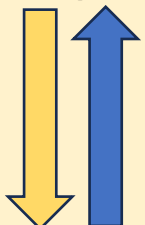
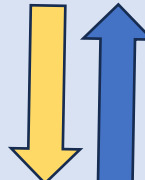


## Appendix 1 - Local Nutrient Mitigation Fund (LNMF) Governance structure

Clear criteria are needed to be established to support mitigation project selection to ensure decisions are transparent and consider all available options to select best value projects. The criteria would need to consider the potential for additional public benefits that can be realised because of project delivery however the focus needs to remain on the delivery of nutrient mitigation.

The proposed governance arrangements would involve two groups. The detailed remit of these groups will need to be refined but a suggested role for each group in meeting the requirements of the MoU associated with the fund, is included in **Table 1**.

Group	Membership	Frequency of meetings
<b>Oversight Group</b> 	<ul style="list-style-type: none"> <li>Portfolio holder for Coast, Country &amp; Environment</li> <li>Portfolio Holder for Strategic Planning</li> <li>Axminster Town Council</li> <li>Ward Members</li> <li>EDDC Finance officer</li> <li>EDDC Senior officer</li> </ul>	Initially, meetings set up on a quarterly basis with special meetings where needed to agree to larger projects or consider items deferred to the group. There would be the option to cancel a meeting if there was nothing to consider.
<b>Steering Group</b>	EDDC Officers (including Ecology, Assets, Finance & Legal) Somerset Council Dorset Council Natural England Delivery partners (WRT, etc.)	Monthly
<b>Delivery Team</b> 	Nutrient Mitigation Officer Nutrient Support Officer District Ecologist	Day to day discussions / team working. Day to day liaison with advisors.

## **Oversight Group**

- To provide a reference group of District and Town Councillors with officer support to inform the ongoing delivery and development of the River Axe SAC LNMF programme so as to achieve the aims and objectives of the Nutrient Neutrality Round 2 programme;
- To make recommendations to East Devon District Council's Cabinet on the development and management of the programme;
- To receive briefings and reports from the River Axe LNMF Steering Group and EDDC officers and to act as a point of reference for the successful delivery of the programme;
- To monitor progress on achieving the delivery of the River Axe LNMF delivery plan and its agreed outputs/outcomes (in partnership with Somerset and Dorset Councils);
- To advise on and input to external expert and professional consultancy;
- To support further engagement of public and stakeholders;
- To promote best practice, help overcome barriers and promote optimal outcomes for the benefit of reducing the levels of phosphates within the River Axe SAC and to ensure it returns to a 'Favourable Condition';
- To liaise with and share information between the two tiers of local government (including Somerset Council and Dorset Council) as well as relevant Stakeholder groups as appropriate.

The Local Nutrient Mitigation Fund awards are only to be used to deliver nutrient mitigation within the River Axe catchment. As such, the funds should be ring-fenced for this purpose and specific arrangements put in place to enable the fund to be spent efficiently.

Feasibility work often costs between £20,000 and £50,000. Many of the smaller projects are likely to have a cost of between £100,000 and £500,000. These types of projects include the creation of wetlands, smaller land acquisitions, tree planting and some greywater solutions.

For land purchases, there is often a need to respond to market opportunities relatively quickly to secure the opportunity. Granting delegated authority to the Director of Place in consultation with the Council's statutory officers allows for flexibility whilst ensuring good governance and due process. All due diligence will be carried out in any such situation. Granting this authority specifically within the funds provided by the Local Nutrient Mitigation Fund, will enable opportunities for land purchase and other capital projects to be secured swiftly and the management of the fund to be more agile. This level of delegation would enable significant areas of land to be secured to deliver mitigation.

The Oversight Group would meet on a quarterly basis with the opportunity to call special meetings should there be a need, giving the group an opportunity to consider these significant projects if appropriate.

### Membership:

Chair: EDDC Portfolio Holder

Axminster Town Council (to invite representation)

East Devon District Council;

Ward Members

Portfolio Holder for Strategic Planning

Portfolio Holder for Coast, Country & Environment

Somerset Council

Dorset Council

### **Steering Group**

The Steering Group would involve delivery partners and officers from EDDC, Somerset, and Dorset Councils, as well as non-departmental government organisations, including Natural England and Environment Agency..

- The purpose of this group would be to offer guidance to the Delivery Team bringing in their expertise and to examine the detail of the proposed mitigation projects.

### Membership:

River Axe LNMF Programme Officer

River Axe LNMF Admin Support Officer

District Ecologist, EDDC

Assistant Director – Countryside & Leisure, EDDC

Assistant Director – Planning Strategy and Development Management, EDDC

Senior Planning Officer (East Team), EDDC

**Chair:** The Chair will be a member from East Devon District Council

Attendance will normally be limited to members of the Steering Group from the authorities. Other parties may be invited to join the meeting as appropriate where the Steering Group agrees that their involvement is beneficial. Agendas will be timetabled to facilitate this process.

### Administrative Support

The secretariat for the Overview and Steering Group will be provided by East Devon District Council. The secretariat will minute all meetings and record any actions arising there from.

Agendas will include a standard item requiring declarations of interests to be made. Members with a disclosable financial or personal interest in respect of a particular matter being considered by the Steering Group should act in accordance with the Councillor's Code of Conduct of the relevant organisation that they represent.

