Executive Summary

Introduction

Damage to SSSIs and ASSIs has continued since the 1981 Wildlife and Countryside Act became law. Agricultural activities such as grazing maintain the special interest of nearly all SSSIs and farming is a fundamental contributor to the maintenance of the finest parts of the British countryside. But it is agricultural activities that have proved to be the most significant source of loss and damage to SSSIs.

The failure to secure sustainable agriculture has resulted in a crisis both for farmers and for wildlife.

A new approach is needed which uses public funds positively and imaginatively to support farmers fairly to produce high quality food and deliver wildlife protection and management on land of existing high conservation value. This could significantly contribute to social as well as environmental priorities as SSSIs are often agriculturally marginal land farmed by small and family farms.

The Government’s introduction of a bill to improve protection for SSSIs will go a long way to securing their positive management. This report examines incentive and financial support measures that the Government must progress as part of its programme in order to ensure its new laws have the desired positive results on the ground especially in the context of Agenda 2000 reforms.

Scale of Damage

The report identifies for the first time the extent of damage to SSSIs from agricultural activities. Between 1992 and 1998 it identifies that 652 SSSIs and ASSIs have suffered loss and damage owing to 1198 incidents of agricultural damage. This is liable to be an under-estimate and it is known that up to 45 per cent of SSSIs are in an unfavourable condition in England alone (a proportion of those recovering).

The main forms of damage are from overgrazing, neglect, fertilisation and drainage.

Case Studies

Seven case studies from around England, Wales and Northern Ireland are detailed. These highlight a range of different impacts and measures being taken to resolve problems.

The case studies show that weak regulation has contributed to damage and neglect on sites. It also highlights that existing incentive regimes, especially agri-environment payments have been insufficient in resolving problems on sites.

Existing Incentive Regimes

The range of schemes designed to encourage and support positive management of SSSIs are examined - from direct management agreement payments to agri-environment schemes. The report concludes that agri-environment schemes have helped support management on some SSSIs but have proved too inflexible for many sites especially those in an unfavourable condition. The limited budgets of some schemes may be better spent on maintaining non-SSSI land of wildlife value, with a considerably enhanced WES-like scheme concentrated on SSSI land. Payment rates have failed to properly reflect the value of protecting existing habitat or even the need to do so.

Implications of Agenda 2000 Reforms for SSSIs

Friends of the Earth was disappointed with Agenda 2000, but it nevertheless represented an opportunity for improvements. The report examines the reforms proposed by Maff for SSSIs. It
concludes that existing schemes such as WES are underfunded and that the new RDR measures are unlikely to deliver anything particularly useful for SSSIs as presently constituted. This will be doubly so without the introduction of environmental conditions on all CAP payments.

**Analysis of Regulatory Proposals**

A consensus now exists over the need for new laws to protect SSSIs. The report identifies measures the Government is likely to bring forward and argues the key priority of the Government’s approach must be securing positive management for all sites. It argues, however, the Government’s package must include improved incentive regimes and resolve the ‘partnership deficit’ by building better relationships between conservation agencies and landowners.

**Overall conclusions and recommendations**

The report concludes with a number of key principles which should form part of a new-look incentive regime in support of the new regulatory and partnership package.

**Key Principle 1:** With new legislation, SSSIs will no longer be subject only to the existing suite of voluntary agreements; the conservation agencies will have tougher duties to deliver positive management and the current pick-and-mix approach to funding will have to be rethought.

**Key Principle 2:** Payment rates must be based on guiding principles but be negotiated on a site-by-site basis. Basic environmental conditions on CAP payments should be a legal requirement, so owning an SSSI will not necessarily entitle an owner/occupier to positive payments.

**Key Principle 3:** The SSSI payment system will have to focus on delivering positive management, not always using present agri-environment funds which are multi-purpose by nature.

**Key principle 4:** There is no place for payments on profits foregone basis, but discretion must be available to Agency staff to negotiate a fair agreement, as there are extra costs involved in SSSI management.

**Key principle 5:** Payments must be transparent and open to public scrutiny and be fair to the owner/occupier and the public.

**Key Principle 6:** Payments should not aim to be competing with production subsidies but should be seen as contributing to sustainable agriculture, securing jobs and incomes in the longer term.

**Key Principle 7:** Support for positive management of SSSIs should be enhanced to reflect its importance compared with old style profits foregone compensation, and payments for habitat creation. The value of maintenance of existing habitat must be considered a greater priority. Any changed existing or new scheme must act as a genuine incentive on SSSIs.

**Key Principle 8:** Regulatory and incentive frameworks need to be applied to land adjacent to SSSIs – buffer zones, river catchments and common land.

**Key Principle 9:** All payments on SSSIs should be regulated and made by conservation agency staff acting as a “one stop shop” to minimise bureaucracy. To develop the one-to-one relationship effectively, agency staff need the skills and knowledge of farming systems to be able to negotiate effectively over the kitchen table; a review of agency staff knowledge and skills is needed, and training programmes developed.

**Recommendations**
Friends of the Earth recommends the Government, National Assembly for Wales and the relevant authority in Northern Ireland adopt these principles to develop an improved incentive regime for the positive management of SSSIs in England, Wales and Northern Ireland.

Friends of the Earth recommends the Government makes additional resources available for SSSI management with an increase of at least £30-35 million per annum.
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Acknowledgements

Thanks to Alan Stanley and Craig Bennett at Friends of the Earth and to all the people at EN, CCW, Environment and Heritage Service Northern Ireland, National Parks Authorities, RSPB and the Wildlife Trusts who have helped with this report. And thanks to Anni for her support.

Note: Where SSSI is used in a general context, this also refers to ASSIs in Northern Ireland
Acronyms used in this report.

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<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
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<td>Area of Outstanding Natural Beauty</td>
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<tr>
<td>ASSI</td>
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<td>BNE</td>
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Damage to SSSIs from agricultural activities

1.1 Introduction

Damage to SSSIs has continued each and every month of every year since the 1981 Wildlife and Countryside Act became law. Agricultural activities such as grazing maintain the special interest of nearly all SSSIs and farming is a fundamental contributor to the maintenance of the finest parts of the British countryside. But it is agricultural activities that have proved to be the most significant source of loss and damage to SSSIs. The failure to secure sustainable agriculture has resulted in a crisis both for farmers and for wildlife.

A new approach is needed which uses public funds positively and imaginatively to support farmers fairly to produce high quality food and deliver wildlife protection and management on land of existing high conservation value. This could significantly contribute to social as well as environmental benefits as SSSIs are often agriculturally marginal land farmed by small and family farms.

The Government’s introduction of a bill to improve protection for SSSIs will go a long way to securing their positive management. This report examines incentive and financial support that the Government must progress as part of its programme in order to ensure its new laws have the desired positive results on the ground.

SSSIs continue to suffer loss and damage from farming activities. This report uses the conservation agencies’ own data, for the first time to reveal the scale of the damage in England, Wales and Northern Ireland. The reasons behind the damage are examined, as is the structure of incentives regimes, which have been only partially successful in delivering positive management, in order to identify reasons for the failure. It is not intended here to repeat the case for new laws as that case has already secured a wide consensus. The role of agricultural subsidies is explored and the relationship between wildlife agencies and SSSI owners considered. The different options available to the Government to address the current situation are explored: improving wildlife legislation, strengthening agricultural regulations, and providing better incentives to SSSI owners and managers.

Crucial to the delivery of better protection for SSSIs are the agricultural regimes that will deliver and support it. Yet the Government has so far made no comment about how it intends to resource its proposals for improved SSSI protection. This report identifies a set of principles that must govern an incentive and support regime for the protection and positive management of SSSIs. These principles are based on the fact that farming is as much part of the solution to better SSSI protection and management as it is part of the problem.

1.2 Types of damage

Agricultural damage to SSSIs comes in many forms: both direct and indirect. In some cases SSSIs are deliberately ploughed up. For example Downland at Clayton to Offham Escarpment SSSI in East Sussex, was ploughed in 1997 to grow flax; Gwaun cwm Conwy SSSI in Powys was completely ploughed and re-seeded in 1998 and Southmoor Farm SSSI in Devon was ploughed in 1999.
Other forms of direct damage include overgrazing, which is now an endemic problem in the British uplands. Fertiliser application (other than small amounts of organic farm yard manure) causes damage to SSSIs – this can take the form of mineral fertiliser or slurry. Herbicides used on SSSIs reduce floristic interest, while more subtle direct impacts also include anti-worm chemicals, which reduce availability of prey for animals and food for fungi, like the dung-loving nail fungus. Physical damage to SSSIs continues due to land drainage practices, excessive or inappropriate use of fire, and the construction of agricultural buildings and tracks.

