.
- **Hoyle Close (Upham) and Foresters Cottages (Soberton)** – both sites have been investigated but no solution is possible due to local geology. Both sites will remain as cesspools as effluent infiltration to the ground is not possible and there is no river to discharge to.

The first phase of cost reduction schemes at Furzeley Corner, Doctors Lane, and Meonwara Crescent are already underway and will be completed as part of Tranche 1 of the programme (see Table 1). Doctors Lane is at the contract award stage and due for delivery in Q2 2026/27; and Meonwara Crescent is awaiting advice from EA to confirm a solution can be delivered on site with an estimated delivery of Q3 2026/27. No nitrogen or phosphorus credits will be generated by the upgrades as these three sites are currently cesspools. No action will be taken at Hoyle Close and Foresters Cottage due to a lack of viable options.

2. New Homes/HRA sites

The council has already completed the upgrade of two WwTWs at The Goodens (Cheriton) and Northington Road (Itchen Abbas) to package treatment plants (PTPs) to generate phosphorus and nitrogen mitigation. The New Homes Delivery team have used some of the credits generated by the schemes to mitigate the council's own developments, delivering affordable council homes. The sale of the remaining nitrogen and phosphorus credits for the two completed schemes is ongoing.

At the time of writing, nearly all the nitrogen credits (55 of 60) and the phosphorus credits (4.9 of 5.1) from the Northington Road scheme have been allocated to developers. Prices are set at £3,250 per nitrogen credit and £50,000 per phosphorus

credit (or part thereof). £224k has been invoiced to date and £190k further is expected to be paid once all balances are settled prior to development starting on site (in line with signed Allocation Agreements). The plant installed at Northington cost £68k so the income generated to date represents a good return on investment alongside achieving nutrient mitigation within the Itchen River catchment.

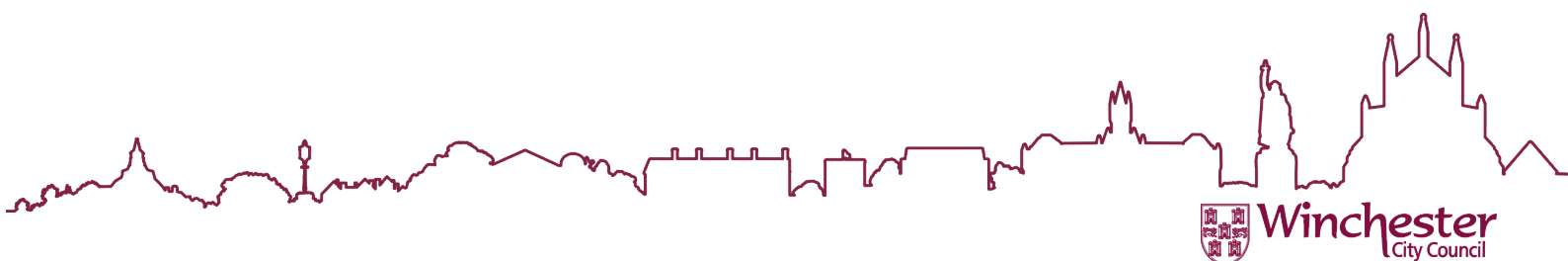
Credits are now starting to be allocated from The Goodens scheme with 86 nitrogen credits and 9.98 phosphorus credits available for purchase. An initial 13 nitrogen credits and 1.24 phosphorus credits have been allocated to date. £98k has been invoiced to date and £73k is expected to be paid once all balances are settled prior to development starting on site. Some phosphorus credits from this scheme will be sold for £100k (each or part thereof) because the mitigation location is upstream of the Alresford area where there are very few phosphorus credits available to mitigate development in this area of the catchment. The plant installed at The Goodens cost £37k with a further £45k was paid to the South Downs National Park Authority to secure the monitoring for the scheme.

