



Department
for Environment
Food & Rural Affairs

Protected Site Strategies

Strategic Outline Case (SOC)

Version No:1

Date: 14/03/2025

Version Control

Draft versions are marked v0.1, v0.2, v0.3 and Final versions are marked e.g., v1.0, v2.0, v3.0

This document has been through the following revisions:

Version Control			
Issue No:	Author:	Issue Date:	Changes Made
V.1	Juliette Fox	01/01/2025	-

Related Documents

This document needs to be read in conjunction with the following document/s:

Document Name	Version	Reference/Location
PSS RPA document	V1	PSS RPA document
PSS IAPP document	V1	PSS Integrated Assurance and Approvals Plan (IAAP).docx
PSS Accounting officer assessment	V1	LIT 56134 - PSS Accounting Officer assessment.docx
PSS resource plan	V1	PSS resourcing plan.xlsx
PSS evaluation plan	V1	PSS SOC Evaluation Plan.docx
PSS benefits profile	V1	Benefits profile and tracker - SOC.xlsx
PSS Communications plan	V1	PSS comms strategy - Message House framework.docx
PSS change management plan	V1	PSS change management plan

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Document Sign Off

The role of the Senior Responsible Owner (SRO) is to ensure the delivery of a programme or project within an agreed budget and timeframe and as such should have authority to direct those

involved in delivering the work. The SRO is responsible for delivery of benefits and is ultimately accountable. They must agree and verify the information and options put forward in this document.

This document has been signed off by the following:

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The guidance should be followed to aid completion of this Defra Project Business Case Template for projects with a Whole Life Cost of the initiative over £10m.

1. Executive Summary

This Strategic Outline Case (SOC) provides the case to invest an estimated £147.2m by FY 34/35 to implement Protected Site Strategies. For the duration of this SR period until FY 29/30, there is an estimated cost of £78.3m needed to deliver [at least 30 PSS to unlock economic growth and support the improvement of the condition of these sites]. We are asking for release of funding of £4m before OBC with a further £8.8m after OBC, which totals £12.8m to be released in 2025/26.

Protected sites are affected by a range of pressures caused by human activities, including pollution in water and air, lack of water, and recreational pressures. Addressing these pressures is essential if we are to meet our target to recover protected site condition. It also has an important role to play in enabling house and infrastructure building – development cannot take place on protected sites that are unable to absorb harm from additional pressures brought by building houses and infrastructure. However, the current configuration of the legislative and policy framework has failed to stop the decline in the condition of protected sites.

Under the current approach, interventions to restore protected sites are fragmented, uncoordinated and small scale, creating duplication and inefficient use of available resources. Protected Site Strategies (PSS) enable a much more strategic approach to site restoration. They are a statutory tool available to HMG under the Environment Act to convene local authorities, other public bodies, local people, industry, and third sector stakeholders around evidence-based, spatial plans to direct action for the recovery and maintenance of protected sites.

PSS enhance interventions to address harms to protected sites by identifying and enabling action to tackle the underlying sources of pressures both on and off a protected site. They foster collaboration among stakeholders, use robust data to inform decisions, promote adaptive management practices, and engage the public to raise awareness and support conservation efforts. As a result, PSS can accelerate improvement to site conditions and increase public support for conservation initiatives. NE has successfully managed five PSS pilots, concluding in March 2025. Early indications suggest that these have improved nature recovery intervention, which will ultimately lead to healthier ecosystems.

PSS require an upfront investment of financial resource and expertise by Defra group to set up however the programme can also attract other sources of non-government funding. Once in place they not only boost environmental recovery but also deliver a range of wider benefits. Improvements in protected sites create 'environmental headroom' that enables sustainable house and infrastructure development and prevents further future restrictions like Nutrient Neutrality requirements. This in turn creates local jobs and boosts growth. They also provide greater capacity for public access to nature, with positive impact on health and well-being. And they can support increased carbon sequestration, helping deliver Net Zero.

PSS will support and benefit from the roll out of the Nature Restoration Fund (NRF). PSS will provide evidence on both the impact of development on protected sites and strategic interventions to address this impact, essential for delivery NRF. They will also provide a strategic framework for enhancing and connecting protected areas, under which the impact of NRF can be maximised. In return, the NRF will offer targeted financial support to restore habitats, improve biodiversity, and enable nature-based solutions across wider landscapes. By aligning strategic planning with practical investment, these two initiatives will reinforce each other—creating a robust, joined-up approach that not only protects key sites but also drives broader ecological restoration and supports growth and sustainable land use across the country.

Defra, with support from Natural England (NE), the Environment Agency, and the Forestry Commission, is responsible for delivering the PSS programme. This SOC sets out options for building on these pilots, identifying five options, with the preferred option being NE delivering at least five new PSS annually until 2030. PSS can draw on potential funding sources, for example,

ELMs, agricultural regulation, nature markets, and regulated expenditure by the water industry – alongside the NRF developer contributions as one of the primary sources – to implement the measures identified as necessary for recovery. Funding will support priority areas, governance structures, guidance updates, external contracts, and ongoing monitoring of PSS. PSS will complement existing nature recovery schemes, focusing on new solutions and supporting other strategies like Local Nature Recovery Strategies (LNRS) to achieve nature recovery which in turn will create environmental headroom to unlock sustainable development and deliver the growth agenda.

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2. The Strategic Case

Strategic Context

A healthy environment underpins economic prosperity and wellbeing. [OBJ] Wildlife-rich habitats provide ecosystem services, including carbon storage and sequestration, flood risk reduction, and can have direct economic and health benefits[OBJ]. Accordingly, the UK government has set several ambitious, legally binding targets to improve biodiversity, air and water quality, and overall ecosystem health. These targets are part of the government's commitment to leave the environment in a better state for future generations and to meet international environmental obligations.

Designation and management of protected areas and sites are key mechanisms for taking action to improve the environment. These protected areas cover many of the most valuable sites for biodiversity in England. Protected sites have been designated to protect a representative sample of habitats, species or geological/geomorphological features which are endangered or under threat in the UK or abroad. However, of the 4,127 protected sites¹ in England only 35% are in a favourable condition². Protected sites are affected by a range of pressures including pollution from water and air, water resources, and recreational pressures.

Introduced in the Environment Act 2021, Natural England have powers to prepare and publish a Protected Site Strategy for the purposes of improving the conservation and management of a protected sites or managing the impact of plans, projects or other activities on them. Putting sites on a path to recovery is essential to meet the government's legally binding **environment targets** and will support **sustainable development** by creating environmental headroom in areas that have exceeded their limit to absorb harm. Addressing the root causes of impacts on the Protected Sites also helps address wider nature recovery across the landscapes in which protected sites will contribute to our ambition for nature, including our commitment to bring 75% of Sites of Special Scientific Interest (SSSI) features to favourable condition by 2042, support delivery of the Governments statutory environmental targets as set out under the Environment Act 2021³, increased tree planting and 30 by 30 commitments⁴. The additional benefits from bringing all SSSI into favourable condition range between £667m - £1,139m in 2024/25 prices.⁵

Ensuring Nature Recovery is one of Defra's five key priorities (see Figure below) and this case will contribute to wider Government missions, which includes:

- *Economic Growth Mission* - by creating resilience and environmental headroom to enable economic development and by enabling quicker delivery of net zero development.
- *Breakdown Barriers to Opportunity Mission* - by creating more jobs in areas of new development, such as roles to build housing and roles that are created in new towns as a result of increased housing. This allows for placemaking opportunities that were previously not available which can boost natural capital underpinning the economy and transform the public space.

¹ Natural England, *Designated Sites View: SSSI Condition Summary* available online:

<https://designatedsites.naturalengland.org.uk/ReportUnitConditionSummary.aspx?SiteType=ALL>

² Defra, *England Biodiversity Indicators: Extent and condition of protected areas* (2024) available online:

<https://www.gov.uk/government/statistics/england-biodiversity-indicators/1-extent-and-condition-of-protected-areas--2>

³ Legislation.gov.uk, *Environment Act 2021* (2021) available online:

<https://www.legislation.gov.uk/ukpga/2021/30/contents>

⁴ Defra, *30by30 on land in England: confirmed criteria and next steps* (2024) available online:

<https://www.gov.uk/government/publications/criteria-for-30by30-on-land-in-england/30by30-on-land-in-england-confirmed-criteria-and-next-steps>

⁵ Defra, *Benefits of Sites of Special Scientific Interest - WC0768* (2011) available online:

<https://randd.defra.gov.uk/ProjectDetails?ProjectId=17005>

- *Build an NHS fit for the future Mission* – by improving air pollution and access to nature which will reduce the burden on the NHS by improving the health of the public. *According to the National Audit Office (NAO), in 2021/22, the NHS spent £12 billion on mental health services in England, accounting for around 8% of the total NHS budget*⁶.
- *Make Britain a clean energy superpower Mission* - by supporting net zero by restoring and creating habitats inside and outside of protected sites.

Table 1 Wider Government missions covered by this measure

Health (X)	Safer Streets (X)	Opportunity (X)	Growth (X)	Clean Energy (X)	National Security (X)	None (X)
x	x	x	X	x		

PSS are integral to achieving the Secretary of State's vision for a healthier, more sustainable environment in the UK and ensuring alignment with the UN Sustainable development goal 15: Life on Land.

- Cleaning up rivers, lakes, and seas: PSS aim to address pollution and other pressures on protected sites, such as Sites of Special Scientific Interest (SSSIs) and marine conservation zones. By improving the conservation and management of these sites, they help reduce pollutants and enhance water quality
- Creating a roadmap to a zero-waste economy: These strategies support the reduction of waste and promote sustainable practices. By focusing on the conservation of natural habitats and biodiversity, they encourage better resource management and waste reduction
- Supporting farmers to boost food security: PSS involve collaboration with farmers to manage land sustainably. This includes practices that enhance soil health, reduce pollution, and support biodiversity, which are essential for long-term food security
- Ensuring nature's recovery: The strategies are designed to restore and protect habitats and species, contributing directly to nature's recovery. They address both on-site and off-site pressures, ensuring that protected areas can thrive and support the wider ecological network
- Protecting communities from flooding: By improving the management of natural habitats, such as wetlands and peatlands, PSS help mitigate flood risks. Healthy ecosystems can absorb and slow down water flow, reducing the impact of flooding on communities

Protected Site Strategies (PSS) deliver against a number of the Hancock and Corry Review recommendations by leveraging the collaborative efforts of Natural England (NE), the Environment Agency (EA), and the Forestry Commission (FC)⁷:

- Recommendation 4: Consolidate statutory duties, principles, and codes of Defra's regulators - PSS enlists support from NE, EA, and FC to deliver outcomes aligned with government priorities such as growth, net zero, and nature recovery. This consolidation helps reduce confusion and ensures consistency across regulatory approaches.
- Recommendation 5: Support better cooperation between regulators - NE acts as the lead regulator, coordinating with EA and FC in their statutory roles to deliver PSS effectively and cost-efficiently. This approach enhances information sharing and cooperation among regulators.

⁶ The Kings Fund (2024) available online: [Mental Health 360 | Funding And Costs | The King's Fund](#)

⁷ [Delivering economic growth and nature recovery: an independent review of Defra's regulatory landscape - GOV.UK](#) (2025) available online

- Recommendation 7: Ensure regulators devote the right balance of time and resources - PSS prioritizes sites where nature recovery can be achieved alongside areas of high growth. This ensures that regulators focus their efforts on driving Defra priority goals and outcomes that include both environmental and economic benefits.
- Recommendation 10: Set up a programme of experiments or sandboxes - PSS includes research and evaluation on specific sites, identifying projects where regulations can be waived and measuring the results. This experimental approach helps identify barriers and optimise regulatory frameworks.

Case for change

The current of legislation and policies for protected sites have not adequately improved the situation for either nature or the economy. As of April 2025, around 12% of sites are in declining condition or destroyed⁸, predominantly because of pollution from agriculture byproducts, wastewater and industry. This puts at risk the Government's ability to meet statutory environmental targets.

A key reason for the lack of progress is that interventions are largely single, issue-specific projects within specific areas of protected sites. The result is a fragmented approach that does not tackle pressures at the source. For instance, in the Clun catchment area, previous strategies to improve water quality were criticized for their piecemeal approach, addressing only isolated sections rather than the entire catchment. Other issues with interventions are a lack of social engagement with nature recovery work and little cohesion or misalignment of other strategies and relevant stakeholders.

To deliver progress against our targets and offer value for money, it is essential that we take a more tailored, strategic and collaborative approach.

Impact on development

Many barriers to housing and infrastructure development arise due to the poor underlying condition of the environment - especially where protected sites or species are impacted. Natural England advice under the Habitats Regulations requiring developers to offset (mitigate) the harm of new developments with respect to water pollution, water abstraction, air quality, and / or recreational disturbance is in place in multiple locations nationwide. If these environmental features were not already in a poor condition, the additional impact of growth and development would not be so severely penalised. In short, we would have "headroom" for growth within safe, evidence-based environmental limits.