Agriculture indirectly damages SSSIs through eutrophication of wetlands and rivers. Sources include agricultural run-off, both from fertiliser applied to fields, and from leaking slurry lagoons. Spray irrigation is widespread in some parts of Britain and water abstraction from aquifers lowers water tables, which can destroy wetland SSSIs as effectively as ploughing. Herbicides drift from adjacent fields into SSSIs, while pesticides, such as the new generation of “safe” sheep-dips based on synthetic pyrethroids, leak into rivers and water-bodies, in some cases killing virtually all fauna.

The impact of neglect or lack of management on many SSSIs is considered in this report to be a consequence of wider changes in agricultural practices. Intensification of agriculture and the concentration of resources onto the best and most improvable land has led to the effective exclusion of most remaining semi-natural habitat, particularly in the lowlands, from modern farming systems. Heathlands, limestone grasslands, and wetlands that have not already been destroyed have lost much of their agricultural role. Neglected, they lose their characteristic species and special habitats.

The types of damage affecting SSSIs vary by country and region. These regional variations reflect the different farming systems in the increasingly polarised agricultural landscapes of Britain. Wildlife interest in SSSIs varies from lowland to upland, chalk to granite, oceanic west to continental east. Overgrazing is the prevalent cause of damage in upland-dominated Wales, whereas East Anglia suffers from eutrophication, land drainage and in some cases neglect. Northern Irish sites suffer from both eutrophication from adjacent land, neglect and inappropriate grazing.

The driving force behind the great majority of this damage continues to be Britain’s policy of support for the Common Agricultural Policy (CAP) of the European Union. Despite the reforms of 1992 and the current “Agenda 2000” agreement, subsidies for agriculture continue to focus almost entirely on production, coupled with a systematic failure to deal with the environmental consequences. Funding from the CAP is available for arable production, through arable area payments for crops such as wheat, barley, and oil-seed rape. CAP subsidies support livestock farming, with payments under the sheep annual premium scheme for sheep; the Beef Special Premium and Suckler Cow Premium Scheme for beef cattle; and extra payments for farmers in Less Favoured Areas through the Hill Livestock Compensatory Allowance. Ironically the latter was originally intended to result in environmentally sustainable farming by supporting the maintenance of upland farming communities. However it has had entirely the opposite outcome: while upland farmers have struggled to make ends meet, upland biodiversity has in reality declined and taxpayers have had to foot the bill.

As globalization continues to undermine national regulatory arrangements and erode environmental standards, the outlook is grim both for struggling farmers and for biodiversity. A positive way forward is needed, combining effective countryside protection with sustainable farming for the benefit of rural economies and the wider public interest. Such a system would secure wide public support as well as rural jobs and higher quality food. The UK will have to consider very carefully whether it can resolve the paradox of enthusiastic participation in the global free trade ideology of the WTO, while at the same time establishing a coherent set of environmental protection measures which, in protecting our finest wildlife sites, risk running foul of the WTO rules.
Scale of damage to SSSIs 1992-1998

2.1 Results

Friends of the Earth’s Wild Places! database was interrogated to extract all cases of loss or damage to SSSIs in England and Wales as a result (in part or wholly) of agricultural activities of various kinds. Cases of insufficient management or neglect of SSSIs were also extracted, with sites obviously having no connection to agriculture excluded.

According to the data available, a total of 652 SSSIs suffered loss or damage from agricultural activities during the period 1992 to 1998. 447 of these SSSIs are in England, 190 in Wales and 15 ASSIs in Northern Ireland.

A total of 663 incidences of loss or damage were reported in England, with 482 reported in Wales, and 53 incidences in Northern Ireland, giving a total of 1198 incidences of loss or damage in England, Wales and Northern Ireland during this 7 year period. This gives an average of 171 incidents of damage by agricultural activities per annum.

The types of damage reported vary greatly, but common themes emerge. Damage reported as a result of overgrazing occurred 128 times in England, 259 times in Wales and 9 times in Northern Ireland, giving a total of 396 incidents, one third of all incidents by agricultural activity.

202 incidents of neglect or the consequences of neglect were reported in England, 114 in Wales and 11 in Northern Ireland, totalling 327 incidents or 27 per cent of all agricultural damage.

The use of fertiliser, slurry, manure and subsequent eutrophication of SSSIs was reported 133 times in England, 41 times in Wales and once in Northern Ireland, totalling 175 incidents or 15 per cent of all damage.

67 cases of damage to SSSIs caused by drainage or (agricultural) water abstraction were noted in England, 23 in Wales and 12 in Northern Ireland, totalling 101 cases or eight per cent of all damage from agricultural activities.

The following table shows how the collection of data has also varied from year to year; data for Northern Ireland have only been collected by Non-Governmental Organisations, principally the RSPB, while most of the data relating to England and Wales were collected by the statutory conservation agencies.

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Agricultural activities and neglect are the most significant source of loss and damage to SSSIs. Nearly 1200 separate incidents have occurred between 1992 and 1998 on 652 SSSIs and ASSIs. There are approximately 5000 SSSIs in England, Wales and Northern Ireland, so damage from agricultural activities has been recorded on 13 per cent of all SSSIs, including those designated for
their earth sciences interest alone. And these are only the sites where damage has been reported. Reporting of damage has taken place on an ad hoc basis, and many incidents of damage must take place without anyone being aware. Also, incidents of ongoing damage are not necessarily reported the year that they occur. So the total number of incidents, and the total number of SSSIs damaged, is probably far higher even than these figures indicate.

2.2 Denotification
Despite the fact that there is no legislation which allows SSSIs to be denotified, quite a number of SSSIs have been wholly or partly denotified by EN and CCW. EN admits to having denotified 14 whole SSSIs since 1989, but has failed to provide information on SSSIs partly denotified. CCW (and its predecessor the NCC) denotified 46 Welsh SSSIs between 1981 and 1998. This excludes Gwaun cwm Conwy, which has been more recently denotified. CCW identified a further 207 SSSIs where parts of the site had been denotified. There is no suggestion here that all these denotifications were as a result of damage and for those where damage was the cause, not all were the result of agricultural activities, indeed the agencies themselves give no reasons, but it seems inevitable that some of them would have occurred for that reason.

2.3 Extent of unfavourable status
Given the inability of loss and damage data to reflect the status of sites, EN is now starting to assess whether SSSIs are in a favourable or unfavourable condition. The first tranche of these data show 43 per cent of SSSIs in England were in an unfavourable condition in 1998, with 15 per cent unfavourable but improving. Although the favourable/unfavourable split takes into account the objectives laid out in the site objective statements, which clarify the conservation objectives for each SSSI, it is unclear whether the 15 per cent were improving from a state of almost total oblivion to merely near oblivion, or whether the 15 per cent were almost OK, improving to very nearly alright. The data also do not indicate the reasons behind the unfavourable state of so many SSSIs, but some of these may be guessed at. A proportion of uncooperative owner/occupiers have been able to ignore the paper tiger regulations surrounding SSSI protection and management, while the incentives available to encourage suitable management have been inadequate to change the attitudes of those owners who may have been willing to adopt positive management, but not at their own expense.
Case studies

The following case studies have been extracted from the Loss and Damage data. All these cases represent the failure of the current system to prevent damage to SSSIs from inappropriate agricultural activities, and the failure to secure positive management for SSSIs. The cases have been selected to cover a broad geographical range and to reflect the different types of agricultural activities causing damage to SSSIs. In some cases damage is more significant than in others. On some sites action has been taken, with good results, offering hope for sites, given better regulation and improved incentives.

3.1 Whernside, North Yorkshire

Issues: Overgrazing; agri-environment schemes.

Interest: Whernside SSSI covers nearly 10,000 acres in the heart of the Pennine Hills in North Yorkshire and Cumbria. The wild upland landscape supports a wide range of habitats, including limestone pavement, upland heath and blanket bog. Many uncommon species are found within Whernside SSSI such as the rigid buckler-fern and limestone polypody. Part of the SSSI is within Ingleborough candidate SAC.

Problem: In 1998 FOE revealed EN’s intention to denotify part of the site because it had suffered many years of overgrazing as a result of “headage” payments – subsidies to sheep farmers in Less Favoured Areas. This, EN contended had led to the site losing its wildlife interest, since overgrazing by sheep of upland heath causes the vegetation to change to acid grassland of less wildlife value. FOE criticised EN for threatening denotification and Environment Minister Michael Meacher, promised that EN had never had any intention to do so. Subsequently the Agriculture Minister promised an investigation.

