

Business Engagement Assessment

Title of Proposal	<i>Intentional disturbance of water voles and damage/destruction of water vole burrows by means of 'Displacement' (to facilitate development activities)</i>
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Lead Regulator	Natural England
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Date of assessment	05/01/2016	Stage of assessment	Final
Which area of the UK will be affected by the change(s)?	England	Commencement date	01/01/2016
Net Cost to Business (EANCB):	Unquantified saving; no net cost	Price and Present value base years	2014
Does this include implementation of Red Tape Challenge commitments?	No	Is this directly applicable EU or other international legislation?	No

Brief outline of proposed change in regulatory action

The intentional displacement of water voles is a previously unregulated activity that now needs to be licensed. The licensing of this activity by Natural England is in line with practices in Scotland and Wales and will support the legal protection already given to water voles. In order to reduce the regulatory burden of requiring an individual licence for each situation where displacement will be used to facilitate authorised development, Natural England has introduced a Class licence to allow displacement to be undertaken by suitably experienced persons in multiple locations within England.

The Class licence is aligned to best practice guidance for mitigation for water voles in respect of development and is designed to be applicable to the majority of development situations. Where greater flexibility is required, developers have the option of applying for an individual licence. These individual applications will be considered by Natural England on a case by case basis.

Experienced and competent ecological consultants can apply to be a Registered Person under the Class licence. Once registered they may authorise appropriately trained Accredited Agents to act under the licence, and use Assistants acting under their direct supervision.

Why is the change proposed? Evidence of the current problem?

Water voles and their burrows are fully protected by the Wildlife & Countryside Act 1981 (as amended). Where the presence of water voles conflicts with authorised development, mitigation to protect the water voles must be implemented. Water voles are at risk of harm during the development activity and current best practice includes the cutting of vegetation to bare ground over water vole burrows in order to encourage the water voles to abandon their burrows and leave the affected area. This technique is known as 'displacement'. Natural England already issues individual licences to trap water voles in order to remove them from a development footprint, but trapping is not appropriate for all situations, carries a high risk to water voles and can be very costly.

The terms and conditions of the displacement Class licence reflect best practice in water vole conservation which includes the revised guidance on survey and mitigation aimed at development (to be published in early 2016), which updates the Water Vole Conservation Handbook (2011).

The move to a Class licence, as opposed to an individual licence for each location affected, provides a means of minimising the regulatory burden of licensing this activity, while still improving environmental outcomes by driving up standards in working practices. The licence is issued for the purpose of 'conserving wild animals' (specifically water voles) and action taken under this licence must therefore also provide a conservation benefit for water voles.

Which types of business will be affected? How many are affected?

Ecological consultancies within England will be directly affected by this change.

Indirectly, parties undertaking the development activity (e.g. private developers, local authorities, public bodies) could be affected through delays if ecological consultancies are not registered for the Class licence. The exact number of ecological consultancies in England is not known; individual consultants may work both within a consultancy and independently. The CIEEM Professional Directory lists about 330 members who provide survey and management services in respect of water voles in the UK. On the assumption that the CIEEM Directory entries are a true reflection of the capabilities of CIEEM members, this figure represents the maximum number of CIEEM members that would register for the Class licence within England; however, as not all ecological consultants are a member of CIEEM, and depending on how many CIEEM members work solely in Wales and Scotland, the figure could be higher.

How will the change impact these businesses?

The Class licence will be introduced for an environmental intervention that has not previously been subject to licensing, therefore the number of applications is not known and the cost to users can only be estimated. Overall, a positive impact for the businesses that require a licence to displace water voles is expected, saving time and money as the need to apply for an individual licence is removed for those works that can operate under the Class licence. There will be a registration requirement for the Class licence and the total costs for this may be more expensive (if references are required) than the cost of applying for a single individual licence (details provided below). However there will be a saving for businesses that make multiple uses of the Class licence instead of applying for individual licences.

The level of savings is dependent on the number of businesses that will make multiple uses of the Class licence and the number of times this happens. Savings to an individual business will increase with repeated use. The number of businesses that will benefit and their level of repeated use of the Class licence is not known, so the benefits cannot be quantified.

The cost of producing an annual report, and the cost of ensuring compliance with the licence will be the same whether operating under a Class licence or an individual licence.

Introduction of a Class licence for displacement of water voles will result in the following impacts and costs:

The licence will be issued free of charge.

Financial Costs

These are estimated using a rate of £62.50 per hour charged by ecological consultants (based on a standard rate of £500 per day).

One-off costs for registration:

Estimate 1 hour to register for the Class licence = £62.50;

Owing to the potential risks to water voles, applicants will require competence and experience with water voles and the displacement technique in order to register for this Class licence. For some applicants this will include the provision of references.

Additional cost of registration if references are required (2 hours) = £125.

Ecological consultancies may need to update their internal guidance to reflect the conditions of Class licence (3 hours) = £187.50

Annual costs:

An annual report will be required (this is required for all Class and individual licences); receipt of this report will automatically trigger the renewal of the licence registration provided that conditions of the licence have not been breached.

Estimate 3 hours to produce the annual report = £187.50

Total Cost for Class licence:

Maximum total cost: £562.50 in the first year of registration for the Class licence. The costs in subsequent years will just be the cost of producing the annual report (£187.50).

Introduction of an individual licence regime for displacement of water voles will result in the following impacts and costs

The licence is free of charge.

Estimate that each individual licence application takes 4 hours to complete and submit = £250.00

Estimate 3 hours to produce the annual report = £187.50

Total Cost for an individual licence:

Each licence application will cost £437.50.

Comparison:

It is estimated that registration and the first use of the Class licence in year one would cost more (if references are required) than an individual licence, but each subsequent use of the Class Licence would result in a saving of £437.50. In subsequent years, the first use of the Class licence would save £250.00 (taking into account the production of the annual report) and every subsequent use of the Class licence in any year would save a further £437.50.

Other impacts

Regulatory uncertainty (e.g. whilst awaiting the regulator's decision): Once registered there will be no regulatory uncertainty if the terms and conditions of the licence can be met. Under an individual licence process, Natural England can take up to 30 working days to process the application and make its initial decision; further information may be requested before a final decision is made.

For an operation that falls outside the terms and conditions of the Class licence, an application for an individual licence can be made.

Impact on access to markets (e.g. consistent approach with other EU regulators): n/a

Impact on business confidence/perceptions: The introduction of the Class licence should have a positive impact on business confidence and perceptions as it is a more streamlined licensing process, and will result in time and monetary savings compared to an individual licensing regime.

Impact on small businesses

Please briefly describe any special impact the change will have on small businesses – especially those with fewer than about 25 staff, where the owner/manager is often responsible for regulatory matters. Please consider for instance the implications for management time; the significance to a small business of the effort involved in understanding and implementing the change.

The introduction of the Class licence will impact on all ecological consultants (small and larger businesses) that undertake displacement of water voles. Ecological consultants may pass the cost on to the developers that require the work (some of which may be small businesses).

The impacts on ecological consultants comprise the cost per applicant to become a Registered Person and annual reporting, as set out in previous sections. The costs per Registered Person are the same for all businesses. The cost will therefore be lower for businesses with fewer staff that apply to become a Registered Person. As a result, the cost to small businesses that have fewer staff undertaking water vole displacement will be lower than for large businesses with more staff undertaking this work.

The cost of obtaining a licence is being minimised through the introduction of a Class licence, which will permit Registered Persons to undertake displacement at an unlimited number of locations throughout England each year rather than submit an application for an individual licence for every site where displacement is to be carried out.