



House of Commons
Public Accounts Committee

DEFRA: Natural England's Role in Improving Sites of Special Scientific Interest

Thirty-fourth Report of Session
2008–09

*Report, together with formal minutes, oral and
written evidence*

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The Public Accounts Committee

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The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at <http://www.parliament.uk/pac>. A list of Reports of the Committee in the present Session is at the back of this volume.

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Summary

A Site of Special Scientific Interest (SSSI) is an area of land containing habitats and wildlife which are of national or international importance. There are over 4,000 SSSI sites in England, many of which were first designated over 60 years ago. SSSIs have been afforded legal protection since 1949, mainly through restrictions on activities and development which would adversely affect the sites. This protection has helped conserve habitats and wildlife in England, which would otherwise be at risk of extinction. Natural England, a non-departmental public body of the Department for Environment, Food and Rural Affairs (the Department), is responsible for identifying and overseeing SSSIs, within the Department's overall responsibility for conserving and enhancing the natural environment.

In 2000, the Department agreed a Public Service Agreement (PSA) target to bring 95% of SSSI land area into a 'favourable' or 'recovering' condition by December 2010. The reported condition of sites has increased from 52% of land area in target condition in December 2002 to 86% in February 2009. Sites in recovery may take many years to reach favourable condition. The programme of SSSI condition assessments is not up-to-date and there is insufficient quality control to ensure that all assessments have been undertaken in accordance with national guidance. Natural England has put in place a programme of work to address the backlog of assessments by 2010, and has introduced quality assurance systems and guidelines to improve the consistency of its record keeping.

Until 2007, the Department did not have an estimate of how much it would cost to deliver the PSA target on SSSI condition. Between 2003 and 2006, Natural England developed a national database to record the condition of sites and the work required to bring them into favourable condition. Public expenditure on SSSIs has more than doubled over the past eight years, from £35.6 million a year in 2000–01 to £85.4 million in 2008–09. There has been no assessment of the cost of conserving SSSIs beyond 2010, although estimates by the Department anticipate an ongoing commitment of around £96 million a year. The estimates may, however, be inaccurate as around a third of sites do not have complete descriptions of the works required to bring them into good condition.

Financial incentives to encourage private landowners to conserve sites account for some 58% of public expenditure. Some sites, however, continue to decline and Natural England has not been proactive in exercising its powers to take legal action against those landowners who persist in managing their land in a way which damages the habitat and wildlife.

Many sites are open to the public, but the public is often unaware of the recreational and environmental benefits of SSSIs. There is also low awareness of the statutory obligations in place to protect SSSIs and Natural England's decisions in respect of planning permissions and other actions to conserve SSSIs are not widely understood.

There is scope to improve the processes for identifying new sites and declassifying existing ones which are no longer of special interest. The changing natural environment means that some sites may no longer contain important habitats and species, while new sites may need

protection. In the future it may be important to provide natural corridors along which species can move between habitats as the climate and the environment change.

On the basis of a report by the Comptroller and Auditor General,¹ we took evidence from the Department and Natural England on the steps taken to conserve sites and raise public awareness of SSSIs and on the related costs of bringing sites into target condition.

1 C&AG's Report, *Natural England's Role in Improving Sites of Special Scientific Interest*, HC (2007–08) 1051

Conclusions and recommendations

- 1. Natural England expects to meet the Public Service Agreement target for 95% of SSSIs to be in 'favourable' or 'recovering' condition by December 2010, but it may be many years before some sites reach a 'favourable' condition.** At the end of the current target period the Department and Natural England should set targets for managing and monitoring the progress of sites currently in the 'recovering' classification, alongside actions to monitor progress in bringing more sites into this group.
- 2. Natural England's reported performance in managing SSSIs is based on out of date information and incomplete records.** Around a quarter of sites have not been assessed within the six year timescale set out in national guidelines, and around 35% of SSSIs do not have written descriptions of the monitoring requirements for the special features that they were notified to conserve, nor the specific conservation actions necessary to provide protection. Natural England should develop a programme for the forward management of SSSI inspection. This would match resources to the work required to meet the national guidelines, building on the approach taken to address the existing weaknesses, by April 2009 for conservation objectives and December 2010 for six yearly inspections.
- 3. Natural England's record keeping is inconsistent and there is no comprehensive quality assurance system in place to check that conservation objectives and condition assessments for each site comply with national guidelines.** Inconsistencies exist in the information recorded for each site. Natural England should define the mandatory data to be maintained for each site such as the extent and location of all features of the SSSI, the dates of field visits, compliance checks and contact with the landowner/occupier. It should introduce quality assurance mechanisms in accordance with ISO 9000 such as peer review and process mapping, to confirm, for example, that the conservation objectives recorded and condition assessments completed meet required standards.
- 4. Natural England cannot demonstrate that all SSSI sites, some of which were designated 60 years ago, still demonstrate features of special importance, nor whether other currently undesignated locations may not provide more valuable wildlife and habitat conservation opportunities.** The changing nature of biodiversity means sites may lose the special feature or features for which they were first designated, or may acquire new features worthy of conservation. New locations may provide a better opportunity for meeting specific conservation objectives. To make sure that public investment in SSSIs is directed to those sites and locations which offer the best value for money in conservation and cost terms, Natural England should establish a systematic approach to reviewing the designation of existing sites and to identifying and designating new sites.

5. **The current approach of designating individual locations or sites may not be the most appropriate as biodiversity responds to increasing climate and environmental pressures.** Enabling species to move between sites may be essential if they are to adapt, for example, to a changing climate. Natural England should research and report on the effectiveness of the current approach for designating SSSIs to establish whether wider issues, such as the need for corridors to enable longer term movement of flora and fauna between sites, are adequately addressed.
6. **Natural England has failed to use its enforcement powers to take action against landowners and occupiers who persistently refuse to manage land in a way which conserves the SSSI, allowing negotiations to become protracted at a financial and conservation cost.** Senior management in Natural England should monitor the action taken to reach agreement on the management of SSSI sites with landowners/occupiers on an exception basis, based on elapsed time against an internally established benchmark. Natural England should pilot the use of a specialist team to enforce the body's powers where negotiations exceed the benchmark.
7. **The Department and Natural England should improve the financial management of the SSSI programme by improving the reliability of the underlying data on which expenditure forecasts have been produced.** It took some three to four years after the Public Service Agreement was set in 2000 for an estimate of the total costs of bringing SSSI sites into target condition to be finalised. Forecasts were based on incomplete information as not all sites had conservation objectives in place. The Department and Natural England should establish a programme and detailed plan of work for moving all SSSIs into a favourable condition, and use the plan to establish reliable financial forecasts and commitments, and to prioritise actions annually based on available funding.
8. **Natural England's role in protecting SSSI sites can appear obstructive and public understanding of the role, existence and accessibility of sites is low.** The majority of sites are open to the public and provide recreational opportunities. Some, such as blanket bogs, help to combat climate change and the risk of flooding. The public is often unaware of the accessibility of sites. Raising awareness of SSSIs and Natural England's role would help public understanding of apparently controversial decisions on planning and development work, and also increase accessibility. Through its website and other media, Natural England should pilot approaches to encourage responsible public use of sites and to explain Natural England's statutory powers in relation to conserving SSSIs.

1 Protecting England's biodiversity

1. Sites of Special Scientific Interest (SSSI) exist to protect unusual or rare species or habitats in England and cover areas of land which have been identified as some of the most important wildlife areas occurring naturally in England. There are 4,114 SSSIs in England and some 82% of SSSIs are also of international importance. Legislation to designate and conserve SSSIs was first introduced in 1949, and the system is used in England to fulfil obligations under the European Birds and Habitat Directives to conserve biodiversity. The Department for Environment, Food and Rural Affairs (the Department) is responsible for maintaining the natural environment. Natural England, one of the Department's non-departmental public bodies, is responsible for identifying and conserving SSSIs. Over 60% of land notified as SSSIs is in central and local government ownership, 29% is owned by private individuals and the remainder by private companies and non-government organisations.²

2. The European Commission has estimated that the worldwide rate of biodiversity loss is equivalent to some \$2 to \$5 trillion a year. This can occur through intensive agricultural production, over fishing, pollution, and climate change. SSSIs have helped to protect wildlife and habitats in England which would otherwise be at risk of extinction. For example, the United Kingdom has between 25% and 50% of the world's population of bog orchids which are threatened with extinction throughout Europe. All bog orchids in England are protected within SSSI land and plants on such sites depend on the continued management of the habitat.³

3. Wider benefits from the ongoing management of SSSIs include the capacity of peatland to provide an effective method of carbon storage. If the carbon stored in these sites was released through drainage there would be an adverse environmental impact. Peatland also offers an effective means of water catchment. Inadvertent draining increases the risk of flooding in urban areas and necessitates increased water treatment.⁴

4. There is no ongoing process for reviewing SSSI sites to confirm that they are still of national importance. All sites were reviewed as part of the implementation of the Wildlife and Countryside Act 1981, and only eight of the then 4,000 sites were no longer considered special enough to merit being renotified. Site conditions can change and evolve over time, but between 2001 and 2008 fewer than 1% of site descriptions were altered. A review in two regions during 2008 estimated that between 6% and 12% of site descriptions required amendment. Wider environmental factors such as climate change will impact on the suitability of some sites. In North Norfolk, for example, four SSSIs could be under threat if rising sea levels affect the coastline. Species migration arising from climate change could be supported by joining up some SSSIs.⁵

2 Q 4; C&AG's Report, paras 1.5, 4.1

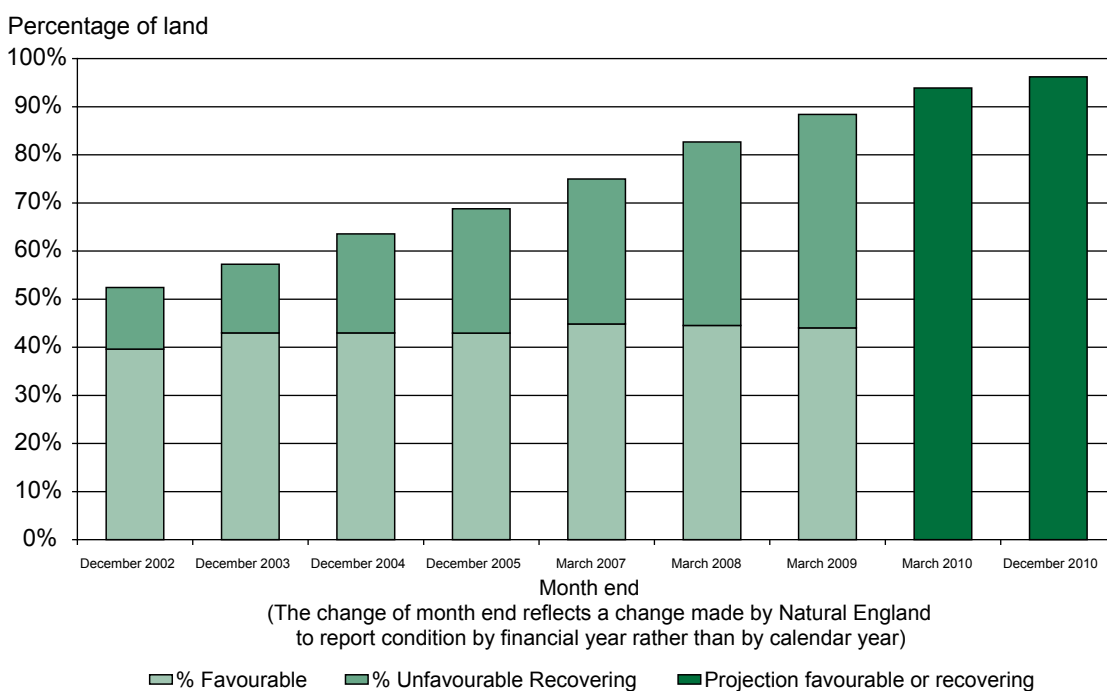
3 Q4; C&AG's Report, Box1; *European Commission: The economics of ecosystems and biodiversity: An interim report*, at http://ec.europa.eu/environment/nature/biodiversity/economics/pdf/teeb_report.pdf