Examples where limited headroom is causing delays to development include:

- Nutrient neutrality requirements for aquatic sites impact new housing and other development because these sites are already in poor condition, primarily due to excess nutrients from the agricultural and wastewater sectors; MHCLG estimate ~16,500 new homes per year are affected by nutrient neutrality advice, including those homes currently proceeding with nutrient mitigation in place.⁹

⁸ Natural England, *Designated Sites view* (2025) available online: <https://designatedsites.naturalengland.org.uk/ReportUnitConditionSummary.aspx?SiteType=ALL>

⁹ MHCLG, *Nutrient neutrality announcement: explanatory paper* (2023) available online: <https://www.gov.uk/guidance/nutrient-neutrality-announcement-explainer#:~:text=Based%20on%20the%20average%20annual,16%2C500%20homes%20per%20year%20a>
re

- Air pollution, particularly ammonia emissions from agriculture, risks biodiversity loss and impairs recovery of sensitive habitats. Approximately two thirds of protected sites receive nitrogen deposition at levels that risk biodiversity loss – which has delayed developments (including roads) in some locations.¹⁰

If protected site condition is placed on a robust path to recovery, nutrient neutrality restrictions on development in these areas can be removed entirely, while sites at risk of crossing thresholds may be prevented from entering restrictions in the first place. This in turn will also provide significant contributions to the growth, opportunity, health and safer streets missions through placemaking opportunities.

The Proposed Solution

PSS enable a more strategic approach to site restoration, creating a long-term solution to tackle the underlying sources of pressures. PSS will be locally tailored, collaborating with key stakeholders and landowners to tackle offsite pressures impacting sites such as nutrient pollution in the wider catchment. They will also utilise **green finance** opportunities to harness private funding for nature recovery.

Local authorities and public bodies, together with Natural England, could use PSS as a tool to secure long term collaborative commitments to address environmental issues impacting protected sites. This could include:

- Ensuring there is sufficient engagement with stakeholders, all while working towards a comprehensive vision for the entire catchment area, rather than isolated interventions.
- Setting up and implementing collaborative approaches to address the impacts and pressures a site faces.
- Increased engagement with Natural England, Environment Agency, Forestry Commission and other relevant stakeholders to form efficient partnerships.
- Identifying and creating linkages between other strategies and policies that support nature recovery to ensure greater join up to achieve the most positive outcome for the environment.
- Project management, coordination and supporting activities.
- Creating efficiencies by providing central oversight of strategic solutions put in place to off-set development impacts and ensuring these are based on science.

PSSs are modelled on successful existing strategic schemes used in the Solent, Thames Basin Heath and the Humber which have been proven to speed up planning and deliver for nature.

For example, the Thames Basin Heaths SPA, which covers 11 planning authorities, faces challenges from proposed housing growth, with 77,000 new dwellings planned by 2026. This growth threatens three heathland bird species due to urbanisation impacts like predation and recreational disturbance. Natural England developed the Thames Basin Heaths Strategic Solution. The strategy is two-fold. First it provides alternative places to go, alternative greenspaces, called SANGs, Suitable Alternative Natural Greenspaces, designed to soak up some of the additional recreational pressure generated by new development. There are over 80 SANGs, scattered across the whole of the region, enhancing 2000ha of green space.¹¹ Some of them are places open to the public for the first time, others are existing places, invested in for the future. The second part of the strategy is a warden team, on the ground, telling the story of heathland, seven days a week which

¹⁰ UK Parliament, *Written evidence submission from HM Government (NIT0032)* (2025) available online: <https://committees.parliament.uk/writtenevidence/139338/pdf/#:~:text=pollution%20from%20the%20agricultural%20and%20wastewater%20sectors,condition%20of%20the%20wider%20environment%20and%20put>

¹¹ Thames Basin Heaths partnership, *About us* available online: <https://www.tbhpartnership.org.uk/about-us/#:~:text=There%20are%20over%2080%20SANGs%2C%20scattered%20across,existing%20places%2C%20invested%20in%20for%20the%20future>.

raises public awareness of nature recovery strategies and increased confidence in the actions taken to protect sites against development pressures. Learnings from these schemes have directly influenced key elements of a PSS to ensure a more successful strategic approach is taken to achieve nature recovery while ensuring growth. Key lessons include the importance of early stakeholder dialogue, government support, seed funding, and a strong evidence base

Five research and development pilots were set up by Natural England in 2021 and are located in the Clun, the Humber, Peak District, Sussex Woodlands and Cumbria. The five research pilots, together with gap filling research in other geographies for example into green finance, are testing the full potential for PSS at different scales and for a range of on and offsite pressures including air quality, water quality, nutrient pollution and overgrazing. While a comprehensive evaluation will not be complete until October 2025, the initial evidence suggests this approach can have a significant impact to support recovery of protected sites which in turn has created a more resilient landscape which allows for environmental headroom required for new development.

Case Study: The Humber Estuary Pilot

The Humber Estuary is one of the largest designated sites in Europe covering over 30,550ha. It is designated as a SAC, SPA and Ramsar site all underpinned by a SSSI. The site is important for birds due to mudflat and sandflat habitats with an estimated 175,000 birds arriving every winter.¹² It also has one of England's largest port complexes, handling 17% of UK trade, and development in and around the estuary is set to increase dramatically. The new development planned includes 14 NSIPs, offshore wind, hydrogen plant development, housing and a designated freeport. The Humber is set to become a world-leading hub for renewable energy, clean growth, digital innovation and advanced manufacturing.

Existing approach

New development is impacting on the site and contributing to bird decline due to disturbance and habitat loss. Each new development risks harming the site and each project has to carry out an HRA. This typically involves expensive surveys (a bird survey takes a min of 2 years to do) to identify sites suitable for mitigation. Each individual project would also subsequently require monitoring and oversight of the efficacy of identified measures.

How PSS is making a difference

The Protected Site Strategy pilot has conducted a strategic survey over the past few years to identify functionally linked land – areas of land outside the designated site boundary which are fundamental to the survival and function of the habitats and species for which the site is designated. This means there is a spatial plan for suitable areas for mitigation and suitable areas for development in the estuary. The pilot has also set up a strategic governance mechanism bringing together developers, LPAs, and the EA to provide strategic oversight of mitigation measures in the estuary. Saving time and money for everyone involved. Prior to PSS being considered or put in place this was all done in a piecemeal way. Once the full strategy is in place developers will be able to easily settle their obligations through PSS while delivering more for nature.

This approach has already been utilised in the South Humber Gateway mitigation scheme which successfully unlocked the development of hundreds of hectares of land, helped deliver an anticipated £2bn of investment, approximately 15,000 jobs, all while securing funding for the creation of 275 hectares of new wet grassland habitat benefitting the 175,000 wintering birds in the estuary. PSS will provide a legal underpinning to this approach and as such speed up NE's ability to put the plans in place whereas previously projects would take years to implement a strategy.

Early outputs from the other PSS pilots include:

¹² UK Parliament, S (2020) available online: [https://hansard.parliament.uk/commons/2020-11-19/debates/daa1d355-abd1-4a7c-90ac-5215753a923b/EnvironmentBill\(EighteenthSitting\)](https://hansard.parliament.uk/commons/2020-11-19/debates/daa1d355-abd1-4a7c-90ac-5215753a923b/EnvironmentBill(EighteenthSitting))

- In the Clun, the PSS has meant it has been possible to implement coordinated actions that tackle water quality issues on a broader scale by identifying 65% of land suitable for green finance opportunities through surveys that could be used to implement further strategic mitigation for nutrient neutrality. The pilot also identified potential for Biodiversity Net Gain (BNG) to be utilised in the future that will incentivise and support landowners in making the changes required to progress the catchment towards favourable condition. The pilot plan also aligned with the Diffuse Water Pollution Plan (DWPP) to ensure water quality improves in the catchment.
- In the Sussex pilot, the range of land management on the site has been expanded from 5,800 hectares to 18,000 hectares, effectively shifting nature recovery efforts from individual sites to a landscape scale. This is allowing strategic interventions on a range of issues, such as deer culling which is improving biodiversity by allowing natural regeneration of flora. Participant organisations have responded positively to the integrated approach PSS has enabled and are confident they will deliver meaningful and sustained improvements.
- The Peak district pilot has brought together existing evidence and commissioned additional research, which has enabled a comprehensive understanding of the landscape and the pressures affecting the site. This in turn has informed a data-driven strategic plan to be implemented as the PSS develops. The focus is now on progressing land management changes and using the evidence from this to apply to the Landscape recovery scheme for funding to deliver landscape scale nature recovery across protected sites.

The Cumbria pilot has introduced a Nature Finance officer, a role that has proved pivotal in incentivizing landowner participation to invest in nature restoration, exploring innovative approaches. For example, the pilot has supported wet farming, which blends economic benefits with conservation goals to fast track bog restoration on protected sites. The pilot is also working more strategically across the entire “hydrological zone”, including beyond the boundaries of the SSSI. Our proposal is for at least five PSS to be developed each year until 2029-30. We propose a minimum of five PSS annually until 2039/30 to deliver a total of at least 30 PSS. Natural England will serve as the delivery body, as stipulated in the Environment Act 2021, granting them exclusive authority to implement a protected site strategy. NE are the preferred delivery body for PSS due to their successful completion of pilot projects, as demonstrated in their NE Business case which concluded in 2025. Their expertise in managing the entire process from idea to implementation ensures efficient and effective delivery. Additionally, they are committed to transferring lessons learned from pilots to broader implementations, enhancing overall deliverability. Their strategic direction aligns with national priorities for nature recovery and sustainable growth, and their collaborative approach with stakeholders ensures well-integrated and supported strategies. Details of the PSSs to be developed in 2025/26 are set out in Table 1.

Table 2 - Proposed PSS 2025-26

Location	Environmental pressures	Rationale for selection	Expected benefits
River Great Ouse – Ouse Washes SPA, West Anglia.	Primary pressure: Diffuse water pollution and growth corridor	<ul style="list-style-type: none"> Lies at the heart of the Oxford-Cambridge Arc growth area. There are multiple plans for the catchment, including a Diffuse Water Pollution Plan, but these have not resulted in change on the ground. The EA are significant players in the catchment and this project will explore how we can enable EA to be the delivery lead with NE taking a hands-off, accreditation role. 	<ul style="list-style-type: none"> Environmental & Strategic Delivers integrated, long-term solutions for water pollution, land management, nature recovery, and flood risk, while enabling coordinated environmental action across the River Great Ouse catchment. Economic & Infrastructure Alignment Increases environmental headroom, which will facilitate development in a priority area for growth, including through supporting the NRF. Aligns wider activity with the Fens Reservoir National Infrastructure Project, benefiting housing, industry (especially IT), and environmental planning.
Malvern Hills, West Midlands.	Primary pressure: Recreation and housing growth	<ul style="list-style-type: none"> Significant recreational pressure and emerging air pollution issues. There are 38,000 houses within the ‘recreational zone of influence’ (Zol) and this is set to increase by a projected 33,000 new houses per annum. The Zol straddles three counties and involves eight local planning authorities. The PSS will bring the eight planning authorities together to develop a plan that spans the three counties. It will develop solutions to the recreational pressures, including high quality recreational areas away from the SSSI, allowing housebuilding to recommence in the local area. It will provide the model for developing solutions to the emerging air pollution issues. 	<ul style="list-style-type: none"> Planning & Development Supports house-building by proactively addressing the additional pressures they will bring. Informs sustainable housing and infrastructure planning by embedding environmental data early and shaping green travel and greenspace design. Landscape-Scale impact Establishes collaborative governance to reduce recreational pressure and improve the condition of the Malvern Hills SSSI through coordinated, landscape-scale management. Community & Nature Connection Enhances public engagement and wellbeing by creating inclusive opportunities for nature connection and expanding access to green spaces for local communities. Air Quality & Innovation Develops targeted air quality mitigation strategies and applies proven models like the Black Country Geopark to deliver place-based, innovative solutions.

Location	Environmental pressures	Rationale for selection	Expected benefits
River Camel, Devon, Cornwall and Isles of Scilly.	Primary pressure: Nutrient Neutrality and development	<ul style="list-style-type: none"> The Camel catchment is under a Nutrient Neutrality notification due to the condition of the River Camel SAC due to phosphate pollution. Improving nutrient use efficiency across the farmed catchment and working with stakeholders to minimise and offset phosphate loss to the river will help to lift development restrictions. There are numerous Protected Sites and species within the catchment, and it is also a key location for water supply and wastewater treatment infrastructure. There has been a Site Improvement Plan, there is currently a DWPP and Cornwall Council's Nutrient Mitigation Strategy. 	<ul style="list-style-type: none"> Planning & Development Increases environmental headroom to ensure additional restrictions on development are not required. This is achieved through a number of routes, including supporting farmers in adopting nutrient-efficient, sustainable practices that reduce pollution and enhance soil health. Catchment-Wide Resilience Fosters integrated land use planning and shared understanding among stakeholders to build a resilient catchment and healthy river system across moorland, valley, and lowland areas. River & Valley System Restoration Restores natural river processes and reduces erosion by targeting high-risk runoff areas with strategic interventions. Moorland Enhancement Enhances upland soil health, biodiversity, and landscape value through improved grazing and vegetation management.
Breckland, Norfolk and Suffolk.	Primary pressure: Air pollution	<ul style="list-style-type: none"> A priority area for housing development Breckland SAC, Breckland Forest and Farmland SSSI's have high levels of nitrogen pollution (average 17 kg N/ha/y) which pose severe threats and pressures for Breckland's scarce and locally distinct species and semi-natural habitats. The rural areas of Breckland consist of intensive and commercial agricultural farms and estates, which contribute greatly to the ammonia and nitrogen pollution issues, impacting on air and water quality. There is an established Shared Nitrogen Action Plan testing formalisation and integration with other complex related pressures with a PSS. 	<ul style="list-style-type: none"> Planning & Development Support development by increasing environmental headroom and building the evidence on strategic interventions. This will support roll out of NRF, further increasing impact. Biodiversity & Habitat Protection Safeguards Breckland's rare species and sensitive habitats by reducing nitrogen pollution and maintaining low-nutrient conditions essential for ecological integrity. Pollution Reduction & Environmental Health Tackles key sources of nitrogen and ammonia pollution to improve air and water quality, benefiting both ecosystems and public health. Long-Term Ecosystem Resilience Maintains diverse plant communities and promotes sustainable land use practices that reduce environmental pressures and support conservation goals.