A capital budget of £400,000 to upgrade an additional four WwTWs funded from HRA reserves was authorised by Cabinet in July 2024 (see [CAB3470](#)). Works to individual WwTWs will be delivered subject to the council's Chief Finance Officer and Strategic Director agreeing the business case and granting authority to spend the budget.

The council commissioned consultants to undertake site surveys and feasibility studies of four WwTW sites – Baring Close (Itchen Abbas), Hobbs Close (Bishops Sutton), Kiln Lane (Old Alresford), and The Pastures (Cheriton) – to provide more detailed data on site conditions and potential mitigation options for each site. The site survey and feasibility work was completed at the end of February 2026. The outputs were used to develop individual outline business cases (OBC) for the sites. The business cases were considered by PAC Board in June 2026, and approval was provided to proceed to the next stage of project development for all sites, except for Hobbs Close.

The council commissioned consultants to undertake hydrogeology studies for the site. The studies suggest that, owing to lag time, phosphorus credits cannot be generated by the upgrade of Hobbs Close and only a small amount of nitrogen credits can be generated. As a result, it was decided not to proceed with upgrading this site at this time.

The next steps will be to procure and appoint a contractor to install the upgrades as part of Tranche 2 of the programme (see Table 1). Upon completion of the works, the nitrogen and phosphorus credits generated will be managed and sold by the New Homes Team to generate revenue.



3. Partnership for South Hampshire (PfSH) sites

The Partnership for South Hampshire (PfSH) secured funding through the Local Nutrient Mitigation Fund (LMNF) to upgrade 11 Winchester City Council (WCC) owned wastewater treatment works (WwTW) to provide nitrogen and phosphorus mitigation in the Itchen catchment. The Solent Mitigation Partnership (based at Fareham Borough Council) will manage and sell the credits generated by the WwTW upgrades.

A capital budget of £900,000 to implement works on council-owned plant upgrades funded by and on behalf of Partnership for South Hampshire (PfSH) was authorised by Cabinet in September 2024 (see [CAB3459](#)). It delegates authority to the Strategic Director to procure any works or services, award contracts to preferred bidder(s), and enter into necessary legal agreements with Fareham Borough Council (FBC) to receive the grant funding and establish working arrangements to implement the project and sell credits generated.

The first WwTW to be upgraded on behalf of PfSH is Itchen View (Itchen Stoke) which was completed in May 2025. The upgrade will generate 51.25 nitrogen credits and 6.39 phosphorus credits. The proposed Benefiting Parties, as defined by the Inter Authority Agreement, for this scheme is Winchester City Council. In January 2026, approval was given to release the nutrient credits from the Itchen View scheme to the Solent Mitigation Partnership/Fareham Borough Council for them to sell to developers within the proposed catchment area, in line with CAB3459.

The council commissioned consultants to undertake site surveys and feasibility studies of the remaining 9 PfSH sites to provide more detailed information on site conditions and inform potential mitigation options for each site. This included the sites at Couch Green, Gorse Down, Lambourne Close, North Drive, The Brook, The Hallways, Westwood View, Woodland Close, and Woodlark Cottages.

PfSH have confirmed that their three priority sites for development in Phase 3 are The Brook (Old Alresford), Couch Green (Martyr Worthy), and Woodland Close (Bramdean), as these represent the most financially viable investments. These sites will be delivered in Tranche 3. It is proposed that a contractor is procured to deliver both the three New Homes/HRA sites (Tranche 2) and the three PfSH sites (Tranche 3). Upon completion of the works, the nitrogen and phosphorus credits generated from the PfSH sites will be managed and sold by the Solent Mitigation Partnership.

A further three sites – North Drive (Littleton), The Hall Way (Littleton), and Woodlark Cottages (Brighton) - are on a reserve list for future consideration depending on costs and timescales. It is proposed that these three sites will be delivered in Tranche 4 subject to agreement with PfSH. The four remaining projects have lag times that have been assessed that will make them ineffective as phosphorus mitigation. These include Beech Grove, Owlesbury (16 years), Gorse Down, Owlesbury (9 years), Lambourne Close, Sparsholt (12 years), and Westwood View, Kilminston (14 years).

