

<b>Title:</b> <b>Lune Deep Special Area of Conservation (SAC) and Prawle Point to Start Point SAC.</b>  <b>Lead department or agency:</b> Defra Marine Biodiversity Policy <b>Other departments or agencies:</b> Natural England	<b>Impact Assessment (IA)</b>
	<b>IA No:</b>
	<b>Date:</b> 18/03/2011
	<b>Stage:</b> Final
	<b>Source of intervention:</b> EU
	<b>Type of measure:</b> Primary legislation
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## Summary: Intervention and Options

### What is the problem under consideration? Why is government intervention necessary?

The UK marine environment is rich in species and habitats that provide valuable goods and services to society. In most of the UK marine environment living things are treated as open access resources. This means that most users of the marine environment do not individually have economic incentives to operate in ways that conserve fish, shell fish, birds, mammals and their habitats. Though regulation is in place for some activities (such as fisheries, marine aggregate extraction and wind farms) this is not necessarily designed to achieve nature conservation objectives. Consequently marine habitats and populations of some marine species are being degraded, are declining, or are at risk due to human activities.

### What are the policy objectives and the intended effects?

The site will contribute to achieving the government's vision of clean, safe, healthy, productive and biologically diverse oceans and seas. The European Council's Directive 92/43/EEC on the conservation of natural habitats and of wild flora and fauna (the Habitats Directive, 1992) aims to promote the maintenance of biodiversity. The Directive requires the UK (as a Member State) to propose sites that are eligible (that host habitats and species in need of conservation listed in the Directive) for designation as Special Areas of Conservation (SACs). The UK is required to establish conservation measures for SACs, through management of potentially damaging activities where the habitats and species are present and in their vicinity.

### What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Designate the sites (Option 1). The purpose of this IA is to inform the government of impacts of designating the sites and not the decision about whether to designate the sites (which will be based on the selection assessment document). Other options are not considered because Natural England is recommending these sites as necessary contribution by the UK to the network of SACs for reefs. The designations will ensure the UK is sufficient for reef habitat in the English inshore area. Alternative sites of similar quality and extent are not currently known to exist (known alternatives were considered during the site identification process but not recommended on scientific grounds). Though the sites could be conserved under voluntary agreements or a national designation this would not contribute to fulfilling the requirements of the Habitats Directive.

**Will the policy be reviewed?** It will be reviewed. **If applicable, set review date:** 1/2021

**What is the basis for this review?** Duty to review. **If applicable, set sunset clause date:** Month/Year

**Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?**

Yes

**SELECT SIGNATORY Sign-off** For final proposal stage Impact Assessments:

*I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.*

**Signed by the responsible SELECT SIGNATORY:**

**Date:**

# Summary: Analysis and Evidence

# Policy Option 1

## Description:

Price Base Year 2010	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: unknown	High: unknown	Best Estimate: unknown

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	£0.000m	£0.006m	<b>£0.055m</b>
High	£0.931m	£0.168m	<b>£2.232m</b>
Best Estimate	£0.465m	£0.087m	<b>£1.144m</b>

### Description and scale of key monetised costs by 'main affected groups'

Loss in gross value added from commercial fisheries (£0.0001m - £0.16m per year, estimated with low confidence). One-off costs of impact on new wind farm power export cable (0-£0.93m, low confidence). Costs to public bodies of surveys to inform management of the sites (recurrent costs, total of £0.06m over 10 years, moderate confidence). Note that in the direct impact on business box it has only been possible to quantify the costs to commercial fisheries.

### Other key non-monetised costs by 'main affected groups'

All estimated with low confidence. Low cost scenario: social and unknown economic impacts on fisheries; costs beyond 10 years. High cost scenario: as above plus unknown potentially significant costs of impacts on wet renewables devices, wind farm power cable and other cables. Unknown costs of restrictions, if required, on anchoring and recreational fisheries. Higher likelihood developments not permitted. Other costs to public sector bodies.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	<b>Optional</b>
High	Optional	Optional	<b>Optional</b>
Best Estimate	Unquantified	Unquantified	<b>Unquantified</b>

### Description and scale of key monetised benefits by 'main affected groups'

It has not been possible to monetise the benefits of designating the sites because the benefits cannot be readily quantified and most of the benefits are not traded so cannot be easily valued.

