

Date: 27 September 2022



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**BY EMAIL ONLY**

John Hammond, South Somerset District Council.

**Natural England's position on Entrade's development of a market to provide phosphorus credits.**

Dear John,

In order to support a report you are submitting to South Somerset's District Executive you have requested that Natural England confirms its position on the development of Entrade's phosphorus credits scheme in Somerset.

Natural England has been working with Entrade to support the development of the market over the past two years, providing advice on the structure and operation of the market and technical standards. Entrade continues to take account of our advice and we understand that the technical or interim 'accreditation' standard, which Natural England needs to agree, is close to being finalised. This interim standard will underpin the design of nature-based projects that deliver measurable phosphorus reductions. We have also agreed with Entrade that there will be a pre-market review of mitigation projects, which we will be involved in and which will provide further reassurance as to the efficacy of projects.

Given Natural's England role as a statutory consultee under the Habitats Regulations we need to maintain the ability to objectively review and advise on individual planning applications, including those where applicants may use credits purchased through the Entrade scheme. Therefore we are unable to explicitly state that credits generated by the market are able to fulfil regulatory HRA requirements in relation to development within the catchment in general. However, our involvement described above in the development of the market provides us with good reason to believe that the scheme is capable of delivering projects that provide suitable mitigation for achieving nutrient neutrality.

Yours Sincerely,

Simon Stonehouse  
Wessex Team