Environmental Audit Committee

Oral evidence: Marine Protected Areas, HC 914

Wednesday 5 March 2014

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Written evidence from witnesses:

North Sea Marine Cluster

National Federation of Fishermen's Organisation

Watch the meeting

Members present: Martin Caton (Chair), Peter Aldous, Neil Carmichael, Katy Clark, Zac Goldsmith, Mark Lazarowicz, Caroline Lucas, Caroline Nokes, Dr Matthew Offord, Mrs Caroline Spelman, Dr Alan Whitehead, Simon Wright.

Questions 74–119

Witnesses: **Rodney Anderson**, Adviser, North Sea Marine Cluster, **Dale Rodmell**, Assistant Chief Executive, National Federation of Fishermen's Organisations, and **Gus Lewis**, Legal and Government Affairs Manager, Royal Yachting Association gave evidence.

Q74 Chair: A warm welcome to this meeting of the Environmental Audit Committee on marine protected areas. Would each of you introduce yourself and your organisation and then we will move on to our questions?

Rodney Anderson: My name is Rodney Anderson. I am an adviser to the North Sea Marine Cluster. It is a non-profit organisation that brings together academic, public and private sector expertise. We look at marine issues in the broad.

Gus Lewis: My name is Gus Lewis. I am with the Royal Yachting Association. We are a members organisation, representing the interests of recreational boaters under sail or power but not paddle.

Dale Rodmell: Hello. I am the Assistant Chief Executive of the NFFO, National Federation of Fishermen's Organisations. We represent fishing businesses in England, Wales and Northern Ireland.

Q75 Chair: Thank you very much. I will kick off. How satisfied are you that the needs of your members were properly reflected in the designation of the first tranche of the MCZs?

Gus Lewis: I am happy to start. Up to a point we are reasonably comfortable with the way that recreational boating interests were taken into account. Most of the areas that were of primary concern to recreational boaters were not included in the first tranche. The real interest for us, which we might come on to a little bit later, is that the management measures and designation of a marine conservation zone in itself are no bad thing for recreational boaters. In fact quite the opposite; it is probably a good thing. Until we know what, if any, activities are going to be restricted or prohibited within that zone it is quite difficult for us and our members to work out whether they are in favour or not. I appreciate that is a separate issue.

Chair: We certainly will be moving on to management issues.

Gus Lewis: We are reasonably comfortable with the designation of the zones in the first tranche.

Dale Rodmell: Our view has been that the early part of the process, the selection process under the four English regional projects, was undertaken at a rather rushed pace. From the point of view of having the involvement of the stakeholders at the local level, I would say it was variable on a case-by-case basis. The tight timeframe meant that decisions were taken rather quickly and it was difficult to return to those issues when new evidence or new issues emerged, just by the nature of that process. In comparison, I think the Scottish process, although it was much more centrally led by Government, perhaps in the final analysis has been the better one in terms of taking into account the interests of those people who operate at sea. In comparison, the English process has been one of declared interests versus those interests who have something at stake in the decisions that are made. I think that came through in the designation of the first tranche in some cases, for instance in Hove Bay, where it was felt the local fishing community had not been adequately involved in that process.

Q76 Chair: You think that in the early part of the process the environmental concerns were outweighing commercial and leisure interests. Sorry, I am putting words into your mouth.

Dale Rodmell: I think it had good intentions in terms of a stakeholder-led approach. The problem is that in those kinds of situations, in a direct democracy if you like, the small interests, the ones who are not at the table, sometimes do not get heard. I think that can be better dealt with through Government who can mediate between the different interests and weigh up all the issues to make the necessary decisions. It is difficult, potentially, for Government now, because you have had a stakeholder-led process that has a certain amount of legitimacy attached to it, to come back and say, "We don't think you necessarily took into account issue A, B or C", simply because central Government was not directly involved in the process in the first place.

Q77 Chair: In consideration of future tranches, even as a stakeholder process, do you see ways that it can be improved or would you like central Government to step in?

Dale Rodmell: When I say "central Government step in", I am not suggesting that stakeholders do not have a say. That is very important. It is just that central Government is able to arbitrate between the various issues better than happens in a broad stakeholder process, I would suggest.

Q78 Chair: Do you have any comment on that, Mr Anderson or Mr Lewis?

Rodney Anderson: We start from a different position. We were largely observers in the process, although we were represented at the net gain meetings. We have looked at this from the point of view that once the hand is dealt, the marine conservation zones have been identified, what then? Our primary focus has been on the future management of sites, but we were certainly pleased to see progress, inasmuch as the 27 sites had been declared, and we have more recently seen the announcements about the next tranches, but, as with colleagues, we remain concerned about the lack of clarity on the management measures, which I know you are going to be coming on to.

Chair: We are going to come on to that.

Gus Lewis: I would just add to that. We were very heavily engaged with each of the regional projects as they evolved and, in principle, we thought the idea that the users and the various interest groups were the generators of the central sites was a positive one. I think the difficulty came when each of those groups was tacitly, if not overtly, set a quota and, therefore, were expected to produce a number of sites in their reports. Where a significant proportion might have been universally agreed among stakeholders, the degree of consensus perhaps weakened towards the margins because it was felt that there were not sufficient sites being put forward, therefore we need to find a few more sites, therefore we need to find a few that perhaps we are all not quite so agreed on. Towards the margins in the reports there are a number of proposals that we were less happy with but they are in there because they needed to make up the numbers.

Q79 Katy Clark: There have been calls for a much higher level of evidence to be used in the designation of further marine conservation zones. Where do you think the data gaps are, if there are any?

Rodney Anderson: I think one of the principal data gaps is on the socioeconomic evidence. This is always going to be a difficult call. Unlike, for example, the European marine sites where for declaration the sole consideration is the environmental factors, once you have to weigh up the social, economic and environmental, in the end it becomes a political choice, frankly, case by case. The challenge is what is appropriate and we have noticed that in the recent announcement the Government has used the same sort of terminology. There are phrases such as “an appropriate balance” and “adequate evidence”.

The question you are asking me is, what is adequate and what is appropriate? I suppose I am saying I do not really know. It is going to be like McMillan’s elephant—we will know it when we see it. It seems to me the Government needs to be much clearer about the parameters that it is going to operate within, for no other reason than to manage expectations. That seemed to be the principal problem last time. Everybody, I suspect including the Minister, was rather surprised when the process temporarily hit the buffers because there appeared to be different understandings about what was going to be adequate and what was not.