EN recorded loss and damage to Whernside in 1992, 93 and 94. Loss and damage figures reported in these years did not specify the area of SSSI damaged, but in each year, EN reported that more than ten per cent of the SSSI had been damaged, all due to overgrazing. Peter Welsh, EN Conservation Officer for North Yorkshire, points out that much of the damage to Whernside through overgrazing by sheep began thirty or more years ago, when farmers were first encouraged to intensify production, often beyond levels they thought sustainable. Much of the land still suffering from overgrazing is grazed by commoners, though some of the larger enclosures in freehold ownership have also been damaged. EN faces considerable problems dealing with overgrazing on commons. Welsh thinks that farmers on Whernside are ready to lower sheep numbers, but their primary concern is, not surprisingly, a stable income.

Solutions: One year on from the threatened denotification, farmers and conservationists are working together to combat recreational damage from uncontrolled trail biking, while footpath damage is tackled by the national park. The new Countryside Stewardship upland scheme has also attracted interest from some Whernside farmers. MAFF’s proposed changes to LFA operations would mean that stocking rates on common land would be reduced to 0.5LU per ha, which could help Whernside. In the longer term, tying LFA payments to the carrying capacity of land would militate against restoration of wildlife interest to improved land.

Assessment: Overgrazing on upland commons continues while common land is not dealt with properly in wildlife law. In the case of Whernside farmers, biodiversity and taxpayers have all been
losers. Agri-environment schemes and weak protective laws failed to guarantee positive management of the SSSI.

3.2 Moors River, Dorset

Issues: Change of ownership; buffer zone management.

Interest: The Moors river in East Dorset is a lowland river meandering through a landscape which has altered dramatically this century. The river reflects the unusual geology of east Dorset. It rises as the River Crane, a chalk stream flowing down from the Cranborne Chase, before receiving water from heathland sources, and flowing across a narrow floodplain before joining the River Stour at Christchurch. The Moors River supports some nationally important species, including a large number of dragonfly and damselfly species. The now extinct orange-spotted emerald damselfly was last known in Britain from the Moors River. The river SSSI includes adjacent unimproved meadows and abuts a number of important heathland sites, many of which are within the East Dorset Heathlands candidate Special Area of Conservation.

Problem: In 1997, English Nature reported that damage had taken place to grassland within the Moors River SSSI as a result of pig rearing. It concluded that the damage was permanent and irrecoverable and covered approximately two hectares. Dough Kite, EN officer for the Moors River explains; “The land was sold to the owner of a nearby house, who wanted to grow potatoes. Pigs and pig hutches were installed on the field to clear the vegetation before planting.” The pastures had already been improved, but were included in the SSSI as a buffer zone essential for protecting the Moors River and associated ditches. “The last thing we want next to the river is arable cultivation, which causes silt to enter the river,” points out Kite. EN launched a formal investigation, following which the owner was “invited” to restore the land to pasture or face action. Kite believes the land is now being managed as pasture by a local farmer. “The real problem here is that the land was sold but the new owner claimed he was not aware of its SSSI status.”

Solution: Change to law needed. On change of ownership, the Land Registry should inform EN of new owners.

Assessment: Agri-environment schemes had not proved effective in supporting positive management and pre-empting damage, but area is now being managed sympathetically.

3.3 Eryri - Y Wyddfa; Carneddau; Glyderiau, Gwynedd

Issues: Overgrazing; agri-environment schemes and funding of positive management.

Interest: Eryri candidate Special Area of Conservation (cSAC) encompasses three large SSSIs in Snowdonia National Park in North Wales. These are Yr Wyddfa, Carneddau and Glyderiau, which cover some of the most spectacular scenery in Britain, supporting a range of European protected habitats and species. The cSAC supports montane communities confined to rock crevices, including the Snowdon lily, purple, mossy and starry saxifrages and moss campion. Mountain ledges support globe-flower, roseroot and Welsh poppy. Montane heath includes probably the best stand of dwarf juniper in Wales. Mountain lakes support the internationally rare floating water-plantain.

Problem: Most of the cSAC is suffering from serious overgrazing by tens of thousands of sheep, funded through the LFA and sheepmeat regimes. According to the Countryside Council for Wales Conservation Officer for the area, Barbara Jones, sheep grazing is definitely having a damaging effect on the cSAC. Sheep grazing is restricting the tall herb ledge community to only the most inaccessible ledges, damaging the rock crevice vegetation, montane heath and acidic scree communities, preventing them from regenerating or from recolonising former areas. Leaving sheep to overwinter on the hills is particularly damaging to heathland communities such as dwarf shrub heath, while the Atlantic oakwoods have been extensively lost and damaged through overgrazing.
Solutions: CCW and Snowdonia National Park Authority gained EU Objective 5b funding to pay farmers in the national Park to reduce sheep numbers on their land. Farmers enter a whole farm agreement, reducing overall numbers and removing sheep from some areas in the winter, or even autumn. No herbicide or drainage is allowed under the scheme, without consultation and prior agreement. The scheme also encourages farmers to introduce cattle, which can make a positive contribution to habitat restoration. Habitat management activities are also funded through the scheme, such as fencing woodlands to encourage natural regeneration, or fencing mires to prevent poaching damage.

A number of farmers have entered the scheme and significantly reduced sheep numbers on their land. The scheme has been targeted at all farmers within a valley, reducing stocking levels throughout an area. This is essential, otherwise sheep belonging to farmers who did not enter the scheme would stray across unfenced boundaries, negating the scheme benefits. Reducing sheep numbers has also increased the quality of the remainder, making higher prices at market. Extensification has even encouraged a few farmers to enter the Organic Aid Scheme. The scheme has almost run its time and agreements only last five years; Tir Gofal will now replace it. One draw back with Tir Gofal compared with the Objective 5b scheme is it operates on a farm by farm basis; even if all farms within a valley apply to enter it, they may not all be successful. This would lead to the problem of excess sheep “leaking” into land under agreement to reduce grazing levels.

Assessment: Imaginative use of EU funding beyond existing agri-environment schemes has helped reduce overgrazing in Eryri. Only strategic use of Tir Gofal taking account of the specific needs of SSSI management will deliver real benefits on SSSIs especially where commons are concerned.

3.4 River Wye, Herefordshire

Issues: Unregulated agricultural intensification; change of ownership.

Interest: The River Wye is one of the most diverse river systems in the UK, and passes through Radnorshire and Monmouthshire in Wales before entering Herefordshire. The river has been put forward as a Special Area of Conservation for its wealth of lowland riverine species and habitats. Famous for its Salmon, the Wye also supports internationally important populations of other fish, notably the bullhead, the brook, sea and river lampreys, as well as the rare Twaite and Allis shads. The Wye is also important for its populations of freshwater crayfish and for its rich and varied plant communities, particularly the water crowfoots which dominate the lowland stretches.

Problem: 10m each side of the river was included in some sections of the river’s SSSI designation, to protect it from adjacent arable farming. Up to 70 per cent of the land adjacent to the river is now under arable cultivation, notably potatoes and wheat. Direct siltation and indirect leaching of nutrients causes problems for the river wildlife. Pasture along the Wye is particularly attractive to potato growers, since the light, alluvial soil leaves potatoes clean and ready for the shops. Ploughing permanent pasture for potato growing increased during the BSE crisis, when farmers sought alternative sources of income from pasture. Growing potatoes is also outside the CAP subsidy regime, demonstrating how a free agricultural market can also threaten protection of designated sites.

Sellack Common was a large area of permanent pasture next to the Wye, and one of the last areas to show historic side channel features. Following the land changing hands, the field was sprayed with herbicide to prepare it for potato growing. English Nature then approached the owners pointing out that they had acted without consultation. According to EN, the owner agreed to reinstate the damage and no further action was taken. Sarah Davis, conservation manager of the Herefordshire Nature Trust, is concerned that fields along the Wye continue to be ploughed every year. “Impacts are indirect, unquantifiable and cumulative; enforcement is not an option, as it’s very difficult for EN to
prove that the river quality has declined from one single incident of ploughing. And hundreds of tributaries of the Wye outside the SSSI are also suffering the same damage.”

**Solutions:** The Herefordshire Nature Trust is working with others on the Herefordshire River Grassland Forum, to lobby for increased agri-environment funding for riverside farming. They propose that the Wye floodplain should have special (perhaps ESA) status. Davis believes that cross compliance on arable payments would make a difference on the Wye, as about half the arable crops are winter wheat on IACS-registered land. However, potatoes are not supported through the CAP so cross compliance would have no effect, but the Trust and others are working with potato packagers and retailers to develop protocols which would help minimise the impact of potato production on the river.

**Assessment:** Cross compliance and agri-environment regimes could help solve the Wye’s problems, but site specific measures will be necessary to stop the damage. Impacts can be felt on sites from activities outside and positive management of sites will only work with new laws and schemes tailored to the needs of sites.