Programme Delivery and Governance

Programme Governance

Figure 1 sets out the programme governance structure and defines how the programme is overseen, directed, and managed.

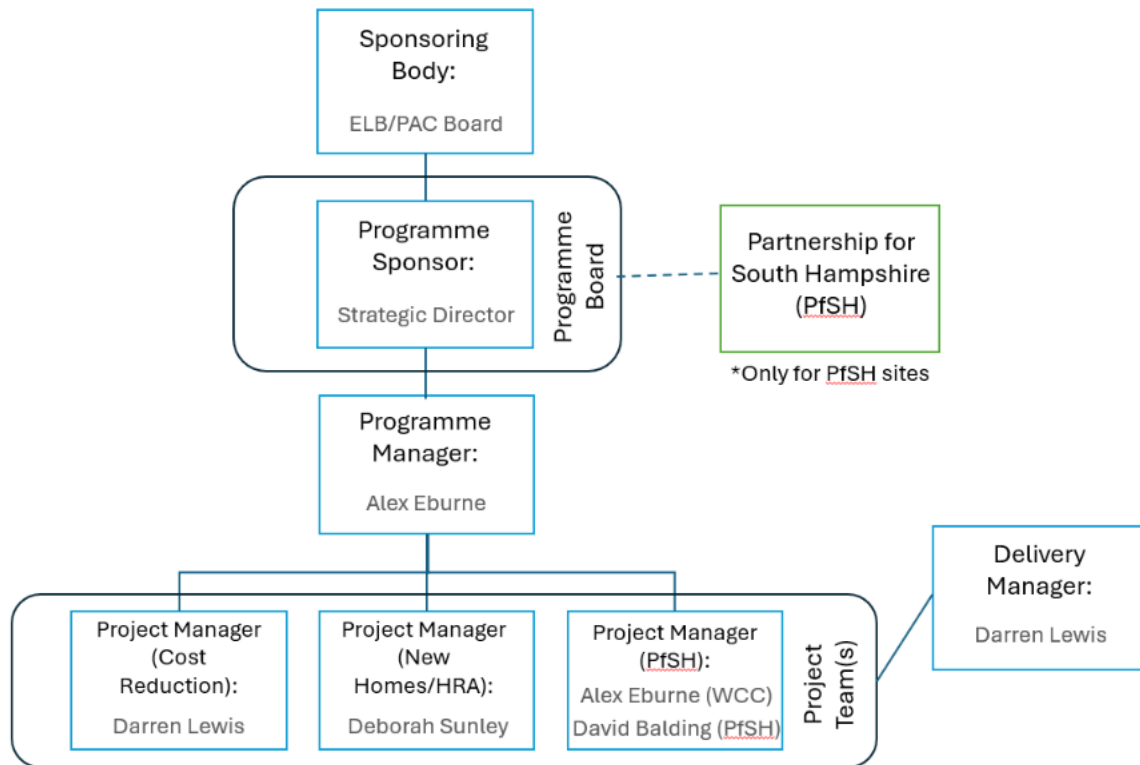


Figure 1: Programme governance structure

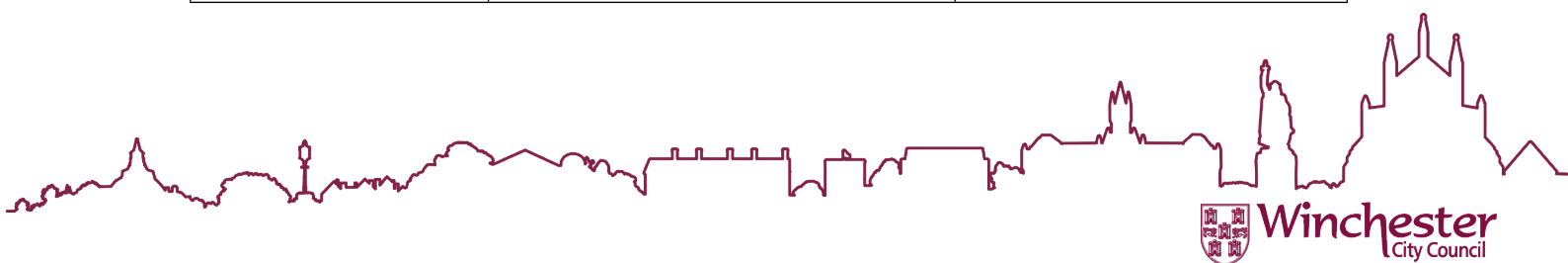
A Project Team has been set up for each of the three delivery strands within the programme – i.e., Cost Reduction, New Homes/HRA, and PfSH. Each Project Team is led by a Project Manager with responsibility for the day-to-day management of the projects and supported by technical specialists and support officers to enable effective delivery. In the case of the PfSH sites, the council will need to work in close collaboration with the PfSH to develop the projects and agree business cases for investment. Regular meetings will be held with PfSH to ensure effective cross-organisational working and collaboration.

Programme Delivery

The delivery of the WwTW upgrades will be overseen by the council's Engineering & Transport Manager and Drainage Engineer. As a critical project resource, it is important that the team's limited capacity is managed appropriately. There is only sufficient capacity to oversee a maximum of 3-4 active installations at any given time; it is not possible to supervise all sites at once. Therefore, it is proposed that the programme of WwTW upgrades is delivered in six tranches (see Table 1). The delivery timescales and phasing are set out in Figure 2 below.

Table 1: Programme Delivery Tranches

Tranche	Sites	Timescales