### Other key non-monetised benefits by 'main affected groups'

Both sites contribute to conservation of marine habitats & species (outcomes sought & valued by society), conserving a total of 1,606 ha of reef (high confidence). Benefits estimated with medium confidence: low (for one site) & low-medium (for one site) improvements in fisheries landings (benefiting few people). For one site only, low-medium benefits from protection of education, research and cultural heritage resources (benefiting society). Positive environmental benefits outside the sites.

### Key assumptions/sensitivities/risks

Discount rate (%) 3.5

Management required for the site is not yet known and is reflected through use of a range of plausible hypothetical scenarios. If the sites are not designated condition of habitats may be maintained or be at risk to deterioration. Formal mechanisms to avoid damage to the habitats are weaker if sites are not designated. Risk of infraction if the suite of proposed SACs is not designated. Uncertainty about fisheries occurring in the sites and the impacts of the SACs on these. Risk that displacement of fisheries will translocate their environmental impacts. Consents may be delayed. Risk that renewable energy developments are discouraged in the area, impacting on the local economy. Benefits are reliant on effective management. Risk of cumulative economic impacts of marine protected areas.

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: £0.08m	Benefits: not known	Net: not known	No	NA

## Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	England				
From what date will the policy be implemented?	01/09/2011				
Which organisation(s) will enforce the policy?	MMO, DECC, IFCAs				
What is the annual change in enforcement cost (£m)?	none				
Does enforcement comply with Hampton principles?	Yes				
Does implementation go beyond minimum EU requirements?	No				
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)	Traded: unknown		Non-traded: unknown		
Does the proposal have an impact on competition?	No				
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?	Costs: 0		Benefits: 0		
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	Micro 100	< 20	Small	Medium	Large
Are any of these organisations exempt?	No	Yes/No	Yes/No	Yes/No	Yes/No

## Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
<b>Statutory equality duties<sup>1</sup></b> <a href="#">Statutory Equality Duties Impact Test guidance</a>	No	84
<b>Economic impacts</b>		
Competition <a href="#">Competition Assessment Impact Test guidance</a>	No	82
Small firms <a href="#">Small Firms Impact Test guidance</a>	Yes	82
<b>Environmental impacts</b>		
Greenhouse gas assessment <a href="#">Greenhouse Gas Assessment Impact Test guidance</a>	No	83
Wider environmental issues <a href="#">Wider Environmental Issues Impact Test guidance</a>	Yes	82
<b>Social impacts</b>		
Health and well-being <a href="#">Health and Well-being Impact Test guidance</a>	Yes	83
Human rights <a href="#">Human Rights Impact Test guidance</a>	No	83
Justice system <a href="#">Justice Impact Test guidance</a>	No	84
Rural proofing <a href="#">Rural Proofing Impact Test guidance</a>	No	84
<b>Sustainable development</b> <a href="#">Sustainable Development Impact Test guidance</a>	Yes	82

