# ENGLAND'S BEST WILDLIFE AND GEOLOGICAL SITES – THE CONDITION OF SITES OF SPECIAL SCIENTIFIC INTEREST IN ENGLAND 2003: BUSINESS SUPPLEMENT

## SUMMARY

English Nature is the government agency responsible for protecting and managing the 4,112 Sites of Special Scientific Interest (SSSIs) in England. SSSIs contain our best wildlife and are protected through a legislative framework. SSSIs are owned and managed by individuals and organisations in the public and private sector. English Nature maintains data on the condition of all SSSIs, as part of the UK's commitments to biodiversity reporting. This allows us to assess and compare the condition of sites at different spatial scales and by sector. English Nature will be targeting companies who own or manage SSSIs and working with them to improve performance, initially focusing on the water sector. Whilst the data will not initially be published on a company by company basis, English Nature intends to do so in the future, in consultation with the companies concerned.

## CURRENT PERFORMANCE OF CORPORATE SECTOR

The December 2003 analysis of English Nature's data on the condition of Sites of Special Scientific Interest (SSSIs) in England shows that:

- 81 companies own or manage 65,800 hectares of SSSI land (approximately 6% of the total SSSI land in England);
- The Water sector, with 20 water companies owning or managing 43,000 hectares of SSSI land (approximately 4% of the total SSSI land in England), has the biggest direct influence on SSSIs;
- Other FTSE sectors with exposure to SSSI landholdings, include Transport, Construction and Building Materials, Electricity, Leisure, Entertainment and Hotels, and Steel and Other Metals;
- 57% of land owned/managed by companies is in favourable or recovering condition (i.e. that special habitats and species are in a healthy state and are being conserved for the future by appropriate management). This is just below the national average. The government target is for 95% of sites to be in favourable or recovering condition by 2010;
- Agriculture is the land use with by far the biggest impact on SSSIs. Overgrazing, inappropriate moor burning, undergrazing and lack of scrub control account for 75% of SSSI land being in unfavourable condition (i.e. sites are not being adequately conserved and species and habitats are in poor condition). Although agricultural based SSSIs are primarily owned by individual farmers, Food Producers and Processors and Food and Drug Retailers have a vital part to play in addressing this issue through their supply chain and purchasing decisions.

## IMPROVING PERFORMANCE OF THE CORPORATE SECTOR

Companies who own or manage SSSIs have a legal requirement to protect and enhance those sites through their company operations. Failure to manage sites properly can incur financial penalties (directly and through public inquiries), impact on the relationship with English Nature as a regulator and damage company reputation. Environmental NGO's and local community groups have launched a number of high profile campaigns where there is potential or actual damage to SSSIs – notable examples have arisen in relation to the development of ports, extraction of peat and water abstraction.

English Nature intends to work with individual companies and their representative bodies to minimise the business risks associated with poor management of sites and help to meet the government's targets for SSSIs. This first business supplement, which will be updated on an annual basis with the results published each January, sets the benchmark from which we will monitor progress.

## BUSINESS SUPPLEMENT

### WHO IS THIS SUPPLEMENT RELEVANT TO?

The information in this supplement will be of use to:

- Companies who impact on biodiversity and wish to benchmark their performance against others within their sector;
- Industry associations in measuring the biodiversity performance of their members;
- City investors and financial institutions in developing Socially Responsible Investment criteria and judging company performance;
- English Nature in prioritising which sectors and companies need targeting in relation to SSSI management;
- Defra in monitoring the business contribution to the Public Service Agreement target that 95% of SSSIs should be in favourable or recovering condition by 2010, and progress against the business indicators in the England Biodiversity Strategy;
- Wider stakeholders such as environmental Non-Governmental Organisations (NGOs) and consumer groups.

### THE CURRENT CONDITION OF SSSIs

In December 2003 English Nature published *England's best wildlife and geological sites – The condition of Sites of Special Scientific Interest in England*, the first definitive survey on the condition of SSSIs in England[1]. The results show that 58% of SSSIs by area are in good condition with 42% needing improvement. The report looks at the major land use issues causing poor condition on SSSIs, what needs to be done to address these issues and the condition of SSSIs by broad habitat type (e.g. woodland, grassland and rivers and streams). This business supplement to the report takes a different cut on the data – looking at which corporate sectors have the greatest impact on SSSIs. This will allow companies to benchmark their performance within their sector, and English Nature and Defra to target resources and actions where they will be of most benefit to business and nature conservation outcomes.