### 3.5 King Lud’s Entrenchment and the Drift. Leicestershire/Lincolnshire

**Issue:** Neglect.

**Interest:** King Lud’s Entrenchment and the Drift SSSI is a green lane and a series of earthworks straddling the Leicestershire-Lincolnshire border. When notified originally in 1968 they may well have been part of a larger mosaic of unimproved limestone grassland; they are now some of the best, and only remaining examples of limestone grassland in the two counties. The site covers 29ha or thereabouts and supports a number of species now uncommon in Eastern England, including purple milk-vetch, horseshoe vetch, felwort and basil thyme, alongside commoner species typical of calcareous grassland like burnet-saxifrage, salad burnet and bird’s-foot trefoil.

**Problem:** The site is suffering from a lack of either cutting or grazing management. Consequently, scrub is invading the grassland leading to a loss of some of the species for which the SSSI was notified. Neither purple milk-vetch nor horseshoe vetch have been recorded in recent years. Although English Nature has not reported this damage in its loss and damage reporting, they have been monitoring the decline since 1991.

**Solutions:** Steve Clifton and other Conservation Officers at English Nature in Leicestershire have some plans for dealing with the ongoing lack of management for the drift. The Drift is a long green lane or drove road running along the county boundary. One of the biggest problems in dealing with the management of The Drift is that the site apparently belongs to no-one. One plan is to manage the whole site as a road verge, possible managed by local landowners or local authorities.

King Lud’s Entrenchment is an Iron Age earthwork with associated tumuli, and a scheduled ancient monument. EN have been trying to encourage the owners to take an interest in the management of the site, but with the legislation as it currently stands, if the owners do not wish to manage the site there is little EN can do. Much of the surviving semi-natural habitat in Eastern England is like King Lud’s entrenchment, marginal and outside the current agricultural system. One option being considered by EN is to work with English Heritage to remove the scrub and reinstate grazing; scrub is as damaging to the ancient monument as it is to the limestone grassland.

**Assessment:** A small complicated site, which would benefit greatly from better management incentives for SSSI owners and powers to impose work orders.
3.6 Norfolk Broads: Limpenhoe Meadows, River Nar, River Wensum, Upton Broads and Marshes, Yare Broads and Marshes, Upper Thurne Broads and Marshes.

**Issues:** Eutrophication; drainage; neglect.

**Interest:** The Norfolk Broads comprise some of the most important wetlands in Britain, and include a great many sites of special scientific interest. The rivers Nar and Wensum have both been notified as SSSI; both have the characteristics of a southern chalk stream and an East Anglian fen river, the Nar supporting the chalk stream plants narrow-leaved water parsnip and mare’s-tail in its upper reaches, with pondweeds and water crowfoots more typical of sluggish rivers further downstream. Both support healthy populations of brown trout, while the native freshwater crayfish still survive in the Wensum, as does the Desmoulin’s whorl snail. Riverside habitats make the whole river corridor important, such as alder woods, fens and flood meadows.

Broadland is renowned for its mosaic of wetland habitats and species, but much has been lost through intensive agriculture and unsympathetic recreation. Upton Broads and Marshes still retain qualities once common throughout Broadland. Upton Broad still supports rare aquatic plants like holly-leaved naiad and stoneworts (plant-like algae which depend on very clean water). Upton Broad fen is incredibly rich in plantlife, with a diverse flora including milk parsley, cowbane, bog pimpernel and grass of parnassus. The rare swallowtail butterfly and Norfolk aeshna dragonfly breed on the site.

**Problems:** Yet, despite the national and international importance of these and other Broadland SSSIs, damage from agricultural activities continues to this day. Limpenhoe meadows in the lower Yare are a mosaic of unimproved and semi-improved fen grasslands with spring-fed flushes. Many uncommon plants, like marsh helleborine, marsh fern and bog pimpernel thrive. But damage has been reported at Limpenhoe in 1993, 94, 95 and 98, all from agricultural sources. In 1993, significant agricultural damage took place, though no further detail is given in EN loss and damage data. Both the meadows and important ditch flora were declining from neglect and the damage to the ditch flora continued in 1994. In 1995 research at the site concluded that eutrophication, was damaging the meadow wildlife. Despite sampling, pollution has never been found entering the site. In 1998, EN reported that a lack of water resources contributed to further declines in the grazing marsh flora. This litany of direct damage, neglect, indirect pollution and water abstraction is typical of other sites in the Broads.

Both the Rivers Nar and Wensum suffer from eutrophication and require phosphate removal according to EN loss and damage figures. Some of this pollution derives from sewage effluent no doubt, but intensive agriculture on adjacent land in the catchment also contributes. In 1995 ditching led to drainage from arable fields entering Upton Broad. Although scrub encroachment continues to threaten the open fen, Norfolk Wildlife Trust have secured EN and lottery funding to reverse this long term decline.

**Assessment:** CAP subsidies continue to cause damage to SSSIs in the Norfolk Broads. Existing agri-environment schemes and SSSI laws have not guaranteed positive management of SSSIs.

3.7 Garron Plateau, County Antrim, Northern Ireland

**Issue:** Overgrazing;

**Interest:** The Garron Plateau ASSI in County Antrim, is the largest area of intact blanket bog in Northern Ireland, covering 4,650ha. A wealth of plants associated with the bog landscape are found on the plateau, including the globally rare bog orchid *Hammarbya paludosa* and the yellow marsh-saxifrage *Saxifraga hirculus*, one of only fourteen British plants specially protected by the European Habitats and Species Directive. The site also supports the large heath butterfly, one of UK’s most...
threatened butterflies. Something like a third of Northern Ireland’s golden plovers breed on the plateau, alongside threatened raptors like hen harrier and merlin.

**Problems:** The RSPB identified a number of problems which have taken place on the plateau in recent times. While carrying out breeding bird surveys, they found that parts of the site had been so severely overgrazed by sheep that the vegetation had completely disappeared, leaving bare peat vulnerable to erosion by wind and rain. They think this could in part be due to the grazing restrictions on nearby ESA land, which may cause local farmers to shift grazing sheep onto the ASSI. Paul Burn, Senior Scientific Officer with the Environment and Heritage Service in the Department of the Environment Northern Ireland, thinks this is unlikely.

Burn does agree that grazing levels on part of the plateau are excessive. “Grazing levels have not changed since the site was declared an ASSI. Fencing was also put up before declaration. Until the situation changes there is nothing we can do.” Burn is waiting for the EU to approve Garron Plateau as a European site. “When the site becomes a SCI we will be able to go in, under the auspices of the Habitats Regulations, and try to proactively persuade landowners to reduce stocking levels.” The problem for the EHS is that with meagre resources they are still notifying ASSIs, and cannot afford to spend time negotiating management agreements with owners, or allocate resources to those agreements.

**Solutions:** DANI, the Northern Ireland agriculture department, have yet to take action to reduce excessive numbers of stock on the plateau. A countryside management scheme, similar to countryside stewardship, is being piloted at the moment, and Burn hopes that this will be available to the graziers on the plateau, to provide an incentive for them to reduce their stocking levels.

**Assessment:** There is no duty on the Department to secure positive management on the Garron Plateau, so it is not surprising it does not, especially when the Environment and Heritage Service is starved of personnel and resources. Agri-environment schemes have not been able to ease overgrazing and legal safeguards have proved inadequate.
4

Analysis of existing incentive regimes

4.1 Balance of regulation with incentive

There are two approaches at present, to halting damage to SSSIs by agricultural activities and neglect, one voluntary and the other regulatory.

Voluntary approaches include offering voluntary agreements to SSSI owner/occupiers where the agencies pay either to compensate damaging activities, or pay for positive management of sites. Voluntary payments are also available through agri-environment schemes such as Environmentally Sensitive Areas (ESAs), countryside stewardship, and in Wales, Tir Cymen - now Tir Gofal.

Regulation takes the form of codes of agricultural practice; these codes recommend a minimum standard of farming, to help protect elements of the environment, and codes have been produced for soil, water, and air – the code of practice for nature conservation has never been produced. Overgrazing, for example, is supposed to be controlled by regulation, and payments can theoretically be withheld from farmers caught grazing in excess of permitted levels. In practice, it has been impossible to identify the culprits, especially on common land. Also, acceptable levels of grazing from an agricultural perspective can be damaging to wildlife – MAFF’s own threshold for overgrazing, (at 1.6 livestock units per hectare) far exceeds levels suitable for sustainable land management. And grazing pressure has inexorably risen – in Wales, sheep numbers increased from five million in 1972 to eleven million today, a massive increase in pressure on SSSIs.

Other regulation is offered by the Wildlife and Countryside Act. But this has been recognised as inadequate and the Government is introducing a new regulatory regime with the Countryside Access and Conservation Bill announced in November 1999. This bill has been warmly welcomed by FOE as it presents an opportunity to remove significant legal and policy loopholes. Proposed changes to the Act are discussed in Section 5

Assessment: The data in Section 2 and case studies in Section 3 indicate that the existing approach has failed to deliver satisfactorily either in terms of regulation or voluntary measures, when faced by the realities of modern agriculture.