On the socioeconomic evidence, if we contrast that with what has now happened or has happened on the environmental side, there has been a welcome announcement about extra moneys in order to ascertain additional evidence and identify the sites from a marine science point of view, a biological point of view, but there has been no announcement, as far as I am aware, and there is no indication of how the other evidence is going to be gained other than through the normal processes. We wonder whether that is simply going to be adequate. There were clearly concerns last time.

If the same process is repeated the question really is, is what emerges going to be adequate or not? This is important because it is not just about costs—and understandably users tend to focus on the cost—but it is also the benefits of marine conservation zones. It is vital that there is a better understanding of the benefits that will come through for all users of the marine environment from the declaration of the marine conservation zones.

I am sorry, I realise I am going on a bit. I just have one quick further point. There is an opportunity here. There is a marine planning process. It seems to us that there could be a much closer alignment between the marine planning process and marine conservation zones. At the moment they seem to be running along separate parallel lines, with a debate taken in one forum and a debate taken in the other. We think the two processes should be brought together.

Chair: Thank you, Mr Anderson. You are quite right that that was quite a long contribution, but it was useful for our evidence gathering. What I would appeal to all members of the panel is, if basically you agree with what somebody else has said, do not feel it necessary to repeat that. Supplement it by all means, but it is not necessary to repeat it. Mr Lewis?

Gus Lewis: Taking that point, I would agree with what Rodney says in terms of socioeconomic evidence. There is a huge amount of work being done to gather new environment evidence and the Government is investing in in primary research. That is much more difficult for stakeholders who are interested in the socioeconomic to generate, so I will not go over the same ground there.

In terms of what level of detail is required, Rodney referred to McMillan's elephant. It is almost the other way round as well. You can see it when it is not there. If you will forgive me an example, north-west of the Isle of Wight, Alum Bay, was proposed as a reference area in which all external activity would be excluded, and the reason for proposing that was the stalked jellyfish, which was seen on one occasion over 20 years ago. When you look into the report that supposedly justifies this sighting, it was never finished. The schedule that supposedly details this species being sighted there was never included in the report and when you speak to the author and JNCC and the others, they cannot find it. In our view, if you are going to use that as a basis for basically prohibiting what would otherwise be lawful activity, that is not good enough evidence as far as we are concerned.

Dale Rodmell: If I could add to that, I think there are two issues as far as evidence is concerned. One is knowing what you are seeking to protect, the conservation features, and that is obviously down to surveying and other methods. The other is handling evidence, in terms of making an eventual decision on what management measures would take place. I think there are different levels of stake involved, high stakes and low stakes. For the environment, a high stake site is something that is very vulnerable or fragile and would, therefore, need precaution management, potentially, whereas for economic interests obviously it is value that is involved. But we must not also forget that there are existing human activities out there and if they are displaced that can have either a positive or negative effect, depending on what happens.

What we have not seen in great detail so far is how to handle the different levels of evidence to make those decisions on management. We advocate a risk-based approach that deals with precaution where it is necessary, but outside of those areas there is much more scope for consensus to be built between different stakeholders on what management should take place in a more adaptive way so that you gather the evidence to inform what your current status is. However, over time you increase that level of evidence to know what effect your levels of pressure are having on the different features and then you can adjust your management accordingly over time.

Q80 Katy Clark: You mentioned earlier the process in Scotland where you felt there was a higher degree of consultation and they came out to communities and held events around the country. Do you think there would be a large cost involved in extending the levels of consultation for the future tranches? Who should pay for that, if you thought there was a high cost, or do you think it would be relatively inexpensive to take the steps you think are necessary?

Dale Rodmell: The Scottish process has taken a lot longer in its first stage of selecting sites. It has been able to undertake that in a more steady way, I think, so spreading its costs. I do not think that it would necessarily be a huge expense to continue that kind of approach into the future. I do not have the figures but I would not expect it to be, although when we are talking about further offshore then it is going to include other international stakeholders as well, which will add a level of cost. Ultimately I think it is necessary in order to make the right decision and to avoid the kinds of unintended consequences I mentioned earlier on displacement of existing activities.

Q81 Katy Clark: You say it would take longer. How much longer do you think would be an acceptable further period of time? These things could go on forever. You can keep gathering evidence. At what point do you think you would feel that that was sufficient evidence to make a decision?

Dale Rodmell: Absolutely, it cannot be an unending process, but we are trying to deliver a network of marine protected areas in a very short space of time. Initially 2012 was the timeframe, which was only two and a half years at the time. Now we are looking at something like six years, which is still a very tight period. We are talking about in excess of 100 sites. It would be easy to comment and say we could deal with it if we had one or two or five sites, in terms of the processes that regulators and conservation advisers would have to go through, but when we are talking about the sheer quantity of numbers here—potentially 67 for the next tranche—that is a huge burden on regulators and conservation advisers, not to mention stakeholders as well. We certainly advocate that those potentially affected by regulation should be centrally involved in that process, yet ultimately, if we are trying to deliver all this at once, then corners tend to be cut.

Q82 Caroline Nokes: Following on from that, we are aware that DEFRA last week published an updated list of the potential sites for the second tranche. Does the panel have any comments on the suitability of those sites that have been listed?

Dale Rodmell: A mixture, as I think is always the case with these things. I think it partly reflects the selection process that my colleague Gus mentioned earlier and was working under the network selection guidance. In some cases that made decisions that I would argue did not deal with this issue of displacing existing human activities. From that point of view, we have concerns so far as the selection of areas of mud habitat is concerned in the Irish Sea. We think they should be looked at with more scrutiny and also taking into account the fact that the Irish Sea, in terms of governance, is multijurisdictional. The Northern Ireland process is moving forward now. I think it makes sense to be looking at it in sync with that process, as well as what has been happening in the Scottish process.

Gus Lewis: Of these 37 being proposed, probably 25% are of concern, in principle, to recreational boating only to the extent that, of course, we do not know what management measures will be applied there, but they are popular recreational boating locations. To give you an example—apologies, on the south coast again—Newtown Creek on the north coast of the Isle of Wight would be in the Cowes to Yarmouth marine conservation zone. It is a beautiful place to go and anchor and spend the night. Being a marine conservation zone would probably be a wonderful thing provided you are not prohibited from anchoring in it, because that is part of the reason for going there. Provided that is not a factor then we do not see any reason why these sites should be a problem, but we will see what comes out of the management measures.

Rodney Anderson: Given that the Government has started where it is starting, we think it is a sensible approach to do it in tranches and to seek to plug the bigger gaps. What is not clear from this is whether or not this is over-programming. If some of these sites fall away, does that leave big gaps? What is going to happen about alternatives to those sites; if they are found not to be suitable for one reason or another, what then?