Location	Environmental pressures	Rationale for selection	Expected benefits
The New Forest, Wessex and Thames Solent.	Primary pressure: Deer management	<ul style="list-style-type: none"> The New Forest is the smallest National Park with the most visitors. Deer densities are six times higher than allow natural regeneration whilst venison prices are at a record low. This PSS will improve on FiPL funded deer management co-ordination and aim to replicate learning from the Sussex PSS deer pilot. It will enable landowners to work collaboratively towards establishing a sustainable deer population to deliver diverse benefits. Sussex and Kent features on the NRF prioritisation shortlist. 	<ul style="list-style-type: none"> Environmental & Ecological Benefits Reduces deer and recreational pressure to enable woodland regeneration, support sustainable land use, and protect sensitive habitats in and around the New Forest. Sustainable Land Use & Economic Resilience Enhances the viability of land-based enterprises by addressing deer overpopulation and low venison value, supporting low-impact farming and forestry. Recreation & Community Engagement Develops alternative recreation spaces to ease pressure on the core New Forest area, balancing tourism with long-term conservation and community benefit.
Established PSS pilots-work will be continued to develop them to full PSS sites	Various	<ul style="list-style-type: none"> Cumbria Bogs. Cumbria Humber Estuary, Yorks and North Lincs White Peak, East Midlands The Clun, West Midlands Sussex Woods, Kent and Sussex 	<ul style="list-style-type: none"> Ecological and Environmental Benefits Establishes long-term monitoring and supports restoration of diverse habitats while reducing pollution and enhancing biodiversity across fragmented landscapes. Builds climate resilience through adaptive land use, regenerative farming, and integrated flood management across catchments. Stakeholder Engagement and Collaboration Strengthens cross-sector partnerships and empowers landowners and communities through collaborative land management initiatives. Innovation and Knowledge Sharing Advances decision-making and monitoring through innovative tools, technologies, and shared learning platforms. Green Finance and Economic Benefits Mobilizes private investment to support sustainable rural economies and align environmental goals with economic development. Community and Recreation Benefits

Location	Environmental pressures	Rationale for selection	Expected benefits
			Enhances public access to nature, reduces pressure on sensitive sites, and supports healthier, more connected communities through green infrastructure planning

There are also a range of programme wide benefits from these PSS:

- Strategic Planning & Decision Support. Development of effective decision tools and models to support:
- Holistic, evidence-based planning across all PSS phases.
- Green Finance & Private Sector Engagement. Rollout of the Green Commerce model in three pilot locations, with learnings scaled across all PSS.
- High return on investment by leveraging private sector funding for resilience and environmental improvements.
- Knowledge Sharing & Stakeholder Engagement
- Expansion of the Advisory Guidance into an interactive, stakeholder-owned knowledge exchange tool.
- Strengthens collaboration and shared ownership across the full spectrum of stakeholders.
- Evidence Generation & Research. Ensures no knowledge gaps stall implementation of PSS actions.
- Robust Evaluation & Accountability. Programme-wide evaluation aligned with the Treasury Magenta Book standards.
- In-depth sampling and impact assessments of selected pilots, Advisory Guidance, and research deliverables to measure effectiveness and inform future improvements.
- Combining a range of tools / instruments to address multiple / cumulative impacts on nature. Developing and demonstrating innovative approaches.
- Achieving better results for nature by delivering action at an appropriate scale. Enhancing efficiency / effectiveness by combining resources.
- Upscaling action by leveraging additional financial resources. Enhancing impact through strategic influence.

The evidence gathered from this activity on key pressures, including Recreation, Nutrients, Air quality, Fragmentation, Climate change, Neglect, will increase understanding of role of development and strategic interventions to address impacts: supporting the rollout of NRF.

From 2026 onwards it is proposed to prepare PSSs for the following 12 sites:

- 1) Bodmin Moor, Devon, Cornwall and Isles of Scilly
- 2) Pebblebed Heaths/The Exe, Devon, Cornwall and Isles of Scilly
- 3) The Broads & Breydon Water, Norfolk and Suffolk
- 4) River Wensum SSSI/SAC, Norfolk and Suffolk
- 5) Bowland Fells SPA, Cheshire to Lancashire
- 6) Stour and Orwell, West Anglia
- 7) Sherwood Forest, East Midlands
- 8) North Somerset SSSIs, Wessex
- 9) Teesmouth, Northumbria – features on the NRF shortlist
- 10) Golitha Falls, Devon, Cornwall and Isles of Scilly
- 11) Stodmarsh, Sussex and Kent - features on the NRF shortlist
- 12) South Pennines, Cheshire to Lancashire (also Cumbria, Yorks and North Lincs and East Midlands)

The sites chosen have been chosen through an NE analysis and consultation process which gathered information from area teams, EA and FC on future opportunities. The selection was guided by the following principles for site prioritisation, as agreed with Defra and ministers.

- The development of PSS where Nature Restoration Fund (NRF) implementation will be immediately beneficial to create environmental headroom necessary to unlock growth.
- A PSS will tackle more than one pressure, where it is considered feasible through funded actions.

- A PSS will consolidate existing processes into a single strategic delivery plan, prioritizing sites with pre-existing plans and strategies relevant to the PSS.

PSS sites should target rural land use changes in areas harmed by detrimental agricultural practices. This approach will boost economic growth and encourage greater food security by addressing the root causes of site pressures that prevent recovery.

Spending objectives

Government intervention into the future PSS programme is essential to safeguard biodiversity and ecosystem services, which are often undervalued by markets. As stewards of public goods, governments have legal and international obligations to protect these areas and can provide the leadership needed to coordinate diverse stakeholders. Intervention ensures long-term financial and strategic stability, supports adaptive management in response to environmental change, and promotes inclusive public engagement. By aligning efforts across sectors and communities, government-led PSS initiatives help deliver effective, accountable, and sustainable conservation outcomes.

The sum invested from the allocated funding directed to PSS will enable work to be carried out through strategic delivery plans, which in turn will achieve a range of SMART objectives that contribute to the wider aim of nature recovery and unlocking sustainable development. Mechanisms by which strategic approaches for management of protected sites can generate strategic added value (SAV) include:

2.1.1. Nature restoration

- To improve site condition to achieve favourable condition by 2030 in line with the EIP commitments and interim targets, and biodiversity targets set out under the Environment Act 2021.
- Contribute to the restoration of habitats in and around protected sites (peatland wetland) and the creation of new habitats (increase in tree planting figures, particularly in protected areas, to create new native woodland habitats). This could also lead to improved water resource and an increase in carbon sequestration.
- Increase levels of biodiversity and geodiversity by restoring habitats in poor condition and improving habitat resilience with greater site connectivity using a cohesive strategy with sufficient monitoring and evaluation to measure impact. Key outcomes to be monitored will include changes in targeted plant and animal species populations resulting in a more resilient environment.
- This will in turn create a more resilient environment that can allow for greater pressure such as recreation and increased access to nature which can lead to increased well-being and health benefits and a reduced burden on the NHS.

2.1.2. Sustainable infrastructure and growth

- To create the environmental headroom to enable rapid development in protected sites. This will support to the overall government growth agenda and house building goals of 1.5 million houses to be achieved by 2030.
- To support the NRF, which will simplify the process by which developers meet environmental requirements, further accelerating house and infrastructure building. PSS will act as a delivery mechanism alongside the NRF environmental delivery plans (EDP) to create environmental headroom in areas where environmental capacity to accommodate growth is being exceeded. When a PSS is implemented before the NRF, it can provide the necessary evidence of environmental conditions and existing mitigating measures to inform the development of an EDP that can be delivered quickly.
- Promoting sustainable infrastructure will provide additional local jobs. This can be monitored and measured through a change in housing figures and an increase in job security in the areas as the programme develops.

Integration with other initiatives

Protected Site Strategies provide the opportunity to bring together a range of interventions into a more coherent approach to addressing environmental harm. This could include Diffuse Water

Pollution Plans (**DWPPs**)¹³, Site Nitrogen Action Plans (**SNAPs**)¹⁴ and **LNRS**. Bringing these together will reduce time wasted on ineffective processes by align the goals of various conservation and development schemes, reducing conflicts and maximizing the impact of interventions. PSS will also integrate policies from different schemes, creating a cohesive regulatory environment that enhances the effectiveness of conservation efforts and implementation of nature recovery action. Areas that have the greatest potential to benefit from this have been identified by NE which will support the prioritisation exercise of identifying future PSS sites.

Sustainable funding

- PSS can draw on a range of sources to fund the actions that sits underneath them, including Environmental Land Management (ELMs), blended sources of green finance, and the NRF (once in place). Identification of alternative funding will begin in 2025 and will be ongoing until 2030.
- A key aspect of the PSS process is to identify and secure a portfolio of alternative funding sources which will support implementation of nature restoration measures alongside government funding. This will support the acceleration of nature recovery measures and benefits realisation and reduces the cost of further required funding in future years.
- Sources available will vary with each PSS and what can be attained will be dependent on the pressures the strategy is seeking to address. A range of finance sources will be exploited to help deliver partnership and drive restoration of nature so over time there will be an increase in investment for nature and reduce need for public funding. This funding is unlikely to have been secured without support and coordination from the PSS programme.
- To date, the PSS pilot programme has already leveraged £63m of research funding from Natural Environment Research Council (NERC) and United Kingdom Research and Innovation (UKRI).¹⁵
- There are various examples of private finance that has been utilised in other successful nature recovery schemes and could be implemented into PSS in the future alongside government investment. This includes acquisition of land by Oxygen Conservation which covered 23,000 acres of land using a £20.55m loan facility (with a 25-year repayment plan) from Triodos Bank to improve habitat connectivity. In the Wyre £2m of investment has been scheduled over a 9-year period to cover the cost of creating ecosystem services including river restoration.
- Once operational, the NRF will pool developer funding to support mitigation against multiple pressures from different sources. It may therefore provide an important source of private funding for PSS actions that are in areas of increased development, utilising the environmental headroom they create to enable developments to progress at speed. This will occur on sites that are aligned with priority locations for EDPs (around 40% of sites a year).