4.2 SSSI compensatory and positive payments

Section 15 of the Countryside Act 1968 and Section 38 of the Wildlife and Countryside Act 1981 provide the basis for management agreements between owners and occupiers of SSSIs and nature conservation bodies. The financial guidelines explaining how these payments would be calculated were devised in 1983 and published in Department of the Environment Circular 4/83. These guidelines only allowed for compensatory payments to be made, on a “profits foregone” basis. This scheme was exploited by some unscrupulous SSSI owners and occupiers, who threatened to carry out operations which would damage the SSSI, in order to be paid the compensation for the profit they would have made.

As part of its programme the Government has proposed a review of the guidelines, which FOE has been seeking to change since the early 1980s. In the context of agri-environment schemes such guidelines are of great importance. FOE has argued that payments on SSSIs should only be for positive management, that payments should be at demonstrably fair rates and that the wildlife
agencies should have broad discretion in negotiations which should be as informal as necessary case by case.

In England, payments for positive management of SSSIs have only became available since 1991, through the Wildlife Enhancement Scheme (WES). EN has striven to reduce the number of profits-foregone management agreements, aiming to replace them with positive agreements. In 1997/98, EN had reduced the area of SSSI under profits foregone payment from 15,000ha to 11,000ha. Profits foregone payments cost £1.9M (30 per cent of the total) with another £2.1M (34 per cent) spent on “positive” agreements. WES payments totalled £2.2M. A total area of 125,000ha is covered by some form of management agreement, compared with a total area under SSSI in England of 967,000ha.

CCW continues to use Section 15 of the Countryside Act 1968 as the basis for drawing up management agreements with SSSI owners and occupiers and also has powers under the Environment Act 1991 to enter into management agreements with owners and occupiers of land adjacent to SSSIs. CCW has agreed a total of 584 management agreements covering 40,932ha of SSSI at a cost of £1.4M. These management agreements have varying elements of compensation, and contribute to the costs of capital works. Area payments are not available.

**Assessment:** The conservation agencies have concluded that profits foregone compensation payments are unworkable and inappropriate. Positive management rather than compensation is now the normal basis for payment. Present Financial Guidelines fail to reflect this change being introduced for all SSSIs nor sufficiently reward high standards of management, rather than just paying for capital works and restoration.

### 4.3 Wildlife Enhancement Scheme

The great advantage of WES over Section 38 agreements has been that payments are made for activities which will directly help the conservation of the species and habitats for which a SSSI was notified. There are standard payments for different types of habitats, and for capital works necessary for the conservation of those habitats, such as the installation of gates, fences and water supplies. While standard payment rates have been calculated for each habitat, there is some scope for EN officials to negotiate informally with farmers “across the kitchen table”. The main drawback with WES is that in most, if not all situations the payments, whether offered or made, are significantly less than are currently available through CAP production subsidies. WES payments were offered to a farmer who went on to plough part of Clayton to Offham Escarpment SSSI in 1997, but they were around half the amount available for planting flax. The fact that there is nothing in law to stop a SSSI owner from legally destroying their site, if they provide sufficient notice to EN/CCW of their intention to do so, and having waited the statutory period, also undermines the drive to ensure all SSSIs in England are positively managed. Without this loophole being removed, any amount payable under WES is not going to be sufficient if an SSSI owner is determined enough. Even when SSSIs have been destroyed without notice, fines are usually paltry and certainly less than the profit made as a result of the destruction.

**Assessment:** WES has been quite successful, but its level of funding seriously undermines its ability to be effective in the face of CAP production subsidies. It does have the major advantage of being relatively site specific, allowing an element of discretion to the negotiating conservation officer.
4.4 Section 15 agreements

CCW uses Section 15 agreements to pay for works identified in the management plans they prepare for SSSIs in Wales. This provides for payment of capital works and some compensation for profits foregone. This approach has some advantages to it, in that there is some flexibility in the way grants can be made, and some negotiation on the ground. However, with 221,000ha of land under SSSI notification, only 41,000ha are covered by Section 15 agreements, 40 per cent of which falls within just one SSSI, Y Berwyn. So, apart from one huge SSSI with historic and ongoing management problems, a little over ten per cent by area of SSSIs in Wales are entered into Section 15 agreements. It is perhaps not that surprising that CCW does not state in its figures the actual number of SSSIs covered by Section 15 agreements. Peter Stuttard, Site Safeguard Officer with CCW, is concerned that there is currently not enough funding available for CCW to enter into management agreements with all owner/occupiers of SSSIs in Wales.

Assessment: The flexibility inherent to Section 15 Agreements is useful, but the lack of resources available for incentives in the face of agricultural subsidies has hampered their effectiveness in Wales.

4.5 Agri-environment schemes

Agri-Environment Schemes include Countryside Stewardship in England, Environmentally Sensitive Areas in all countries and the Organic Aid Scheme. Tir Cymen has been operating as a pilot scheme in three areas of Wales for the last six years and has created hundreds of jobs in hard-pressed areas of rural Wales during that time. It was replaced in 1999 by the All Wales Agri-Environment Scheme, Tir Gofal. These schemes are co-funded by UK Government and EU funding and derive from the Agri-Environment Regulation 2078/92. Countryside Stewardship is available for certain wildlife habitats across England, while ESAs are geographically restricted to areas where farming has contributed to a wildlife-rich landscape. There are currently 22 ESAs in England covering approximately 1.15 Mha. There are also five ESAs in Northern Ireland.

Both Countryside Stewardship and ESAs are multi-purpose schemes, aiming to maintain and enhance the landscape, built heritage, wildlife and public access to the areas within the schemes. Wildlife conservation has to take its place alongside other competing objectives. Nevertheless more than 400 SSSIs are currently with Countryside Stewardship Schemes – figures for ESAs and Tir Cymen are not readily available. All Agri-Environment Schemes are based on fixed menus and there is little or no room for negotiation between farmer and project officer. This can be a serious drawback when using AE schemes to fund complex SSSI management which of necessity requires flexibility on both sides.

Tir Gofal replaces both Tir Cymen and ESAs in Wales. The scheme offers payments for land management, public access, capital works and training. Tir Gofal is based on the entry of whole farms into the scheme and eligibility for payments will depend on adherence to mandatory land management requirements. There will be opportunities for enhancing or restoring habitats. Clearly it is too early to tell whether Tir Gofal will be capable of addressing the management needs of SSSIs in Wales. Peter Stuttard of CCW is concerned though that SSSI owner/occupiers will have to apply and be rated according to the Tir Gofal scoring system. This system will deliver a restricted number of Tir Gofal agreements per administrative area, and once the scheme is fully subscribed, no further agreements will completed until the following financial year. CCW can only encourage SSSI owners to apply, but there is no guarantee of their success. It is currently unclear how selection for entry into Tir Gofal will be achieved. “This is not a good basis for achieving SSSI management,” says Stuttard. Furthermore CCW’s funding has been frozen undermining its capacity to support positive management.
Countryside Stewardship has been popular with farmers and is a relatively simple voluntary scheme which can help offset the cost of SSSI management. Countryside Stewardship may well offer a lifeline for lowland SSSIs threatened with neglect; the payments may be sufficient to encourage farmers who have left SSSI land at the margins of farming, to bring it back into very extensive management. English Nature encourages SSSI owners to consider entering the scheme, at least in part because this saves it from having to fund management through WES. According to MAFF, 586 stewardship agreements coincided with SSSIs in the first three years of the scheme, but this is only a small proportion of the total number of SSSIs, or of stewardship agreements.

One potential problem with this approach is that Countryside Stewardship is managed by the Farming and Rural Conservation Agency (FRCA), an agency of the Ministry of Agriculture Fisheries and Food (MAFF). Agri-environment schemes such as Stewardship are multi-purpose and not all FRCA project officers have the expertise to provide the right advice on wildlife management, for example on priorities such as biodiversity action plans. This also acts as a duplication of effort and means nature conservation priorities are diluted within MAFF priorities.

Another drawback is that Countryside Stewardship is purely voluntary, has a relatively limited budget and operates on a “first come first served” basis, leaving some farmers disappointed by rejection. Further, with such financial limitations, FRCA have tended to concentrate on achieving enhancement of features of interest, rather than just maintenance. So a farmer who has managed their SSSI as required, and applies for Countryside Stewardship payments to support this continued management, may be less likely to succeed with their application than a neighbour, who has land of less wildlife interest, but who is keen to enhance that interest. The project-based and menu-driven approach to Countryside Stewardship means that this source of funding is better targeted at land in the wider countryside while a separate funding source should focus on achieving positive management of SSSIs.