On the point about "we start from where we start", this is probably not the position we would want to start from. We have previously urged that there should be a larger programme of seabed mapping that would have enabled and would still enable the regulators and the Government to make more measured choices about where these sites might be located and to address some of the issues that have been raised by colleagues about displacement effects, for example.

Q83 Caroline Nokes: Following that up, the second tranche is larger than the first tranche, 37 as opposed to 27. Do you have any comments to make about the rate of acceleration?

Rodney Anderson: Not other than to say it is pleasing to see there is a rate of acceleration. After all, this kicked off many years ago. The regional projects were formulated in 2008. I think they started in 2009. It is a long way back. I would like to see measured but now rapid progress in introducing the marine conservation zones, not least because the uncertainty at the moment leaves a kind of planning blind as well as leaving, quite possibly, vulnerable sites exposed. Let us get on with it. The acceleration in that sense is welcomed.

Gus Lewis: From our point of view, the challenge for us is that, as we progress through the different tranches, we have done the easy ones first and the further we go down the line they are potentially more contentious or there is less consensus or the evidence is not perhaps as strong. The challenge for us is if it accelerates exponentially there will be an awful lot of quite difficult ones to deal with at once.

Dale Rodmell: I would certainly agree with that comment. We would like to understand management measures upfront, definitely, but it has to have a due process that underpins it in terms of the evidence-based process. That is something that has been lacking so far. This process has been going on since 2009 or 2010. It surprises me that we still have not come to grips with trying to understand, certainly for fishing activity, how we need to deal with understanding the intensity of activity and how that relates to the various conservation features. That is the basic issue that needs to be addressed.

We have the data. Even on the best available evidence basis, we have data to start working out those issues and understanding how we are going to make decisions, yet we are still sat here now with the first tranche designated and we are still wondering a lot about that, certainly for features such as sand habitats, sediment-type features in particular, where there are lots of shades of grey. If we are dealing with seagrass, something that is very vulnerable, on the sea bed or something, it is fairly clear you draw a boundary around it and prohibit an activity. It is far less clear when it comes to some of these other less vulnerable types of features and that makes it more demanding in terms of how you handle your evidence base.

Chair: You will be delighted to know that we are now coming on to two questions about management, the first from Alan Whitehead.

Q84 Dr Whitehead: On existing zones, your written evidence in various ways highlighted the issues and problems you think there are with management arrangements. What would you describe those problems and omissions as consisting of?

Dale Rodmell: Sorry, I missed the second part.

Dr Whitehead: What would you say the main omissions and problems are for the management of the first 27 zones and how might that reflect on what might be thought about the management of the next range of zones?

Dale Rodmell: I think that partly comes back to the answer to the last question. Certainly for fishing activity, that is about understanding what levels of pressure we need to be talking about in terms of the interaction with a particular conservation feature, and we have not yet even arrived at a methodology. That is definitely a problem. Obviously, once we have that methodology, it is a question of applying it. It should become easier in time, given the evidence we have, although it is worth saying one thing as far as fishing is concerned. The larger section of fleet has a lot of data on it in terms of understanding where fishing takes place. For the inshore fleet, the under-50-metre fleet, that is much less evident. We do not have stuff like monitoring systems for that part of the fleet.

Q85 Dr Whitehead: Mr Anderson, you have said in written evidence that you thought there should be simple and concise management plans for each site and there should be a firm timescale for the production of the plans. Would you like to expand on that?

Rodney Anderson: Yes, certainly. MPA management needs to be both top down and bottom up. What we mean by that is that there should be a clear strategic framework within which the MPA network is established. After all, the aim is to establish a well-managed, ecologically-coherent network. There has been an enormous amount of effort, and probably expenditure, on defining what is ecologically coherent, but I do not think we yet have a definition of what is well managed. I think the working assumption is that it will fall out from what we have. We do not subscribe to that view.

The cluster was sufficiently concerned back in 2010 to commission two sets of research. We organised a conference that looked at the management of MPAs and one of the basic conclusions—and it is pretty self-evident, I know—is that you need a management plan. You need a plan both nationally and for each site. It can be proportionate to the size of the site. It does not have to be a long, complicated document but it should set out what the aims are, what the conservation objectives are, how that site is going to be managed, who is going to be responsible for what, what happens if things do not go to plan, where the money is coming from and so on, so everybody is clear about what is going to happen. Then the kinds of concerns that are being flagged up by a number of organisations that have responded to you as a Committee can be addressed. By lending structure to that process, it will be much more likely to have a result that leads to a well-managed network and a well-managed set of sites.

Q86 Dr Whitehead: Does that imply, though, alongside those sorts of structures and plans, some form of statutory regulation or do you think voluntary management is the way forward?

Rodney Anderson: I think there is a need for both voluntary and regulatory controls backed by legislation and something in between. The something in between would be looking at, for example, market incentives or fiscal incentives or offsets so that, say, fishermen could be encouraged to fish in different ways and support it and help. You would look at a whole range of tools. I do not see that enforced regulation versus voluntary is necessarily a black and white debate. There is a whole spectrum of choices and, within the management plan, that would need to be considered and discussed. In some circumstances solely voluntary would work and in others it may well not. The probability is that you need some form of legal backing because what you need to be able to ensure is that those that comply, which generally will be the vast majority of people, do not lose out to those that do not comply, because that is not fair and it does not deliver the result that you want.

Q87 Dr Whitehead: If you have that statutory backup framework, does that then further imply any sort of sanctions related to that?

Rodney Anderson: Yes, I think it does where you need sanctions. In fact, you probably always need sanctions. The sanctions may take the form of a fine or a penalty or the removal of a licence. It may take peer pressure. It may take removal of a market opportunity, if one was working with the market. There must be a reward and a penalty for this to work, I think.

Dale Rodmell: Nobody is suggesting that we do not implement measures that do not protect the features of interest, whether it is voluntary or whether it has a legal basis. That is the aim at the end of the day. I certainly think it is important that it is considered before legal processes and, as has already been highlighted, that partly depends on having stakeholder input and looking at what, practically, is needed to deliver a particular outcome, whether it is to avoid a particular feature or whether it is to reduce a pressure by a certain amount. I think the question is certainly broader than that because it is about having that dialogue, allowing those decisions to take place and, with those who are managed, ultimately the compliance is far more likely to be better.

I think it is worth saying that within the Marine Act there is the provision to deal with any activities that are recklessly damaging a marine feature, section 140. It is not as if the powers do not exist to deal with infringements. I am quite surprised by the black and white approach to the issue of voluntary measures, because there is far much more to it. I believe there is an obligation within the *Marine Policy Statement*, for instance, and the guidance on bylaw-making for that to be considered.