SSSIs represent the very best of the rich variety and abundance of wildlife and geology that makes England's nature special and distinct. They can be small areas that protect populations of a single species or large expanses of upland moorland or coastal mudflats and marshes. The smallest is a roof space in a private building in Gloucestershire used as a roost by lesser horseshoe bats, while the biggest covers a vast 62,000 hectares of mudflats and marshes in The Wash.

The Government has set a Public Service Agreement target to ensure that 95% of all SSSIs, by area, are in favourable or recovering condition by 2010. English Nature is working with thousands of individuals and organisations in partnership, to tackle the sites that are not improving. Action by companies, which own or manage approximately 65,800 hectares of SSSI land, is essential to deliver this target.

[1] For downloadable and free hard copies of the report visit English Nature's website www.english-nature.org.uk, Publications & Maps/Catalogue code ST10.4

## ENGLAND BIODIVERSITY STRATEGY (EBS)

*Working with the grain of nature* (England Biodiversity Strategy, Defra 2002)[2], the Government's strategy for managing biodiversity over the next five years, sets out how biodiversity considerations can become embedded in all the main sectors of economic activity. The engagement of business is a cross-cutting theme with a vision of "business automatically engaging in managing and reporting on biodiversity as an integral part of its processes and activities." Companies managing landholdings, operations and supply chains in ways that help to achieve biodiversity targets are key to achieving this vision. This theme is business led with a steering group representing water, food retail and transport sectors, the Socially Responsible Investment community, trade associations, accounting services and government.

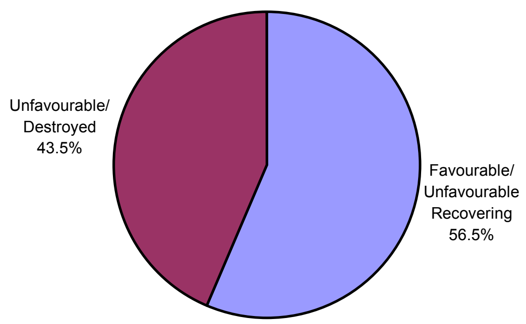
Implementation of the actions in the EBS is measured through a series of indicators. The engagement of business is measured using indicators on SSSIs (B1), participation in the biodiversity question of the Business in the Environment Index of Corporate Environmental Engagement (B2) and contribution to Local Biodiversity Action Plans (B3). *A biodiversity strategy for England, Measuring progress: baseline assessment*, Defra 2003[2], is the first report on the indicators and provides a baseline assessment and, where data is available, trends over recent years.

## CONDITION OF SSSIS IN COMPANY OWNERSHIP

The initial baseline assessment of indicator B1 "Condition of SSSIs owned/managed by companies" is calculated using English Nature's data for the FTSE 350, Section 28G companies (statutory undertakers with specific duties under the Countryside and Rights of Way Act 2000) and other large companies with an impact on SSSIs. It shows that of the 84 companies who own or manage land within 388 SSSIs, 56.5% by area of SSSI land is in favourable/unfavourable recovering condition (August 2003 figures). **The figure will be subject to change, as company landholdings are mapped more accurately against English Nature's spatial data and as a result of acquisitions and mergers, but broadly the data shows that the condition of sites managed by companies is just below the national average for all sites.**

The use of data for FTSE 350, Section 28G and other companies with an impact on SSSIs is a proxy for the condition of SSSIs for all companies. The data will be expanded in the future to include SMEs which own or manage land in SSSIs. Section 28G companies include the statutory undertakers that have specific duties under the Countryside and Rights of Way Act to 'take reasonable steps to further the conservation and enhancement of SSSIs' (e.g. privatised utilities such as water and electricity companies).

**Condition of SSSIs owned/managed by FTSE 350 and Section 28G companies**




[2] For EBS and baseline assessment of indicators see http://www.defra.gov.uk/wildlife-countryside/ewd/biostrat/index.htm

## ENGLISH NATURE'S BUSINESS AND BIODIVERSITY PROGRAMME

English Nature has a corporate target for "Government departments, other public bodies and an increasing number of businesses, including those managing significant areas of SSSIs, to contribute to national nature conservation targets and report on biodiversity as a performance measure." One of the actions required to meet this target is to "develop a reporting service that will help companies that own or manage land in SSSIs in England to report on the condition state of their sites by December 2003." This business supplement is the first step to meeting this target. English Nature's data in this supplement is based on the condition of sites in the direct ownership or management control of 81 FTSE 350 and Section 28G companies as at December 2003.