Main benefits, outcomes and dis-benefits

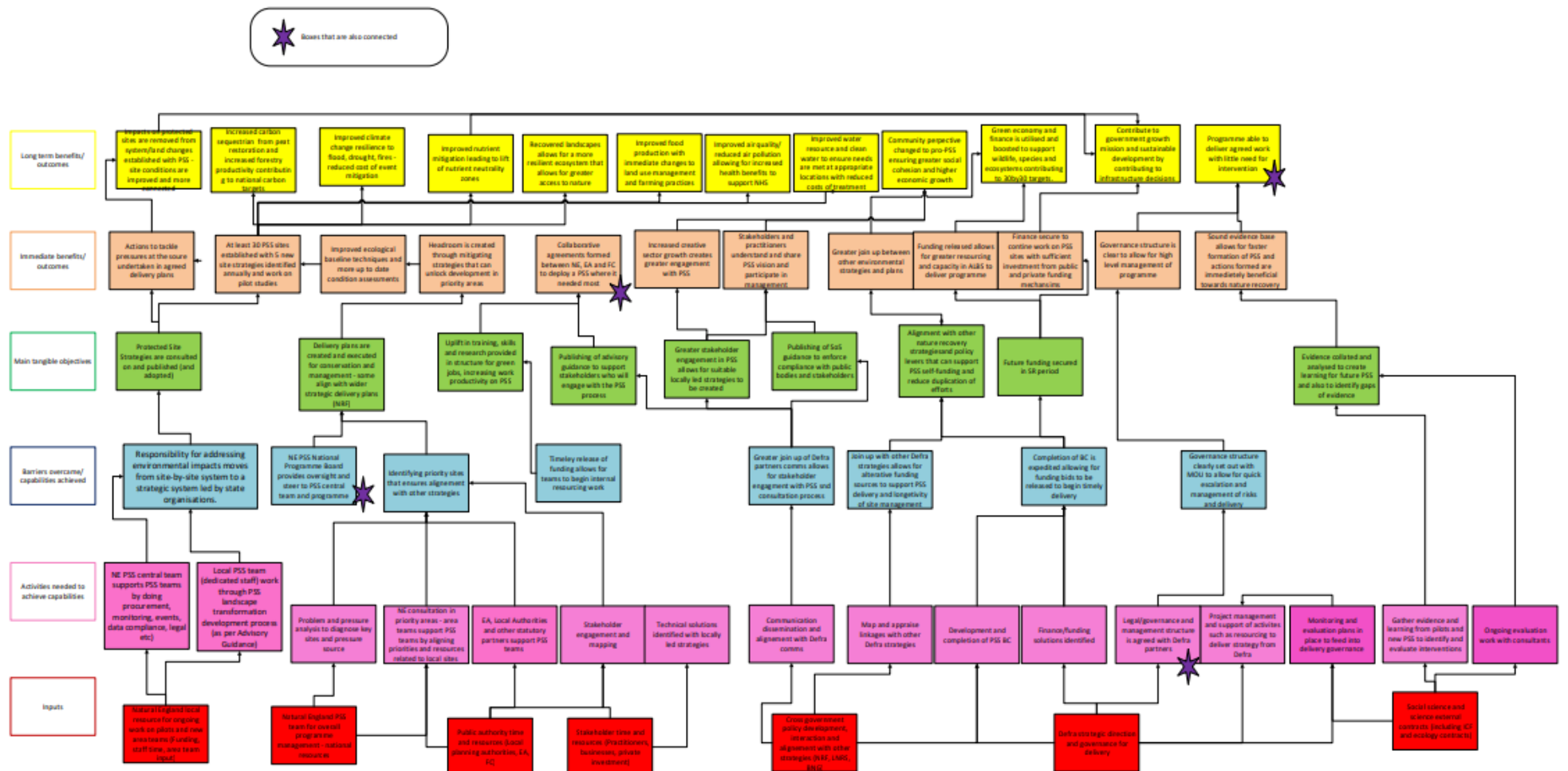
The following Theory of Change (ToC) sets out how PSS will deliver a range of benefits. This will be further developed and refined for the OBC stage, incorporating learnings and evaluations from pilot schemes.

¹³ Natural England, *Use of DWPPs for nutrient neutrality* (2022) available online: <https://www.dover.gov.uk/Planning/Planning-Policy/PDF/NN-principles-external-final.pdf>

¹⁴ DESNZ, Defra, DfT, DHSC & MHCLG, *Clean Air Strategy* (2019) available online: <https://www.gov.uk/government/publications/clean-air-strategy-2019>

¹⁵ Based on Natural England estimates

Figure 1 Theory of Change (ToC) for the five PSS pilot schemes



S01 – Tailored locally led strategies to achieve better programme outcomes

- Collaboration and delivery of interventions in protected sites are improved through:
 - **Improving governance arrangements** - This will result in efficiencies compared to the complex and disconnected governance arrangements in place to tackle the pressures which will allow the programme to deliver the agreed work with little intervention.
 - **Greater join-up between stakeholders** – PSS will increase stakeholder involvement in planning, management and monitoring of interventions, which in turn increases support for them and supports the development of a shared vision. They encourage collaboration across sectors, support adaptive management, and engage the public to strengthen conservation efforts. The success of PSS pilots was evident through increased stakeholder engagement, shifts in perspectives on nature recovery, and coordinated actions tailored to each pilot's goals.
 - **Increasing Green Finance** offsetting the need for public investment- PSS will identify approaches to leverage greater private finance to deliver outcomes.
 - **Increasing evidence gathering and advisory guidance** - PSS will enable evidence gathering in a more efficient and productive action-orientated way.
 - **Greater monitoring accountability** – PSS will establish comprehensive monitoring frameworks to track conservation progress, ensuring consistent and transparent evaluation. They involve multiple stakeholders, fostering accountability, and rely on robust data collection for accurate assessments. PSS require regular reporting to maintain transparency and promote adaptive management practices for continuous monitoring and adjustment of strategies.

S02 – Achieve nature recovery and net zero

- Enabling nature recovery
 - Once private finance is secured to deliver PSS plans protected site condition will improve delivering natural capital through strategic intervention and removing impacts on protected sites. This will contribute to the government duty to recover 75% of protected sites to a stable condition by 2042
 - Joined up habitats create a healthy ecological network operating across the landscape by facilitating the delivery of appropriate nature recovery schemes, such as ELMS. Changes in agri-environment practices will in turn improve food security and quality as the landscape and ecosystem becomes more resilient.
 - Further deterioration of protected sites due to nutrient pollution from wastewater from new homes is prevented using appropriate schemes identified with PSS. Nitrogen and Phosphorus is removed from the impacted catchment to mitigate any increase in pollution in the same area and water quality and resource is improved.
- Climate change
 - Enable carbon storage and sequestration through implementing nature recovery schemes where they will be most effective based on the evidence-based approach established with a PSS such as tree planting and recovery of peatland soil.
 - This will in turn improve England's resilience to climate change by increasing flood, fire or drought resilience in priority areas.
- Air quality
 - Local approaches to improving air quality developed and informed by learning and best practice. Human health benefits through reduced ammonia (NH₃) and nitrogen oxides (NO_x) will reduce the burden on the NHS where relevant. In 2019, 22-million adults in England aged 16 years or older visited natural environments at least once a

week. At reported volumes of nature-based physical activity, Exeter researchers estimate this prevented 12,763 cases of non-communicable diseases, creating annual healthcare savings of £108.7m¹⁶.

SO3 Improved innovation, technology and data to unlock sustainable development.

- Data collected throughout PSS sites will be analysed and implemented into further PSS sites and will inform wider environmental intervention.
- The insights from this will improve the effectiveness of our action on the environment, in turn supporting wider objectives, including on supporting house building.

Potential disbenefits include initial setup costs and equity concerns regarding fund distribution. These aspects will be further evaluated in the benefits profile and mapping annex at OBC.

Main Risks

The key strategic risks that may impact project outcomes are outlined in Table 2 below – further information can be found in the management case.

Table 3 - Strategic Risks for Project

Ref	Risk	Impact	Likelihood	Mitigation
		(VL, L, M, H, VH)		
PSS_R1	Tight delivery timelines	High	Low	Robust project management being implemented. Close working with ALBs to ensure that potential blockers to delivery are flagged in a timely manner and that relevant resource is made available to overcome the issue. Weekly check ins with ICF (Inner City Fund) evaluation leads to monitor progress with guidance development.
PSS_R2	Lessons learnt from pilots not actioned. missed.	Medium	Medium	Flexibility built into approach to ensure lessons learned can be responded to.
PSS_R3	Funding pressures.	High	Medium	Hold discussions with NE/EA/FC/HMT in advance of the spring budget on priority areas for PSS & to ensure they remain realistic around the duration of time for which pump priming may be necessary. Agree an MOU with ALB to set out what funding can be used for.
PSS_R4	Lack of Evidence.	High	Medium	Develop Strategic Action Plans early, with evidence from pilot schemes where good evidence is already available.
PSS_R5	Resourcing pressures.	High	Medium	Implement training, surge resourcing, early clearance notifications to SCS/Ministers,

16 University of Exeter (2024) available online:

				project planning, and leave/availability tracking.
PSS_R6	Stakeholders don't engagement with investors and stakeholders.	Medium	Low	Stakeholders have already been engaged through pilot schemes ending in 2025. To further engage key stakeholders, additional communications and guidance will be released. NE will also commence a consultation period to engage relevant partnerships before establishing a PSS.

Constraints

We propose developing five new PSS sites annually until 2029/30, with ongoing management afterward. Delivery of these could be impacted by the following:

- Finance – Development of PSS is dependent on up front funding from government efforts are underway to minimize the need for government investment by maximizing green finance and developer funding (through NRF). PSS will seek alternative funding mechanisms for the actions within them, including from schemes like ELM and the Country Stewardship Scheme. However, there are uncertainties over these income sources.
- Stakeholder engagement – PSS is most effective when there is sufficient stakeholder engagement to inform actions required in a strategic plan to tackle the identified pressure and achieve site recovery. PSS will ensure engagement of the most relevant stakeholders through the NE consultation process and regular engagement through NE area teams when developing a PSS.
- Natural England capacity – Sufficient resourcing is required from the PSS delivery partner to successfully implement PSS and achieve the project objectives. NE has assessed this as part of their deliverability assessment to identify priority sites for PSS programme and where resource may be required to ensure PSS can be implemented in these areas.

Dependencies

The delivery of PSS objectives depends on aligning with other nature recovery schemes such as BNG and LNRS. There are particularly strong interdependencies with the NRF that can provide both programmes with substantial benefits including:

- **Shared Objectives:** Both aim to improve biodiversity and ecosystem health.
- **Complementary Funding:** NRF can fund critical restoration projects identified by PSS to address the pressures on specific sites.
- **Integrated Planning:** Coordinated planning through strategic restoration actions through PSS addresses landscape-scale challenges rather than site-by-site mitigation.
- **Mutual Support:** while implementation of PSSs is not reliant on operation of the NRF, additional funding through the nature restoration levy could accelerate timescales for realising benefits in some areas. PSS provides evidence on the impact of development and strategic mitigations, which will help support the rollout of NRF to cover new issues/ areas.
- **Policy Alignment:** Consistent policies and frameworks reduce bureaucratic hurdles and ensures a co-design approach to reduce risk of duplication.

The PSS policy was proposed in 2021 and piloted a standalone policy before the NRF was conceived by the current government. Nonetheless, PSS and NRF are clearly now complementary strategies that enhance cohesion and work synergistically to achieve optimal outcomes. While they are designed to support each other, each program is also fully capable of operating independently and successfully meeting its own objectives. Their effectiveness does not depend on the existence

or performance of the other but will ensure the greatest outcomes for development and nature can be achieved when operating in tandem.

Sustainability Impact Assessment

Table 4: Sustainability Impact Assessment

Questions	Is the question relevant? Have you considered it?		Specify how your proposal will have a positive, negative, or neutral sustainability impact.	Are there any proposals to mitigate any negative impacts?	Identify any sustainability benefits. How do you intend to promote these?
	Relevant	Considered			
What is the current environmental impact of your options?	Yes	Yes	Potential for PSS to help address all current and predicted major off-site pressures that impact the species, habitats and geodiversity of protected sites	N/A - monitoring of mitigating actions for delivery plan will ensure negative impacts are met	PSS will allow for more sustainable land use practices in and around sites and a greater co-ordination of similar strategies.
What are the key environmental impacts of your project delivery?	Yes	Yes	With the delivery plan mitigating actions, it can support more effective intervention to address the full range of environmental issues impacting protected sites.	N/A - same as above	By enabling recovery of sites, headroom is freed up for this sustainable development.
What is the post project impact?	Yes	Yes	Contribution to EIP targets to improve site condition to a good status based on mitigating and monitoring actions.	N/A - same as above	By tackling pressures on and offsite we allow greater site resilience to future impacts from climate change and pollution.

3. The Economic Case

Introduction

The purpose of the Economic Case is to identify the approach that delivers best public value, including wider social and environmental effects.

Economic Rationale for Intervention

- At their core, Protected Site Strategies address market failures associated with the under-protection of vital ecosystems. These market failures result from externalities where the benefits of biodiversity and ecosystem services are not fully captured through market transactions, leading to suboptimal conservation efforts.
- **Coordination Failure:** PSS addresses coordination failures at the local level by facilitating the collaboration of stakeholders and aligning various policy levers. This coordination ensures that different actions are not working at cross purposes, meaning that efforts are not inadvertently undermining each other. In the context of PSS, cross purposes can occur when different initiatives or policies are implemented independently without considering their combined impact, leading to inefficiencies and conflicting outcomes. By aligning efforts and resources, PSS ensures that government funding is spent more effectively, enhancing the synergy between existing schemes. This strategic alignment and coordination maximise the impact of interventions, leading to more coherent and effective nature restoration efforts.
- By addressing coordination failures, PSS will act as enabling mechanism that will help to realise benefits of restoring SSSIs, development mitigation schemes and nature recovery more broadly. By acting as an enabling mechanism, PSS will improve information available to key actors, enhancing collaboration and spatially targeting actions to increase overall impact and value for money. This will help to realise the benefits of restoring protected sites faster, at a lower cost, contributing to the overall goal of nature recovery and sustainable development.
- **Externalities:** A rationale justifying government intervention is the presence of both positive and negative externalities related to biodiversity conservation and ecosystem services. Positive externalities include the benefits delivered through improving ecosystem services such as clean air, water regulation, and carbon sequestration, which offer significant societal benefits that are not reflected in market prices. Additionally, negative externalities arise from activities such as farming and agriculture, as well as the environmental impacts from development, which can lead to water and air pollution, habitat destruction, and biodiversity loss. PSS aim to internalise these externalities by leveraging insights gained from research to inform actions that can be taken to recover nature.
- The rationale for intervention is further supported by the economic valuation of ecosystem services provided by protected sites. For instance, the enhancement of natural habitats contributes to tourism revenue, boosts local employment, and supports sustainable livelihoods. The total asset value of ecosystem services in the UK was around £1.8 trillion in 2022. The combined aesthetic and recreation annual value is estimated to be worth £7 billion.¹⁷ By safeguarding these assets, PSS can support a flow of economic benefits.
- **Information Asymmetry:** Information asymmetry in the context of land use and nature restoration can lead to suboptimal outcomes. For instance, a landowner might engage in farming practices that yield a small economic value while causing significant environmental harm. PSS can address this by educating landowners about more economically beneficial practices that also promote environmental sustainability. Additionally, landowners may not be aware of all existing government and complimentary private sector schemes. Local partners involved in PSS can identify where existing initiatives are not being utilised, thereby increasing

¹⁷ ONS, *UK Natural Capital Accounts: 2024* (2024). available at: <https://www.ons.gov.uk/economy/environmentalaccounts/bulletins/uknaturalcapitalaccounts/2024>

the uptake of these schemes and enhancing their overall effectiveness. Water and food companies have incentive schemes that are compatible with the aims of each PSS. PSS will be able to influence the aims of these private sector schemes.