Q88 Dr Whitehead: Mr Anderson suggested that to some extent it is horses for courses. Presumably some zones would be entirely voluntary and there might be greater use of a backup statutory authority in other zones. How would you determine which is which? Is it by usage, history, problems?

Rodney Anderson: I think that comes down to good knowledge of the site, clarity about what you are seeking to achieve and a proper assessment of the risks. One would look at the potential risks to the features it was seeking to protect, the likelihood of co-operation or non-co-operation, and the scale and impact of it. I am sorry that is a vague answer but I think that is the broad approach and it comes back to risk assessment. The only caveat I would make to that is that risk assessment should not be a tick-box exercise. There is a real danger that it comes to a convenient phrase, "Oh, we will handle this through risk assessment". We have all experienced and seen gateway reviews that give everybody a clean bill of health until a project fails, and there is that risk with risk assessment. It has to be done properly and thoroughly and with an almost intimate knowledge of the users and how they are likely to respond.

Dr Whitehead: Mr Lewis, did you want to contribute?

Gus Lewis: Yes, I would support that. Certainly the overwhelming majority of recreational boat owners do not go out there to damage the environment they enjoy doing their boating in. In the vast majority of cases it is a matter of information and education is by far the most effective way of modifying behaviour. As long as people know there is a particular feature that is endangered and needs protecting, by and large they will choose to avoid any kind of adverse interaction with it. In terms of how you decide which is appropriate for that approach and which would need specific regulation, experience seems to be the starting point. Certainly our experience is that a voluntary approach is the most effective way of modifying behaviour.

As Dale said, you have the general offence of damaging a protected feature. In situations where that demonstrably has not worked, you have the mechanism to introduce bylaws or other control measures. Our preference would be for what we regard as being the most successful approach to be tried first and then, on the rare occasions when that has not proved effective, resort to bylaws.

Q89 Mrs Spelman: I think it is an important question about what happens if some of these sites essentially do not pass the criteria and you are looking for alternatives. Surely the criteria you would use in looking for alternatives would be this question of ecological coherence because that is one of the things, in finding an alternative, that might lack coherence if that is not a major driver. Could you link that to your observation about the way that the marine planning process and the conservation process are not working very well together? What could be done to improve that?

Rodney Anderson: I would agree with you entirely that we have to come back to what the purpose of the exercise is. The purpose of the exercise is ecological coherence. Then the appropriate sites need to be identified. The real challenge is there is a paucity of data. Many of the sites, and probably most of them, have been, to date, identified through one of two routes: because there is already a deal of human activity there—so, in a sense, you are building in potential conflict—or because there is no human activity but we do not know what is there, therefore let us designate that site. That is not a very sensible approach either.

Sorry to plug this, but I think it comes back to—and we cannot do it in a short amount of time—we could begin the process of seabed mapping. There is that opportunity. The Republic of Ireland have done it. They have been doing it since 1999. By 2007, at a cost of €37 million, they had mapped nearly all of their continent for shale. They are continuing that programme, because they believe there are benefits to the environment and the economy, through what has been a pretty horrendous set of economic circumstances. They see the sense of that and I think we do as well. In answering the first part of your question, I have forgotten the second part.

Q90 Mrs Spelman: I think it was Mr Lewis who observed that the marine planning process and the marine conservation process are separate and this is a missed opportunity to synchronise or co-ordinate that better. How could that be achieved?

Rodney Anderson: I think quite simply. The Marine Management Organisation is the marine planning authority. The *Marine Policy Statement*, which has been in place now since 2011, requires certain actions to be taken. It requires that all enforcement or regulatory decisions have to be important, that we all have regard to the *Marine Policy Statement*. The legislation is in place; it is embedded. The Marine Management Organisation has a prime role in looking at the management of the proposed marine conservation zones.

The statutory nature conservation bodies are bound by the *Marine Policy Statement*. I do not think it is a big leap administratively to bring those elements together, to pool the resources and, as you know, DEFRA jointly chairs the Marine Science Co-ordination Committee, which oversees a budget of £170 million a year. There are opportunities there to co-ordinate and bring these elements together.

Dale Rodmell: Could I just add to that a little? In a sense we are where we are because we have at least a proposed network in the making. Ideally, we would have liked to have seen the MPA planning process being part and parcel of the marine planning process from the outset—and, for that matter, it probably would have been a fair amount cheaper for both processes—but I think it is in terms of looking at where we are now and which sites potentially do not make too much sense from a marine planning perspective as well. That needs to be looked at alongside the need for creating an ecologically coherent network.

I will come back to the point I have made a couple of times about this issue of what happens to existing human activities. I think that is a critical issue that has not been dealt with in the marine protected area planning process to date, but it is possible to address it by looking at the sites where you consider there would be negative displacement. We are talking of an area that is heavily fished, for instance, already. It is a modified habitat, most likely. We want to avoid that fishing activity being moved into more pristine areas, areas that are not fished or are not subject to pressure. That is the unintended outcome we want to avoid and I do believe we have the datasets now to be able to map that and look at the existing network in terms of the risks that may come about from that and adjust accordingly.

Chair: We are reaching the end of the time for this session. We have one last set of questions from Zac Goldsmith. I would ask you if you could avoid repeating something you have already said, because we have a very short period left.

Q91 Zac Goldsmith: I was going to ask, generally speaking, what changes you would like to see to the management arrangements going forward in the second tranche, but I think you have more or less answered that. If you want to add anything, please feel free to. Before I get into the specifics, Mr Anderson, just very briefly, you mentioned the work being done in Ireland in terms of mapping. How detailed is the mapping? What level of information did they get from the mapping exercise they undertook?

Rodney Anderson: They have considerably more detail than we have at the moment. It depends which Government website you look on, but the JNCC website suggests that we have mapped, in the kind of detail that one requires, for example for marine planning or identifying marine conservation zone features, about 10%. Ireland have up to about 80%. They are now moving on to their second tranche, looking at this in even further detail to see what opportunities there are for economically exploiting certain areas of their marine environment.

Q92 Zac Goldsmith: Does the mapping include a sort of inventory of the life that exists in the area?

Rodney Anderson: Yes.

Zac Goldsmith: That would presumably need to be upgraded regularly.

Rodney Anderson: It would need to be upgraded fairly regularly, but it would be considerably better than what we have at the moment because the bulk of our data is based simply on modelling.