A reporting service will make it easier for land holding companies to access information on SSSIs, clarify boundary issues and set up management agreements to improve the condition of their sites.

## CORPORATE REPORTING ON SSSIS

Developing meaningful, outcome related targets for biodiversity is difficult for any business and is exacerbated by difficulties in accessing data that is robust, spatially available and obtainable from an independent central source. English Nature's data on SSSIs is unique in that it meets all these requirements and companies which own or manage SSSIs are keen to use it as a performance measure in their corporate social responsibility or environmental reports.

Some companies, particularly the utilities such as water, electricity and telecommunications have links to a large number of sites because the pipes and cables that connect supplies cross large areas of land. However, as the companies do not have direct ownership of this land we would not expect them to report on the condition of these sites. As part of best practice, we would expect companies to encourage the owners of the land their infrastructure crosses to manage their sites properly and for the companies to make sure their maintenance procedures do not lead to pollution incidents or disturbance of wildlife.

## DATA CONFIDENTIALITY

Information on the location, biodiversity features and condition and management of individual SSSIs is publicly available on English Nature's website but the names of owners or managers of sites is confidential. We intend to publish data on named companies in the future but only in agreement with individual companies and we would encourage them to use the data to contribute to their own reporting on environmental performance. Annex A is an example, for the water sector, of what this information will look like. Where data is published we hope that companies will communicate it to their wider stakeholders, including city investors and NGOs, to show their commitment to biodiversity and to act as a benchmark for others within their sector.

## FREQUENCY OF REPORTING

In December each year we will review the corporate and sectoral breakdowns of our SSSI data, presented in this report in Charts 1 – 6, and publish the updated results (in January) on English Nature's website for the previous calendar year. This will allow us to monitor sectoral trends and prioritise future work programmes.

## CORPORATE BREAKDOWN OF SSSI DATA

The December 2003 data from English Nature shows that 37,500 hectares of land, from a total of 65,800 hectares owned or managed by companies, is in favourable or recovering condition. This means that 57% of land owned or managed by FTSE 350 and Section 28G companies is currently meeting the Government's Public Service Agreement target. This is 1% below the national average for all SSSIs. The main identified reasons for 43% of sites failing to meet the target are coastal erosion, undergrazing, scrub control, overgrazing and diffuse pollution. Some of these reasons will be outside of a company's control and require a range of legislative, policy and funding decisions across Government and partnership working. When data is published for individual companies we will make it clear where the condition of their sites is outside of their direct control and management responsibility.

Charts 1 and 2 show the percentage of SSSI land in favourable or recovering condition (i.e. meeting the Government's Public Service Agreement target) for all companies and for the FTSE 350. The figures show that compared to all companies, those owned/managed by FTSE 350 are in a slightly worse condition than for business overall. Chart 2 includes the water and other S28G companies that are also listed in the FTSE 350.

**Chart 1 Percentage of SSSI land owned/managed by FTSE 350 and Section 28G companies in favourable or recovering condition (December 2003)**