- **Economies of scale:** PSS are allowing for economies of scale with more ambitious PSS covering greater geographies with higher returns to be formalised further down the programme development.

Critical success factors

- The Critical Success Factors (CSF) for Protected Site Strategies have been outlined below in Table 5 and it describes how these will be measured. These have been considered in the assessment of the long list options for the Economic Case.

Table 5: Critical Success Factors

	Critical Success Factor	Description	Measurement Criteria	Importance
1	Strategic Fit and Business Needs	<p>Enables the improvement of site conditions by addressing priority pressures, while contributing to the mission for economic growth.</p> <p>Implements a collaborative approach and co-design involving multiple stakeholders.</p> <p>Systematic approach for research and development and recording insights.</p>	<p>Measured against interim targets set out under Environment Act 2021.</p> <p>Improved condition of selected sites.</p>	1
2	Potential Value for Money	<p>Achieves environmental improvement and socioeconomic benefits, including local economic growth, through enabling more effective site management and alignment with other schemes.</p> <p>Research provides insights and tools that enable other schemes to manage key environmental pressures more effectively.</p>	<p>Prioritisation of sites that offer wider benefits, e.g. proposed development that is blocked.</p>	1
3	Supplier Capacity and Capability	<p>Establishes centralised resource and governance models to deliver objectives.</p> <p>Implements programme for local planning authorities and other stakeholders to ensure capacity and motivation.</p>	<p>Recruitment and deployment of Natural England resource on PSS.</p>	2
4	Affordability	<p>Leverages private finance and co-investment from academia and other stakeholders to support nature recovery and site restoration.</p>	<p>The level of private investment in protected sites with PSS.</p> <p>The existing schemes which integrate with PSS.</p>	3

Long list appraisal

The long list of options was developed through engaging with subject matter experts and stakeholders from Defra and relevant ALBs to identify the limitations of a wide range of potential options. This focused on the parameters relating to the scope, service solution, service delivery, service implementation, and funding.

The long list comprises of five options as well as the baseline 'Business as Usual' option. Three options involve the implementation of Protected Site Strategies at varying levels of ambition and two options consider solutions that expand on existing projects/schemes.

Options Long List

Option 0 – Business as Usual (BAU) – There is no further contribution to PSS and the pilot sites will wind down at the end of the 2024/25. There is no replacement project and funding stops.

Option 1 – Continue with the five pilot PSS without any scaling up. There is centralised resource with local partners driving the PSS, supported centrally. The delivery body (Natural England) provides centralised strategic oversight and technical advice.

Option 2 – Continue with the five pilot PSS, increasing by a minimum of five new PSS sites per year, with a minimum of 30 in total by 2029/30. There is centralised resource with local partners driving the PSS, supported centrally. The delivery body (Natural England) provides centralised strategic oversight and technical advice. Funding will initially come from government but will leverage private finance and green initiatives in the medium to long term.

Option 3 – 15 new PSS sites per year, scaling to 90 in total by 2029/30. There is centralised resource with local partners driving the PSS, supported centrally. The delivery body (Natural England) provides centralised strategic oversight and technical advice. Funding will initially come from government but will leverage private finance and green initiatives in the long run.

Option 4 - Align the PSS sites with Local Nature Recovery Strategies (LNRS) schemes that will already be published by the beginning of the rollout of the PSS programme. The designation of these is across the whole of England and spatially distributed and managed by responsible authorities with input from government authorities. The LNRS will be identifying actions that will help tackle immediate pressures on sites and PSS will focus on complex offsite pressures and pressures related to development. PSS will act as part of the delivery mechanism for LNRS. This could allow for more to be done in one go (big bang approach) if LNRS is already in place with plan and partnerships and governance run through LNRS teams. LNRS are mainly government funded through nature recovery strategies such as ELMS and acting for endangered species.

Option 5 - Biodiversity Net Gain (BNG) - Landowners can sell biodiversity units/credits signing up for a legal agreement that can cover a range of activities to deliver on the land, including to create or enhance habitats, management of the land, monitoring, and reporting however protected sites are excluded from direct enhancement through BNG. We could expand eligibility of selling BNG units to designated features which may increase likelihood of BNG use in/around protected sites and provide new protections in 'buffer zone' areas around sites. Units with greater habitat restoration/enhancement opportunities have greater monetary value to developers as it provides more BNG.

Protected sites units could be valued highly with large opportunities for maintenance and improvement so BNG could provide separate income for the positive management of sites. PSS being prioritised on BNG valued sites would then aid in growth and nature recovery. Currently NE is not a statutory consultee for BNG. The Local Planning Authority (LPA) acts as the competent authority and must consult NE on individual planning applications if a protected site is involved.

This option will still require initial government funding to set up and then PSS could be further funded from private funding through nature credit schemes and philanthropic markets.

The long list of options has been reduced to a short list of options by assessing each option against the defined CSFs. Table 5 presents the outputs from the multi-criteria decision analysis where each option was assessed as either 'doesn't meet', 'partially meets', or 'meets' in meeting each CSF. 'Doesn't meet' means the option fails to meet the corresponding CSF. 'Partially meets' means the option can partially meet the CSF. 'Meets' means the option sufficiently meets the CSF.

Table 6: Assessment of long list of options

CSFs	Option 0	Option 1	Option 2	Option 3	Option 4	Option 5
	Business As Usual - PSS pilots wind down, and PSS discontinues	Continue with PSS pilots but do not scale up	Introduce 5 new PSS per year, minimum of 30	Introduce 15 PSS per year, 90 total	Align PSS sites with LNRS where PSS acts as delivery mechanism	Expand scope of BNG to sell BNG units for designated features
1. Strategic Fit and Alignment	Doesn't meet	Partially meets	Meets	Meets	Partially meets	Meets
2. Potential Value for Money	Doesn't meet	Partially meets	Meets	Meets	Meets	Partially meets
3. Supplier Capability and Capacity	Partially meets	Partially meets	Meets	Partially meets	Partially meets	Partially meets
4. Potential Affordability	Doesn't meet	Partially meets	Meets	Partially meets	Partially meets	Partially meets
5. Potential Achievability	Doesn't meet	Meets	Meets	Partially meets	Partially meets	Doesn't meet

Full SWOT analysis of the longlist of options can be found in Annex F.

Short list appraisal

Table 6 presents the outcome of the appraisal of the long list. It outlines the core benefits and issues, and whether each option has been carried forward to the short list. The short-listed options will undergo further analysis in the Outline Business Case stage.

Table 7: Options long list to short list

Option	Description	Benefits delivered / issues involved	Reason for short list or rejection
0	Do Nothing - Business as Usual	<p>No benefits delivered</p> <p>No integration with other initiatives</p> <p>No collaboration with stakeholders</p> <p>This option will not deliver any nature restoration or contribute towards our EIP commitments and interim targets.</p>	Included in short list
1	Do Minimum – Continue with pilot PSS without scaling up	<p>Delivers objectives at pilot sites only</p> <p>Does not allow prioritisation of PSS based on growth potential and pressures</p> <p>Collaboration with stakeholders, but at a small scale</p> <p>This option will not address the issues with the current approach to deliver minimal nature restoration in protected sites, putting at risk our EIP commitments and interim targets.</p>	Included in short list

Option	Description	Benefits delivered / issues involved	Reason for short list or rejection
2	Preferred way forward – Five new PSS per year, with at least 30 total	<p>Delivers objectives at chosen sites</p> <p>Allows prioritisation at achievable level for pressures and growth</p> <p>Strong collaboration with wide range of stakeholders by linking long-term commitments from key stakeholders – public bodies, third sector and private sector.</p> <p>This option will contribute to nature recovery through the restoration of habitats in and around protected sites and the creation of new habitats, particularly in protected areas. This will contribute towards our EIP commitments and interim targets.</p> <p>This option will effectively integrate with other initiatives by prioritising sites with existing environmental and evaluation plans.</p> <p>The wider benefits of achieving improved innovation, technology and data from PSS will be realised as it enables sites that could promote sustainable development to be covered. a result of the objective to achieve sustainable infrastructure, helping to unlock housing development.</p>	<p>Included in short list</p> <ul style="list-style-type: none"> • Meets all stated spending objectives • Strong strategic alignment • Within capability of relevant delivery organisations at this scale • Leverages a range of sources for finance • Attractive to suppliers
3	Higher Ambition – 15 new PSS per year, with 90 total	<p>Delivers objectives at a larger scale</p> <p>Allows prioritisation of sites but at a scale at risk of being unachievable</p> <p>Requires greater funding.</p> <p>This option will contribute to nature recovery through the restoration of habitats in and around protected sites and the creation of new habitats, particularly in protected areas. This will contribute towards our EIP commitments and interim targets.</p>	<p>Included in short list</p> <ul style="list-style-type: none"> • Aligns with strategy • Presents strong value for money, but with diminishing returns at this scale. • Potential issues with the capacity or funding of NE to deliver the programme, could potentially be overcome.

Option	Description	Benefits delivered / issues involved	Reason for short list or rejection
4	Align PSS with LNRS	Aligns with strategy, but lacks coordination and integration with other schemes Improves nature recovery at a reasonable scale.	<p>Rejected from short list:</p> <ul style="list-style-type: none"> Does not focus on enabling sustainable development (and therefore growth priority) Does not prioritise addressing the most critical pressures Existing organisations may struggle to adapt to changing needs Does not enable full collaboration across stakeholders This option would be constraining for both LNRS and PSS. We are working closely with our LNRS colleagues - workshopped alignment and synergies in October. LNRS published areas are less of a priority for application of PSS than areas where an LNRS not in place yet. Doing this amount of PSS in the first tranche of implementation of PSS would be too much to manage and likely fail to develop the PSS mechanism successfully. LNRS prioritise effort and identify suitable mechanisms. Chief amongst suitable mechanisms to address complex issues is PSS. There is no other mechanism available that has the convening power to address complex issues such as nutrient pollution, air quality pollution, recreational disturbance, overgrazing and climate change induced pressures (wildfires, coastal squeeze).

Option	Description	Benefits delivered / issues involved	Reason for short list or rejection
5	Expand Scope of BNG	Delivers positive environmental outcomes on biodiversity.	Rejected from short list: <ul style="list-style-type: none"> • Does not focus on growth priority • Existing organisations may struggle to adapt to changing needs • Potentially worse value for money • Does not enable full collaboration across stakeholders

Assessment against the critical success factors and the overall policy objective meant the following options were taken forward to the shortlist:

- **Option 0: Do nothing:** Business as Usual (BaU) – There is no further contribution to PSS and the pilot sites will wind down at the end of the 2024/25. There is no replacement project and funding stops.
- **Option 1: Do-minimum:** Continue with the five pilot PSS without any scaling up. Implement PSS in the five pilot sites immediately, which is fully funded by the government.
- **Option 2: Preferred:** Minimum of five new PSS sites per year, scaling to at least 30 in total by 2029/30. Funding will initially come from government but will leverage private finance and green initiatives in the long run.
- **Option 3:** 15 new PSS sites per year, scaling to 90 in total by 2029/30. Funding will initially come from government but will leverage private finance and green initiatives in the long run.

Summary costs of the shortlist options

Indicative cost estimates for each shortlisted option are presented to test the affordability of the projects. Costs for the preferred option are £68.8m. Costs range from £22.3m for the Do Minimum option to £196.2m for the higher ambition option.

Costs have been modelled for three options, Option 2 the preferred way forward, the Option 1 the 'Do Minimum' option only continuing the pilots and Option 3 (maximum option); To estimate indicative costs for the more ambitious option, it has been assumed that the annual cost of each option is proportional to the total number of PSS delivered across the full period in the preferred option. Full modelled costs and benefits for the short-listed options will be produced in the Outline Business Case.

For Option 2, costs were estimated using assumptions from the PSS pilots and Natural England expert judgment and the expected rate of implementation for the PSS.

The indicative cost estimates for the shortlisted options are presented in Table 7 below and have been discounted.

Table 8 - Short list indicative costs

Option	Description	Indicative Costs (Discounted) - £m									
		25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
0	Do Nothing - Business as Usual	0	0	0	0	0	0	0	0	0	0
1	Do Minimum – Continue with PSS pilots without scaling up	4.8	4.6	4.4	4.3	4.2	0.0	0.0	0.0	0.0	0.0
2	Preferred way forward – Five new PSS per year, with 30 total	12.5	14.3	14.8	14.5	12.6	12.4	11.5	9.8	10.3	10.8
3	Higher Ambition – 15 new PSS per year, with 90 total	27.9	39.3	44.1	43.0	42.0	40.5	37.4	28.5	29.5	30.9

Optimism bias will also be carried out on the benefits when these are quantified.