Q93 Zac Goldsmith: I am going to move on to my next one, which I am also going to ask you. We are about to hear from the Marine Management Organisation after we have finished this session. You suggested they should be designated as the lead authority for managing MCZs. Do you believe they have the resources and the power to take on that responsibility?

Rodney Anderson: I think the short answer to that is yes. No doubt the chief executive will have a view but, yes, I think it does. As I was saying earlier, it is not a great leap from where we are now. The primary responsibilities will continue to rest with the organisations that have those responsibilities there. What we are proposing is that somebody needs to hold the reins. Somebody needs to bring all these threads together and create an opportunity for synergies and more cost-effective management and ensure that there is not duplication and overlap. I would say that this could be done probably with two or three people.

On the question of whether or not they have the authority, what we are talking about is leadership, accountability, transparency and bringing these elements together. It does not need legislation or extra powers. It needs a group of organisations and individuals saying, “We are prepared to work together”.

Zac Goldsmith: Does anyone else on the panel want to comment on that before I move on?

Gus Lewis: No, I would support that.

Dale Rodmell: I would support that. I would add, though, from a technical point of view in terms of implementing management measures, the MMO, from a fisheries perspective at least, is responsible for the fishing activity whereas the statutory nature conservation bodies are responsible for giving advice on the state or the potential effects on ecology. You have to bring these datasets together to understand the interactions and risks involved. One of our concerns is that that institutional separation could create problems in terms of making the best use of your science and data.

Q94 Zac Goldsmith: How do you get around that then? If this organisation were to act as a lead on MCZs and managing the MCZs, how would you—

Dale Rodmell: It is down to good working practice, at the end of the day. I am not going to add any more than that.

Q95 Zac Goldsmith: I think we will probably get into that in the next session, but I have a question for you as well, Mr Rodmell. You have said that there is an increasingly toxic atmosphere between the stakeholders and the MCZs. Can you explain what you mean by that and give me an example?

Dale Rodmell: We have had legal challenges in the past with respect to European marine science, but more recently there was at least a threat of legal challenge with respect to management of the current set of sites. That has led to DEFRA moving forward with a revised approach to management, which the fishing industry and conservation bodies are both involved in. Certainly it has added another layer of burden at the moment in terms of delivering this all at once, but our concern is if those threats—

Zac Goldsmith: Sorry, who are the threats from?

Dale Rodmell: In this case it was the Green Conservation Society. I am not saying it was legal proceedings, of course. This was a challenge that protected measures were not taking place sufficiently, as they saw it, within the existing set of sites. Our concern is that that leads to a breakdown of collaborative working and forces decisions to be made, and I come back to the issue of having your evidence in place to know what management measures need to take place. As has already been said, you need a process for managing that and timelines and so on. The problem is that if you get a legal challenge in the middle of that, then it potentially shortcuts an adequate evidence-based process once you have designated it. That would be our concern.

Q96 Zac Goldsmith: I probably have to declare an interest. I am a trustee of ClientEarth, so technically I am threatening you. I probably ought to put that on the table.

On the issue of this conflict between some of the marine organisations, environmental organisations and your organisation, I noticed there was a bit of a bust-up between you and Greenpeace relatively recently around the question of who your organisation represents. I know you strongly disputed the figures that were put out by Greenpeace. They suggested that the majority of your funding came from overseas vessels but also said that if you judge the membership on the basis of tonnage of catch, again the majority was accounted for by foreign-owned vessels. The question they were raising was whether or not your organisation was in a good place to speak up for a domestic fishing industry in some of these very complex matters we are talking about today. I know that you disputed that but I do not know how you disputed it. Was it the figures or was it the underlying premise that was disputed?

Dale Rodmell: Well, both. On the figures, we have a broad-spectrum breakdown from the smallest punt right up to the largest pelagic freezer trawler. There is a full spectrum of interest. So in principle and in reality—

Zac Goldsmith: But their figures were wrong? Is that what you are saying?

Dale Rodmell: The figures were wrong?

Zac Goldsmith: I am asking you. I am not telling you. I am asking, is it your view that the figures Greenpeace produced in terms of the amount of funding that comes from overseas vessels—more than half—and the interests being represented being overwhelmingly—

Dale Rodmell: Yes, it is more than half. Yes.

Zac Goldsmith: It is more than half?

Dale Rodmell: Sorry. It is incorrect. It is not more than half.

Q97 Zac Goldsmith: We probably do not have enough time to go on with that, but if you are able to provide your rebuttal on some of these figures, I would be interested in seeing that and I am sure some of the other members would be as well.

Can I slip in one other question, very quickly, Chair, which is only vaguely related? We are on the cusp now of taking a decision in Europe on deep-sea bottom trawling and Britain is a swing state so our vote really matters. The position we have at the moment is fairly ambiguous, I think. I am interested in knowing whether or not your organisation has taken a line and what that line is. There is a possibility now of phasing out some of the more destructive gear, even banning deep-sea bottom trawling. Do you have a line on that?

Dale Rodmell: I think it is the same as our view on marine protected areas in domestic waters. We do see there is a role and value for protecting renewable habitats and features and ecosystems. That is the way of addressing conservation needs, whether it is domestically or in international waters. The problem is, if you phase out bottom trawls, you are saying we are limiting harvesting of what could otherwise be a sustainable resource.

Q98 Zac Goldsmith: Do you think it is possible to sustainably deep-sea bottom trawl, given that it is effectively scraping; you are taking everything? It is very hard to see how that could be reconciled with sustainable fishing practice.

Dale Rodmell: In that case you want to look at what is the actual fishing footprint. In no way is the fishing footprint 100%, in any waters for that matter. That is a key issue. You want to know what your pressure is in the first place to be able to understand whether it is too much or too little. I do not have figures for international waters but some work has been undertaken in English waters, for instance, that suggested the fishing footprint was somewhere between 5% and 21%, although further work has suggested that for some habitats it may be over 50%. There is still more understanding to be gained from the methodology employed.

Q99 Zac Goldsmith: My understanding is that the smaller organisations that represent the smaller fishermen are absolutely up for the ban because they do not see any advantage. I may be wrong but I am told there is only one British-registered vessel that engages in deep-sea bottom trawling. Therefore, I suppose the question Greenpeace were asking about who is speaking up for the fishermen is relevant because there are very few obvious interests for this country in maintaining this practice. On the contrary, if it is undermining the marine ecosystem and its ability to provide other food to be caught, then clearly it works against our interest. It is probably not the right time, Chairman. I am happy for you to stop me there.

Chair: I will stop you, just to give Mr Rodmell a chance to respond and then I will have to end this session.

Zac Goldsmith: I am interested if he can give me a quick response. It would be useful.