4 Q 86

5 Qq 61–70, 80, 87, 102; C&AG's Report, Recommendation a, para 2.20

5. Poor land management, such as inappropriate heather burning and neglect, has resulted in many sites falling into a poor condition. In 2000, the Department was set a Public Service Agreement target to deliver 95% of sites into 'favourable' or 'recovering' condition by 2010. As at February 2009, 86% of the land area of SSSIs was in 'favourable' or 'recovering' condition. Natural England was confident that it would meet the Public Service Agreement target in 2010 (**Figure 1**). Achieving the target does not mean that 95% of all habitat types will be in favourable condition. Many habitats will be recovering and could take many years to achieve favourable status. Grassland can recover in one or two years, for example, but woodland can take generations to reach favourable condition.⁶

Figure 1: Percentage of Land in Target Condition



Source: C&AG's Report, Figure 4, updated with data from Natural England for March 2009

6. Rivers and streams are unlikely to reach target condition by 2010 because between 2002 and 2008 their condition did not improve. Managing such habitats is difficult as their condition is affected, for example, by pollution and silt upstream from the SSSI site. Silt accumulates on the river bed, affects water flow and quality, and changes the condition for plants and animals. The complexity of the habitat is added to by the number and diversity of bodies involved in its management, who all need to agree and action the required remedies. Around a third of the remedies required are in place but recovery is dependent on all being delivered. Under the Water Framework Directive River Basin Management Plan, the Environment Agency has committed to bringing rivers and streams into favourable condition by 2015, and to put in place all necessary measures to achieve this by 2012.⁷

6 Qq 5, 106

7 Qq 8, 30, 35; C&AG's Report, para 2.3

7. National guidelines require that the condition of a SSSI is formally assessed every six years and that the assessment should be accurately and consistently recorded. The six-yearly cycle of assessments has not been kept up to date, and at June 2008 there were 5,187 units (24%) which had not been assessed within the last six years. Natural England expected to complete 3,600 assessments by the end of March 2009. It had a programme to complete a further 7,500 assessments during 2009–10 and the remainder by December 2010. If achieved, the plan would bring all SSSIs within the six-year assessment cycle.⁸

8. At the time of the Comptroller and Auditor General’s report, Natural England did not have adequate quality assurance procedures in place to confirm that all assessments complied with national guidance and that record keeping was consistently thorough across inspections. A range of initiatives have now been implemented, including the use of local staff to support advisers in judging condition and the use of specialists to support technical assessments of sites. Natural England has established national guidelines on record keeping, but acknowledged that there was some way to go to achieve compliance.⁹

9. Around 50% of sites are open regularly to the public, including sites such as Wimbledon Common and Richmond Park. There are around 380 million visits a year to SSSIs, with over 40 different types of recreational and educational activity taking place including organised walks and open days. Some 98% of SSSIs owned by Natural England are open to the public, with the majority lying within the designated landscapes of National Nature Reserves. National Nature Reserves represent the best national examples of particular habitats, and have the same level of legal protection as SSSIs.¹⁰

Figure 2: Understanding decisions

Cleethorpes Beach: Public understanding of the management of SSSIs

In an area where the economy relies on tourism the golden sands of Cleethorpes Beach are a major attraction. Saltmarsh is an interesting feature of the area, which is part of the Humber Estuary SSSI. The saltmarsh is expanding with vegetation growing on the beach. The Council want to remove the unattractive plants but Natural England is preventing removal on the grounds that such action will intervene in the natural estuarine processes. The vegetation keeps people away from the beach and they do not understand why the beach is not cleaned up.¹¹

Humber Coast: Provision of alternative land to compensate for impact of development works

Negotiations between Natural England and the Association of British Ports about how to mitigate for building a port on the Humber coast by creating a new conservation area took a long time. The costs of creating the area (£2 million) were similar to the costs of the negotiations (£1.7 million). The perception was that Natural England objected automatically to the plans.¹²

10. Public awareness of SSSIs in their locality is often low. Raising public awareness of, and access to, SSSIs, whilst protecting sites from potential damage, can be difficult to achieve. Richmond Park, for example, is adversely affected by the volume of visitors and the resultant littering and dog fouling. Natural England has not co-ordinated actions with local

8 Qq 7, 29, 98; C&AG’s Report, para 2.14

9 Q 29; C&AG’s Report, paras 2.16–2.17

10 Qq 2–3

11 Qq 57–58; Ev 16

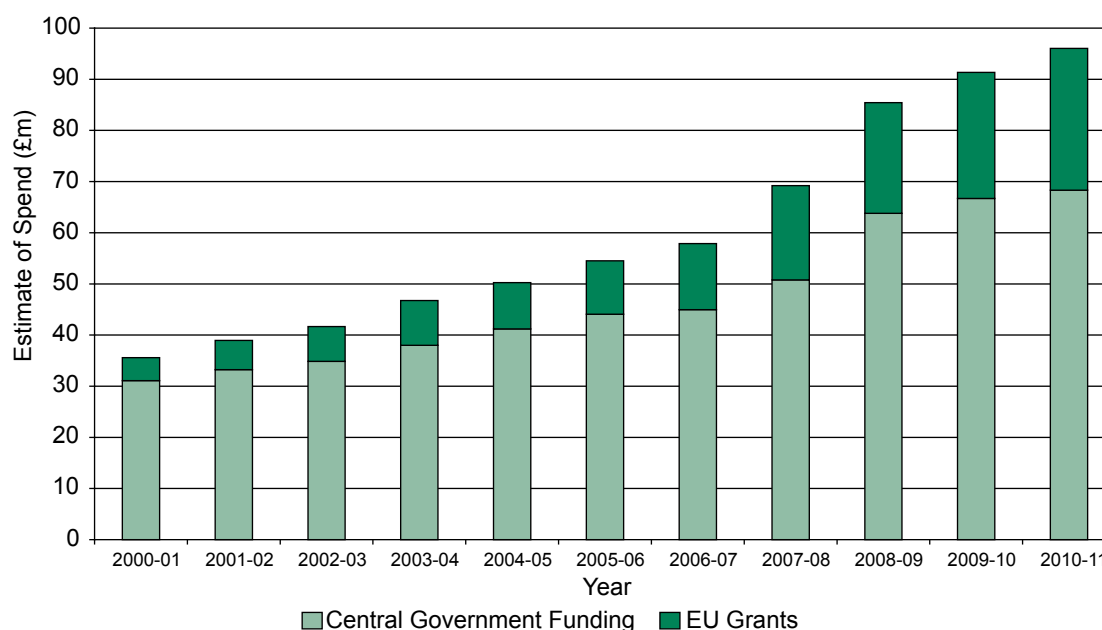
12 Qq 46–49, 52; Ev 16

authorities to address such issues. Natural England's role in commenting on planning proposals and developments is also not widely understood, and the organisation is at risk of being viewed as refusing permission without due consideration. **Figure 2** shows why effective communication about conservation issues is important.¹³

2 Estimating the costs of SSSIs

11. Public expenditure on SSSIs has doubled over the past eight years from £35.6 million in 2000–01 to £85.4 million in 2008–09 (Figure 3). The increase in expenditure has resulted in a further 414,000 hectares of land being brought into ‘favourable’ or ‘recovering’ condition, increasing by 77% the area of land in target condition from 501,981 hectares in December 2002 to 888,706 hectares by the end of March 2008. Incentives to encourage landowners/occupiers to improve the condition of their land accounted for 58% of the total costs.¹⁴

Figure 3: Public Expenditure on SSSIs



Source: C&AG's Report, Figure 11

12. Prior to 2007, Natural England did not have a comprehensive overview of the expenditure needed to improve sites to meet the Public Service Agreement target. In 2003, it established a remedies database which recorded the reason(s) why each site was not in a favourable condition, the actions required and the likely costs of improving the site's condition. This work was completed in 2006, and in 2007 the Department produced forecasts for the expenditure required to meet the target up to December 2010.¹⁵

13. The annual cost of enhancing the condition of SSSIs is forecast to peak in 2010–11 at £96 million. The peak arises because the work to bring remaining sites into target condition is more complex and costly, with those sites more easily addressed having been dealt with in the programme's early years. Current pressures on public spending may make it difficult to maintain investment in SSSIs after the target date of 2010, although existing payments to landowners/occupiers will continue for a five or 10 year period.¹⁶

14 Q 14; C&AG's Report, Figure 11

15 Qq 15, 22, 28; C&AG's Report, para 4.1

16 Qq 11, 28, 81–82; C&AG's Report, para 3.8, Figure 11

14. The reliability of the forecast is undermined because not all sites have clear, documented conservation objectives which specify the features to be conserved, criteria to judge the condition and the issues that need to be addressed for the site to reach favourable condition. At the time of the National Audit Office's work, around a third of sites did not have written conservation objectives. By the end of March 2009, however, Natural England had successfully eliminated this backlog and all sites had conservation objectives in place.¹⁷

15. Getting better value from the expenditure on SSSIs depends upon making better use of the resources available. Natural England has relied on constructive relations with landowners and managers, and the use of financial incentives to support conservation. Over-reliance on collaborative working is not necessarily cost-effective if negotiations become protracted over a number of years. Natural England took more than 20 years, for example, to reach an agreement with the owners of a heath in North Lincolnshire about how the land should be managed. The Countryside Rights of Way Act 2000 introduced powers to enable Natural England to take enforcement action against landowners/occupiers who persistently refuse to manage land in a way that conserves the SSSI. The powers include seeking a court order to instruct the owner on how to manage his or her land, as well as compulsory purchase of the land, but Natural England has been reluctant to use them. In 2008, Natural England introduced guidelines for staff on taking legal action against persistently non-compliant landowners/occupiers which includes timescales for action.¹⁸

16. Natural England is introducing new ways of working to improve resource utilisation. In 2008, in the South East Region, a special team of conservation advisers was established to address the backlog of condition assessments and conservation objectives. The advisers had no other competing work duties. Following the success of this trial, Natural England is introducing the practice more widely. Consultants are also used to complete condition assessments and conservation objectives. In 2009–10, Natural England expects to spend £300,000 on contractors to undertake specialist services.¹⁹

17. There may be scope for Natural England to leverage private sector investment to support SSSIs linked to increasing environmental awareness. However, the current economic climate is likely to make this more challenging to achieve. Some companies have already made financial contributions to support SSSIs. For example, Cemex has invested around £0.5 million at Attenborough Gravel Pits and provided a visitor centre. Natural England has recognised that it may need to develop private sector funding as a source of income in the future.²⁰

17 Qq 36, 95–97; C&AG's Report, para 2.11

18 Qq 9, 19, 21, 54–56

19 Qq 59, 76, 78, 99; C&AG's Report, para 4.13

20 Qq 25–27

Formal Minutes

Wednesday 17 June 2009

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon

Rt Hon Keith Hill

Mr Ian Davidson

Draft Report (*DEFRA: Natural England's role in Improving Sites of Special Scientific Interest*), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 17 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Thirty-fourth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

[Adjourned till Wednesday 24 June at 3.30 pm]

Witnesses

Monday 9 February 2009

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Mr Peter Unwin, Director General, Natural Environment Group, Department for Environment, Food and Rural Affairs, **Dr Helen Phillips**, Chief Executive and **Dr Tim Hill**, Director of Regulatory Services and Access, Natural England

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List of written evidence

Natural England

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Oral evidence

Taken before the Committee of Public Accounts on Monday 9 February 2009

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Angela Browning
Mr David Curry
Nigel Griffiths

Keith Hill
Mr Austin Mitchell
Mr Alan Williams

Mr Tim Burr CB, Comptroller and Auditor General, **Ms Wendy Kenway Smith**, Assistant Auditor General and **Mr Phil Gibby**, Director, National Audit Office, were in attendance.