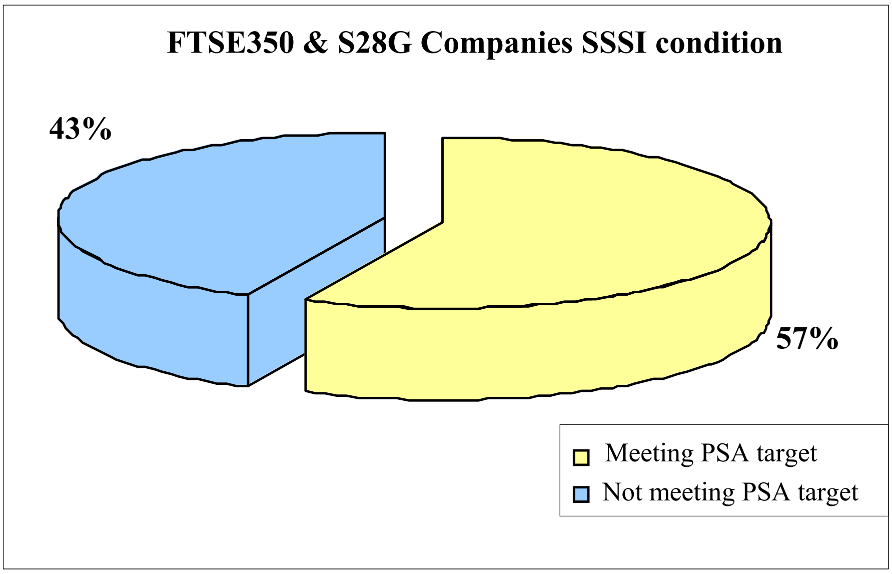
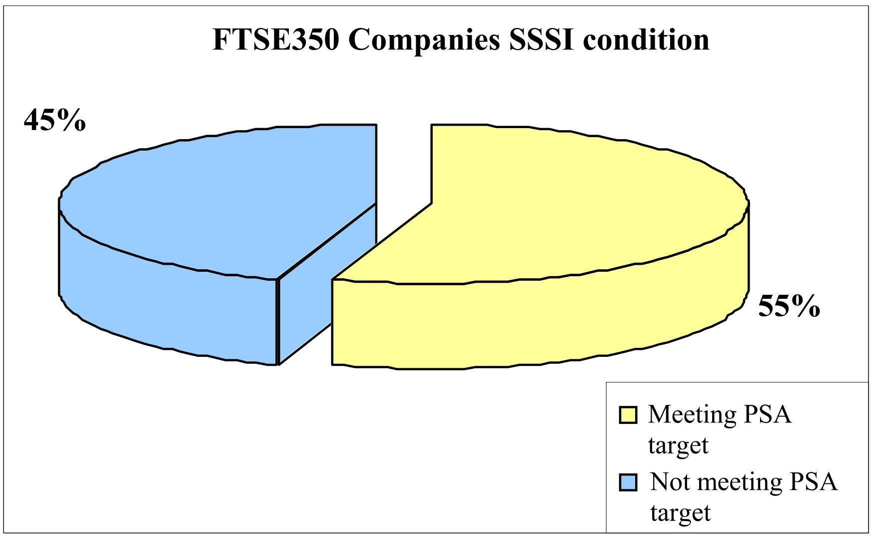



**Chart 2 Percentage of SSSI land owned/managed by FTSE 350 in favourable or recovering condition (December 2003)**



**SECTORAL BREAKDOWN OF SSSI DATA**

Because of the nature of their operations different business sectors will have different impacts on biodiversity. English Nature's research[3] shows that businesses in the following FTSE sectors have the greatest impact (either through direct land management or the supply chain): Food Producers and Processors; Food and Drug Retailers; Water; Transport; Oil and Gas; Chemicals; Leisure, Entertainment and Hotels and Construction and Building Materials.