Dale Rodmell: Obviously it is larger-scale interests in these waters that are of concern. But the inshore waters, our domestic fleet, are not necessarily unaffected if the trawl ban came into effect because that would lead to a displacement of activity to more local grounds. So there are ramifications of such a broad-scale policy like that.

Zac Goldsmith: Thank you, Chairman.

Chair: Thank you very much. Thank you all for your evidence today. I am sure it will help inform our report when we come to produce it. Thank you.

Examination of Witness

Witness: **James Cross**, Chief Executive Officer, Marine Management Organisation, gave evidence.

Q100 Chair: A warm welcome, Mr Cross, to this session of the Environmental Audit Committee looking at marine protection areas. Our first question for you is coming from Peter Aldous.

Peter Aldous: Good afternoon, Mr Cross. Last year you explained to the Science and Technology Committee that you would "engage in a full consultation exercise and a full engagement exercise" before working out how to manage each of the MCZs. How has that process gone, the first tranche?

James Cross: That process has not yet begun in the way that I was describing. Our ambition is that all of England's marine protected areas—the European marine sites and tranche 1 of the marine conservation zones—will each have a fairly detailed control plan, a management measure. It is during the process of creating that control plan that the details and being in full engagement with industry, with the stakeholders, will begin. Our ambition is that all of those marine protected areas, that is the 88 European marine sites and the 27 tranche 1 MCZ sites, will have a control plan in place and executed by 2016.

Q101 Peter Aldous: Are you as far forward today as you hoped to be when you made that comment to the Science and Technology Committee?

James Cross: Yes. We are on track. We have already produced a strategic overview of the 88 European marine sites. That is published. It outlines for each of the 88 sites the conservation objectives, a broad description of the activities in place and a broad assessment of the level of risk in place, irrespective of whether or not necessarily the control authority is singularly the MMO. We are doing a rapid piece of assessment on the tranche 1 MCZ designations, pulling together the intelligence that we have.

The plan is that over the next eight to 10 weeks—very nearly there—these two intelligence pieces will be brought together and we will start moving towards a narrative of singular MPA management of strategic control. That is phase 1 and that is pretty much on track. That is available on our website. The public can use that and that is being used as a working management tool.

I guess maybe 12 weeks or so after that we will move into the realms of what we call a strategic control plan. For each of our activities, marine conservation in particular, we will set out in broad terms our control measures and our control plans and the broad strategy for enforcing, managing and creating compliance in the MPAs. Following on from that, each of the MPA sites will have its own bespoke control plan.

Q102 Peter Aldous: Is this work going as you anticipated? Are you learning lessons as you go along?

James Cross: We are. As I said at the last Select Committee, one of the benefits of the phased approach is that it does allow you to move into live operations, reflect and refine. One of the pieces of feedback we are hearing loud and clear is that there is a grain of interest in what those management controls would look like and how they would feel. We recognise that. DEFRA and the MMO have had conversations about how we can create a little bit more insight. The difficulty is that being overly descriptive at the beginning of the process does not lend itself to creativity and innovation in how you put together the control and management options.

For example, in one of the European marine sites off the Humber in Humberside, the conservation objectives there, which are largely being controlled by the local IFCA, lend themselves very well to a local bylaw and that would have been very easy to describe. But one of the interesting features was that the local seal colony was being disturbed by tourism. Visitors were going along to the site; the seals had pups and people were quite literally climbing over a fence and taking pictures and causing the pups to be abandoned, so we had a high pup mortality rate. What turned out to be the best control solution—because we are always interested in creating a culture of compliance rather than just straight enforcement—was working with the local wildlife trust and the local IFCA on a series of voluntary measures; an excellent example of persuasion and education that negated the need for regulation. That brought about a high level of compliance.

Even within the same European marine site we have voluntary measures for some activities and bylaws for others. It would be a shame to lose that innovation.

Q103 Peter Aldous: Moving forward to the second tranche of MCZs, what changes do you think you will be making to your consultation and engagement?

James Cross: Our approach over the next two years will be as already set out, to really engage. Frequently, as part of our delivery plans, we reflect and adapt our work and practices based on the feedback and the lessons learned. I do not quite know what those lessons will be just yet, but standardly we build into the process an opportunity to learn and reflect. The MCZ designation will allow us to do that in tranche 2 and tranche 3.

Q104 Dr Offord: I understand your organisation very much favours a voluntary approach to management of marine protected areas, but what powers do you have to impose sanctions upon those who do not comply or where the voluntary approach breaks down?

James Cross: It is not necessarily that we prefer voluntary measures per se. What I am always interested in is how do we change behaviour and achieve complibance. Voluntary is often a useful tool in that, but we want to judge each issue on a case-by-case basis. Sometimes voluntary works; sometimes voluntary is not the right course of action. In the four bylaws we have recently brought in to protect our high-risk European marine sites, for example, we found voluntary was not really a viable solution so we moved towards bylaws.

In terms of controls, for marine work—port development and renewable energy—we are the licensing consent body for marine waters. In essence we give permission to do work that is not ordinarily allowed, so we have a good control process in place there. For the regulation of fisheries activity, zero to six nautical miles is primarily the responsibility of the 10 IFCA authorities, so they have the ability to create a bylaw to manage fishery activities. We also have the ability to create bylaws in the zero-to-six nautical mile area but primarily that is the role of the IFCAs. For six to 12 nautical miles, again we have the ability to create a bylaw and manage. For 12 to 200 nautical miles, DEFRA are using the common fisheries policy in the European framework to create the regulatory framework to enforce activity.

Q105 Dr Offord: You mentioned bylaws then. Did you always intend to introduce bylaws ever since you gained the powers or was it something you did in response to conditions of a voluntary nature, that you did not consider they would work?

James Cross: Yes. One of the few luxuries we have is that we are able to look at each of these sites and judge each one on a case-by-case basis. We do not move straight to bylaws. Equally, we do not start straight away on voluntary measures. We do have a look and make an assessment. For example, in the Solent European marine sites the local IFCA, trying to address a conservation objective, put in place a voluntary measure. Shortly afterwards they got in touch with us to say that the voluntary measure was not working and could they move to an emergency bylaw. We have the ability to put an emergency bylaw in place quite quickly, which we did. That bylaw is in the process of being picked up again by the IFCA.

It is a fluid environment. The risk analysis changes. The activity changes frequently. The rationale is to keep a constant level of surveillance and analyse the level of risk, engage with the local stakeholders and respond flexibly accordingly.

Q106 Dr Offord: What would you say is the cost difference between a voluntary approach and the bylaw approach? Which is more economic?