Mr Marius Gallaher, Alternate Treasury Officer of Accounts, HM Treasury, was in attendance.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL (HC 1051) NATURAL ENGLAND'S ROLE IN IMPROVING SITES OF SPECIAL SCIENTIFIC INTEREST

Witnesses: **Mr Peter Unwin**, Director General, Natural Environment Group, Department for Environment, Food and Rural Affairs, **Dr Helen Phillips**, Chief Executive and **Dr Tim Hill**, Director of Regulatory Services and Access, Natural England, gave evidence.

Q1 Chairman: Good afternoon. Welcome to the Committee of Public Accounts where today we are considering the Comptroller and Auditor General's Report on *Natural England's Role in Improving Sites of Special Scientific Interest*. We welcome Dr Helen Phillips who is the Chief Executive of Natural England and Peter Unwin who is the Director General of the Natural Environment Group at the Department for Environment, Food and Rural Affairs. You also have another colleague with you.

Dr Phillips: Dr Hill is the Head of Protected Areas.

Q2 Chairman: First of all, Dr Phillips, may I thank you for arranging the visit that I went on to the Bardsley Limes Woods in my own constituency which was a very interesting visit and I understand that other members of the Committee were also offered the chance to visit SSSIs. Obviously this is a very interesting programme; we are all committed to supporting SSSIs. However, what I really want to try to get some more information on is what we are doing to understand exactly what these SSSIs are there for and how we are improving public access. If they are for science, what is the scientific proof that they are actually delivering? Have you got the right sorts of targets? Are you getting the public involved in your work? I have to say that although I much enjoyed my morning in Bardsley Limes Woods I am not aware that many members of the Lincolnshire public are even aware they are there. Is this a problem, do you think? How important is it to encourage public access? I suppose there could be an alternative point of view that you do not want the public to visit these sites too much because they might trample out the species or whatever. What is your general view on it?

Dr Phillips: It is obviously very important that we have the public engaged in our work on a number of levels because SSSIs are important not only because they contain unusual or rare species or habitats, but for the wider ecosystem services—if you will forgive the expression—that they provide. Particularly in ever increasing pressures of climate change and increased development, these are particularly important habitat. There is actually a figure in the Report talking about 50% of SSSIs being open access and that is absolutely correct, but the figure of SSSIs of which the public has some sort of access—whether it is open access or public rights of way—is actually closer to 85%. In the case of Natural England's own SSSIs, which are almost all national nature reserves as well, the figure is 98%.

Q3 Chairman: I am sure the public have access, but what about public awareness? I mentioned the situation in Lincolnshire where I doubt if one in 20 of my constituents were even aware of the Bardsley Limes Woods. This must be replicated elsewhere in the country.

Dr Phillips: I am sure you are right and there is invariably more that we and others who have SSSIs could do to increase the enjoyment of them. Having said that, we have 380 million visits a year to SSSIs with over 40 different types of recreational activities taking place on them so there is possibly more going on than we are aware of. When you think of the value of them I am sure there is more we could do.

Q4 Chairman: I want to look at the progress you are making. You have spent £395 million up to March 2008 on these sites and it is going to take many years before many of these sites are fully recovered. This is detailed in 1.9 and in 2.1 of the Report. How are you

going to maintain progress? It strikes me that the work you are doing is just the sort of good work that might suffer in an economic recession, it might fall foul of the Treasury. How are you going to maintain progress?

Dr Phillips: I think it is important that we look at the cost of SSSIs in the round. As you said, £395 million has been spent to date; our forecasts are that £500 million will be spent in the period to 2010 when we reach the SSSI target. If you think about the ecosystem, goods and services in England alone it is estimated at £10 billion and if you look at SSSIs 82% of them are also important from their European designations as important sites from a European perspective, notably the ones for the conventional biological diversity and ensuing European commitments. If we think about the recent study being done by the European Commission—which has been called a Stern-like review for biodiversity—it estimates that \$2 to \$5 trillion of ecosystem, goods and services are being lost every year. I rather like the analogy that that was the initial estimate of the banking crisis but of course biodiversity cannot be bailed out over the weekend and we really need to be thinking much longer term about how we make that investment to secure those goods for the future. The other comparison that is interesting is that we look at a figure of between £50 and £100 per hectare of SSSIs these are the most important sites in the country and if you compare that with agri-environment schemes where the basic level scheme is on average £30 per hectare and even the HLS scheme which is highly targeted overspend £150 per hectare, it compares reasonably favourably to the investment we are making.

Q5 Chairman: The upshot of all this is that these sites are not going to slip back to their previous state.

Dr Phillips: I think it will be important that we continue to invest in them and we certainly need to think about what we need to do post-2010. As the Report says, we are confident that we will hit the target in 2010 and then I think we need to think about what the value for money considerations are thereafter. I think the primary one will be about making sure that the sites we do get into favourable and recovering conditions stay in that way and we continue to maintain that. We also need to think about the longer term role.

Q6 Chairman: If we look at paragraph 2.13 we see that there appears to be an absence of assessments and quality control. You have tried to reassure me but can you be confident in the absence of these assessments?

Dr Phillips: It is important that we look at condition assessments because the allegation is put forward that if you do not have a condition assessment how do you know whether you are on target and doing the right thing. We had a full range of condition assessments across all sites concluded by 2003.

Q7 Chairman: It says here that 24% had not been assessed within six years of the last assessment.

Dr Phillips: There is a six year cycle; the last six year cycle of condition assessments was concluded in 2003 and from 2003 to date there has never been more than 24% of sites out of the cycle. I think we also need to think about what that means because if you look at the fact that a lot of the condition assessments are on favourable or recovering land, those sites do not often need assessment on that regularity. As you saw on your site visit there are particular habitat types—woodlands would be a good example—where you are looking at generations for that recovery to take place. Provided people are taking the management that is necessary on that site it is not a kind of do or die issue. Having said that, we are very anxious to hit that target because it is a current requirement and we have plans in place to make sure that all condition assessments are concluded by December 2010. We have done 3,600 in the last six months;¹ we plan to double that to 7,500 over the next 12 months.

Q8 Chairman: We see this target starting at page 12, “Progress against the 2010 target” and you have to get 95% of sites into good condition—that sounds fine—but if we look on page 13 at figure 5 having this 95% target may lead you to ignoring the most difficult parts of your estate. For instance, if we look down this figure we see that actually in some of the more difficult areas—rivers and streams, for instance—you are going backwards. Is that not a problem with these targets, it encourages you to do the easy bits and not get to grips with the most difficult ponds or streams?

Dr Phillips: It has definitely been more difficult over the last few years undoubtedly. Often the more complex and more costly remedies have been left until later in the programme. Having said that, we currently stand at 85.8% so we have made good progress over the years. For instance, on the situation with rivers and streams you are absolutely right that they are costly and complex and many of them are backend loaded in the programme. The other thing that is worth being aware of is that over a third of the remedies that are required on rivers and streams are actually in place and are progressing now but our system is such that unless all the remedies that are required on a site are completed we do not let that turn the light green, we make sure that all of them are in place. The other thing that is worth saying about rivers and streams is the importance of the Water Framework Directive because all of the SSSIs that are also important from a European perspective—82% of them—have measures in place under the Water Framework Directive River Basin Management Plan to bring them into favourable condition. The Water Framework Directive has a date of 2015 on it but the measures do need to be operational by 2012 which, in fact, as long as progress is in accordance with our plan, means they will be in favourable condition by 2012 at the latest. We have also factored that into the 5% because the 95% target effectively gives us that room for manoeuvre.

¹ Note by witness: For clarity we are on track to deliver 3,600 in the last six months of this year (2008–09).

Q9 Chairman: I would like to ask about a previous recommendation that we made; it is always worth going back. If we look at pages 36 and 37 at the “Previous National Audit Office and Public Accounts Committee interest” (we take our recommendations very seriously obviously, as should the departments) we say in our previous PAC Report that “English Nature should not be reluctant to prosecute or apply for Nature Conservation Orders where appropriate”. We see the Department’s acceptance of that but really you have not taken a lot of action in response to what we suggested, have you? You are not taking much formal action against non-compliant land owners and occupiers, are you?

Dr Phillips: Let me take that question in two parts if I may. The first part is about what I would refer to as reactive enforcement action, that is where there has been wilful damage of site. In the last five years we have taken over 700 enforcement actions ranging from prosecution through to warning letters sent by our legal representative. I think where the criticism in the current Report is focussed is about proactive regulation, for example where we insist on a management scheme being put in place and, as we have seen, only one of those has been put in place in that period. There are two things to say there. The first is that we have made good progress against the targets to date and it is certainly the will of ministers that we take a consensual negotiating point of view where we try to work collaboratively with the landowner but, as you yourself have pointed out, it certainly gets much harder as we come towards the end of the programme. I anticipate that we will need to use the regulatory lever more going forward and to that end we have, for example, put a regional need for regulation in place in each of our regions.

Chairman: Thank you very much. Nigel Griffiths?

Q10 Nigel Griffiths: On page 22, table 11 shows the estimated spend and it would appear that spending has gone up in the past eight years or so; government spending has actually doubled from about £30 million to over £60 million. Is that a reasonable interpretation of that table?

Dr Phillips: The figures that I think are most helpful to focus on are the £395 million that has been spent to date and the prediction that that will rise to £500 million by 2010.

Q11 Nigel Griffiths: So what is figure 11 telling us?

Dr Phillips: Basically how that funding increases over the period and the fact that there will be increases towards the end of the programme because of the fact that some of the remedies are more complex and more costly.

Q12 Nigel Griffiths: I am getting a £60 million figure for 2008-09 here; how does that fit into your £500 million figure?

Dr Phillips: It might help if Tim were to take you through some of the detail.

Dr Hill: It is true to say that this graph illustrates quite nicely the increase in spend that has taken place over the years, as you rightly pointed out, and

that is really because we have brought more and more areas into good condition or into condition that needs agreements to fund them to mend them. There are 414,000 hectares of land brought into condition since then.

Q13 Nigel Griffiths: I think I will need injury time; I just started my questions and now I am confused. Table 11 says that government spending has gone from £30 million to £60 million; is that right?

Dr Hill: That is right.

Q14 Nigel Griffiths: What have you done with the money?

Dr Hill: We have spent a lot of it on incentive schemes for landowners to put their sites into favourable condition and to keep them there.

Dr Phillips: Fifty-eight per cent of public spend in all SSSIs has been on incentive schemes over the period.

Q15 Nigel Griffiths: So those incentive schemes, if we turn to page 33 have not worked on Leek Moors, Keston and Hayes Common or Epping Forest where, since March last year and August the year before, the condition has declined. How are you tackling these declining conditions? I think there are about ten instances.