<sup>1</sup> Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

## Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

### References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

No.	Legislation or publication
	All available (following any necessary approval) at: <a href="http://www.naturalengland.org.uk/ourwork/marine/sacconsultation/default.aspx">http://www.naturalengland.org.uk/ourwork/marine/sacconsultation/default.aspx</a>
1	Inshore Special Area of Conservation (SAC): Shell Flat SAC Selection Assessment Document
2	Draft Special Area of Conservation Lune Deep: Addendum to Shell Flat pSAC.
3	Inshore Special Area of Conservation (SAC): Prawle Point to Plymouth Sound and Eddystone SAC Selection Assessment Document
4	Draft Special Area of Conservation Prawle Point to Start Point: Addendum to Shell Flat pSAC
5	Consultation Impact Assessment of Lune Deep SAC and Prawle Point to Start Point SAC
6	Consultation Impact Assessment of designation of Shell Flat and Lune Deep draft Special Area of Conservation
7	Inshore Special Area of Conservation: Shell Flat and Lune Deep Draft Conservation Objectives and Advice on Operations
8	Consultation Impact Assessment of designation of Prawle Point to Plymouth Sound and Eddystone draft Special Area of Conservation
9	Inshore Special Area of Conservation: Prawle Point to Plymouth Sound and Eddystone Draft Conservation Objectives and Advice on Operations
10	Inshore Special Area of Conservation (SAC): Shell Flat and Lune Deep SAC Selection Assessment Document
11	Inshore Special Area of Conservation (SAC): Start Point to Plymouth Sound and Eddystone SAC Selection Assessment Document

### Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

### Annual profile of monetised costs and benefits\* - (£m) constant prices

	Y <sub>0</sub>	Y <sub>1</sub>	Y <sub>2</sub>	Y <sub>3</sub>	Y <sub>4</sub>	Y <sub>5</sub>	Y <sub>6</sub>	Y <sub>7</sub>	Y <sub>8</sub>	Y <sub>9</sub>
<b>Transition costs</b>										
<b>Annual recurring cost</b>										
<b>Total annual costs</b>										
<b>Transition benefits</b>										
<b>Annual recurring benefits</b>										
<b>Total annual benefits</b>										

\* For non-monetised benefits please see summary pages and main evidence base section



Microsoft Office  
Excel Worksheet

## Evidence Base (for summary sheets)

There is discretion for departments and regulators as to how to set out the evidence base. However, it is desirable that the following points are covered:

- Problem under consideration;
- Rationale for intervention;
- Policy objective;
- Description of options considered (including do nothing);
- Costs and benefits of each option (including administrative burden);
- Risks and assumptions;
- Direct costs and benefits to business calculations (following OIOO methodology);
- Wider impacts;
- Summary and preferred option with description of implementation plan.

### Inserting text for this section:

Replace the notes on this page with the text for the evidence base.

To maintain consistent formatting, apply Styles from the toolbar. The **Paste Without Format** toolbar button can be used to paste text from other documents in the current style here.

## Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

### Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p><b>Basis of the review:</b> [The basis of the review could be statutory (forming part of the legislation), i.e. a sunset clause or a duty to review, or there could be a political commitment to review (PIR)];</p> <p>The Secretary of State has a duty to report to the European Commission (EC) on the condition of interest features in the sites every six years. Review of economic impacts of the sites is required under the impact assessment guidance.</p>
<p><b>Review objective:</b> [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]</p> <p>Reporting on the condition of the interest features informs assessment of whether the conservation objectives for the sites are being achieved. The review of economic impacts of the sites aims to inform understanding of the impacts of marine protected areas but under the Habitats Directive it cannot inform review of the designation.</p>
<p><b>Review approach and rationale:</b> [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]</p> <p>Reporting on the condition of the interest features will be based on assessment of indicators and monitoring where appropriate (in terms of the risk that human activities are impacting on the condition of the interest features).</p> <p>Review of the economic impacts will be based on information in the public domain and collection of information from stakeholders where necessary and proportionate.</p>
<p><b>Baseline:</b> [The current (baseline) position against which the change introduced by the legislation can be measured]</p> <p>Baseline data on the condition of interest features in the sites and baseline data collected for the impact assessment on human activities in the sites.</p>
<p><b>Success criteria:</b> [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]</p> <p>Achievement of the conservation objective of the sites.</p>
<p><b>Monitoring information arrangements:</b> [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review]</p> <p>Assessment of the condition of the interest features every six years to inform reporting to the EC, as described above. Collection of information from stakeholders through ongoing engagement via the advisory group.</p>
<p><b>Reasons for not planning a review:</b> [If there is no plan to do a PIR please provide reasons here]</p>

Add annexes here.