Summary Optimism Bias

There is a demonstrated, systematic, tendency for project appraisers to be overly optimistic. To redress this tendency appraisers should make explicit, empirically based adjustments to the estimates of a project's costs, benefits, and duration.

The assumption for Optimism Bias in this project is based on the experiences from the PSS pilots. Overall, there is flexibility built into the programme to manage costs. There were instances where the needs from a pilot took it overbudget, but these were accompanied by pilots that were underbudget. Consequently, the variation in costs across the pilots were balanced across the lifespan of the project.

The only significant cost that is not carried over from the PSS pilots is the cost of the public consultation phase for each PSS. The risk associated with this cost has been managed by looking at previous challenges for the public consultation stage of designating a new protected site. This will enable the consultation to proceed with minimal unknown risks.

Therefore, we do not have evidence to suggest a particular value for the Optimism Bias. The lower bound for Equipment & Development Projects has been used to capture any uncertainty that has not been considered, with a value of 10%¹⁸. Table 8, below, reflects the indicative costs following the 10% uplift for Optimism Bias.

Table 9 - Short list indicative costs with Optimism Bias applied

Option	Description	Indicative Costs (Discounted) - £m									
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¹⁸ Supplementary Green Book Guidance, Optimism Bias. Available at: https://assets.publishing.service.gov.uk/media/5a74dae740f0b65f61322c72/Optimism_bias.pdf

		25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
0	Do Nothing - Business as Usual	0	0	0	0	0	0	0	0	0	0
1	Do Minimum – Continue with PSS pilots without scaling up	5.2	5.1	4.9	4.7	4.6	0.0	0.0	0.0	0.0	0.0
2	Preferred way forward – Five new PSS per year, with 30 total	13.8	15.7	16.3	15.9	13.9	13.7	12.6	10.8	11.3	11.9
3	Higher Ambition – 15 new PSS per year, with 90 total	30.6	43.2	48.5	47.3	46.2	44.6	41.1	31.3	32.5	34.0

Options appraisal

Of these four shortlisted options, three options are appraised for the Protected Sites Strategies. These have been appraised proportionately – which means that we have provided a light touch qualitative assessment of Option 0 (counterfactual) and include more detailed analysis for Option 2 (preferred option). Option 0 is the “Do nothing” where it is assumed no/limited change from the current approach, for example PSS pilots would come to an end.

Option 0: Do nothing: Business as Usual (BaU)

Under the “Do Nothing” option there is no further contribution to PSS and the pilot sites will wind down at the end of the 2024/25. There is no replacement project and funding stops. Only existing BaU work to improve the condition of Sites of Special Scientific Interest (SSSI) would be in place, reducing the potential benefits and delaying the improvement of the condition of these.

Table 10 - Option 0 costs

Option	Description	Indicative Costs (Discounted) - £m									
		25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
0	Do Nothing - Business as Usual	0	0	0	0	0	0	0	0	0	0

Option 1: Do-minimum: Continue with the five pilot PSS without any scaling up. Implement PSS in the five pilot sites immediately, which is fully funded by the government.

The Protected Site Strategies development is a Research and Development project. The project is focused on five local pilot areas representing the full spectrum of contexts in which a Protected Site Strategy may be deployed. It also tests and evaluates components of Protected Site Strategies which are not being developed in sufficient depth within the pilots by conducting additional research and development with existing complimentary initiatives.

Under the “Do-minimum” option the five pilots would move into the full PSS stage. The project will enable the roll out of Protected Site Strategies which aim to identify and drive forward ambitious actions addressing multiple issues threatening or impacting the condition and conservation status of biodiversity and geodiversity in and beyond Protected Sites. This has the potential to lead to recovery of protected site condition in ways that provide significant socio-economic value in addition to ecological improvement.

PSS enhance interventions to address harms to protected sites by identifying and enabling action to tackle the underlying sources of pressures both on and off a protected site. They foster collaboration among stakeholders, use robust data to inform decisions, promote adaptive management practices, and engage the public to raise awareness and support conservation efforts. As a result, PSS can accelerate improvement to site conditions and increase public support for conservation initiatives.

By enabling pilots to become strategies, we expect:

- Reduce the risk of inadvertently weakening existing allied mechanisms through deployment of a Protected Site Strategy.
- Identify the key triggers that could usefully be applied to address pressures on a particular Protected Site or group of Protected Sites.
- Speed up measures to address pressures impacting protected sites.
- Do this in ways that address the root causes of pressures in the long-term.
- Establish local governance which improves the deployment of green finance along with government incentive to address market driven pressures on protected sites.
- Demonstrate how Protected Site Strategies have a unique role to play to help achieve Nature’s recovery through collaborative commitments.

In addition, the PSS will continue with research and develop measures to help address all current and predicted major off-site pressures that impact the species, habitats and geodiversity of protected sites including:

- Nutrient imbalances from Water and Air.
- Fragmentation and isolation.
- Diminishing Functionally Linked Land
- Lack of ecological headroom.
- Recreational disturbance.
- Grazing issues – overgrazing and under grazing
- Coastal squeeze
- Climate Change impacts
- Neglect
- Apathy/ lack of motivation to act from key stakeholders

And continue to research the most effective ways in which we can win collaborative commitments from key stakeholders to address pressures that are likely to address the root causes of the impacts. This to include a focus on three key stakeholder groups:

- Practitioners – land managers, farmers, foresters, environmental non-government organisations
- Business – utility companies, food and supply chain companies, developers.
- Local – local authorities, local community organisations, local people

In the sections that follow the assumptions, cost and benefits are set out for this option.

Benefits

At this stage, we have not been able to develop monetised benefits for PSS. We expect to include monetised benefits at the OBC stage. See Option 2 for a qualitative description of the potential benefits from PSS. These are indicative benefits and will include direct and indirect ones, at the OBC stage further analysis undertaken to separate these and quantify where possible. We expect the benefits to be limited as the key role of PSS is around enabling these benefits to materialise and support cost savings by taking a more strategic approach. A more detailed account of the benefits are set out for the preferred option only at this stage. For option 1 these are expected to be lower than the preferred option.

Costs

For this option based on discussions with Natural England, we have assumed that RDEL and CDEL costs would be the same as the cost incurred at the pilot stage, as this would be a continuation of the work started at the pilot stages.

Costs would end in 2029/30, when the scheme would come to an end, unless another source of funding is found, such as private sector / green finance.

RDEL

The RDEL costs are estimated to be just over £2 million over the 10-year appraisal, the majority of the spend is expected to be on work developing advisory guidance, training, admin, programme management, commissioned specialist time that does not meet the capitalisation test for research but is key to the success of Protected Site Strategies.

Table 11 - Option 1 RDEL

In £m	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
RDEL	£0.4	£0.4	£0.4	£0.4	£0.4	£0	£0	£0	£0	£0

CDEL

Below we have set down a breakdown of the CDEL costs, these are split between the funding to support individual PSS and a national funding pot. For the pilots CDEL spent was in relation to researching and evaluating the pilots and other key research insights in different geographies particularly into some of the main pressures on protected sites where there are research gaps - In total c120 different research commissions which are all being distilled into the Advisory Guidance and Knowledge Platform. The total amount over the appraisal period is just under £21 million as set out in Table 11 below.

Table 12 - Option 1 CDEL

In £m	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
National (SGA)	£2.6	£2.6	£2.6	£2.6	£2.6	£0	£0	£0	£0	£0
Cumbria (Area Team 2)	£0.5	£0.5	£0.5	£0.5	£0.5	£0	£0	£0	£0	£0
Humber (Y&N Area Team 3)	£0.4	£0.4	£0.4	£0.4	£0.4	£0	£0	£0	£0	£0
Peak District (Area Team 5)	£0.3	£0.3	£0.3	£0.3	£0.3	£0	£0	£0	£0	£0

The Clun, W Mids (Area Team 6)	£0.2	£0.2	£0.2	£0.2	£0.2	£0	£0	£0	£0	£0
Sussex Woods (Area Team 14)	£0.4	£0.4	£0.4	£0.4	£0.4	£0	£0	£0	£0	£0
Total	£4.4	£4.4	£4.4	£4.4	£4.4	£0	£0	£0	£0	£0

Staff resources

These costs are based on costs incurred under the pilots, these are based on having a central of 12.2 FTEs between 2025/26-2029/30, and zero FTEs onwards as set out in Table 12 below.

Table 13 - Option 1 FTE

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Number of FTEs Based PSS pilots	12.2	12.2	12.2	12.2	12.2	0	0	0	0	0

The cost per FTE is assumed to be on average £68,299 as provided by Natural England Finance. These are averages as will be based on a mix of pay band, see Table 13 below for annual profile.

Table 14 - Option 1 FTE cost

	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Average cost per FTE	£68,299	£68,299	£68,299	£68,299	£68,299	£0	£0	£0	£0	£0

The total annual cost of this central team is of £833,248 with a total lifetime cost of just under £3.9 million as set out in Table 14 below:

Table 15 - Option 1 central team cost

In £m	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Total cost of central team	£0.8	£0.8	£0.8	£0.8	£0.8	£0	£0	£0	£0	£0

Overall Costs

The overall costs of moving the five pilots to full protected sites strategies comes to just under £27 million over the 10 years appraisal as set out in Table 15 below:

Table 16 - Option 1 overall costs

In £m	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Total cost of central team	£0.8	£0.8	£0.8	£0.8	£0.7	£0	£0	£0	£0	£0
Total costs	£5.7	£5.5	£5.3	£5.1	£5.0	£0	£0	£0	£0	£0

Overall benefits

At this stage only a qualitative assessment has been undertaken scoping out the expected benefits of this option. Quantitative assessment will be undertaken over the OBC stage, as we have not been able to quantify the PSS benefits. We expect the benefits of the PSS to outweigh the costs, given the many benefits that these can provide.

Sensitivity analysis

We have not conducted sensitivity analysis as costs for all options are based on costs from existing PSS pilot projects. Therefore, we have confidence that the modelled costs are accurate. For the OBC, we will reassess the assumptions made and add sensitivity analysis for the preferred option.

Optimism bias

There is a demonstrated, systematic, tendency for project appraisers to be overly optimistic. To redress this tendency appraisers should make explicit, empirically based adjustments to the estimates of a project's costs, benefits, and duration.

The assumption for Optimism Bias in this project is based on the experiences from the PSS pilots. Overall, there is flexibility built into the programme to manage costs. There were instances where the needs from a pilot took it overbudget, but these were accompanied by pilots that were underbudget. Consequently, the variation in costs across the pilots were balanced across the lifespan of the project.

Therefore, we do not have evidence to suggest a particular value for the Optimism Bias. The lower bound for Equipment & Development Projects has been used to capture any uncertainty that has not been considered, with a value of 10%¹⁹. Table 16, below, reflects the indicative costs following the 10% uplift for Optimism Bias.

Table 17 – Option 1 short list indicative costs with Optimism Bias applied

Option	Description	Indicative Costs (Discounted) - £m									
		25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
1	Do Minimum – Continue with PSS pilots without scaling up	4.8	4.6	4.4	4.3	4.2	0.0	0.0	0.0	0.0	0.0

Optimism bias will also be carried out on the benefits when these are quantified.

BCR

A BCR assessment will be undertaken over the OBC stage, as we have not been able to quantify the benefits from the PSS.

¹⁹ Supplementary Green Book Guidance, Optimism Bias. Available at: https://assets.publishing.service.gov.uk/media/5a74dae740f0b65f61322c72/Optimism_bias.pdf

Option 2: Preferred: Minimum of five new PSS sites per year, scaling to at least 30 in total by 2029/30. Funding will initially come from government but will also leverage private finance and green initiatives from the outset.

As set out earlier on in the document and in line with options PSS enhance interventions to address harms to protected sites by identifying and enabling action to tackle the underlying sources of pressures both on and off a protected site. They foster collaboration among stakeholders, use robust data to inform decisions, promote adaptive management practices, and engage the public to raise awareness and support conservation efforts. As a result, PSS can accelerate improvement to site conditions and increase public support for conservation initiatives. The key difference between option 1 and 2 is the number of areas that would be in scope of the PSS, increasing from five at too least 30 in this option.

Benefits

A PSS is intended to enable a more strategic approach which enables a variety of solutions to be implemented based on factors affecting the site's condition and local circumstances.

Each pilot operates within its own unique context, with different ecological, socio-economic, and regulatory challenges. These differences have influenced their starting points in terms of understanding the factors affecting the site's condition and ability to devise appropriate solutions. Sharing knowledge and learning from other initiatives addressing similar challenges is crucial for informing this process.

A success example is the Sussex Woods pilot, which is perhaps the most advanced in demonstrating the effectiveness of taking a multi-solution management approach. Its work encompasses activities that include night-time deer culling, carcass management, licensing, damage assessment, landowner incentives, woodland regeneration techniques, community engagement, and monitoring technologies. This comprehensive, multi-layered approach also demonstrates the complexity of the issues faced in each site as well as the potential for innovative solutions.