Dr Hill: For all sites that are in declining condition or unfavourable condition of any sort we have an established remedies database which allows us to articulate firstly what is wrong with the site and secondly to determine what action needs to take place to fix it, who needs to fix it and over what time period that needs to occur.

Dr Phillips: What might be helpful to point out is that when you look at the 95% target you will at any point in time have sites sometimes coming into or going out of conditions so, for example, this figure in the Report shows that over the period 11% of sites came out of favourable condition.

Q16 Nigel Griffiths: Dr Phillips, much as I love statistics I do find it nice to look at individual examples. I would be interested to know what happened between April 2002 and now that caused this decline that has not been arrested in Epping Forest, a lowland wood. I do not want to trip you up with individual examples; would you like to take an example of where it has declined and give us an explanation?

Dr Hill: We can take Epping Forest; I am happy to talk in general terms if that helps. Epping Forest is a site that has suffered quite badly from air pollution caused by its proximity to major highways. The condition of that particular site I understand is a consequence of increased nitrogen and sulphate from the air. In those sorts of cases the scientific evidence that you have for the site increases over time and sometimes we find that sites move from being in favourable condition to being unfavourable. It is at that point that we then trigger actions to determine what is best to do about it and who needs to act to do it. Sometimes that can be agreed with appropriate management with the land

owner, in other cases it might be a little bit more complex and that, I think, is the case with Epping Forest.

Q17 Nigel Griffiths: Given that public expenditure in this area seems to have doubled in real terms over the past eight years, have we seen double the improvements?

Dr Phillips: If we look back to December 2002 when 52% of SSSIs were in favourable or recovering condition—this which is not the ultimate baseline but a helpful baseline—and the fact that we have seen progress now to just short of 86% currently and are on track for 95%, shows that the target is being pursued along track for delivery.

Q18 Nigel Griffiths: At 3.14 on page 21 under the heading “Maintaining Relationships” there seems to be a criticism over turnover of staff: landowners were concerned that changes in staff undermined relationships. Have you accepted the validity of that? Have you addressed it or do you not think it is valid?

Dr Phillips: If you look earlier in that paragraph, the survey of landowners/occupiers revealed that 72% have a single point of contact, then that is a quote that was given about a concern about them having several points of contact. I think 72% being content that we have a single point of contact is pretty good, but having said that there is always more we can do. When we look at how it is, we are bringing together some of our front line delivery to farmers and land managers over a whole range of issues responsible from the Rural Development Programme for England to UK Biodiversity Action Plan through to SSSIs. There will probably be an opportunity over the coming years to improve on that but I think that is a relatively good baseline from which to start.

Q19 Nigel Griffiths: In the next paragraph it cites the heath that was visited in Humberside where Natural England appears to have spent the best part of 20 years almost trying to seek an agreement. Does that reflect the position?

Dr Phillips: Unfortunately that reflects the reality of that particular case. It is difficult to put that in any sort of favourable light when you think how in goodness can you talk for that long in the hope that something is going to happen. The facts that are relevant are that the opportunity to put in place the management scheme did not come about until the CRow Act amended the Wildlife and Countryside Act 1981. The opportunity was not there until 2000 but whether you are talking about 1980 or whether you are talking about 2000 is a good example of where a regulatory approach could have easily kicked in much earlier. I am, however, pleased to say that in that particular site a management agreement has been signed.

Q20 Nigel Griffiths: Am I right in thinking that while CRow provides a framework for management agreements you do not have the power to enforce them?

Dr Phillips: We have the opportunity to put in place what is called a management scheme. Typically what we would do would be to go on site, if there was an opportunity to provide an HLS agreement we would do so; if there was not an opportunity to do that we would previously have offered a wildlife enhancement scheme and we would hope, through negotiation, to get that agreement in place so that there were sufficient incentives for the landowner to undertake the necessary management. Should they not be willing to do that we can put in place what is called a management scheme and then, if the landowner fails to take the necessary action, we can take enforcement action through the effect of a management notice. That is how it would be played out in reality.

Q21 Nigel Griffiths: Box seven does give an example of where effective action was taken. Indeed, paragraph 3.18 gives another example of Lune Forest in County Durham where there was a rather large fine and costs were awarded. I am interested to know why none of that seems to have worked in the example given in paragraph 3.15.

Dr Phillips: Let me just take you through the two of those. Paragraph 3.18 is a really good story of reactive enforcement which I previously described to the Chairman where we had a number of damaging activities taking place. We took the prosecution and got a good outcome, albeit it is always after the horse has bolted in many respects but it was a timely enforcement action. The example at box seven is somewhat perverse. The example suggests that this was the only example of a management scheme and that we put this management scheme in place in order to bring the site into favourable condition. The site actually was and is in favourable condition but there was one unit on the site where the landowner was unwilling to take the necessary action with regard to some dead trees so we put a management scheme in place at that point. We are pleased to say it has had the desired effect and it is probably just as well because the owner is now detained at Her Majesty’s pleasure for other transgressions.

Nigel Griffiths: I am glad to hear it.

Chairman: Thank you very much. Angela Browning?

Q22 Angela Browning: Dr Phillips, looking after, developing and making sure that SSSIs are part of our map for national heritage is a very important and a very interesting thing to be responsible for, but I am very concerned that in this NAO Report, much as we have heard about what your ambitions and targets are, I cannot quite get my head round how it marries up with financial control of what you are doing at the same time. If we go to page six in the “Value for money conclusion”, item 20, it says, “Prior to 2007, the Department had not established the total cost to the Exchequer of managing SSSIs, but has since estimated that expenditure since 2000 has amounted to £395 million”. Why were you doing this important job all this time but could not actually put a figure on what it was costing?

Dr Phillips: Natural England has been able to predict accurately since 2004 the amount of money we administer through incentive schemes and incentive schemes account for 58% of the total spend on SSSIs. When we look back retrospectively we see that the correlation between predicted expenditure and actual expenditure marries to within about 2%. Mr Unwin may well want to comment, but when we look at departmental expenditure some of the key blockages to getting a handle on that earlier were the facts that the first range of condition assessments were not completed until 2003 and then it took until 2006 for us to identify a precise level of remedies that were going to be required by the different landowners. It was only when we knew what actions were required that it was possible to put a figure to them and that is when the Department put a figure to them in 2007.

Q23 Angela Browning: I notice Mr Unwin has a very good CV in terms of his experience in managing finances so I am assuming, Mr Unwin, that when you joined in 2007 you started to get a grip on some of this. Could I just ask you, Dr Phillips, why is it that you were able to sign off your sector and departmental budgets for all those years but did not actually have a cost for the work you were doing?

Dr Phillips: We did have a cost for the amount of money that Natural England were responsible for.

Q24 Angela Browning: For this particular project, the SSSIs, how are you able to demonstrate value for money? It is one thing to say that we now know we have spent £395 million up to 2007 and we know from our predictions that that is going up to £500 million by 2010, but where does value for money come into this rather than just spending on a rather nice and interesting project?

Dr Phillips: I think that is really where we need to go back to some of the bigger figures. If we think about the total expenditure by Defra on biodiversity it is in the region of £400 million of which SSSIs account for roughly £45 million and this is effectively to safeguard one of the key contributions to protecting the ecosystem, goods and services that we require in England which are valued at £10 billion. That is recognising what we need in this country, without recognising out international commitments. Then when we come back to some more local examples which I gave to the Chairman earlier about the comparison with the amount of money we spend on important but in many regards fairly standard agricultural land through the entry level scheme, £30 per hectare, £50 per hectare for some of our more important sites seems not to be a disproportionate amount.

Q25 Angela Browning: I am still not convinced in my mind that somehow there is a strategic plan here to ensure that you get value for money, for example on the next page, page seven under "Making better use of resources" at "j": "Private sector funding has been leveraged in to help with the costs of maintaining SSSIs; but this practice is not widespread". Why is that?

Dr Phillips: It is quite difficult, to be honest. If we think about the fact that only 7% of SSSIs are land that is owned by private companies and we assume they would be the companies who would be most likely, in the interest of corporate and social responsibility and their wider contribution, to make that investment, it is clearly not going to be the holy grail but obviously it is important that we get funds from as many sources as possible. A good example would be that we are going to be in a position to perhaps look at the restoration of upland peat bog on the back of a self-financing scheme round carbon offsetting. Indeed it is mentioned in the Report. When we went through the verification methodology, for example, we discovered on a technical issue that there was as much methane being given off as carbon coming in and consequently the greenhouse gas emission was not working. However, they are the sort of innovative examples we are constantly looking for to make us less dependent on the public purse to speed it all up and also to look after it in perpetuity. That is not to say that companies do not make an important contribution; Network Rail do it and there are some examples with Cemex who have spent half a million pounds, including on a visitor centre, at Attenborough SSSIs. It is unfortunately not the holy grail but definitely something we look forward to in the future.

Q26 Angela Browning: Why do you think the NAO under "Making use of resources" have actually identified this?

Dr Phillips: Clearly it is a very sensible recommendation and we need to see what future income might be available from the source.

Q27 Angela Browning: It is not something you had focussed on before the NAO Report.

Dr Phillips: No, we had focussed on it before the NAO Report. I can give you some examples: Network Rail, Cemex and, more widely, we have a looked at the role of business and biodiversity. I think the difficulty comes at what level of corporate sponsorship you are ever going to get for something which companies see as perhaps not getting much profile for that sort of level of investment that they could perhaps get elsewhere.

Q28 Angela Browning: Mr Unwin, can I ask you, as I made reference to your rather impressive CV, we have seen quite a leap in expenditure coming up to 2010, what is the philosophy of value for money with these SSSIs?

Mr Unwin: If we go back to chart eleven on page 22 of the Report you can see the rising expenditure. In a sense that rising expenditure was, I think, almost expected because you started the period with 50% of SSSIs being in target condition and increasingly as units are brought into condition that is going to put up expenditure. We do not spend money one year simply to bring it into condition; these are, for example, management agreements being entered into, for certain grazing rights to be introduced, and those management agreements will continue to pay for those grazing rights over the period of the

agreement, five or ten years. As more and more sites are brought into target condition then you would expect more and more expenditure and you would expect expenditure to peak when we reach the target in 2011, thereafter you would expect it to level off and indeed hopefully fall slightly beyond that. On your point about value for money and the Department's role on this, if we go back to 2000 this was clearly an aspirational stretch target set in an unsatisfactory situation faced by the government at the time where we had SSSIs set in a regime by Parliament to protect our best wildlife and habitats. It is an extremely complex issue. There are 4000 SSSIs, 22,000 units between them covering a very wide range of habitats. The first three years were spent basically in getting the condition assessments out to see what the problem was and the next three years after that were spent in determining what was needed to bring them into condition. In 2004 the Department carried out a cost effectiveness and value for money study to inform how it should go forward from there. In 2006, once we knew not only what the condition was but also what was needed to bring it into target condition in each case, at that stage we were able to collect across the various central government funded bodies involved what the costs of doing that would be. We have done that and, as the NAO recommended, we will update it. Indeed, at the moment we are in the process of carrying out that first update of the costs for 2007–08 and for the period as a whole.

Q29 Angela Browning: Dr Phillips, another one of the recommendations on page six, item “d” is that “There is no consistent approach to record keeping” and the NAO give a very good outline there, the fact that “Natural England’s database does not record whether national guidelines on assessment of the condition of a SSSI have been followed”. This sounds a bit chaotic to me. First of all, why is that? How are you going to resolve that problem?