Meetings of the Group will be open to the public (Part A) but may have a private part to the meeting (Part B) to discuss confidential and sensitive matters.

To ensure that there is public awareness of the Group's activities, discussions and project progress, notes of meetings will be publicly available and published as part of the District Council's Cabinet agendas.

**Decision making:** Decision making will, as far as it possible, be by consensus. In the event that this is not possible areas of disagreement and the position of individual organisations will be recorded and recognised in the subsequent advice/recommendations.

**Review:** The group's terms of reference will be reviewed every two years.

Item (summarised from MoU associated with LNMF grant awards)	Oversight Group	Steering Group	Delivery Team
<b>Aims:</b>			
i. Deliver nutrient mitigation interventions in the catchment within 2024/25 and 2025/26.	Ensure nutrient mitigation is delivered.	Consider and advise on mitigation opportunities that arise within the catchment.	Identify diverse range of mitigation opportunities within catchment.
ii. Unblock (by making nutrient mitigation capacity available for developers) 1,000 homes in the long term.	Ensure mitigation is delivered at the required rate.	Drive the delivery of mitigation at the required rate.	Deliver mitigation at the rate needed to keep pace with development.
iii. Reinvest returns to deliver nutrient mitigation for the long term until no longer required – i.e., when there are no adverse effects from residential development.	Ensure returns received cover costs and are reinvested. Consider evidence of 'favourable condition' and when there will be no further need for mitigation.	Ensure mitigation credit value set to cover full cost of mitigation.	Identify cost effective mitigation that offers value for money, acting in an efficient way to deliver mitigation.
<b>Requirements:</b>			
i. Ensure schemes deliver effective value for money.	Receive reports on cost of mitigation and credits released – ensure credit costs are kept competitive	Ensure value for money and report to Oversight Group on costs.	Ensure efficient and cost-effective delivery of mitigation.
ii. Full cost recovery – including admin costs.	Ensure efficient use of resource and reinvestment of funds.	Ensure costs of credits cover all costs associated with their delivery.	Ensure full record of costs for each mitigation project is maintained and used to calculate credit value.

iii.	Cooperation between Councils.	Joint working between partner councils	Engage proactively across councils, providing timely information and managing processes.	Facilitate full engagement and participation with partner councils
iv.	Deliver mitigation at the catchment level.	Ensure mitigation is delivered for development across the whole catchment.	Monitor the distribution of credit sales to ensure even split across the catchment.	Ensure mitigation is delivered at the most appropriate locations across the catchment.
v.	Follow Government advice and guidance.	Consider reports on changes to government advice and guidance.	Identify and interpret government advice and guidance.	Keep track of and respond to latest advice and guidance from Government.
vi.	Consider secondary public benefits – public access to nature, natural flood risk, etc.	Champion the delivery of wider public benefits as a result of mitigation.	Actively consider opportunities for delivering wider public benefits associated with mitigation delivery.	Actively consider mitigation projects that will also deliver secondary public benefits, work to maximise these secondary public benefits.
<b>Monitoring and reporting:</b>				
i.	Keep a record of expenditure, mitigation provided, and homes unblocked.	Receive reports on the effectiveness of mitigation.	Keep a complete record of mitigation provision and reconcile against residential development delivered across the whole catchment.	Ensure detailed records of spend, mitigation provided, and homes unblocked are maintained for each mitigation project.
ii.	Report to MHCLG on a quarterly basis (subject to MHCLG requirements which are still to be defined).	Agree content of reports to be sent to MHCLG.	Report on mitigation delivery to meet MHCLG requirements.	Prepare material for reporting to MHCLG as required.
iii.	Maintain transparency on use of fund.	Review information for publishing on mitigation fund spend.	Ensure appropriate information is published on website and reported to Oversight Group.	Ensure appropriate information is published on website.

iv.	Participate in workshops and round table discussions with PAS.	Engage with PAS workshops where relevant.	Nominate attendance at PAS workshops to gather and disseminate best practice.	Participate in PAS workshops.
v.	Complete end of grant evaluation (in 2025/26).	Agree content of 'end of grant' evaluation to be submitted to MHCLG.	Put together response to 'end of grant' evaluation.	Prepare information for 'end of grant' evaluation
vi.	Respond to MHCLG information requests.	Consider content of any responses to MHCLG information requests as necessary.	Consider content of any responses to MHCLG information requests as necessary.	Respond to requests for information from MHCLG in a timely manner, reporting to Steering Group as necessary.
<b>Governance:</b>				
i.	Ensure compliance with all legal and statutory obligations – state aid, subsidy control, equalities, procurement, health and safety, fraud.	Take overall responsibility for ensuring legal and statutory obligations are met.	Take responsibility for ensuring correct processes and assessments are followed to meet legal and statutory obligations. Agree project selection criteria and keep under review.	Obtain legal advice and undertake the necessary assessments of the spend of the fund and ensure the strategy for delivering mitigation meets all statutory obligations. Establish clear criteria for mitigation project selection.
ii.	Undertake due diligence on other organisations that are involved in the fund.	Take overall responsibility for due diligence on third parties involved in the fund.	Undertake due diligence of partner organisations in mitigation delivery.	Prepare information to enable due diligence on partner organisations and ensure correct process is followed.