Environmentally Sensitive Area designation covers 1.15Mha of the UK, much of it wildlife-rich landscape, including the Somerset Levels, Norfolk Broads, Snowdonia and most of the Peak District. SSSIs within ESAs are often entered into ESA agreements. Payments in ESAs vary according to the extent of involvement by a farmer. Tier one usually requires the maintenance of features of interest on a farm holding while Tier two requires restoration of land which has been agriculturally improved. The restoration tiers pay significantly more than the maintenance tiers. Maintaining permanent grassland on the chalk of the South Downs will pay £50 per ha per annum, but reverting arable land to permanent grassland on the chalk offers £330 per hectare per annum. What seems particularly illogical about this approach is that the newly created grassland habitats are never as valuable for wildlife as the existing grasslands, indeed widespread use of non-native seed in their creation actually threatens the wildlife of the surviving habitat remnants. If payments for maintaining chalk grassland in the South Downs had been more generous, Offham down may not have been ploughed to grow flax.

Less Favoured Area (LFA) designation derives from EU Directive 75/268 (1975), the aim of which is “to ensure the continuation of farming, thereby maintaining a minimum population level or conserving the countryside.” LFA designation covers most of the English and Welsh upland landscapes. Nearly 15 per cent of the total area of England is designated LFA, while the figures for Wales and Northern Ireland are even higher. LFAs are split between disadvantaged areas and severely disadvantaged areas – these are the least agriculturally productive areas. Over 40 per cent of SSSIs in England (by area) are found within LFA designated land. Farmers in LFA receive extra subsidies in the form of hill livestock compensatory allowances (HLCA), which are based on the number of sheep or cattle on the farm. Extra funding is available for ewes and suckler cows in severely disadvantaged areas. HLCA payments account for around 16 per cent of net farm income in LFAs, which is a significant chunk of the average of £6,000 per year.
HLCA acts as a direct encouragement to maximise the number of stock on upland moors. This has led to perhaps the most significant source of damage to SSSIs from agriculture (see case studies). In order to offset this inducement, there are, theoretically, stocking limits within LFAs; exceeding a maximum of 1.4 livestock units per hectare incurs the loss of HLCA subsidy. However, overgrazing in an agricultural sense means something very different from overgrazing in terms of nature conservation and 1.4 LU per hectare is well beyond the threshold for damaging upland wildlife habitats. Further, compliance with the stocking limit is based on the number of animals for which subsidy is claimed, rather than the actual number of animals on the ground.

The application of agri-environment schemes on common land is also problematical. Problems are likely to be encountered when some commoners enter a scheme, while others choose not to, or fail to have their applications approved (see Eryri case study). Common land legislation is in urgent need of reform and a government consultation document on common land is now long overdue.

**Assessment**: Agri-environment schemes have helped support management on some SSSIs and some have recognised agricultural imperatives, but they have proved too inflexible to deliver SSSI management to the many sites especially the third of SSSIs in an unfavourable condition and not improving. The limited budgets of some schemes may be better spent on maintaining non-SSSI land of wildlife value, with an improved WES-like scheme concentrated on SSSI land. Payment rates have failed to reflect the value of protecting existing habitat or even the need to do so. LFA has delivered few if any environmental benefits, as it has encouraged unsustainable sheep numbers in upland Britain.
Implications of Agenda 2000 changes for SSSIs

5.1 Introduction

In March 1999, the European Union agreed the Agenda 2000 reform package for the Common Agricultural Policy. The reforms went nowhere near far enough to address the underlying environmental problems associated with the CAP. However, a number of proposals within the package may present opportunities to help reduce some of the negative impacts of the CAP on SSSIs. The introduction of the Rural Development Regulation, which will incorporate Agri-Environment Schemes and the Less Favoured Areas scheme; reforms to the beef sector, and limited opportunities for introducing environmental conditions on agricultural subsidies (the “horizontal measures”), could all play a part in the next few years, before the next round of CAP reform in 2004.

This all depends on MAFF taking this opportunity to bring environmental concerns into the centre of its vision on CAP reform – something that has never happened to date. MAFF published a series of consultation documents during 1999, to which the industry and other interested parties responded. These culminated in the publication on the 7th December of “a new direction for agriculture”, which outlines the Government's proposals for implementing the Agenda 2000 reforms.

5.1 Rural Development Regulation

Agenda 2000 introduces the Rural Development Regulation, which aims to simplify support for rural development by combining nine former regulations into one. The RDR includes accompanying measures, such as the LFA scheme, agri-environment schemes, early retirement for farmers and afforestation of agricultural land. “Non-accompanying measures” include funds for training, processing, forestry and Article 33 measures “to promote the adaptation and the development of new areas”. The Regulation also gives MAFF the option to pay compensatory allowances within areas with environmental restriction (articles 13,16), such as SSSIs, SPAs or SACs.

Astonishingly, MAFF announced it considered that existing Agri-environment schemes already offered payments such as those and were not intending to take up this option, demonstrating the ministry’s appalling attitude towards SSSI protection and management. Disappointingly, RDR funding will only account for ten per cent of the total CAP budget during 2000-2006 and Britain will only receive some three and a half per cent of the total RDR budget across the EU.

Assessment: The Rural Development Regulation will not deliver anything extra unless it is allocated a far greater proportion of the CAP budget. MAFF should consider using the option to pay allowances within SSSIs, but only for positive management.

5.2 LFA reforms

The principal LFA reforms could help reduce the impact of overgrazing in upland SSSIs. Agenda 2000 proposes a shift from the headage-based HLCA payments towards area-based payments. This could reduce the number of sheep (and cattle) on upland SSSIs. The wildlife agencies endorse this
approach, particularly as they would like to see area-based payments operating throughout the CAP regime. They also urge MAFF to adopt environmental conditions, adherence to which would be mandatory before receiving any CAP payments. These conditions include avoiding loss and damage to SSSIs, and breaches of species provisions in the Wildlife and Countryside Act.

Following consultation in the Summer, MAFF have recently released their scheme to replace HLCA with a Hill Farming Allowance. Although confusing and overly complex, the new scheme does include a number of promising shifts in policy. Payments will be paid based on area rather than head of stock, with up to 20% extra funding for farmers in organic production or who reduce stocking density. Stocking rates on upland commons will be reduced, which could help overgrazing on some upland SSSIs. Initially, the basic area payment will only account for 15% of the HFA, while 85% is based on the productivity of the farm holding. More disturbingly, in the future MAFF proposes that the area payment is based on the current carrying capacity of the land, so the subsidy will actively work against the restoration of wildlife-rich upland grazing lost to intensification during the last 50 years. MAFF have yet to say how environmental conditions will apply in LFAs, or anywhere else.

**Assessment:** LFAs need urgent reform, as they account for much agricultural damage to SSSIs. All payments should be made on an area basis and environmental conditions should be applied and enforced. Environmental premia should be used to ensure sustainable hill farming continues. While MAFF’s latest reforms are helpful, they represent only part of the solution in the uplands.

### 5.3 Agri-Environment Schemes

Agri-environment schemes are the only mandatory measure within the RDR. Regional Development Plans for each country have been prepared, though not yet published. They identify priorities for action under the RDR. A number of options within the RDR have not been taken up, including payment for early retirement of farmers, and targeting incentives to areas which require special management for environmental purposes, an approach which could have helped provide ring-fenced funding for SSSIs.

MAFF have decided to use the modulation mechanism from the horizontal measures (see below) to take a little money from production support and “recycle” it into the RDR budget. Under CAP rules it would have been able to recycle 20% of production support in this way. MAFF’s plan is to start at 2.5% in 2001 increasing to just 4.5% in 2005. The Treasury (as is required by the CAP) has agreed to match this recycled money pound for pound. This means a real increase in budget for the Countryside Stewardship and Organic Aid Scheme but not ESAs, although these are still oversubscribed. There is also a significant downside to the scheme - every farmer who currently receives production support pays the same proportion into the RDR pot, an approach which punishes small, wildlife-friendly farmers and helps large businesses as smaller farmers will experience a greater knock to their income. This threatens to wipe out some small “inefficient” farms, so they can be incorporated into larger “efficient” agri-businesses.

When agri-environment schemes are reviewed in 2003, MAFF will need to ensure that Countryside Stewardship is available to all land managers, delivering benefits beyond the “duty of care” baseline. In particular, agri-environment schemes should target organic and other low input farming systems.