Dr Phillips: It might help if I tell you what we have got in place and what it is we are planning to put in place over the next 12 months. As you have seen, the recommendation largely pertains to condition assessment and, in particular, how that condition assessment is reflected on our database ENSIS. As the Chairman has already mentioned, it is always helpful to go back to when you previously looked into this matter and we have been on a very long journey since then. The last time this Committee looked into the management of SSSIs everything was on pieces of paper in very many places and we now have got a much better system where we can pull these things together. What we do to ensure that we have some rigour around this is that we have national training programmes and we have regional and local leads who support staff in making consistent judgments. We also have a thing called the validation network which does not so much check the consistency of individual judgment but is much more about checking the collective consistency around what would be considered to be controlled sites for condition assessment on a particular type of habitat. We have a national group that brings the

national relevant experts together with the regional groups so that there is a relatively quick way of showing that and getting communication through the system in that regard. Those are all positive, helpful things that are in place. The other thing we have in place is a consistent way in which information should be recorded and procedures and guidance around that. As the NAO Report pointed out—indeed, as we ourselves were aware—there is not a consistent application of that throughout the length and breadth of the country. During the next 12 months, in addition to making sure that there is a national QA by relevant specialists on the technical assessment of the site, we will also make sure that the records are similarly being kept in that shape.

Chairman: I think this questioning by Mrs Browning, following on questioning by Nigel Griffiths, is very important and I hope in the remaining part of our session you can demonstrate to us not just that you are doing valuable work but you are delivering value for money. I do not recall ever seeing in the time that I have been Chairman a phrase like this in paragraph 4.1: “In the absence of reliable records of expenditure on SSSIs”. You have given us all sorts of reassurances now but we read in paragraph 2.19 that there is no review of geological SSSIs and “During our fieldwork, Natural England staff commented that some sites do not meet SSSI standards, but were not aware of any plans to review these sites”. We are a value for money committee and it is not just enough to spend £395 million worth of taxpayers’ money; you have to demonstrate to us that you are delivering value for money. Keith Hill?

Q30 Keith Hill: I would like to look at paragraph 2.3 on page 13 of the NAO Report which, as you indicated, reveals that all habitats have improved since 2002 with the exception of rivers and streams which have actually gone back. Why is that?

Dr Phillips: Tim will be able to give you a bit more detail on this one, but the situation is really due to the fact that very often rivers and streams are dependent for improving their condition on controlling diffuse sources. A good example would be aspects or rural or agricultural land where there is nitrogen, phosphate and suspended solids coming off the land into the river and the implications of that not only on discoloration but on covering over the bottom habitat. It is the type of remedy that is much more difficult to tackle than something that has a point source at which it can be addressed.

Q31 Keith Hill: Do you find the Environment Agency helpful?

Dr Phillips: Very helpful and the Environment Agency are part of the Major Land Owners Group so in that way their commitment to delivering the SSSIs programme gets banged in with those of the other major significant players. As we have already mentioned in passing, I think one of the most important things going forward will really be the fact that we have this commitment from the Environment Agency in the current version of the River Basin Management Plans for the 82% of SSSIs that are also designated for a European designation

and we have a concordat between us that underlines the commitment to building in the remainder of the SSSIs in the final version of those river basin management plans.

Q32 Keith Hill: Does the Environment Agency assist Natural England in the drawing up of conservation objectives?

Dr Hill: Very much so, they are very closely involved with our specialists because clearly we have specialists in fresh water ecology and they have them too. When it comes to drawing together those conservation objectives and deciding the right levels of the attributes and the measures and targets and so on that we need to have for each particular site, then they are very closely involved in it. When they are in place they also help to gather and collect, and providing to us the data and information that we use to actually report the condition. We are not as well geared up as they are for undertaking detailed survey work in rivers and with invertebrates and so on in those rivers.

Q33 Keith Hill: Dr Hill, since you answered that detailed question on Epping Forest I think you are probably the person who can answer this question. If you look at appendix three on page 30, which is this sample of file reviews which the NAO did, they looked at 112 sites of which there are 26 rivers and streams, of which 14 were found to be in an unfavourable condition, of which eight—that is to say more rather than fewer—had no written conservation objectives. Why would it be that those rivers and streams did not have written conservation objectives?

Dr Hill: The conservation objectives can only be written once the common standards monitoring guidance has been established and rivers and streams did not go through that process until fairly late on (until 2005, I think it was). It took some time to set out working with all the other country agencies what those common standards should be. Going back to your previous question as well, that also reflects why rivers and streams appear to have gone backwards in terms of condition. It is probably fair to say that that is actually the result of having gone through that process now of establishing the very detailed technical requirements that we now have but that we did not previously understand. When you set those all out you then understand better what the condition actually is in reality. Rather than saying that they have slipped backwards I think they were always in that condition but we now understand much better what that condition is and we are ready to do something about it.

Q34 Keith Hill: I accept that but if you look at the river systems identified in that sample done by the NAO I am quite surprised that such important river systems—or what I would take to be important river systems—still have no conservation objectives. Let me just cite to you the four or five rivers identified in that list: there is the Avon in the south east, there is the River Dee, the River Derwent and tributaries,

the River Wye and the River Tweed. These are all big, important river systems and yet still without written conservation plans.

Dr Phillips: It might be worth me just mentioning that the conservation objectives—also called the favourable condition tables—will be in place for all sites by the end of March of this year. Within the next few weeks that programme of conservation objectives will be completed.

Q35 Keith Hill: I made a note that you said in response to an earlier question that rather more than a third have remedies in place at the moment, so you are expecting the remaining two-thirds to have remedies—which I take to be written conservation objectives—in place by the end of next month.

Dr Phillips: The remedies may not be solved by that period of time but what the remedies will be required for will be clearly enshrined.

Q36 Keith Hill: So by the end of next month they will all have conservation objectives in place.

Dr Phillips: Yes, they will all have conservation objectives.

Q37 Keith Hill: As you also said earlier, these solutions, particularly with regard to rivers and streams, are very costly and very complex. How does that fit in with Mr Unwin's projection that after 2010-11 you would expect some decline in overall levels of expenditure?

Dr Phillips: I think it is about the proportion we need to look at. If you look at the total areas of land—again Tim will be able to compare and contrast for you—the vast areas of land are undoubtedly still in the uplands and lowland heaths as opposed to rivers and streams.

Q38 Keith Hill: Now let me ask you about something completely different and that is the London situation which I naturally take an interest in as a London MP. Let me draw your attention to this shocking paragraph at 2.6 on page 14. It says, "The London region has the greatest divergence between the condition of its SSSIs in June 2008 and its 2010 projection. London's largest site, Richmond Park, which accounts for 22 per cent of SSSI land in the region, is in unfavourable condition owing to undergrazing and problems caused by dog faeces and litter. Natural England plans to re-introduce cattle, but addressing canine and human activity on public land is problematic and so this site is unlikely to reach target condition in the near future." That is appalling. Why is it problematic to deal with problems of canine faeces and litter?

Dr Phillips: There are couple of things there. I suppose the first thing is to say that because the figures in table six are shown as percentages it looks like there is a very large divergence but to put that in context for you the London situation represents 0.35% of the total land area of SSSIs and we are effectively talking about two sites, the one you have mentioned, Richmond Park, and Thames Inner Marshes. There are a number of factors going on at Richmond Park, as you say. There is the dog faeces,

litter and visitor pressure more generally. It is a bit like Epping Forest, there is also the problem of nitrogen deposition from air pollution and problems around grazing. What we are trying to do is work with the Royal Parks in a way that we have gathered the evidence to tackle the grazing issues so that we are not putting a whole load of unnecessary public expenditure on them before we are absolutely sure that this kind of method of grazing we are trying will work. As to the issues of dog mess, I am afraid the usual factors pertain—as no doubt you have discussed in this and other committees—and it is about the public authorities needing to be able to work to make the necessary investment to make that happen.

Q39 Keith Hill: I am aware that neither the Royal Parks nor Natural England for that matter employ anybody to go around dropping litter or organising the dropping of dog faeces, but what do you think needs to be done to stop this?

Dr Phillips: I think it is about public awareness and people understanding the importance of the site because there is a degree of anti-social behaviour that probably cannot be reached. I am sure there is quite a lot of anti-social behaviour that could be modified and improved and no doubt the local authorities and others are looking at that.

Keith Hill: Thank you very much indeed.

Chairman: Thank you very much, Mr Hill. Austin Mitchell?

Q40 Mr Mitchell: I was intrigued by table seven on page 15 which tells us that 4% of the main reasons that land area remains in unfavourable conditions is sea fisheries. What is happening here? Is it like the *James Bond* film where the motor boats dash up the Everglades and bash the country around? Is it foreign vessels? Is it British vessels? Are they ploughing through the fields and scattering the good fish on the land? What is it?

Dr Phillips: Let us talk you through that in a bit of detail.

Dr Hill: All SSSIs in this respect are intertidal SSSIs so this is the shell fisheries in sites on sand banks, mud flats and so on.

Q41 Mr Mitchell: These sites would sink.

Dr Hill: Yes. On the coast.

Q42 Mr Mitchell: We do not yet have marine conservation areas.

Dr Hill: No, these are intertidal areas so they are covered by SSSIs down to low water.

Q43 Mr Mitchell: As far as I know, in the Yorkshire area, the only vessels that are damaging SSSIs are European vessels and we do not have any right to exclude them from anything. Are they European vessels that are doing this?

Dr Hill: No I do not think they are. There are not even any vessels at all or any fishing activity necessarily.

Q44 Mr Mitchell: If there are no vessels at all why are you blaming sea fisheries?

Dr Hill: It is a problem with the fish stock that is the problem, not necessarily caused by fishing. The shell fish stock can go up and down with natural cyclical events in any one year, from one year to the next, as a consequence of the weather as much as anything else.

Q45 Mr Mitchell: If it is a natural cycle you cannot attribute it to anything and therefore you cannot penalise the fishermen.

Dr Hill: You cannot always be certain.

Q46 Mr Mitchell: There has been a lot of annoyance on South Humberside which regard you as a kind of nerdish organisation which always objects automatically when there are any plans for development like the big port development that ABP was carrying through. That was held up for a long time and I kept writing to Natural England asking what was going on because it came to an argument about what wetlands should be set aside to compensate for the port development. This is very frustrating. They argue that you object automatically just to stake out a position.

Dr Phillips: There was a very long history around that part of ABP at Humberside and I was very privileged to be given the joy of going up there some time ago to open the rather spectacular area of nature conservation that they have put in place up there. Speaking with ABP on lessons learned and the benefit of hindsight, they have some very interesting figures about the amount of money we have spent to create conservation areas *vis-à-vis* the amount of money we have spent on the negotiation to get there. I think it is a good example of the importance of us having early dialogue when there is any proposal of that nature.

Q47 Mr Mitchell: What were the figures by the way?

Dr Phillips: I am afraid I cannot remember them.

Q48 Mr Mitchell: Can you give us a note on them?²

Dr Phillips: Certainly. The disproportionate cost of getting to the point of defining the scheme that was required by way of compensation and mitigation and the fact that we are both agreed that the kind of nature of relationship we have now should mitigate against that in the future because we have that ease of dialogue and that early consultation and that way of finding solutions.

Q49 Mr Mitchell: How could you mitigate? They argue that too many organisations had the right of statutory objection and that you backed them.

Dr Phillips: We take great pride in being the organisation that does not like to say no gratuitously. If you think about some of our work with CLG or with DECC or with BERR we are looking at development applications, we are looking at offshore wind applications. Offshore wind applications are a good example where we have a bit

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of a reputation but the facts and figures do not bear that out. It is certainly not the will of the board of Natural England that we should either be that way or be seen in that way.