At this stage, we have not been able to develop monetised benefits for PSS. We expect to include monetised benefits at the OBC stage. We plan to develop case studies of expected benefits, as reporting and evaluation from the pilot sites continues, and as we get more information from ALBs on the exact actions and locations of PSS sites, Natural England has commissioned ICF to undertake an evaluation of the benefits that can be provided PSS strategies. We expect to be able to monetise some of these benefits at the OBC stage.

Due to the lack of monetised benefits to include in the SOC, we have included a qualitative benefits narrative based on the main expected benefit themes of promoting economic growth, unlocking housing, environmental benefits, and health benefits. As we do not know the exact list of sites, we cannot accurately attribute all these benefits to actions resulting from PSS projects. However, they are all potential benefits that are likely to be realised should the full range of sites be delivered. We have stated whether each benefit is expected to be direct, indirect, or both in the benefit description.

Benefits are presented as direct and indirect. This option builds a much stronger case to leverage nationally co-ordinated Green Finance across PSS since large tracts of England will benefit ensuring good coverage of commercial supply-chain footprints.

1) Promoting economic growth:

- a. Agricultural and forestry productivity (**direct and indirect**) – Increased social cohesion leading to higher levels of trust in PSS - greater participation will lead to higher economic growth and increased healthy food production. Supporting

resilience of indigenous agricultural food systems provides greater food security by ensuring biodiversity and resilience of crops and by improving our soils to increase food productivity. The Sussex Woods PSS pilot site has Commissioned a study to map the venison supply chain in the local area and understand barriers/enablers. Based on the study, the pilot is testing a series of initiatives to improving venison supply chain and demand for wild venison. One of these activities includes working with Plumpton College (training butchers to work with venison and introducing venison dishes into the cafeteria).

- b. Flood and climate resilience (**direct**) – Reduced cost of Climate Change impacts (from wildfires, coastal erosion, drought, floods, etc) to economy. There is a positive quantification of both flood risk reduction and reduced low flows from engineered log jams constructed with willow in northwest Pennine uplands as well as natural recovering with developing wet woodlands.
- c. Training and skills for green jobs (**direct**) – Supporting training and skills for green jobs to increase productivity and growth across sector through learning that identified skills and jobs needed to execute actions for nature recovery. The existing PSS Sussex Woods pilot site has included work on a new approach to collaborative deer management - using a farm cluster approach to set up Deer Management Groups (DMG) to provide training, equipment, and support the provision and use of contiguous night licensing, including workshops on best practice for deer management and night shooting.
- d. Working with stakeholders to reduce cost of water treatment and waste impacting growth (e.g. less litter, plastics in environment). (**direct**)
- e. Promoting Green transport & tourism (**direct and indirect**) – By improving the environmental impact of people changing their behaviour (e.g. choosing public transport over cars). Increased productivity of services and tourism sectors through greater access to nature but also from increased development in some areas

2) Unlocking housing:

- a. Housing development (**direct and indirect**) - Supporting the government ambition to build houses where Nutrient Neutrality is in place, by finding novel ways to address nutrient impacts through farm system and land use change, and working with developers, land managers and local communities. Working with stakeholders ensuring sources of clean and plentiful water are in the 'right place at the right time' so water needs can be met to build houses etc.
- b. Improved government efficiency (**direct**) - Work with local and national government to improve the efficiency of public spend and address pressures in a more strategic and cohesive approach to speed up housebuilding. Improved functioning of procurement and financial processes and guidelines and governance that allows for faster establishment of PSS. Increased use of AI and other evidence such as third-party data will improve effectiveness of surveying, modelling and engagement. It will also support improved ecological baseline techniques and better collection.

3) Environmental benefits

- a. Clean water (**direct**) - There are opportunities to use PSSs to improve and conserve protected sites through engaging water resource management mechanisms by implementing a holistic and integrated approach to effectively manage both water resources and protected sites. Restoring natural ecological functioning through greater encouragement for innovative catchment-based and nature-based solutions. PSS will act as a mechanism to bring together and build on existing water resource management mechanisms across different regimes.
- b. Carbon sequestration (**direct**) – Increased carbon sequestration and increased sales of carbon credits achieved through better deer and woodland management, such as increased forestry products and practices such as increased tree planting or actions

that prevent forest destruction, improving ecosystems. The existing Clun PSS pilot site has delivered peatland mapping. This project is updating existing soil data and exploring ways to restore natural hydrological function. The peatland mapping planned for this year will map the distribution, extent, quality, and condition of approx. 400 hectares of suspected peaty soils, with initial indications on approaches for restoration. It will report on possible actions that could be taken by landowners to improve carbon sequestration and natural hydrological function.

- c. EIP target delivery (**direct and indirect**) – By supporting the 25 Year Environment Plan (25 YEP) and the Environment Improvement Plan goals, commitment and targets by improvement the condition of sites through habitat creation, restoration and management and species management.
- d. Reduced air pollution (**indirect**) – Improved air quality and reduction in health costs due to air pollution. These outcomes are anticipated in the medium-term (3-5 years) after programme implementation. Progress made towards these outcomes will be assessed as part of the PSS evaluation.
- e. Pollinators (**indirect**) – Increased pollination through protection of habitat that allows pollinators to thrive or changes in farming practices that reduce the use of pesticide

4) Health benefits

- a. Health improvements (**indirect**) – Physical and mental health improvements from increased work productivity and reduced cost to NHS from increased access to nature as habitats are more resilient to recreational pressure.

Assumptions

General Assumptions

Below we set out the assumptions that we have made when producing this option:

- a) Costs are an average per strategy, recognising there will be significant differences in the cost of each PSS depending on the complexity of the pressures being addressed.
- b) Most PSS (five a year) will move to BAU in year 4.
- c) The original five pilots will move to BAU in 27/28.
- d) A surge of new PSS is expected in 26/27, meaning eight, rather than five start that year
- e) Central programme team budget remains fixed.
- f) An overall shift from CDEL to RDEL is expected, but never falls below 5:95 ratio
- g) The 18 PSS started and in development in the final year of the SR period will all have moved to BAU by 2032/33.
- h) The central programme team winds down from 2029/30, but some resource is required to co-ordinate the on-going BAU PSS programme.

Cost Assumptions

Below we set out the assumptions that we have made when producing this option:

Natural England

- a) Research and development will cost £3.2m in year one and general research and development (R&D) such as expenditure on machinery. Research and grants will be £250,000 per year. This is based on evidence provided by Natural England of similar projects undertaken in the past.

- b) For each new PSS, it is assumed that they will need two FTE per year for 2 years while they are in development, plus an additional £250,000 for spend on site works, habitat works and convening partners. This will reduce to 0.2 FTE per year as it transitions to BaU.
- c) Before a new PSS is started, feasibility tests will be performed. It is assumed that 20 of these will be performed in total, at a cost of £50,000 each.

Environment Agency

- a) Total EA FTE is 37.5.

Forestry Commission

- a) tba

Costs

Below are the Resource Departmental Expenditure Limit (RDEL) costs by Arm's-length bodies (ALBs). The largest RDEL costs are from Natural England, and these based on cost to assess the feasibility of a site to become a PSS, development of PSS, specialist R&D personnel and a budget for central team to coordinate the development of PSS.

To estimate the RDEL costs Natural England has based this on assumption of the expenditure of the pilots, where 91% is on CDEL and 9% on RDEL - Based on NE budget for 2024/25, from 2025/26 based on NE expert judgement. For the PSS analysis we have assumed this ratio for year 1, with a declining rate for CDEL thereafter until reaching five percent in 2034/35. For RDEL we see an increasing rate from year 1 until it reaches 95%. The rationale here is that in the early years' funds would be spent on research while at the later ones on actions. Table 17 below sets the RDEL and CDEL profile trend overtime.

Table 18 - RDEL and CDEL profile trend

	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
CDEL split	91%	85%	45%	20%	10%	5%	5%	5%	5%	5%	5%
RDEL split	9%	15%	55%	80%	90%	95%	95%	95%	95%	95%	95%

RDEL

The total discounted RDEL costs are estimated to be around £45 million over the 10-year appraisal. The majority of the spend is expected to be on work developing advisory guidance, training, admin, programme management, and commissioned specialist time that does not meet the capitalisation test for research but is key to the success of Protected Site Strategies.

Total discounted NE RDEL costs are £26.2m over the 10-year appraisal period. EA costs are £10.3m and FC costs are £7.9m. A full breakdown of undiscounted RDEL spend across the ALBs for Option 2 can be found in Annex G.

CDEL

The total discounted RDEL costs are estimated to be around £24 million over the 10-year appraisal. The majority of the spend is expected to be on work to upgrade models, build new model scenarios and create new datasets for intellectual property on land use change, farming

land management measures, climate change impacts, air quality, water resources and flood risk management

Total discounted NE RDEL costs are £14.7m over the 10-year appraisal period. EA costs are £1.4m and FC costs are £7.8m. A full breakdown of undiscounted CDEL spend across the ALBs for Option 2 can be found in Annex G.

Overall Costs

Table 18 includes the NE, EA and FC costs for the preferred option of expanding by five PSS per year, with a minimum of 30 by 2030. In 2026/27, NE plan a surge of new PSS sites, with a total of eight. Total estimated RDEL costs between 2025/26-2029/30 for this option is £44.9m, total CDEL costs are £23.9m, with total costs being £68.8m. Overall lifetime costs are estimated to be £123.6m.

Table 19 - Option 2 cost breakdown

£m		25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Natural England	Total	9.3	8.9	8.6	7.4	7.2	5.2	3.6	1.3	1.2	1.2
Environment Agency	Total	2.4	3.0	3.0	2.9	0.5	1.3	1.5	1.6	1.6	1.6
Forestry Commission	Total	0.8	2.4	3.3	4.1	5.0	5.8	6.4	7.0	7.5	8.0
	Total	12.5	14.3	14.8	14.5	12.6	12.4	11.5	9.8	10.3	10.8

Overall benefits

At this stage only a qualitative assessment has been undertaken scoping out the expected benefits of this option. Quantitative assessment will be undertaken over the OBC stage, as we have not been able to quantify the PSS benefits. We expect the benefits of a PSS to outweigh the costs, given the many benefits that these can provide.

Sensitivity analysis

We have not conducted sensitivity analysis as costs for all options are based on costs from existing PSS pilot projects. Therefore, we have confidence that the modelled costs are accurate. For the OBC, we will reassess the assumptions made and add sensitivity analysis for the preferred option.

Optimism bias

There is a demonstrated, systematic, tendency for project appraisers to be overly optimistic. To redress this tendency appraisers should make explicit, empirically based adjustments to the estimates of a project's costs, benefits, and duration.

The assumption for Optimism Bias in this project is based on the experiences from the PSS pilots. Overall, there is flexibility built into the programme to manage costs. There were instances where the needs from a pilot took it overbudget, but these were accompanied by pilots that were underbudget. Consequently, the variation in costs across the pilots were balanced across the lifespan of the project.

The only significant cost that is not carried over from the PSS pilots is the cost of the public consultation phase for each PSS. The risk associated with this cost has been managed by looking at previous challenges for the public consultation stage of designating a new protected site. This will enable the consultation to proceed with minimal unknown risks.

Therefore, we do not have evidence to suggest a particular value for the Optimism Bias. The lower bound for Equipment & Development Projects has been used to capture any uncertainty that has not been considered, with a value of 10%²⁰. Table 19, below, reflects the indicative costs following the 10% uplift for Optimism Bias.

Table 20 – Option 2 short list indicative costs with Optimism Bias applied

Option	Description	Indicative Costs (Discounted) - £m									
		25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
2	Preferred way forward – Five new PSS per year, with 30 total	12.5	14.3	14.8	14.5	12.6	12.4	11.5	9.8	10.3	10.8

Optimism bias will also be carried out on the benefits when these are quantified.

BCR

A BCR assessment will be undertaken over the OBC stage, as we have not been able to quantify the benefits from the PSS.

Other impacts

Limited evidence has been gathered at this stage of the business case to provide concrete evidence on the impacts to place-based, equalities, groups within society and/or distributional objectives and effects of this option. However, it's expected that this option will have positive impact (beneficial). For example, we expect to see an improvement on the condition of sites, this could include making accessibility to these sites easier to deprived communities. It could also market activities to improve supply and demand in the venison market and support the upskilling of the local workforce by providing qualifications (including training butchers and testing venison mince through FareShare collaboration) and processing and marketing of woodland products through establish Forestry Commission schemes) and creating new jobs.

Option 3: 15 new PSS sites per year, scaling to 90 in total by 2029/30. Funding will initially come from government but will leverage private finance and green initiatives in the long run.

Assumptions

- Costs for Option 3 are based on a proportionate scaling up of costs from Option 2. No adjustments for economies of scale, or reductions in public costs from private finance have been made. Should further evidence of potential economies of scale or private leveraged investment be available, this will be included in the OBC.