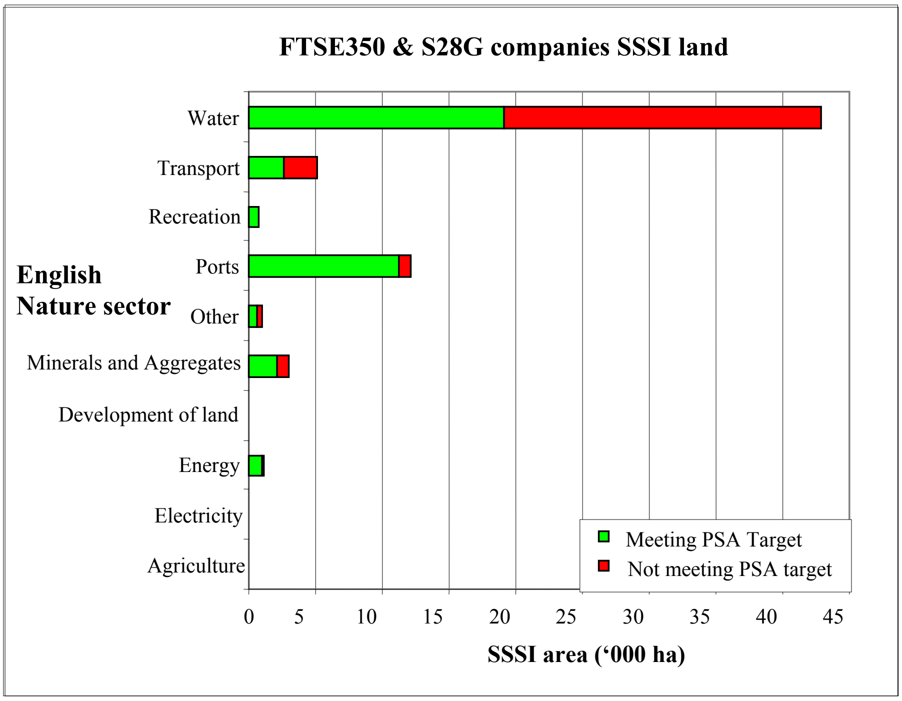
English Nature's SSSI condition report, *England's best wildlife and geological sites – The condition of Sites of Special Scientific Interest in England in 2003,* shows that agriculture has by far the greatest impact on SSSIs (by area) than any other land use. This is mainly due to overgrazing in the uplands, poor moorland management and the intensification of agricultural land management practices leading to lack of management, drainage and diffuse pollution. Therefore, in terms of supply chain, Food Producers and Processors and Food and Drug retailers have the greatest impact on biodiversity in England.

A full assessment of the major issues affecting SSSI condition, grouped by major land use (agriculture, freshwater, forestry and coasts) and policy and operational solutions to current problems is presented in the SSSI condition report.

We have reviewed the FTSE sectors and grouped them into economic groups which have the greatest impact on biodiversity. This differs slightly from FTSE Sectors but more accurately reflects the nature of biodiversity impacts. Charts 3 and 4 show both the FTSE sectors and these revised groupings illustrating, by English Nature and FTSE sector, which businesses have the biggest impact on SSSI land (by area) and the proportion of sites (green bars) in favourable or recovering condition.

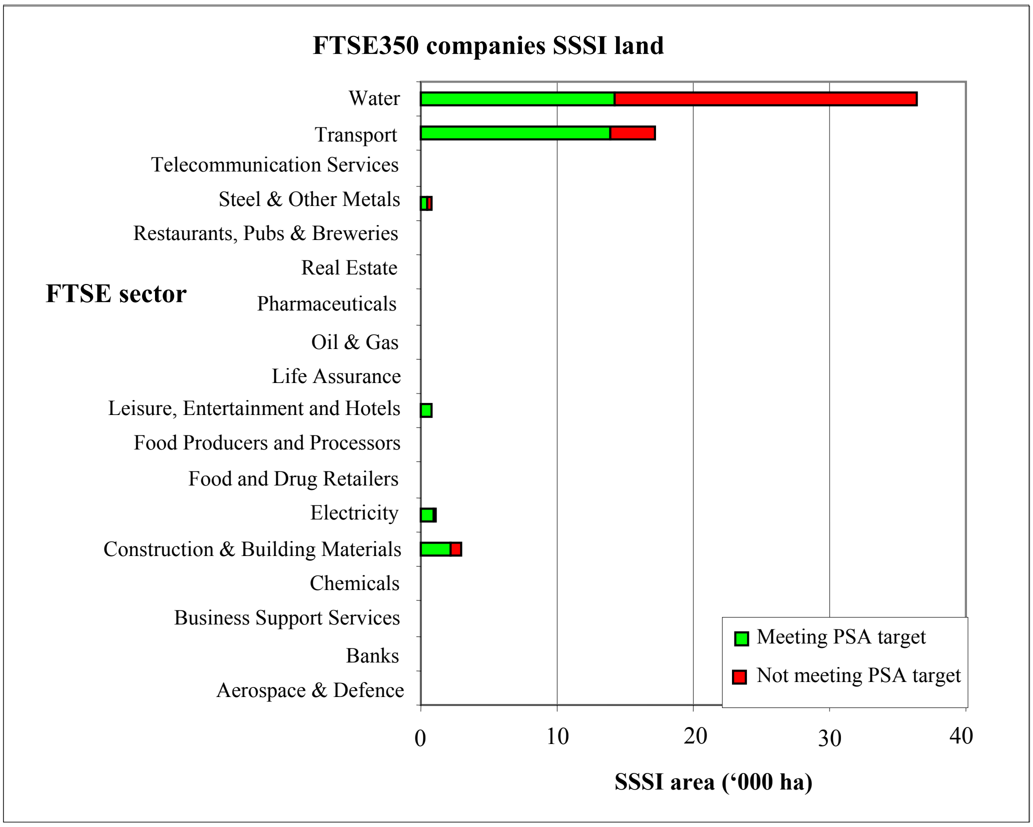
[3] English Nature's sector analyses are available at http://www.english-nature.org.uk/about/sector/default.htm