Tranche 1: Cost Reduction Sites (Phase 1)	<p>Sites in Tranche 1 are being procured and installed individually. This includes:</p> <ol style="list-style-type: none"> 1. Furzeley Corner 2. Doctors Lane 3. Meonwara Crescent 	<p>Furzeley Corner: May 2026 (Completed)</p> <p>Doctors Lane (Q2 2026/27)</p> <p>Meonwara Crescent (Q3 2026/27)</p>
Tranche 2: New Housing/HRA Sites	<p>Four sites set out in CAB3470:</p> <ol style="list-style-type: none"> 1. Baring Close 2. Hobbs Close 3. Kiln Lane 4. The Pastures <p>All four sites to be developed together with same delivery timescales</p>	<p>Site investigations: February 2026 (Completed)</p> <p>Installation: Q3 2026/27</p>
Tranche 3: PfSH Sites (Phase 1)	<p>First phase of PfSH sites which includes the following three priority sites:</p> <ol style="list-style-type: none"> 1. The Brook 2. Couch Green 3. Woodlane Close 	<p>Site investigations: February 2026 (Completed)</p> <p>Installation: Q4 2026/27</p>
Tranche 4: PfSH sites (Phase 2)	<p>A further three sites on a reserve list for future consideration depending on costs and timescales:</p> <ol style="list-style-type: none"> 1. North Drive 2. The Hallway 3. Woodlark Cottages <p>*Subject to agreement with PfSH to proceed</p>	<p>Site investigations: February 2026 (Completed)</p> <p>Installation: Q1 2027/28</p>
Tranche 5: Cost Reduction sites (Phase 2)	<p>Second phase of cost reduction sites including:</p> <ol style="list-style-type: none"> 1. Headon View 2. Kiln Cottages 3. Wine Cross 	<p>Site investigations: Q3 2026/27</p> <p>Installation: Q2 2027/28</p>