Q50 Mr Mitchell: I pay tribute to you on the wind turbines because I was told that the planning committee in north east Lincoln had turned them down on the suggestion of Natural England because they might decimate the birds. I thought that if the birds are stupid enough to fly into wind turbines then they deserve all that is coming to them. The north bank is full of wind turbines and yet we cannot have them on the south bank. Your people came and gave me a very good explanation—for them it was like educationally sub-normal teaching but for me it was very interesting—but the point remains that they said there was nothing you could do about it because this was an area designated by Europe and they could not change it. Is that correct?

Dr Phillips: I am not familiar with the particulars of that case but it is often the case. Going back to the question about wind and your earlier comments about marine conservation zones, wind and sea can often be a fabulous example of a win-win where the fact that you have the turbines in place leaves the area surrounding it the best part of a no-take zone. Where there are difficulties it invariably tends to be around birds. It sounds to me in that particular example it might have been an SPA designated for its international importance.

Q51 Mr Mitchell: If it is designated by Europe there is nothing you can do about it except enforce it.

Dr Phillips: Absolutely, but that is not to say that we do not review European designations from time to time. For instance, at the moment we are in the process of putting up to Defra eight proposals around SAC designations and two around SPA designations and the one in Liverpool Bay, for example, we are working very hard to make sure the extent of that is adequate to protect populations.

Q52 Mr Mitchell: You were very helpful regarding wind turbines and made suggestions which I think allowed the wind turbines to be established further back, but there have been similar complaints from some of the alternative fuel developments we are trying to encourage on South Humberside. They are forced to provide land for birds as an alternative to the sites they are using. This seems daft. The whole area is an industrial area—it is a dock area—why are they forced to provide alternative land for birds to nest?

Dr Phillips: It is quite difficult to comment in the absence of understanding where the site is and the details of it but we would certainly be happy to provide you with a full answer to that.

Q53 Mr Mitchell: If you could give me a note on that too I would be very grateful.³ Many of these sites were designated 20 years ago and some well before that, why do you not inspect them regularly to see if

conditions have changed? It might be that the species they were designated to protect or whatever has migrated and gone and you are defending something unnecessarily. Why are these designations not regularly reviewed?

Dr Phillips: They are in so far as the requirement of the Wildlife and Countryside Act 1981. Had we not gone through a process of effectively re-notification of these sites they would have fallen out come the CRoW Act 2000. Despite the fact that many of them are designated between 20 and 60 years ago, we actually had to have the importance of that notification reconfirmed through that process so it is actually more recently that we would have looked at them to make sure. That process also happens as part of the condition assessment and the Report refers to the fact that there have been denotifications, from recollection 23 amendments and 55 sites newly notified. There is a process of refreshing that over time.

Q54 Mr Mitchell: I see from the appendix on page 37 that there our recommendation last time was that you use the power of prosecution more but you have not actually done that. Why? Are you soft?

Dr Phillips: It is worth looking at prosecution in two parts. This recommendation from your last Report was largely round the fact that we needed to get better at prosecution in what I call a reactive sense, when the damage has been done; there has been wilful damage to a site and at the time of this Report we were failing to take action on that. Since that Report has been published and the recommendations acted on, we have taken over 700 enforcement actions of one sort or another. The area where there is probably a bit more for us to do is around proactive enforcement but, as I said to one of your colleagues earlier, it is ministers' will that this is done by negotiation, albeit we would all recognise that as we get to the harder sites we may want to use the regulatory lever more.

Q55 Mr Mitchell: I can see this from both sides; having accused you of being too tough with parts of Humberside, I also accused you of being too soft. However, I see from 3.15 that “a heath we visited in Humberside was overgrown by trees and its condition was declining. Natural England has been trying to negotiate better management with the landowners/occupiers since the 1980s but here is no agreement in place.” Can you tell us why that is? Was the landowner receiving subsidy for conservation?

Dr Phillips: This situation has been going on since the 1980s and certainly it is too long a period to be talking to somebody about it in the hopes of reaching agreement. It was not until the CRoW Act 2000 that we would have been in a position to enforce a management scheme, but having said that the period between 2000 and 2008 is still arguably far too long to be in negotiation rather than using the regulatory lever. On this particular site the threat of the regulatory lever was sufficient.

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Q56 Mr Mitchell: Where is it?

Dr Phillips: Messingham Heath. The threat of the regulatory lever has been sufficient to get an agreement signed.

Mr Mitchell: Thank you.

Q57 Chairman: While we are on the subject of Humberside, could I ask you about Cleethorpes Beach because it illustrates a problem? Hundreds—perhaps thousands—of jobs depend on the golden sands of Cleethorpes, as does the economy of Mr Mitchell's constituency. There is a particularly hideous weed that is growing on the beach. I have encountered this weed and it makes the whole thing very unattractive. The council, quite rightly, want to pull the weed up because people do not want to take their children on a beach with this horrible weed, and you are stopping them. What is more important, the economy of Cleethorpes or a bit of weed that grows elsewhere anyway?

Dr Phillips: Despite the fact that I am on a direct train service from Sheffield to Cleethorpes Beach I have to admit that I am not familiar with this particular issue.

Q58 Chairman: If you do not could you send me a note.⁴

Dr Hill: We can send a note.

Chairman: I think Mr Mitchell is aware of the issue.

Mr Mitchell: Yes.

Chairman: Richard Bacon (who may not be aware of the issue)?

Q59 Mr Bacon: Sadly I am not but I will take steps before our next meeting to make sure I am. Dr Phillips, could you say how many of your staff work on SSSIs?

Dr Phillips: At the time of the Report being written there were 260 full time equivalents so there will be more staff, but if you were to look at the dedicated effort across the piece on the specifics of SSSIs, I do not want to mislead you, that figure excludes staff who will be doing wider land management, for example working with farmers and landowners to get them into agri-environment schemes which obviously is a key delivery lever for the achievement of the SSSI target.

Q60 Mr Bacon: I read in your annual report that your staff count is 1,690 operational staff, does that sound about right?

Dr Phillips: Yes.

Q61 Mr Bacon: So 260 is quite a significant chunk of the total. The UK an obligation to protect SSSIs, is that correct?

Dr Phillips: Yes.

Q62 Mr Bacon: If you want to ignore that obligation how do you go about doing that? Can you get a derogation?

Dr Phillips: Peter may want to comment on the relationship between SSSIs and the habitat regulations because there are a number of actions in train with Defra, but because the SSSIs sit under two regimes—a kind of domestic SSSIs regime and the Wildlife and Countryside Act 1981 as amended by the CRow Act 2000 and under the Habitats Directive by virtue of those that are of European significance, the Wildlife and Countryside Act provisions are deemed to take precedence. Consequently the management is affected, administered and delivered through that instrument.

Q63 Mr Bacon: Your proposals to flood parts of North Norfolk which were detailed luridly in the local press were of particular concern for the Member of Parliament for North Norfolk because you were going to flood quite a lot of his constituency but they were of concern to us elsewhere as well. They involved the loss of 25 square miles and some four SSSIs. What is the process by which you decide whether you are going to ignore your obligations to protect the SSSIs and flood them (not that we want you to flood them)?

Dr Phillips: I have many powers but flooding North Norfolk is not one of them.

Q64 Mr Bacon: You can suggest it and Natural England did.

Dr Phillips: No, that report was leaked and is still not published. The stakeholder group that were taken in early for dialogue and consultation unfortunately meant that the report was trained at an early stage. The purpose of that report was to describe under a range of scenarios what might happen in the natural environment in North Norfolk over a period of time, having been very particular in saying that Natural England is committed to the government's flood risk strategy for the next 50 years.

Q65 Mr Bacon: I seem to remember a minister, a few weeks after your report got out, saying, "No, no, no, we didn't mean that". There are some fairly dramatic maps here and I can see why the MP for North Norfolk is worried. What I am really asking about is the SSSIs.

Dr Phillips: I think the most helpful thing to reflect on in that regard is that there are only 0.05% of SSSIs that have been fully or partially destroyed. We have the odd example of one now being a roundabout or a car park, but the designation of SSSIs has been extraordinarily important and effective in giving the necessary degree of protection to both sites.

Q66 Mr Bacon: What would you do if you wanted to override the obligation to protect SSSIs? Can you do that?

Dr Phillips: If Natural England felt that the SSSI was no longer—

Q67 Mr Bacon: I am not talking about its status having been downgraded, what I am talking about is that you or somebody else wants to flood it. If its status is the same but you want to flood it, can you?

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Dr Phillips: It would strike me as being unlikely that we would want to put in place a management regime such as flooding if it was not consistent with looking after the site for the purpose for which it was originally designated.

Q68 Mr Bacon: Are you saying that so long as these remain sites of special scientific interest within that area then there is no chance of you recommending that the area be flooded.

Dr Phillips: I think the difference—

Q69 Mr Bacon: Yes or no will do.

Dr Phillips:— is whether or not we are talking about flooding it or we are talking about natural processes inundating the land.

Q70 Mr Bacon: Embayment was the term used; I presume that means turning into a bay, quite dramatically altering the coastline in the process. You can see here what the embayment would do to the shape of Norfolk, it would no longer have the curve that we are used to. What I am really asking is whether you can choose to ignore an SSSI because there are other considerations?

Dr Phillips: I do not think it will be in our gift; it will be in the gift of the sea as to whether or not the SSSI will be flooded.

Q71 Mr Bacon: I would like to ask about your annual salary reported in the annual report. On page 40 of the most recent annual report it is reported as being £70,000 to £75,000, in that bracket, but there is a footnote saying that that does not cover a full a year and that the full year equivalent is £90,000 to £95,000. That is for the year 2006–07. Then for the subsequent year, 2007–08, the comparable figure is £145,000 to £150,000. Does this mean you have had a 50% to 60% pay rise?

Dr Phillips: I am certainly not paid that much so I am at odds to think why the figure might have said that. I am extraordinarily punctilious about the annual report and accounts.

Q72 Mr Bacon: On page 40 of the annual report it says, “Executive directors, Chief Executive, Helen Phillips, salary, including performance pay 2007–08 £145,000 to £150,000”.

Dr Phillips: I can only think that that must be a reflection also of my pension, the employers’ pension contributions on my behalf. There is no unusual arrangement in that regard but of course it would make one’s salary look bigger than one experiences within one’s payslip.

Q73 Mr Bacon: Why has there been such a big increase from 2006–07 to 2007–08?

Dr Phillips: There has not been a big increase.

Q74 Mr Bacon: There is; it is on page 40. It says, “Salary, including performance pay, £72,000 to £75,000”; there is a footnote that says it does not relate to the full year.

Dr Phillips: To the best of my recollection, my salary in that period has gone up by about £8000 so I think it would be important that we look into the details of that. The only explanation I can think of are some additional costs.

Q75 Mr Bacon: How does the performance related pay element work? What does it relate to?

Dr Phillips: Performance related pay is on the basis of the delivery of Natural England’s performance which is measured by our balance score card. Our balance score card goes to our board meetings and is considered in public session about the performance of the organisation. That goes in front of the secretary of state and ministers twice a year. At the end of each year the board—all 15 of them—sit and have a discussion about my role in the delivery and achievement of those and on the basis of that they decide the level of my performance related pay.

Q76 Mr Bacon: Can I ask you about the assessment of SSSIs and the use of consultants? According to the annual report you spend £65 million on staff costs—permanent staff salaries and allowances—does that sound about right?

Dr Phillips: Yes.

Q77 Mr Bacon: However, you do not keep centrally national records regarding the use of consultants. It says in the report that the information available is patchy even though these consultants are helping you achieve a national PSA target.