James Cross: I think, frankly, a bylaw is cheaper but I do not think it is as good value for money and I do not think it necessarily creates compliance. I think persuasion, education and consultation really create a shift in mindset. In driving to the station this morning, I put on my seatbelt, not necessarily because I was fearful of the law but because I was persuaded by those key messages, and that is always what we are interested in doing when it comes to our regulatory duties. There is definitely a heavy investment needed. We have done some really innovative work down in Lyme Bay in partnership with DEFRA, the local IFCAs and the community, genuinely innovative stuff, and again the prime investment needed to create that was quite heavy. It needed a certain degree of vision from the stakeholders and the players involved. But what we have there is genuinely value for money in terms of achieving a culture of compliance.

Q107 Dr Offord: My final question is about some of the areas that you are responsible for that are often fished by European vessels. How do you ensure their compliance under any voluntary agreement that exists?

James Cross: Voluntary agreement is possibly less suited to that kind of environment. In looking at how we would try to create control in the European marine sites, we have created four bylaws. In those four bylaws, the vulnerable habitat is reef and the fishing activity is trawling and they occur in areas that are fished by our customers from outside the UK. Again, we created the bylaw. We worked in partnership with DEFRA and the Commission. We went over to France and Belgium and engaged with the local community and stakeholders there. The infrastructure in place is pretty mature so we have a good understanding of where the vessels are.

In broad terms, voluntary is really dependent on a good cohesive community and that is more difficult to achieve the further away from land you go.

Q108 Mark Lazarowicz: As far as we know, the Government has provided no information about what it expects the management measures for MCZs to be. Is that understanding correct, that there has been nothing published? If that is correct, have you been given any indication of the management measures that they would expect for MCZs?

James Cross: Certainly in some of the material I have read and have been involved in there has been a broad description of what the management measures could be, whether they be a bylaw, voluntary measures, or what is termed as zonal management. A key piece of feedback that I have had is that there is an appetite for more, and it is something I think we are going to be able to do as DEFRA moves through the tranche 2 and tranche 3 designations. But as I say, that level of upfront description could fetter creative and innovative solutions to create a culture of compliance.

Q109 Mark Lazarowicz: So you do not think it is a problem that the Government has not been more specific at this stage?

James Cross: I sympathise—

Mark Lazarowicz: With the Government or the people who are complaining?

James Cross: With the people who have offered the feedback that they would like more. I genuinely recognise that and therefore I think there is something more we can do next time. For tranche 2 and tranche 3 I think we can give a greater sense of colour as to what management might look like by use of case studies and practical examples. What happened during the earlier tranches was that there was a factual description of the tools that could be used. My own view is that I would worry about going too far because it lends itself to lazy regulatory narrative rather than working genuinely hard and engaging with the communities and the stakeholders to come up with something that is right for that site.

Q110 Mark Lazarowicz: So if the picture is that you, the industries and other users are waiting for the Government to lay down something, that is the wrong picture, is it? Is it as much in your area that we should look for eco-management proposals to come forward?

James Cross: Yes, it is. The Marine Management Organisation, the 10 IFCAs, local authorities and, if we drift towards SSSI sites, the Environment Agency and Natural England, all have the ability to create management measures. It is very much for the regulators to perhaps be a bit more descriptive in some of the things we could use. But as I said earlier, our ambition between now and 2016 is for each of the 88 European marine sites and 27 marine conservation zones to put out an extensive description of the control and management plans they will be using, following genuinely meaningful engagement and consultation.

Q111 Mark Lazarowicz: Are we then looking to your organisation and IFCAs to be the place where measures are generated?

James Cross: Yes. My organisation creates the management measures in some areas of the sea. In broad terms, if it is a fisheries-related bylaw, the 10 IFCAs would be responsible for creating that bylaw and that management measure between the coast and out to six nautical miles. If it is between six nautical miles and 12 nautical miles, it is exclusively the Marine Management Organisation. If it is for recreational activity between zero and 12, it is usually the Marine Management Organisation or it could be the local authority. If it is 12 nautical miles to 200 nautical miles, then we are in the realms of DEFRA working in partnership with other member states and in partnership with the Commission.

Q112 Mark Lazarowicz: We were told by DEFRA that you are operating a risk prioritisation matrix for the management of the zones. Is there enough evidence to do that prioritisation? What I am getting at is that it seems to be something of a circular process, that you cannot bring forward measures until you have more evidence and more consultation, but until someone brings forward some measures one will not know what kind of evidence you need to look for and what type of measures are required. I am unclear as to how all this is moving forward.

James Cross: This is a published document and it is a tool that is used. We have taken already each of those 88 European marine sites and in about 10 to 12 weeks or so we will be feeding into that the marine conservation zone sites. What we are doing is describing each and every one of those sites in broad terms and we are using that to prioritise the sequencing of creating those control plans. We are confident that we have enough sites and data in place to do that. So the 27 MCZ sites have gone forward for consultation where, based on our preliminary examinations, we have enough to work with.

My requirements are slightly different, slightly unsophisticated, insomuch as I just need to know what it is that needs to be protected, where it is and to make sure that it is there. Once I have those three things I have enough to work with.

To answer your question, we have enough to work with to start to create the control plans. The reality is that I could move very quickly to create a control plan—I could put it in place genuinely within a matter of weeks—but I worry that it would not create a culture of compliance or that level of buy-in, and that is what I am interested in achieving. There is a lot of value in the engagement, dialogue, understanding and persuasion with those involved.

Q113 Dr Whitehead: According to your corporate plan, you have £13 million allocated in 2012-2013 for protecting the environment, which will fall to £7.8 million by 2015-2016. How are you going to be able to monitor, manage and enforce compliance on the basis of that sort of trajectory as far as funding is concerned?

James Cross: The MMO were vested in 2010 with a total organisational grant-in-aid of £32 million. The Government gave a very clear steer that there would be pressure on public sector finances and an equally clear steer that the requirement in terms of marine conservation would increase. We have been working under that clear steer for quite some time and that has allowed us to innovate and change our approach. Our finances for the organisation next year will be at £22 million, so over the four-year period we will have moved from £32 million grant-in-aid down to £22 million. Our headcount is about 250 people. Moving into next year, our headcount will be about 310 people.

What we have done is genuinely focused on better commercial acumen, being creative, being innovative, sweating some genuine efficiencies out of our organisation. Although we have reduced our funding envelope, we have not cut. We have really sweated a lot of the contracts. We have looked at who we buy our goods and services from and where we are based. In terms of some of the surface drops in budget, they are primarily from the costs of goods and services from the Royal Navy, aerial surveillance providers, IT providers. I have increased by just over 45% the size of the team that creates the bylaws and the control plans and the engagement and I have set aside for the next two years a flexible surveillance pot—helicopters, aeroplanes and boats—which is equivalent to about 25% of the entire Royal Navy budget. So we are pretty well resourced.

