

Title: Outer Thames Special Protection Area. Lead department or agency: Defra Marine Biodiversity Policy Other departments or agencies: Joint Nature Conservation Committee (JNCC), Natural England.	Impact Assessment (IA)
	IA No:
	Date: 14/07/2010
	Stage: Final
	Source of intervention: EU
	Type of measure: Secondary 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 European Council's Directive 79/409/EEC on the conservation of wild birds (the Birds Directive, 1979) aims to promote the maintenance of biodiversity. The Directive requires the UK (as a Member State) to identify and designate as Special Protection Areas (SPAs) the most suitable sites for the protection of rare or vulnerable wild birds (listed in Annex I of the Directive) as well as regularly occurring migratory species (not listed in Annex I) to ensure their survival and reproduction in their area of distribution. The UK is required to establish conservation measures for SPAs which is achieved through management of potentially damaging activities where the habitats and species are present and in their vicinity.

What policy options have been considered? Please justify preferred option (further details in Evidence Base)

1. Designate the site. This will contribute towards conserving populations of wild birds. The purpose of this IA is to inform the government of impacts of designating the site and not the decision about whether to designate the site (which will be based on its departmental brief). Other options are not considered because designation of the most suitable territories as special protection areas for the conservation of rare or vulnerable bird species and regularly occurring migratory bird species is required under the Wild Birds Directive. Red-throated Diver is listed in Annex I of the Wild Birds Directive as a rare or vulnerable species. The best available evidence indicates that Outer Thames Estuary pSPA is the most important wintering site in the UK for Red-throated Diver. If the site is not designated this significantly risks infraction proceedings. Though the site could be conserved under voluntary agreements or a national designation this would not contribute to fulfilling the requirements of the Wild Birds Directive and would not afford the site the same high level of protection from potentially damaging human activities.

When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?	It will be reviewed 01/2020
Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?	Yes

SELECT SIGNATORY Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible SELECT SIGNATORY:..... Date:.....

Summary: Analysis and Evidence

Policy Option 1

Description:

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

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	£0.614m	£0.083m	£1.268m
High	£215.281m	£0.238m	£183.415m
Best Estimate	£107.948m	£0.161m	£92.341m

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

Economic costs of impacts on aggregate extraction (0 - £2.2m), wind farm developments (0 - £212m), commercial fisheries (0 - £0.006m p.a.). Plus costs (mostly to the public sector) of managing the SPA (£0.56m plus £0.09m - £0.24m p.a.).

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

Low cost scenario: social & unknown economic impacts from effects on fisheries; costs beyond 10 years. High cost: as above plus unknown costs of impacts on aggregate extraction, new pipelines, wind farm developments & cable replacement. If required, costs of managing impacts of national defence operations; restrictions on anchoring, changes to shipping routes & new dredges. Higher likelihood developments not permitted, costs from delay to consents & unquantified costs to public sector.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	unquantified	unquantified	unquantified

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'

Contributes to conservation of wild bird populations (outcomes sought & valued by society), conserving 379,000 ha of habitat for Red-throated Diver. Low improvements in fisheries landings and low to moderate improvements in recreation (both benefiting low numbers of people). Low to moderate benefits of protecting education and research resources & low benefits of protecting cultural heritage (benefiting society). Positive environmental impacts outside the site and benefits beyond 10 years.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

Management for the site is developed after designation so a range of plausible hypothetical measures is used for the analysis. If the site is not designated condition of the habitats may be maintained but could be at risk to further deterioration. Formal mechanisms to avoid damage to the habitats are weaker if the site is not designated. Risk of infraction if the suite of proposed SACs is not designated. Fisheries management beyond 12nm is sought through the Common Fisheries Policy. Risk that displacement of fisheries and aggregate extraction will translocate their environmental impacts. Other additional costs to operators. Project financiers may seek to develop projects elsewhere. Benefits are reliant on effective management. Risk of cumulative economic impacts of marine protected areas.

Impact on admin burden (AB) (£m):			Impact on policy cost savings (£m):	In scope
New AB: 0	AB savings: n/a	Net: 0	Policy cost savings: 0	No

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	United Kingdom				
From what date will the policy be implemented?	01/11/2010				
Which organisation(s) will enforce the policy?	MMO, DECC, SFCs/IFCAs				
What is the annual change in enforcement cost (£m)?	0.150 plus				
Does enforcement comply with Hampton principles?	Yes				
Does implementation go beyond minimum EU requirements?	No				
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)	Traded: n/a		Non-traded: n/a		
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: n/a		Benefits: n/a		
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	Yes/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
Statutory equality duties¹ Statutory Equality Duties Impact Test guidance	No	
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	104
Small firms Small Firms Impact Test guidance	Yes	105
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	
Wider environmental issues Wider Environmental Issues Impact Test guidance	Yes	All
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	Yes	106
Human rights Human Rights Impact Test guidance	No	106
Justice system Justice Impact Test guidance	No	
Rural proofing Rural Proofing Impact Test guidance	No	106
Sustainable development Sustainable Development Impact Test guidance	Yes	All

¹ Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB 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 assessment of earlier stages (e.g. Consultation, Final, Enactment).

No.	Legislation or publication
1	JNCC and Natural England (2010) <i>Departmental Brief: Outer Thames Estuary. Potential Special Protection Area.</i> http://www.naturalengland.org.uk/ourwork/marine/sacconsultation/default.aspx
2	JNCC and Natural England (2009) <i>Offshore Potential Special Protection Area: Outer Thames Estuary. Draft Conservation Objectives and Advice on Operations.</i> http://www.naturalengland.org.uk/ourwork/marine/sacconsultation/default.aspx
3	JNCC and Natural England (2009) Consultation impact assessment for designation of the Outer Thames Estuary potential Special Protection Area. http://www.naturalengland.org.uk/ourwork/marine/sacconsultation/default.aspx
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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 ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs										
Annual recurring cost										
Total annual costs										
Transition benefits										
Annual recurring benefits										
Total annual benefits										

* 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;
- Risks and assumptions;
- Administrative burden and policy savings calculations;
- Wider impacts;
- Summary and preferred option with description of implementation plan.

Inserting text for this section:

Select the notes here and either type section text, or use **Paste Without Format** toolbar button to paste in the standard EBodyPara Style. Format text by applying EB styles from the toolbar.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added to provide further information about non-monetary costs and benefits from Specific Impact Tests, if 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. 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>Basis of the review: [The basis of the review could be statutory (forming part of the legislation), it could be to review existing policy or there could be a political commitment to review];</p> <p>The Secretary of State has a duty to report to the European Commission (EC) on the condition of interest features in the site every six years. Review of economic impacts of the site is required under the impact assessment guidance.</p>
<p>Review objective: [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 site are being achieved. The review of economic impacts of the site 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>Review approach and rationale: [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>Baseline: [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 site and baseline data collected for the impact assessment on human activities in the site.</p>
<p>Success criteria: [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 objectives of the site.</p>
<p>Monitoring information arrangements: [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>Reasons for not planning a PIR: [If there is no plan to do a PIR please provide reasons here]</p>

Add annexes here.