**Assessment:** Despite modulation, agri-environment schemes will continue to be under funded, particularly the organic aid scheme. MAFF missed the opportunity to create a ring-fenced fund for SSSI management and to modulate incomes from the richest farmers at high levels to aid wildlife and the small farming sector.
5.4 Reform of the beef sector

Agenda 2000 reduced beef intervention payments, but increased headage payments as compensation. The Beef National Envelope was also introduced, which provides a small amount of extra funding to support beef farming “in such a way as to ensure equal treatment between producers and to avoid market and competition distortions”. This can be simply added to existing beef headage payments, or offered as an area payment. The wildlife agencies proposed using an area payment to encourage farmers to meet environmental criteria, such as low-stocking, reduced inputs, and targeting areas where wildlife depends on cattle grazing. MAFF decided to follow the industry’s suggestions, using the BNE to top-up suckler cow premium payments. Agenda 2000 required a 4% cut in national suckler cow premium quota in the UK, and MAFF has decided to reduce all producers quota by a flat rate. This approach punishes the smaller producer with low stocking densities, though they can appeal to MAFF for exemption from the cut. Extensification payments will be made at stocking densities up to 2 LU per ha, with no encouragement to reduce densities below 1.6LU per ha, which itself is far above a sustainable level for SSSIs.

Assessment: Beef sector reforms could have helped management of SSSIs dependent on cattle grazing, but instead concentrated on helping larger producers produce more cattle.

5.5 Horizontal Measures

The Common Rules or “Horizontal Regulation” of the Agenda 2000 reforms oblige member states to take appropriate measures to reflect the environmental effects of CAP-subsidised agricultural activities. This could include environmental conditions, but is incoherent, and leaves member states to decide how it will be implemented. It could mean merely abiding by the MAFF codes of agricultural practice on soil, water, pollution and so on. At the other extreme environmental conditions could require a minimum percentage of all farms to be devoted to the creation, maintenance or enhancement of semi-natural habitats. The wildlife agencies recommend the introduction of environmental conditions in three stages starting with mandatory adherence to existing statutory requirements such as current legislation on planning, pollution control, wildlife protection and access regulations, in addition to adherence to codes of good agricultural practice. This would explicitly include avoiding damage to SSSIs. The second stage of environmental conditions would require the maintenance and management of existing habitats and landscape features. The third stage requires positive works such that each and every farm contributes to the overall wildlife resource. The introduction of environmental conditions will require an implementing regulation from the European Commission.

Thus far, MAFF have failed to report how they intend to deliver environmental conditions. In “a new direction for agriculture”, agri-environment schemes are cited as delivering environmental gain, as if that were an acceptable alternative. It seems unlikely that MAFF will introduce new conditions on production support, concerned as they have traditionally been that these will confuse farmers, be unenforceable, not deliver any environmental benefit, and cost too much.

Assessment: Application of environmental conditions could help minimise almost all deliberate damage from agriculture to SSSIs, but it seems very unlikely that MAFF will take this opportunity to introduce them.

5.6 Response to Agenda 2000 reforms from NFU and CLA

CLA have proposed a Land Stewardship Programme to deliver the environmental objectives of Agenda 2000. This is based on the existing agri-environment programme, and would replace cross compliance, extensification premia, and national beef envelope and revise LFA measures. The programme would have four tiers, starting with good agricultural practice; tier two would require
management of existing features, habitats, landscape and access; tier three would fund the creation of new features, habitats etc and tier four would support the management of existing features in specially designated areas, presumably including SSSIs. CLA highlights funding as a major issue, arguing for much more funding to support Agri-environment measures, to ensure their effectiveness as a replacement for production payments. CLA suggest splitting the existing CAP budget equally between agriculture, agri-environment and socio-economic development.

CLA does not agree with cross compliance, though it agrees that codes of good agricultural practice should be adhered to, and that no extra funding should be available for compliance. However, it does not consider that demonstrating even the bare minimum good practice stipulated by the codes should be linked to CAP payments, arguing that the approach is illogical, discriminatory and confusing. Instead, CLA proposes that all environmental gain should be paid for through Agri-environment measures, that is an entirely voluntary approach. Their Land Stewardship Scheme (LSP) would also be entirely voluntary and available to all land managers. For specially designated areas (like SSSIs) land managers would be encouraged to protect maintain and enhance features – somehow this encouragement would help to ensure that these crucial features were managed optimally. CLA suggests no ways to ensure that land managers who had not been sufficiently encouraged by funding would be required to ensure positive management, even on Natura 2000 sites.

NFU are similarly opposed to any cross compliance conditions. Andrew Clarke, environmental advisor to NFU worries that Britain will be at a competitive disadvantage with other EU member states if different conditions apply in different countries. “In one country you could have costly environmental conditions that require the maintenance of hedgerows or wildlife habitats, while in another a farmers production potential could be unaffected as long as he looks after a patch of woodland or encourages bird life on the farm.” NFU, like CLA, want environmental measures kept right away from production support payments; “The best place to pursue environmental measures would be through the rural development regulation part of the reform package” say Clarke.

Assessment: NFU and CLA accept that changes to SSSI law and policy are inevitable. While objecting to weakening of the voluntary principle, and cross compliance, they do urge an increase in funding for wildlife agencies and agri-environment schemes, and highlight the importance of good relationships and understanding between wildlife agencies and SSSI owner/occupiers.

5.7 Conclusion

The incentives currently available are failing to deliver positive management on SSSIs. While WES and Section 15 agreement have had some successes, and can be tailored to individual farm needs, both schemes are insufficiently funded to deliver positive management on all SSSIs. New finances and new financial guidelines are needed, sufficient to reward SSSI owners who manage their sites positively.

Before Agenda 2000, agri-environment schemes have been used to support SSSI management, but in future these schemes should focus on protection of non-SSSI habitat. It seem very unlikely that Agenda 2000 will deliver anything particularly useful for SSSIs. The Rural Development Regulation needs much more funding, despite increased resources from modulation. Reforms to the LFAs will not stop the damage from overgrazing, although the proposed introduction of area-based payments and environmental premia are welcome. The attachment of environmental conditions to all CAP payments could drastically reduce the number of damaging incidents on SSSIs, but the chance of these being introduced seems very slim. While the land-owning NGOs object to the voluntary approach being replaced, they recognise that incentive regimes need more funding, and highlight the importance of a good working relationship between the agencies and SSSI owner/occupiers.
Analysis of regulatory proposals

6.1 Introduction
The new regime announced by the Government demands a new examination of how to deliver positive management, while at the same time supporting jobs in hard-pressed farming communities – especially given so much land rich in biodiversity is marginal from a farming point of view. The Government’s measures require positive management of SSSIs; this in turn requires a new way of funding this management from agricultural budgets. It is not intended to repeat the case for new wildlife laws, as this has been made elsewhere, and a broad consensus reached.

6.2 Proposed changes to legislation, relevant to agricultural practices
The Government published its proposals for strengthening SSSI protection and management in its Framework Document of July 1999. In this document, proposals were made to close some of the loopholes in the Wildlife and Countryside Act 1981, following a long-running campaign by Friends of the Earth and other environmental NGOs.

The package includes legislative and policy changes, but there was no discussion of financial and incentive changes. There are a number of proposals in the Framework Document, which could have an impact on the relationship between agricultural practices and SSSIs. These include:

- stiffer penalties for deliberate damage to SSSIs
- the removal of the presumption that profits foregone compensation will be paid and encouragement of positive management
- powers to refuse permission for owners/occupiers to carry out potentially damaging operations
- powers to make positive work orders in limited circumstances

The Framework document also recognises the importance of MAFF and DETR working together to ensure that agricultural policies contribute to SSSI protection and management. This seems somewhat ironic when MAFF Agenda 2000 policy development seems to pay only lip service to such an understanding. English Nature have also been asked to provide advice on improving the relationship between agency staff and SSSI owner/occupiers, and the DETR will prepare a new code of guidance for EN to work with.

Assessment: The Government in its Framework Document recognises that to achieve positive management for all SSSIs stronger legislation is needed, alongside improved financial arrangements and more consideration in MAFF agricultural policies. However new incentive regimes have not been developed.

6.3 Positive Management – Wildlife and Countryside Link proposals
NGOs within Wildlife and Countryside Link published proposals for achieving positive management of SSSIs in the spring of 1999. One central tenet within these proposals is the conservation contract. If SSSI owner or occupiers are not already within a voluntary agreement or
do not wish to enter into such an agreement, a conservation contract can be drawn up, laying out the actions required for positive management. If an owner occupier failed to carry out the appropriate management, the agency could serve a management order, stipulating actions required to achieve positive management. If ignored the agency could step in and do the work itself, though this would apply to one-off activities such as capital works; WCL did not envisage the agencies carrying out ongoing management on a site, such as grazing. Continuing failure to comply could eventually lead to compulsory purchase.