Tranche 6: Cost Reduction sites (Phase 3)	Third phase of cost reduction sites including: 1. Big Tree Cottages 2. Oak Close 3. Widley Walk	Site investigations: Q3 2026/27 Installation: Q3 2027/28
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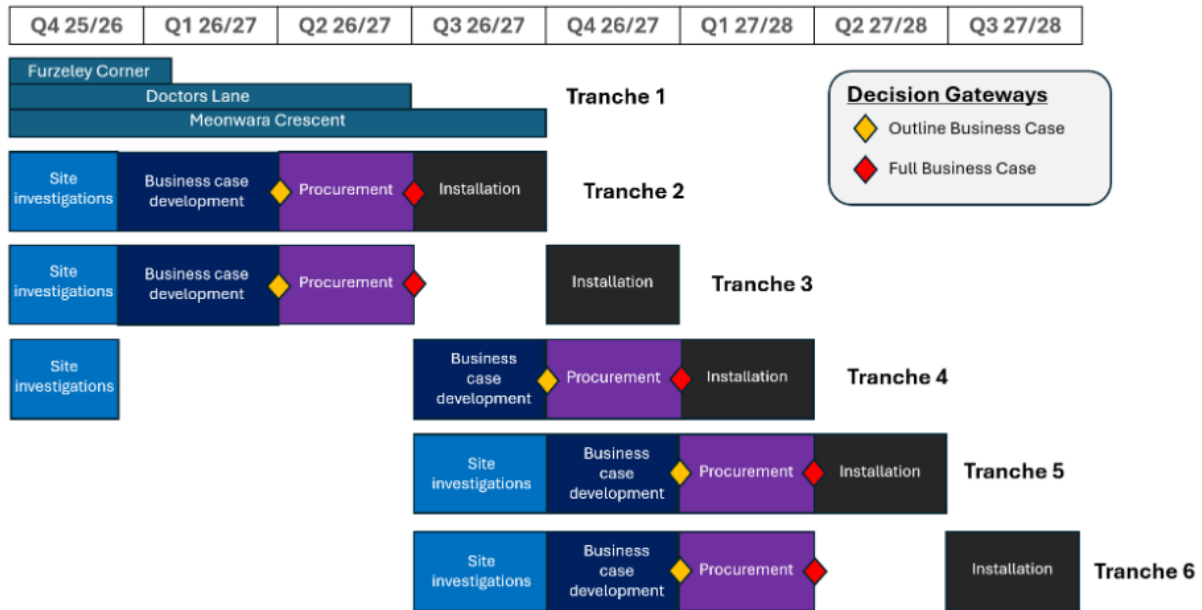


Figure 2: High-level Gantt chart showing programme delivery timescales

Third-party nutrient mitigation schemes

In addition to upgrading council-owned WwTW, the council is also supporting third party mitigation schemes to enable sufficient supply of nutrient mitigation in the Winchester district. There are a few emerging schemes in development within the Winchester district through the Solent Mitigation Partnership which are summarised below:

Solent Householder Septic Tank Upgrades Programme

Launched at the end of May 2026, the scheme will offer grants to homeowners to replace old septic tanks with modern package treatment plants, with Fareham Borough Council acting as the lead authority and grant provider. The scheme will be delivered in phases with the first phase focused on residents in the River Itchen Headwaters within the Arle Water Body, in and around Bishops Sutton, Winchester. It is expected that the Phase 1 funding allocation will deliver around 33 upgrades. The business case for Phase 1 was approved by the PfSH Joint Committee on 16 March 2026: [PfSH Joint Committee – Full Agenda Pack - 16 March 2026](#)

Winchester City Council will be the Monitoring Authority for the first phase of the scheme given that the upgrades are occurring within the Winchester district. The Monitoring Authority will be signing up to a legal agreement (unilateral undertaking) with residents that will secure that a PTP remains in place for 100 years and, when replaced, a system of the same or similar efficiency on the PIA certificate is installed. The Monitoring Authority's responsibility is to enforce against these legal agreements, if necessary, such as undertaking site visits. The council will receive reports of upgraded tanks including information on the date of upgrade, system installed, payment records, building regulations approval and any environmental permit. The Business Case for the scheme includes £16,000 for the council to perform its monitoring authority function over the lifetime of the scheme.