Dr Phillips: I did not have any difficulty in coming across those figures in preparing for today. The most helpful year to take by way of illustration is probably last year because that is the year in which we used consultants most in the delivery of the SSSI targets. In that year we spent just under half a million pounds of which £300,000 was for specialist consultancy and the remaining £200,000 was for more routine work that undoubtedly could have been carried out by our own staff. That decision was taken because of the peak workload but would be a situation we would not want to be in in future years so we will reserve the use of consultant staff only for those specialist areas. A good example would be lichens or caves where there are health and safety issues around confined spaces and it does not make sense to do it in-house, but for all areas where it does make sense that would be our intention.

Q78 Mr Bacon: Going back to graphic 11 on page 22, how much of that proposed expenditure do you think is going to be on consultants going out to 2010–11?

Dr Phillips: If we take last year as the year where we used consultancy expertise most the amount that retained specialist service was £300,000 and if we are only going to resort to a specialist service where necessary in the future it will probably be in that sort of ballpark.

Q79 Mr Bacon: For the next two or three years, up to the end of that period.

Dr Phillips: Yes.

Q80 Mr Bacon: In paragraph 2.19 the NAO say, "During our fieldwork, Natural England staff commented that some sites do not meet SSSI standards, but were not aware of any plans to review these sites". Do you now have a plan to audit by a certain date all of the sites to check that they meet the required standard or knock them off the list?

Dr Phillips: It is unfortunate that the staff were not aware of those plans which are clearly in place. I have referred to them a little bit in other questions about, for example, the 60 year old designations which we are not sure are relevant today and the fact that in that review that was required before the CRoW Act⁵ only eight sites fell out of 4,000 sites, and the fact of course that we will have our conservation objectives in place by the end of next month and our condition assessments completed by December 2010 will mean that that review process will be happening as staff go about their responsibilities. The other thing that is worth saying is that in two particular regions we looked at sample sites in terms of denotifications and amendments and suggest that something on the spectrum of between about 6% and 12% of sites might need some refreshing.

Chairman: Thank you very much, David Curry?

Q81 Mr Curry: Are there places which are crying out to become SSSIs and have not been designated? How many would you say?

Dr Phillips: Not very many at all. We are more or less at the end of the series.

Q82 Mr Curry: So you do not see a significant rate of creation of new sites.

Dr Phillips: On the basis of the existing purpose as described about scientific interest I think we have more or less got a representative sample. I am going in front of our board tomorrow with a discussion paper about the future strategy for designation. For instance, if we think about climate change, habitats are becoming increasingly fragmented and there is potentially an opportunity for us to get much more joining across habitat types where it will be important to improve that connectivity by this mechanism.

Q83 Mr Curry: That is probably just as well because if you look at the likely trajectory of departmental expenditure over the next few years, Defra is nobody's priority in the increasing public expenditure. The Treasury might think there is very little financial control over things and not much monitoring of what works and this is a really good department to put the squeeze on.

Mr Unwin: Do you wish me to comment on that?

Q84 Mr Curry: I was just reflecting. You have had a very distinguished and diverse career, including PPS to Mr Prescott. If you look at what this government

and probably the next government have earmarked as priority for public expenditure, the true fact of the matter is that Defra is not anywhere near the top and you are going to feel a real public expenditure squeeze, are you not?

Mr Unwin: I think all departments are going to feel pressure of public expenditure in the next few years and we will not be an exception. As to our financial management, I would say that the Treasury have commended us strongly recently for the improvements we have made. One of the big sources of increase here is actually coming not so much from the UK Government expenditure but from a shift in the Common Agriculture Policy where, if you look at the graph on page 22, you will see a lot of the increase over the period is in the darker blue bar which is the European money and that is a shift from pillar one of the Common Agriculture Policy to the agri-environment payments in pillar two and that shift will continue.

Q85 Mr Curry: I understand that. We have talked about the Water Framework Directive and when you start looking at some of the environmental schemes of the farmers it is very difficult to find any echoes of the Water Framework Directive. The joined-upness of some of this is very poor.

Dr Phillips: It is not for me to comment on government policy about what are going to be spending priorities but I would say, as I have mentioned in earlier responses, it is extraordinarily important that we take a long term view. We cannot switch nature on and off and we have even seen the delivery of some of our agri-environment schemes. We need to respect the fact that we do not own this land, we are entering into long term arrangements with others who do and we really need to keep that trust and relationship.

Q86 Mr Curry: What I am talking about are things like environmental schemes which are designed to protect areas at the margins of water courses, for example. The Water Framework Directive talks about what is happening to very important habitats. You said that nature cannot be turned on and off but it can be warmed up and cooled down and because of climate change we are seeing quite a lot of changes in our ecology. We are seeing migratory birds who do not think it is worthwhile migrating any more because it is not cold enough for them to migrate. What impact is this going to have? When the first SSSI was created the words "climate change" or "global warming" will not have been in the Oxford English dictionary, but now I note you are referring more and more to carbon storage. There are two very good reasons for that, one is to store carbon and the other is to stop water pouring down and flooding the constituencies we represent. You are not concerned just because very nice orchids grow there but because that has a wider ecological ecological function in the whole climate change debate.

Dr Phillips: Precisely. If you will forgive the pun, it is important we do not throw the orchids out with the bath water. It is important not to switch off the management of those sites because what has

⁵ Note by witness: As explained in response to Q53, for clarity, the Wildlife and Countryside Act 1981 required the review of all SSSIs. The effect of the CRoW Act 2000 was to cause sites that had not been renotified, following review, to cease to have effect.

happened is that there has been an inextricable link between the species on those sites and the investment and management we have done for that habitat. In the face of these increasing pressures we are extraordinarily lucky to have these pockets of very resilient habitats because they are in good shape and good order. You have already mentioned carbon storage and we must also look at peatland sequestering carbon. We must also think about the disaster there would be if the carbon that was locked up in our peatlands was to be given off because of our failure to maintain them in a good condition. We have talked about flood water attenuation. I do not think we have mentioned also the extent to which it would be very important in water treatment and how much more cost effective it can be to get a catchment solution in the uplands.

Q87 Mr Curry: If we are going down this route we are talking on a much bigger scale than we have done in the past, are we not?

Dr Phillips: I think there will need to be a coming together not only of designations such as the SSSI designation but also potentially a landscape designation.

Q88 Mr Curry: Perhaps things like game conservation in other areas as well. A lot of the evidence about areas where game is being conserved is actually better for wildlife.

Dr Phillips: Yes, because of the land management—we had a great partnership, for example, with the Moorlands Association—investing very heavily in the areas.

Q89 Mr Curry: We now have the new department for climate change, would it make more sense if your tutelage department became that? Defra still does designated environmental schemes for farmers; you then have a new department for climate change and you are straggling that. What is the machinery to make sure you can meet all this without falling down the gap in the middle?

Dr Phillips: Yes, and meeting ourselves coming back. To be honest with you, I think it looks worse on paper than it does in reality. We have very close relationships with DECC; the people are largely in the same building, they are largely the same people and we need to recognise the very close relationships with CLG and BERR and with the Department of Health. I think it is about making sure that we are talking to the right people at the right time.

Mr Unwin: Can I just say that Defra remains responsible for climate change adaptation precisely because of this impact on the natural environment, flooding and the other such issues.

Q90 Mr Curry: One of the dangers is that one spends so much time coordinating everybody else you actually forget to coordinate your own department.

Dr Phillips: I do not think there is much fear of that.

Q91 Mr Curry: This implies that you are going to need to spend money and, given the financial straights, you are needing hopefully to look for more

participation from outside. Some landowners complain—as they did with PSAs when they first appeared—that the money was not appropriate, the dates for cutting the grass and that did not follow what was happening and there were a lot of complaints that nitrate vulnerable zones seemed to be designed around a different climate, the climate which we now have to face. How are we going to get landowners to feel that they really have to commit to this? I think a lot of companies are looking for quite good things to do which do not cost a great deal.

Dr Phillips: Yes, I agree.

Q92 Mr Curry: Have you done corporate presentations for companies? Have you had a sideshow at the CBI annual conference and all that sort of thing?

Dr Phillips: We have quite a close dialogue with the CBI. The other part of the question that is related to this, if I understand you correctly, is about how we get more value, particularly out of agri-environment schemes. This has been a terrific success in the last few years. I, like you, stood up in front of the National Farmers Union two years ago. We have had agri-environment schemes for 21 years and it is relatively recently that we can really quantify the benefits that we get from those, but over and above that we now have a much clearer view of what parts of the country we need them in and not only how they deliver on the agri-environment objectives but how they deliver on a whole host of multiple objectives.

Q93 Mr Curry: I notice in your list of landowners they include the national parks. I assume in a sense that goes to the heart of a national park's purpose. Is that why it might not need the levers? The national parks performance in terms of a proportion of their sites in good order is only half way down your league table.

Dr Phillips: The national parks are on track to deliver by 2010. We do not have concerns around their contribution in that regard.

Chairman: Thank you, Mr Curry. The last questioner is Mr Williams.

Q94 Mr Williams: Dr Phillips, last year one in three of SSSIs—that is over 1,400—did not have conservation objectives. That is not very good, is it?

Dr Phillips: It is very important that all conservation—

Q95 Mr Williams: The more important it is, the less good it is.

Dr Phillips: —is in place and, as I mentioned to Mr Hill, all sites will have conservation objectives by the end of March this year.

Q96 Mr Williams: You think so.

Dr Phillips: I know so.

Q97 Mr Williams: We will wait and see. How many are left now then?

Dr Hill: We have done 3,500 so there are about 600 left.

Q98 Mr Williams: So progress is being made there. Let us then look at something else. We are told in paragraph 2.14 that there is an absence of condition assessments and in 2.13 there is an absence of quality control. That does not sound very good either, does it? Are you telling me this is wrong as well?

Dr Phillips: No, I am not telling you it is wrong and I was not contradicting you in my answer to your last question, merely trying to explain where we are and where we intend to get to. All condition assessments are on a six year cycle and the last full lot of condition assessments was concluded in 2003 but, as you will know from earlier questioning, the common standards methodology was not in place at that stage. However, we will have all condition assessments in accordance with that approved methodology concluded by December 2010. In order to give you some confidence that we can indeed do that, we have done 3,500 in the last six months and we will be doing 7,500 between now and 2010 which will conclude the series against that standard and form an important base.⁶

Q99 Mr Williams: I was going to ask you about that. I was wondering if you could achieve something like 11 a day which is what would be required in the working days between now and December 2010.

Dr Phillips: We have every minute of everybody's life accounted for virtually. As the Report has highlighted, we had a pilot in our south east region where we expect to put in place these dedicated teams. Whilst something of a panacea to our problems of getting on top of some of the elements of this target I think—this is more a note to myself than to you—it is important that we do not become over-reliant on working in that way because we do try to get an integrated approach to our work and make sure that we are working across a range of issues at any one point in time. As we find ourselves delivering this target and indeed a whole host of other targets it can become very seductive to be dragged into that way of working. We just need to make sure we get the right balance.

Q100 Mr Williams: Why is there no process for reviewing sites? Our supplementary brief makes the point that biodiversity is a dynamic element and the past is not necessarily a guidance for the present. Why is there no process for reviewing sites when 60% of sites were assessed before 1984?