Friends of the Earth believes that the work order is the main guarantee of positive management on SSSIs. Importantly though, increased financial resources must be made available to owner/occupiers of SSSIs to ensure that the positive management is adequately paid for. Conservation Contracts could be useful adjuncts to the combination of incentives and the work order. But the current proposals fail to address the problem of ongoing lack of management, or neglect. While the agencies would be able to step in and undertake one-off capital works on an SSSI, there is no proposal to take on management activities such as grazing on an undergrazed or ungrazed site. This could be remedied if the agencies were empowered to organise such ongoing management themselves, or using a third party, to achieve positive management.

Assessment: Conservation contracts between agency and owner would bind both sides to agreed management objectives. If this approach fails, work orders would address some positive management requirements, but would also need to deal with ongoing management needs on neglected SSSIs.

6.4 Views from the farming and land-owning bodies

The CLA and NFU both highlight the need to improve relationships between conservation agency staff and owner/occupiers of SSSIs; what the NFU call the “partnership deficit”. Both organisations firmly believe that agency staff must understand the principles of modern agriculture to work effectively with farmers. Both oppose the power to refuse permission for damaging activities: the CLA argues that PDO lists should be replaced by an agreed site management statement with activities requiring consultation, a proposal akin to that within the WCL positive management paper. To tackle neglect, the CLA proposes a number of options, ranging from payments through management agreement or agri-environment schemes, through to sale of SSSI land to agencies at market value, lease-back, and compulsory purchase. The NFU argues that an increase in resources will address neglect. Both organisations agree that the agencies need a significant increase in resources to fund SSSI management. While both argue for some element of the profits foregone approach to be retained, the NFU opposes targeting of agri-environment funds towards SSSI management.

Assessment: The land-owning and farming organisations argue for more understanding of agriculture within agency staff and for better relationships between agency staff and landowners. FOE agrees this is a critical issue and must accompany improved legislation, regulations and incentives to achieve positive management such that improvements are made to give voluntary agreements more opportunity to work.

6.5 Conclusion

The Government’s Framework Document identifies legislative measures which will help protect and manage SSSIs, but also identifies the need for new financial guidelines, better agricultural policies and the need for better relationships and understanding between agency staff and SSSI owner/occupiers. The land-owning NGOs see this issue as central to achieving SSSI management, a sentiment which FOE strongly endorses. WCL proposed conservation contracts between agencies
and SSSI owner, binding both sides to agreed management objectives. If these fail, positive
management orders would help address one-off management activities, but must have the ability
also to help with longer term management issues.
Overall conclusions and recommendations

7.1 Introduction

Based on the analysis of data and policies so far, Friends of the Earth has identified a number of key principles which should be used to develop a new incentive regime for SSSIs in England, Wales and Northern Ireland.

7.2 Dealing with the damage

The main sources of damage from agricultural activities on SSSIs has been overgrazing, neglect and fertiliser use. The case studies and analysis of policy indicate that overgrazing can only be adequately dealt with through agricultural policy reform, with a redirection of incentives away from production, particularly headage payments, and stronger, better enforced environmental conditions. Neglect on SSSIs cannot be dealt with in this way, but requires better funded incentive regimes, perhaps based on the wildlife enhancement scheme, but bigger and better. There will always be some SSSI owners who will not be interested, no matter how much they are offered, and management orders may have a role to play here. Alternatively wildlife agencies may have to consider some form of lease or purchase arrangement. Fertiliser use may best be dealt with through enforcement of stronger legislation, particularly against repeated offenders. Better incentives to manage positively would encourage owners who might be tempted to use fertiliser to avoid such temptation.

Key Principle 1: With new legislation, SSSIs will no longer be subject only to the existing suite of voluntary agreements; the Conservation Agencies will have tougher duties to deliver positive management and the current pick-and-mix approach to funding will have to be rethought.

Key Principle 2: Payment rates must be based on guiding principles but be negotiated on a site-by-site basis. Basic environmental conditions on CAP payments should be a legal requirement, so owning an SSSI will not necessarily entitle an owner/occupier to positive payments.

7.3 Costs

Positive management for all SSSIs is not going to be free. In evidence to the House of Lord Select Committee on the European Communities, Dr. Andrew Brown of English Nature estimated that it would cost EN an extra £20m per annum to achieve positive management on the 30% of SSSIs in England that are unfavourable and declining. CCW has not ventured a figure for positive management of SSSIs in Wales, but using EN’s figure as a basis for estimating CCW’s cost, it could be near to £5-10M a year. Assuming Northern Ireland’s ASSIs cost another £5M per annum, would give a total of around £30-£35M per year to achieve positive management for all SSSIs in England, Wales and Northern Ireland.
This is still a trifling figure compared with the £2 billion annual spend on the CAP, and would deliver real public benefit, as well as providing core income to farmers who are in desperate need of support for sustainable agriculture. And by ring-fencing funds purely for SSSI management, agri-environment funds can be freed for use on sites beyond the SSSI network, and where the multi-purpose objectives of the agri-environment schemes are best suited.

A review of the Financial guidelines for payment of management agreements on SSSIs is now long overdue. FOE have identified a number of proposals to recommend to that review. Central to these is the abandonment of the discredited profits-foregone basis. But payments should also be transparent and open to public scrutiny; public money is being spent and should be accounted for, even when delivering positive management. Payments should reflect the value of SSSIs to the nation, the costs of management, but they should not aim to compete with production subsidies. Stronger legislation must ensure that SSSI owners are not tempted to damage SSSIs in return for receipt of production subsidies, while this perverse situation continues. SSSI management should be seen as contributing to the development of a sustainable farming economy, securing jobs and providing incomes in the long term.

Key Principle 3: The SSSI payment system will have to focus on delivering positive management, not always using agri-environment funds which are multi-purpose by nature

Key principle 4: There is no place for payments on profits foregone basis, but discretion must be available to Agency staff to negotiate a fair agreement, as there are extra costs involved in SSSI management.

Key principle 5: Payments must be transparent and open to public scrutiny and be fair to the owner/occupier and the public.

Key Principle 6: Payments should not aim to be competing with production subsidies but should be seen as contributing to sustainable agriculture, securing jobs and incomes in the longer term.

7.4 Rewarding the stewards

The new incentive regime must be based on providing rewards for SSSI owner/occupiers who are managing their SSSIs in partnership with the wildlife agencies. For too long SSSI owners who have been managing their sites well have watched uncooperative owners reap dividends from the profits foregone compensation system, and seen other landowners benefit from agri-environment schemes which pay handsomely for creating habitat, while offering scant, if any incentive for maintaining the more valuable existing habitats.

Key Principle 7: Support for positive management of SSSIs should be enhanced to reflect its importance compared with old style profits foregone compensation, and payments for habitat creation. The value of maintenance of existing habitat must be considered a greater priority. Any changed existing or new scheme must act as a genuine incentive on SSSIs.

7.5 Whole Farm Approach

SSSIs are too often taken out of the agricultural context of a farm, both by the farmer and the wildlife agency. If SSSI land is seen as part of a farm business, it is much less likely to be neglected. The whole farm approach used increasingly in agri-environment schemes would help owners and agencies to integrate SSSI management into other farm activities, while simultaneously ensuring
that those activities did no damage to the SSSI. Positive management of SSSIs can also deliver downstream benefits in the adjacent land and the wider countryside. Looking beyond the farm to river catchment management and the creation of buffer zones, which could be paid for through agri-environment schemes, would deliver more conservation bang for each buck spent on an SSSI.

Key Principle 8: Regulatory and incentive frameworks need to be applied to land adjacent to SSSIs – buffer zones, river catchments and common land.

7.6 Training
Achieving positive management for all SSSIs will take time and agreement will require much one-to-one negotiation between wildlife agency staff and owner/occupiers. It is essential that both sides speak the same language and understand each other’s needs. Both the Government and land-owning NGOs have identified an urgent need to foster understanding between SSSI owner/occupiers and agency staff. FOE thinks that training programmes should be established for all agency staff to increase their understanding of modern agricultural systems and the part SSSIs can play in those systems. Equally SSSI owner/occupiers deserve an investment in training about the importance of SSSIs and their place in the modern farming economy.

Key Principle 9: All payments on SSSIs should be regulated and made by conservation agency staff acting as a “one stop shop” to minimise bureaucracy. To develop the one-to-one relationship effectively, agency staff need the skills and knowledge of farming systems to be able to negotiate effectively over the kitchen table; a review of agency staff knowledge and skills is needed, and training programmes developed.

7.7 Recommendations
Friends of the Earth recommends the Government, National Assembly for Wales and the relevant authority in Northern Ireland adopt these principles to develop an improved incentive regime for the positive management of SSSIs in England, Wales and Northern Ireland.

Friends of the Earth recommends the Government makes additional resources available for SSSI management with an increase of at least £30-35 million per annum.
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