A letter with further details on the scheme has been circulated to residents of Bishop's Sutton who have a private septic tank, inviting them to apply for grant funding to upgrade it. Further details on the grant scheme, including eligibility criteria, can be found on the council's website: <https://www.winchester.gov.uk/climate-change-and-energy/take-action/funding/septic-tank-upgrade-bishop-s-sutton>.

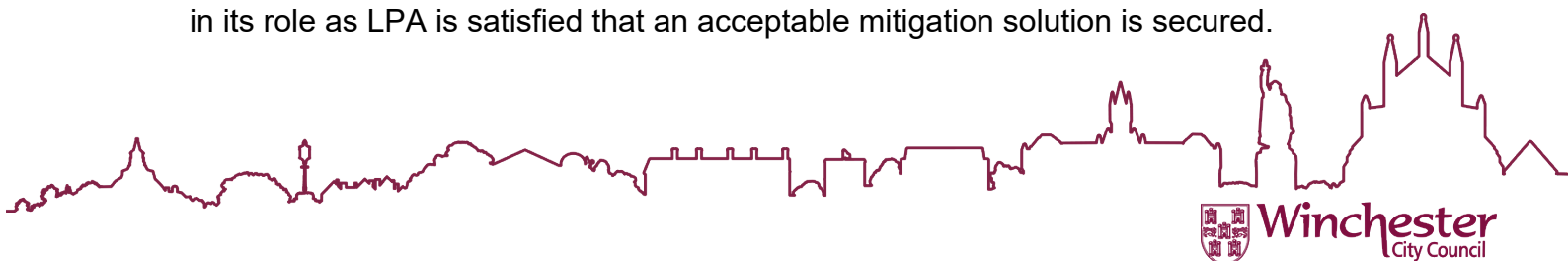
Hinton Ampner Nutrient Mitigation Scheme

The National Trust began a nutrient mitigation project in 2020 by taking two parcels of Grade 3 agricultural land on the Hinton Ampner Estate out of agricultural use. However, the legal arrangements required to establish the nitrogen mitigation scheme have been stalled and the scheme has yet to be delivered. The SMP has therefore been exploring a collaborative arrangement with the National Trust, through the Inter-Authority Partnership, to help unblock progress and support delivery of this mitigation scheme.

The Hinton Ampner scheme will generate 650 nitrogen credits and 2 phosphorus credits. Fareham Borough Council (FBC) is the Lead Authority and Host Authority for this project under the Inter-Authority Agreement. In this instance, the project is that FBC shall acquire rights to sell credits in respect of the land owned by the National Trust. Winchester City Council has registered its interest in becoming a potential Benefitting Party in the scheme.

The role of the council as Local Planning Authority (LPA): securing nutrient mitigation and monitoring

The background to the Nutrient Neutrality and the role of the planning process is detailed in the [Winchester District Local Plan 2040 – Nutrient Neutrality Topic Paper \(November 2024\)](#). When making planning decision the council are required by law to take the nutrient issue into account as part of the overall planning assessment. Planning permission can only be granted for affected development where the council in its role as LPA is satisfied that an acceptable mitigation solution is secured.



The LPA uses a legal agreement (usually a S106) to secure the nutrient mitigation to offset the release of excess nutrients entering the catchments of the Solent and Itchen River. A legal agreement is required when the mitigation is being directly provided i.e. upgrade of a septic tank or setting land aside. As part of the legal agreement there is also a requirement to monitor the mitigation to ensure that it does deliver the level of mitigation envisaged. This requirement is accompanied by a monitoring fee (written into the S106) that enables WCC to undertake this work.

There has been a growing trend for third parties seeking to undertake upgrades or set aside land that will have a positive impact on water neutrality and then use the anticipated improvement to sell nutrient credits (Strategic Mitigation Schemes). The LPA has been involved in some schemes, in its role as competent authority, seeking to ensure that when the mitigation is provided there is necessary monitoring embedded into the requirements of the legal agreement to provide confidence that the mitigation delivers the anticipated reduction in nutrients.