**Chart 3 Condition of SSSIs by English Nature sector (December 2003)**




Charts 3 and 4 show that, by area, companies in the water sector have the biggest influence on SSSIs. They own or manage 43,000 hectares of SSSI land (approx 4% of total SSSI area), of which 45% by area is in favourable or recovering condition.

**Chart 4 Condition of SSSIs by FTSE sector (December 2003)**



Charts 5 and 6 show, by English Nature and FTSE sector, the percentage of land owned or managed by companies. Under English Nature sectors Water dominates, followed by Ports, Transport and Minerals & Aggregates. In terms of FTSE sectors Water, Transport and Construction and Building Materials have the most influence.

**Chart 5 Percentage of SSSI land owned/managed by English Nature sector (December 2003)**

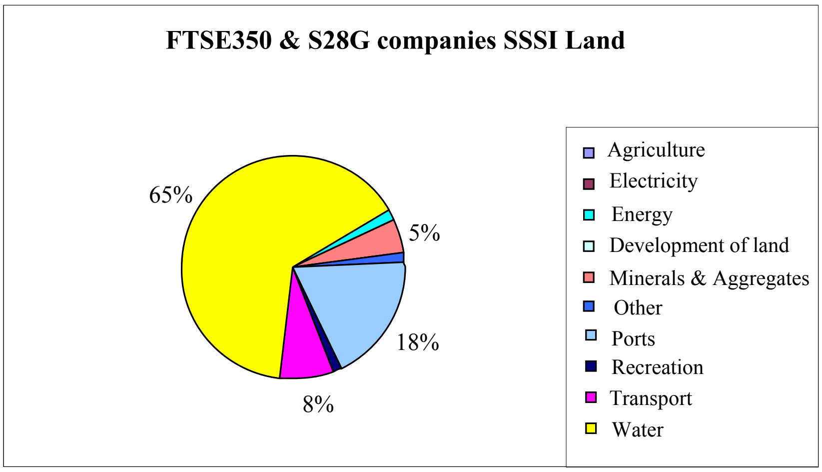
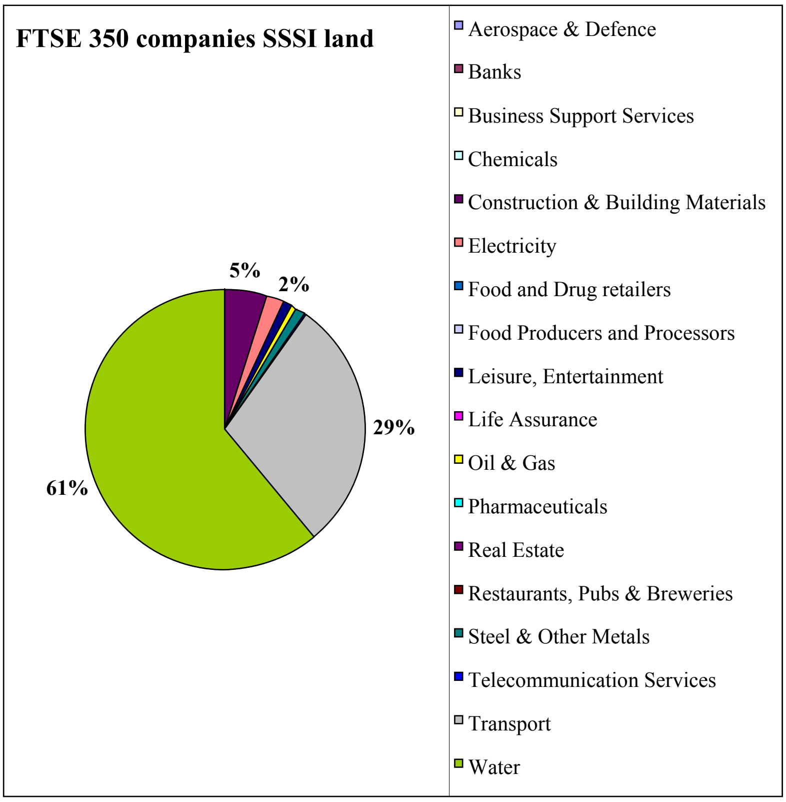