Dr Phillips: As the Report says, the largest proportion of sites were identified as important between 20 and 60 years ago which is absolutely accurate but can give the impression that there has been no review since then. As I have mentioned there has by law had to be that review in order to meet the requirements of the CRoW Act 2000. All of those sites were reviewed for that purpose and of the 4,000 we would have had at that stage, eight sites fell out on the basis of that review. The act of doing the condition assessments itself helps us make sure that

we are staying on top of where we need to be, but that is not to say that we should be complacent about a kind of dedicated review for that purpose, and not least of all the purposes Mr Curry was talking about earlier. So we have looked at a pilot in two of our regions that suggest that approximately 10% of sites might need some sort of amendment or modification. The other thing that is worth remembering though is that it is not necessarily a straightforward cost effective process to do an amendment unless the amendment is required in order to change the management regime that is needed on that site. It is just a case of having a more complete notification.

Q101 Mr Williams: I do not follow why it is not necessary; will you put it another way for me?

Dr Phillips: From our pilots we think it will be necessary on about 10% of sites and not least of all, thinking to the future and how it is we might want to use these in a broader context, it may be an unhelpful level of detail to say that it is not always necessary to go through the formal process of amending a notification. The main reason we would want to do that is if we wanted to make sure that the management was appropriate for that site rather than having seen another interest feature on that site that was covered by the existing management. It is a nuance that is probably unhelpful.

Q102 Mr Williams: If you have not had a full review how can you be sure of achieving your objectives?

Dr Phillips: We had a full review in the run up to 2000⁷ and since then we have had a sample review which suggests we might need in the region of a 10% renotification and modification.

Chairman: Thank you. There are a couple of supplementaries from Keith Hill and Austin Mitchell.

Keith Hill: Since we have had Cleethorpes and its weeds and North Norfolk and eBay.

Mr Mitchell: Embayment, not eBay!

Q103 Keith Hill: I would like to indulge myself and ask you about the Ashdown Forest in Kent and, of course, the home of Winnie the Pooh. I see from the sample we have in the NAO Report that the status of the Ashdown Forest is “unfavourable declining”. It was assessed in August 2006 and it had declined since the previous assessment in 2002. There are conservation objectives written, but this is one of my own favourite tramping grounds and this is a distressing story. Is that the problem, two many townies like me walking around the Ashdown Forest?

Dr Hill: I am afraid I do not know.

⁶ Note by witness: As noted at Q7 we are on track to deliver 3,600 by end March 2009. Whilst 7,500 are planned for delivery in 2009–10 any the remaining will be delivered before December 2010.

⁷ Note by witness: For clarity as explained more fully at Q53, the Wildlife and Countryside Act 1981 required the review. The effect of the CRoW Act 2000 was for sites that had not been renotified since the review to cease to have effect.

Q104 Keith Hill: Will you write to me about it?⁸

Dr Hill: I will indeed.

Q105 Mr Mitchell: The recommendations that are summarised on page six of the Report tell us that (1) you do not periodically review and update the current suite of SSSIs; (2) that around 35% of SSSIs do not have written descriptions of the monitoring requirements for the special features they were notified to conserve; (3) that around a quarter of SSSIs have not had a condition assessment in the past six years; (4) that there is no consistent approach to record keeping and that your database does not record whether national guidelines on assessment of the condition of an SSSI have been followed. I put it to you on the basis of those four recommendations that you do not really know what you are doing. When I look at table six on page 15 about the proportion of sites that are favourable or unfavourable but moving to improvement, I put it to you that on the basis of that ignorance you have just lumped up the unfavourable with the getting better category (because it is suspiciously uniform right across the country) just as an easy way out of showing some improvement.

Dr Phillips: I regret that you do not think that we know what we are doing. I have to say that we have had a stretching PSA target; we inherited a relatively low baseline; we have gone about the pursuit of that target with great vigour and with a great degree of clarity about what needs to be done. Most importantly we are on track to deliver that target by the due date of 2010. There have been areas for improvement that have been identified. I do not wish to bore committee members by repeating myself, but we have talked about condition objectives that will be in place by the end of next month, the condition assessment process and the fact that there were big judgments being made on site despite the fact that the common standards monitoring system was not in place, and we will have a fully compliant set of condition assessments set against that methodology that is now available by December 2010. I think I have spoken earlier to the fact that we have a good degree of consistency and clarity of guidelines around our record keeping albeit I have previously described the plans we have in place to make sure that is being more uniformly and consistently being applied. If I were entrusting a PSA target to somebody who can tell me that they have done what should have been done and on target to meet it, I would hope not to be as downhearted as you would seem to be.

Q106 Mr Mitchell: Can you assure us that you are not making the record look better by shifting more into the unfavourable recovering category? On the basis of your record keeping, you cannot know.

Dr Phillips: The difference between unfavourable recovering and favourable is merely a matter of time and, as we have already talked about, because

different habitat types require different lengths of time, for instance a grassland might well recover in a year of two or if we have a moorland where we have a big problem with the burning regime that might take several years to recover or if we have a woodland that does not have the appropriate structure in place that might take generations to recover so we cannot move that site out of unfavourable recovering into favourable until such a time as nature has had the opportunity to take its course. It is not a convenient brand; it is merely a reflection of the fact that natural processes are operating on different timescales.

Q107 Chairman: Thank you very much Dr Phillips. I think that last interchange sums up the hearing very well, as I am sure you will agree. We do not often in this Committee have two post-doctoral graduates in zoology so it has been fascinating for us. There are all sorts of questions I would like to ask you, like would you please explain to me Darwin's theory of natural selection but we will leave that on one side. I am afraid we are a rather down to earth Committee and we are not just interested in enthusiasm and knowledge; we are also interested in what you say in your CV. Helen was appointed for her track record in leading organisational change to create a high performing organisation where pursuit of efficiency programmes will deliver increased investment. That is what we are about. It seems to me you have your work cut out. Mr Unwin, do you want to have the last word?

Mr Unwin: You said half way through that you hope we would come back in our answers to the point on paragraph 4.1 which you raised. I would like to say a word on that and value for money generally. First of all, I can assure you that the Department does take value for money very seriously and, having worked on a number of PSAs across London from the Departments the broad record keeping we have for a very complex PSA is one of the most impressive I have seen and I think we can be confident of meeting the target on that basis. That is not for a moment to say that there are not improvements that can be made and I know Natural England will be taking the recommendations made by the NAO very seriously. On the point about record keeping in the past, to defend my predecessor so to speak, the fact that the Department was not in a position to look at this properly until 2006 when we had the basic information collected from across these 22,000 units, the fact that we carried out a value for money and cost effectiveness study in 2004 shows that they were alive to the issues. Although specific records may not have been kept for work on SSSIs, records were certainly kept for all the funding streams going into them, so whether it was the agri-environment schemes or the wildlife enhancement schemes or the Environment Agency flood management schemes. I did not want to leave you with a wrong impression.

Chairman: It is quite right that you are the hard-nosed statistician here so we wanted to get a grip. Thank you very much.

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Supplementary memorandum from Natural England

Questions 46–48 (Mr Mitchell): *Associated British Ports (Immingham)—costs associated with the conservation elements of the port development on the Humber*

The port development at Immingham led to the removal of 22 hectares (ha) of foreshore within the Humber Estuary SPA, SAC and Ramsar Site, which was of particular importance for the over-wintering black-tailed godwit.

Compensatory measures for this loss were provided through:

- a 54 ha realignment site at Welwick on the north bank of the outer Humber Estuary; and
- an 11 ha realignment site at Chowder Ness close to the Humber Bridge in the middle estuary.

ABP's total costs for this work amounted to approximately £3.7 million, of which we understand some £1.7 million was spent on negotiation associated with the regulatory processes.

Questions 52–53 (Mr Mitchell): *South Humber alternative fuel development*

The proposed “alternative fuel” development is the Helius development on the South Humber bank. This area is directly adjacent to the Humber Estuary designated sites—SSSI, SPA, SAC and Ramsar site. All these designations were reviewed on the Humber in recent years, and the SSSI was notified in 2004, with the others being formally designated in 2007; therefore the data used to support these designations is up to date.

The Humber Estuary is constrained by flood defences around its entire length. Thus, when the tide comes in there is very little land remaining for SPA birds to utilise. This means that they are pushed onto land behind the flood defences—usually agricultural land—but generally any land which is open with good sightlines for them to see predators approaching.

As part of the information required for the Environmental Impact Assessment and Habitats Regulations assessment, monitoring work was undertaken on the development site. This showed that the site was used for feeding and roosting by large numbers of SPA birds—several thousand golden plover and lapwing and around 80 curlew. This is a significant percentage of the Humber Estuary SPA population and therefore mitigation had to be provided to enable the development to pass through the Habitats Regulations.

Natural England worked closely with the developers and their consultants for 18 months to ensure that an acceptable solution could be found, enabling the development to go ahead whilst ensuring that the strict requirements of the Habitats Regulations were met. Natural England believes this development to be an excellent example of good practice, with successful partnership working delivering one site for the development, an area specifically managed for biodiversity and the possibility of continued agricultural use.

Questions 57–58 (Chairman): *Cleethorpes beach—reasons for Natural England objecting to removal of weeds*

Cleethorpes beach is a part of the Humber Estuary, which is an internationally important site for nature conservation. The Humber Estuary features a number of designations including the Humber Estuary Site of Special Scientific Interest (SSSI),¹ Humber Estuary Special Protection Area (SPA) and Ramsar site, and Humber Estuary candidate Special Area of Conservation (pSAC.)

The “weeds” growing on the beach are an embryonic saltmarsh community consisting of *Salicornia* and *Spartina anglica* and their removal would prevent natural coastal processes within the designated site. Estuaries are dynamic systems and the area appears to be changing—ie more mud is being deposited which is enabling saltmarsh to grow in an area which was previously sandy. If the saltmarsh was removed it would keep retuning as the conditions are now favourable for its growth. Saltmarsh is also an interest feature of the SSSI, SAC, Ramsar site and supports the SPA birds. Any proposals to intervene in the natural estuarine processes need to be treated with caution and be considered within established legal procedures (the Habitats Regulations and Wildlife & Countryside Act as amended by Countryside & Rights of Way Act, 2000).

To allow the physical removal of embryonic saltmarsh requires careful consideration given its value not only as a threatened habitat elsewhere in the estuary ecosystem but also its role in flood defence.

Natural England is working with North East Lincolnshire Council and has encouraged them to undertake a monitoring programme to provide a better understanding through reliable and agreed data. This work is being undertaken by Institute of Estuarine and Coastal Studies at Hull University. The monitoring programme is for six years with the final report planned for November 2012.

Currently, Natural England opposes the removal of the saltmarsh and believes it would be premature to implement any proposed measures for removal before these results are available. Informed by the monitoring scheme, we should be in a far better position to move towards an approach that satisfies the conservation and legislation requirements whilst providing for the continued public enjoyment of the beach.

¹ Ramsar sites are wetlands of international importance designated under the Ramsar Convention.

Questions 103–104 (Keith Hill): *Ashdown Forest—the reason(s) for its unfavourable condition and remedies are required*

Unit 10 (now unit 152) of Ashdown Forest is an area managed by Pippingford Park and Ministry of Defence. Most of this unit had well structured dry heath, but in parts was dominated by bracken (*Pteridium aquilinum*) and purple moor grass (*Molinia caerulea*). It was for this reason that when assessed in August 2006, this unit was considered to be in an unfavourable declining condition.

Spraying or mechanical control was needed to keep the bracken under control, while grazing (by cattle or ponies) was needed to break up and suppress dense stands of purple moor grass.

Recent negotiations to put this management in place have been successful. The area is now under an HLS agreement and the unit has moved from unfavourable declining to unfavourable recovering condition.

12 March 2009