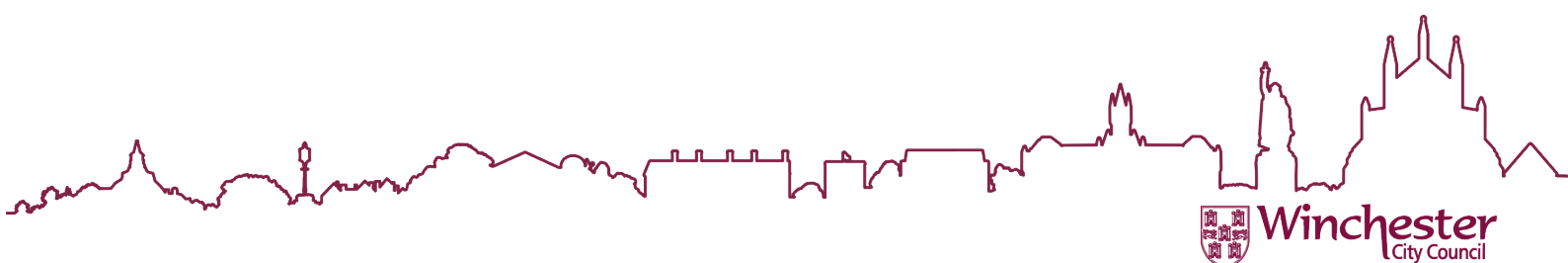
Legal agreements are used in a number of different scenarios: to enable the monitoring of Strategic Mitigation Schemes and to secure mitigation when it is being delivered as part of a planning application. There are cross boundary agreements where neighbouring authority development is seeking to rely on mitigation scheme originating in Winchester District. As such, WCC potentially has a monitoring and enforcement function for such schemes that facilitate development in neighbouring authorities.

The council has an important role, as competent authority, upholding regulatory standards and ensuring legal compliance (i.e. Habitats Regulations which protect designated European wildlife and species from harmful development and activities). As part of this role the council is already carrying out a monitoring function for nutrient mitigation established within S106 planning agreements.

The planning team already undertake a more general monitoring role for S106 agreements and planning conditions, and the monitoring of nutrient mitigation schemes fits within this work stream. Currently, given the complexity of the issues and the importance of securing monitoring the planning team work closely with legal services to secure the monitoring and advise when considering the need for potential enforcement of the agreement.

It is anticipated that the additional monitoring that the council are being requested to undertake (Solent Septic Tank Upgrade scheme) can be accommodated as part of the monitoring function albeit expanded.

The increase in Strategic Mitigation schemes and localised mitigation schemes provides the opportunity to consider how best to administer and resource this monitoring function alongside the existing S106 monitoring.



Risks

The key programme-level risks are captured within a programme risk register. The greatest risk to the council's nutrient mitigation programme is related to new legislation which has recently been adopted. The Planning and Infrastructure Act 2025 legislates for a new approach to nutrient neutrality through the preparation of Environmental Delivery Plans (EDPs) with project delivery funded via a new Nature Restoration Fund (NRF) levy.

While an EDP is being prepared for the Solent and River Itchen, the implications for existing mitigation schemes are not yet clear. However, the Ministry for Housing, Communities and Local Government (MHCLG) has confirmed that projects must continue. As Natural England start the preparation of EDPs, they are developing Conservation Measures Specifications that will be used for the strategic mitigation measures they are proposing. It is understood that septic tank upgrades will form part of the package of measures being delivered for nutrient neutrality under EDPs.

Supporting Documents

[CAB3470 – Housing Revenue Account Nutrient Mitigation Proposal](#)

[CAB3459 – Partnership for South Hampshire Nutrient Mitigation Proposal](#)

[PfSH Joint Committee – Full Agenda Pack - 16 March 2026](#)

[Winchester District Local Plan 2040 – Nutrient Neutrality Topic Paper \(November 2024\)](#)