**Chart 6 Percentage of SSSI land owned/managed by FTSE sector (December 2003)**



## COMPANY BREAKDOWN OF SSSI DATA FOR THE WATER SECTOR

As the above Charts 3 - 6 show the Water sector has the most influence on SSSI land. Water companies abstract vast quantities of water from rivers and underground and return most of this to the environment as treated sewage effluent – so environmental quality and biodiversity should be at the heart of their businesses. They are key partners for English Nature, and it is important that we work closely with them to maximise their contribution to nature conservation targets. Through partnerships with water companies and other regulators we aim to achieve:

(a) Action to restore all 43,000 hectares of SSSI land owned or managed by water companies to favourable or recovering condition;
(b) Water companies, as S28G public bodies, fulfilling their duty to further and enhance the conservation of all SSSIs through their operational activities;
(c) Full implementation of agreed AMP3 and AMP4 schemes[4] and investigations, and parallel action on control of diffuse pollution from agricultural and urban sources;
(d) Major contributions to Biodiversity Action Plan priority habitats and species targets on water company landholdings outside protected areas;
(e) Implementation of Water Level Management Plans for SSSIs;
(f) Innovation in response to the future demands of the Water Framework Directive.

The water industry takes its sustainability responsibilities seriously and has developed a water industry sustainability framework and indicators. The framework is based around the industry's key areas of influence under the themes of Governance, strategic planning and management; Environment; Society, Employees; Assets and Finance. Under the theme of Environment the industry has two biodiversity indicators: N11 – Management of biodiversity (under development) and N12 – Status of designated sites – status of SSSIs on water industry landholdings.[5]

Annex A shows the company breakdown of information for the 20 companies in the Water sector and is an example of the more detailed data we will publish in the future. This example is not sufficiently developed to be used as a 'league table' but shows for each company the number of SSSIs they own or manage, the number of those sites where they have management responsibilities (i.e. those they are directly responsible for and we would expect them to report on in corporate environmental reports), the area of SSSI and the percentage by area in favourable or recovering condition (i.e. meeting the Public Service Agreement target). A more detailed description of what the information shows is included in Annex A.

## IMPROVING OUR REPORTING

When English Nature assesses the condition of SSSI land, it takes account of all the features of special interest. However, we are presently limited to reporting on the overall condition of the site, as our system does not yet record the condition of individual features. This will change in 2004/05 when English Nature will introduce an improved data system, which will allow us to report on specific features in much greater detail. However, landowners need clear advice on the management of their land as a whole, taking account of all the conservation interests, not merely individual aspects of their land's special interest. English Nature's advice on causes of unfavourable condition and remedies will continue to focus on what needs to be done overall for an area of land.

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[4] The Water industry's Asset Management Programme identifies and provides funds for a range of infrastructural improvement works including environmental enhancement

[5] Sustainability indicators for the water industry, The Environmentalist, December 2003, article by Jo Luckhurst, Senior Environmental Adviser, United Utilities. Further information from www.water.org.uk

**FURTHER CONTACTS AND INFORMATION**

For general enquiries on English Nature's business and biodiversity programme please contact Helen Doran, Sustainability Adviser on Tel: 01733 455206 e-mail: helen.doran@english-nature.org.uk.

Companies requiring data on SSSIs, spatial mapping and site condition please contact George Hinton, Survey and Monitoring Tel: 01733 455124 e-mail: george.hinton@english-nature.org.uk or the relevant English Nature area team (contact details available on English Nature's website www.english-nature.org.uk).