Q114 Dr Whitehead: One of the most remarkable things you have done, you might say, is that although the budget is going down for the protection of the environment by about £5 million, the number of staff engaged in environmental protection is going down by two. Is that because the cupboard has been raided elsewhere or is that because the efficiencies have been so good that the staffing numbers can be maintained without anybody having to pay the penalty elsewhere? Has that gone down in proportion to everything else or has that been protected at the expense of other areas?

James Cross: No, it has not. Across the whole organisation, at the same time as my budget from DEFRA has dropped from £32 million to £22 million, my headcount has gone up over the same period from 250 people to about 310 people. It is a good case of having a team that can run a business well.

If I come back to our work in Lyme Bay, back in 2010, which was when the Marine Management Organisation first joined the party, we could see there was a sense within DEFRA, the Marine Management Organisation, the IFCAs, and certainly within the community, that the old ways of working were just not sustainable. The old mindset of parking a boat and a member of staff and a set of binoculars over and above each and every site was not going to give us a good return for our investment. So way back in 2010 we started to trial new platforms, new IT infrastructure, and it has really started to pay dividends.

I come back to this notion of genuine innovation and engagement with the people who know how to create compliance. It has allowed us to keep what is important, which is our people.

Q115 Dr Whitehead: In moving forward to the second tranche, by that period you will have a huge area of sea to oversee, won't you, with basically those resources? Is that something you are happy with or do you think other factors might come into consideration?

James Cross: One of the premises behind the creation of the Marine Management Organisation was that there is an untapped synergy—an awful word, I am sorry—between different aspects of marine activity and regulation that, before our creation, lived with the different Government Departments of fisheries management, marine conservation, renewable energy, ports or development, for argument's sake. Pulling them all together enables us to genuinely sweat some efficiency. The same technologies, platforms and staff are deployed to manage fisheries management as we use to deploy and manage a marine conservation zone and to facilitate EMFF structural funding in future years. We have integrated our work and practices and there is more we can do. I think there are another three years left ahead of us before we get true integration, but that is how we do it.

Again, based on the current set of numbers around European marine sites and tranches 1, 2 and 3 of MCZ designation, we are appropriately resourced. It is not without risks but in broad terms we are there.

Q116 Mrs Spelman: James, well done, you are the embodiment of doing more with less, I think, which is what you were hired to do. But equally there were concerns about this huge increase in your workload with the creation of these zones. It is very front-loaded in its activity, after which it stabilises. In your corporate plan, strategic outcome two concerns marine environmental protection but we could not find any targets or performance indicators attached to that. How do you know how well you are doing against your own overarching objectives?

James Cross: Under strategic outcome two—2.1 A2—we have a key performance indicator, which possibly could be clearer. Our broad measure talks about taking all of the marine protected areas and looking at them and giving them a risk assessment: how at risk are these conservation objectives from activity based on the intelligence, based on sightings from the public and the target we have set? The target we are held to account by is that as each year moves on we are going to reduce the number of high-risk sites. So that is the overarching objective. There is a myriad of sets of management information that sit underneath that. But we report publicly annually in our report on that target, and of course into the DEFRA governance network on a quarterly basis as well. There is a heavy level of interest in that.

At the beginning of this financial year, there were 20 high-risk sites. The current position is that we have brought that down to eight over this year and we expect to bring that down a little further by the end of the financial year. So, some good traction, and that is year 1 operations as well. It is the first year we have been measuring that.

Q117 Mrs Spelman: The sponsoring department is subject to quarterly reviews as well.

Could I ask you one other question that came up earlier and I would be interested to take your view on it? The previous group of panellists observed that marine conservation organisations and marine planning organisations are separate and different, which for them as stakeholders creates challenges because there is more than one player in this field. Do you have views about the interaction between those different bodies in the same space?

James Cross: I do. Our business model in the Marine Management Organisation is that we have a culture of stripping out duplication; if it is done somewhere else, do not redo it. Natural England and JNCC, for instance, are statutorily obliged to provide advice to us. So as an organisational model it stops duplication—we do maintain a challenge role—and it focuses the mind and allows us to stop creeping into areas where there are bodies of expertise. The reality is that you could always cut things differently and you could reorganise things. Those are decisions for people above my pay grade. But I think the evidence is there that it is working. Things can always be improved and there is always further improvement to be made and we will try to seize those, but I am fairly relaxed about how things are working at the moment. We get a good service from the statutory nature providers.

Mrs Spelman: That is good. Thank you.

Q118 Chair: While we are talking about finance, can I ask a couple more questions? You seem very sanguine about the adequacy of your future budget but if you did find that there was effectively a shortfall and you were not able to do what you hope to be able to do, would you consider charging users of MCZs to enable you to finance enforcement or the other things that you do?

James Cross: Yes. Ever increasingly we are looking at ways to shift the burden of our operations away from the general taxpayer to the people who benefit. We have had really good experience of doing that in the marine consents arm of the business. These are developers—ports developers for example, or renewable energy—who, when I met with them way back in 2010, said they were happy to pay but wanted a very good level of service. Over the last couple of years we have put in place a model whereby that group of my customer base does pay. They pay on a full cost recovery basis and we are fully open and transparent in terms of service standards.

Just as an interesting aside, what we are seeing over that side of the business is a step change in performance. When we were vested, the baseline of the key performance indicators that the industry were interested in is an adjudication within 13 weeks so, when they put an application in, there would be a decision yes or no within 13 weeks. In the last two years of operation before we were created they got that 60% of the time and we are currently running on 89% of the time. It is a good step change in performance.

Culturally we are in that space but we would have to really think through the rationale and the methodology. There is not a plan in place to follow that notion through but conceptually it is something that we are not necessarily against.

Q119 Chair: Apart from the users, with a falling DEFRA budget is it likely that you will have to charge more for your enforcement work in the future?

James Cross: I am hesitating because we have finished it just two weeks ago, but I think the charging we have already put in place gets us into a balanced position. As it stands now, based on the financial settlement over the next two years and based on the ask from Government, there are no significant shifts beyond where we already are. But I think the direction of travel is to explore any and all opportunities to recover costs.

Chair: Thank you. I think that brings us to the end of the session, unless there are any members who have a further question. Thank you very much indeed, Mr Cross, for your evidence, which I am sure will inform our report.