## ANNEX A COMPANY BREAKDOWN OF DATA FOR THE WATER SECTOR (December 2003)

| Total area 42,850 ha | Area Meeting PSA target 19,165 ha | Percentage area meeting target = 45% |
|---|---|---|

| (1) Water Company | (2) Number of SSSIs | (3) No. SSSIs with management influence | (4) SSSI unit area (ha) | (5) Area meeting PSA target (ha) | (6) Reliability of data (green = >80% sites linked) | (7) Main habitats | (8) Main Reason for Adverse Condition | (9) Percent area meeting PSA target (red = <60%) |
|---|---|---|---|---|---|---|---|---|
| 1 | 32 | 11 | 2,510.0 | 2,493.0 | | Open water | | **99%** |
| 2 | 10 | 5 | 367.1 | 152.5 | | Saltmarsh/ intertidal habitat | Coastal squeeze | **42%** |
| 3 | 15 | 7 | 960.4 | 822.7 | | Open water/ reservoirs | | **86%** |
| 4 | 1 | 0 | 0.0 | 0.0 | | | | |
| 5 | 2 | 0 | 0.0 | 0.0 | | | | |
| 6 | 70 | 20 | 12,196.0 | 1,259.0 | | Bogs/Upland heath/ open water/ rivers | | **10%** |
| 7 | 4 | 1 | 0.0 | 0.0 | | | | |
| 8 | 36 | 11 | 2,790.1 | 1,954.8 | | Upland heath/ open water/ bogs | Overgrazing/Moor burning/Drainage | **70%** |
| 9 | 19 | 8 | 500.0 | 172.2 | | Heathland/ Grassland/ Wetland | Overgrazing | **34%** |
| 10 | 1 | 1 | 0.4 | 0.0 | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 11 | 47 | 15 | 367.9 | 257.0 | | Open Water | Freshwater Direct Pollution | **70%** |
| 12 | 74 | 36 | 523.6 | 153.8 | | Woodland/ Grassland/ Open water | Freshwater Diffuse and Direct Pollution | **29%** |
| 13 | 18 | 6 | 212.2 | 155.4 | | Grassland/ open water | | **73%** |
| 14 | 3 | 1 | 422.0 | 422.0 | | Reservoir | | **100%** |
| 15 | 2 | 0 | 0.0 | 0.0 | | | | |
| 16 | 52 | 20 | 1,253.1 | 1,214.5 | | Open water/ woodland | | **97%** |
| 17 | 125 | 56 | 20,279.3 | 9,734.1 | | Upland Bogs/ Heath & grassland | Overgrazing/ Moor burning | **48%** |
| 18 | 2 | 1 | 43.3 | 43.3 | | Open water | | **100%** |
| 19 | 3 | 0 | 0.0 | 0.0 | | Rivers | | |
| 20 | 63 | 19 | 423.1 | 331.2 | | Rivers/ Open water/ Grassland | Scrub Control/ Weed control | **78%** |

**Explanation of columns**

**(1) Water company** – the analysis of SSSI data is an ongoing process between English Nature and individual companies. Only when both English Nature and the individual company are agreed that all the data in these columns is an accurate and fair representation of current progress will the information be made publicly available.

**(2) Number of SSSIs** – this shows the total number of SSSIs that a company has links to. Some of these links will be in the form of 'wayleaves,' pipes and other infrastructure crossing SSSI land under other ownership. We would not expect a company to manage any site outside of their ownership or management influence.

**(3) Number of SSSIs with management influence** – this is a more accurate reflection of the sites we would expect companies to manage and report on the condition of in their corporate social responsibility or environmental reports.

**(4) SSSI unit (area)** – the area of land corresponding to column 2.

**(5) Area meeting PSA target** – the area of land in column 4 meeting the Government's target of 95% of SSSIs in favourable condition.

(6) **Reliability of data** – the green boxes show where the quality of the data is good as we have been liaising with companies over spatial boundaries and so the information is an accurate representation of current progress. The amber boxes signal that further work is needed to ensure the data is accurate.

(7) **Main habitats** – where the information is available we have indicated what the main habitats are associated with each company's land ownership to give an indication of the types of sites they have to manage.

(8) **Main reason for adverse condition** – again, where the information is available we have shown what the main issues are that the company needs to address. It must be remembered though that some of these reasons (e.g. pollution from agricultural runoff) are outside of a company's control and need to be addressed by Government policy.

(9) **Percentage area meeting the PSA target** – this shows the percentage of sites (by area) meeting the target of 95% sites in favourable condition. The red text shows that the area is currently below the national average for all sites i.e. approximately 60% in favourable condition.