Costs

RDEL

To be completed at the OBC stage

²⁰ Supplementary Green Book Guidance, Optimism Bias. Available at: https://assets.publishing.service.gov.uk/media/5a74dae740f0b65f61322c72/Optimism_bias.pdf

CDEL

To be completed at the OBC stage

Staff resources

To be completed at the OBC stage

Benefits

See Option 2 for a qualitative description of the potential benefits from PSS. These are indicative benefits and will include direct and indirect ones, at the OBC stage further analysis undertaken to separate these and quantify where possible. We expect the benefits to be limited as the key role of PSS is around enabling these benefits to materialise and support cost savings by taking a more strategic approach. The benefits from Option 3 are expected to be more extensive when compared with Option 2, the preferred option.

Overall Costs

Table 20 includes the NE, EA and FC costs for the ambitious option of expanding by 15 PSS per year, with a minimum of 90 by 2030. Total RDEL costs for this option are £134.4m, total CDEL costs are £61.9, with total costs being £196.2m. Overall lifetime cost are expected to be £363m.

Table 21 - Option 3 cost breakdown

£m		25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Natural England	Total	18.2	23.0	25.3	21.8	25.6	19.5	14.5	3.8	3.3	3.2
Environment Agency	Total	7.2	9.0	8.9	8.7	1.5	3.8	3.7	3.7	3.6	3.6
Forestry Commission	Total	2.5	7.3	9.9	12.5	14.9	17.2	19.1	20.9	22.6	24.1
	Total	27.9	39.3	44.1	43.0	42.0	40.5	37.4	28.5	29.5	30.9

Overall benefits

At this stage only a qualitative assessment has been undertaken scoping out the expected benefits of this option. Quantitative assessment will be undertaken over the OBC stage, as we have not been able to quantify the PSS benefits. We expect the benefits of the PSS to outweigh the costs, given the many benefits that these can provide.

Sensitivity analysis

We have not conducted sensitivity analysis as costs for all options are based on costs from existing PSS pilot projects. Therefore, we have confidence that the modelled costs are accurate. For the OBC, we will reassess the assumptions made and add sensitivity analysis for the preferred option.

Optimism bias

There is a demonstrated, systematic, tendency for project appraisers to be overly optimistic. To redress this tendency appraisers should make explicit, empirically based adjustments to the estimates of a project's costs, benefits, and duration.

The assumption for Optimism Bias in this project is based on the experiences from the PSS pilots. Overall, there is flexibility built into the programme to manage costs. There were instances where the needs from a pilot took it overbudget, but these were accompanied by pilots that were underbudget. Consequently, the variation in costs across the pilots were balanced across the lifespan of the project.

The only significant cost that is not carried over from the PSS pilots is the cost of the public consultation phase for each PSS. The risk associated with this cost has been managed by looking at previous challenges for the public consultation stage of designating a new protected site. This will enable the consultation to proceed with minimal unknown risks.

Therefore, we do not have evidence to suggest a particular value for the Optimism Bias. The lower bound for Equipment & Development Projects has been used to capture any uncertainty that has not been considered, with a value of 10%²¹. Table 21, below, reflects the indicative costs following the 10% uplift for Optimism Bias.

Table 22 - Option 3 short list indicative costs with Optimism Bias applied

Option	Description	Indicative Costs (Discounted) - £m									
		25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
3	Higher Ambition – 15 new PSS per year, with 90 total	27.9	39.3	44.1	43.0	42.0	40.5	37.4	28.5	29.5	30.9

Optimism bias will also be carried out on the benefits when these are quantified.

BCR

A BCR assessment will be undertaken over the OBC stage, as we have not been able to quantify the benefits from the PSS.

Other impacts

As set out under option 2 but to a larger scale given the larger number of PSS.

²¹ Supplementary Green Book Guidance, Optimism Bias. Available at: https://assets.publishing.service.gov.uk/media/5a74dae740f0b65f61322c72/Optimism_bias.pdf

4. The Commercial Case

Introduction

This SOC provides the case to invest an estimated £78.3m by FY 29/30 to deliver projects that address issues threatening or impacting the condition of sites and conservation status of biodiversity in and beyond Protected Sites. The objective is to recover protected site conditions in ways that provide significant socio-economic benefits by unlocking sustainable development in addition to nature recovery. These sites are affected by a range of pressures including pollution from water and air, water resources, or recreational pressures. Where limits to absorb harm from pressures are exceeded this can also impede development and estimates suggest the backlog is estimated at around 16,500 homes²² built per year will be held up without addressing the primary cause of harm at the source.

The SOC builds on pilot activity undertaken by Natural England at five Protected Sites and the economic case identifies four short listed options with the preferred option as NE delivering at least five new PSS each year over the term to 2030 at an indicative cost of £78.3m (before optimisation bias).

Key commercial risks are:

1. Lack of Defra resource owing to short delivery times
2. Lack of NE resource owing to short delivery times
3. VfM in projected NE Costings
4. Strategic and political dependencies with NRF impacting delivery
5. Requirement for public consultation impacting delivery

Procurement (Commercial) Strategy

A full procurement strategy will be developed at OBC. However, the options appraisal currently considers all preferred options using NE as the delivery body. NE have designed and delivered the pilot stage of the PSS and commissioned an external evaluation of the five pilots to a total spend of £5.4m This spend has been funded by NE GIA and forms part of their charter responsibilities enabled by The Environment Act 2021.

Going forwards it is anticipated that the funding expansion to deliver minimum five additional sites per annum for until 2029/30 will be governed by a Memorandum of Understanding (MoU) between Defra, FC, EA and NE.

Defra Group Commercial (DgC) provide all commercial services to NE and EA and support and guidance to FC and would anticipate continuing to do so under this delivery model. DgC are currently working with Defra's ALBs to achieve a position of transparency and clarity on ALB delivery costing and charging. This allows DgC to assure VfM and best use of public money.

A key activity in developing the commercial case and procurement strategy in the Outline Business Case will be obtaining robust evidence of VfM and establishing a transparent relationship with delivery partners to maintain a quasi-commercial footing of benefit to all parties.

²² DLUHC, *Nutrient neutrality announcement: explanatory paper* (2023)

<https://www.gov.uk/guidance/nutrient-neutrality-announcement-explainer#:~:text=Based%20on%20the%20average%20annual,16%2C500%20homes%20per%20year%20a>
re DLUHC, DLUHC, *Nutrient neutrality announcement: explanatory paper* (2023)
<https://www.gov.uk/guidance/nutrient-neutrality-announcement-explainer#:~:text=Based%20on%20the%20average%20annual,16%2C500%20homes%20per%20year%20a>
re

Ongoing and end of project monitoring, evaluation and learning will be identified and commissioned in the future procurement strategy.

Commercial strategy development towards OBC stage will consider

- Interdependencies with similar programmes eg Marine Recovery Fund (MRF), Nutrient Recovery Grant (NRG), Biodiversity Net Gain (BNG) and (Marine Net Gain (MNG) to ensure opportunities for co-development, economies of scale and avoidance of duplication is identified
- Any IT requirements and co-dependency to NRF potential IT system development
- Any commercial activity related to “standing up’ delivery internally eg staffing, specialist and resourcing costs as identified in the Management Case

Contractual terms & risk allocation

An MoU is not legally binding and works as a governance tool between Defra family members. DgC expects to work with her network bodies to a professional standard and upholds solid commercial values in agreements as a principle. DgC are particularly focussed to deliver VfM for Defra and her network bodies. Risk would ultimately sit with Defra as the parent, but we would expect risk allocation, assessment and mitigation to be appropriately shared and managed.

Procurement route and timescales

Development of a multi-party MoU with Defra network bodies is a low complexity commercial activity. However, the following elements will need to be agreed in advance of delivery commencing

- roles and responsibilities,
- pricing and charging
- deliverables
- timeline
- payment terms
- risk and risk ownership
- governance

It is likely that the ALBs will require review and agreement by their legal counsel prior to signature and this can add significant time.

Commercial Resource

DgC have allocated a G7 to SOC drafting through clearances and on to OBC development. This is currently accounted for from DgC budget. We estimate the commercial resource requirement to cover PSS & NRF as 1 x G7 and 2 x SEO from Q3 2025 to support. These roles are not funded by DgC budget but are identified in the management case of this SoC. We advise appointment of G7 FTE from Q3 at an annual cost of £90k. SEO resource should be rolled on as workloads increase and conversations with DgC should remain open to identify either internal DgC resources who could be allocated to the project or use of short-term interim resource at, typically, £600 per day.

Any commercial activity delivered by NE, EA or (to an extent) FC will be resourced by DgC. NE and DGC are holding early meetings and training sessions to ensure the process of pipelining of commissions is managed at pace. Through this approach the risk of contracts will being held up by resource constraints in DgC is being minimised.

Fraud Risk Assessment

This will be completed at the appropriate stage of procurement strategy development. Where Defra works with her network bodies an FRA is not normally required.

Subsidy Control Assurance

This will be completed at the appropriate stage of procurement strategy development. Where Defra works with her network bodies, Subsidy Control Assurance does not normally apply.

Commercial Governance and Approvals

With a projected first year spend allocation of £13m this project meets Cabinet Office Spend Controls requirements and has been flagged as a potentially 'novel, contentious or risky' requirement with an indication of 'assure' status.

Commercial Governance will be applied at Red Team review and Investment Committee submission for approval. Any procurement strategy developed as an output of this project will be subject to usual commercial governance approvals dependent on value and complexity thresholds.

5. The Financial Case

Financial summary

The Budget allocated £70 million in 2025-26 to support infrastructure and housing development while boosting nature recovery. Of this, £12.8 million was allocated to Protected Site Strategies (PSS) to create and implement restoration plans for priority sites where nature recovery can also contribute to the government growth mission in FY25/26. Based on evidence from the PSS pilot studies and input from ALBS it is estimated that the whole life cost for PSS expansion will cost £147.2 million which will include implementation work until FY2029/30 with ongoing BAU work and costs after 2030/31. Protected Site Strategies will be focused in areas where sites are in an unfavourable condition with insufficient environmental headroom to accommodate new development and where new development is necessary.

This funding is required for years 2025/26 to 2029/30 to commence work on a minimum of 30 PSS (starting at least five new PSS per year), targeting areas which will represent immediate priorities where NRF implementation will be immediately beneficial to unlock growth while achieving nature recovery. There is some uncertainty to whether five PSS sites a year is feasible to deliver with the allocated funding. The delivery of up to five PSS a year, with eight in 2026/27 due to a surge in PSS interest, is based on evidence from the five pilot sites that previously set out what work may be feasible in delivery of the programme and how many PSS could be implemented a year.

There is scope to achieve more than five sites a year in some instances, where additional locations are identified that can be quickly implemented to deliver quick wins for nature recovery and PSS. After four years, a PSS will assume BAU work, reducing the total number of actively developing PSS by five after 2028/29 which will reduce required funding and increase feasibility of delivery of later PSS. This will be result of a delay of initial implementation that may be seen in 2025/26 but when benefits are realised, results may encourage greater engagement. Delivering the proposed number of strategies with the funding will be contingent on the agreed preferred option which will continue to be developed at OBC.

Funding will be used to determine and deliver PSS in priority areas which will include actions such as setting up area teams with appropriate governance structures, updating guidance, commissioning external contracts, developing national evidence programmes and to ensure ongoing monitoring and evaluation of the programme. Innovative financial solutions are needed to implement the PSS. Green finance options such as biodiversity net gain (BNG) and carbon credits can help to support restoration projects where traditional funding sources often fall short. While understanding of appropriate financial mechanisms for protected site management is still developing, the potential of green finance in overcoming barriers to long-term restoration and management is widely recognised across the five PSS sites.

For instance, The Sussex Woods pilot is working to develop a market-based solution to support protected site management: looking at developing the venison market to generate revenue from an activity that relieves pressure on protected sites while simultaneously supporting local economies. Its approach, which includes initiatives such as training butchers, collaborating with FareShare4, and supporting venison wholesalers, provides building blocks for the creation of a market for venison in Sussex. It is not yet clear, however, whether there is a route to making that market financially sustainable without external funding. Further details are set out in the Financial Dimension and will be developed at OBC.

Protected Site Strategies will not replace existing nature recovery schemes but work in tandem with them to support the recovery of protected sites and unlock sustainable development. PSS will focus on the creation of new solutions where they are needed and the provision of support for other strategies, such as LNRS, that need help to reach implementation stage.

Table 23 - Projected number of PSSs for option 2 (preferred option)

Year	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
No. of strategies already in full development	5	10	13	13	13	13	8	0	0	0
New strategies started in year	5	8	5	5	5	0	0	0	0	0
Strategies now in BAU stage	0	0	5	10	15	20	25	33	33	33
Strategies at feasibility stage	10	10	5	5	0	0	0	0	0	0

The PSS sites will be located in priority areas across the country. As each site will be in different areas, the outcomes, findings and actions of the strategy will vary and how nature recovery and growth is achieved will be unclear due to the unique combination of pressures each site faces which will require a unique PSS each time. Part of a PSS includes a form of research and development (R&D) in its monitoring and evaluation to improve on existing knowledge from successful strategies that can inform faster and more effective implementation for future PSS sites.

Natural England are ensuring all R&D commissions for each of the new PSS commissions are compliant with ESA10 by requiring all proposals to provide sufficient narrative against all five criteria and selected proposals with the criteria in mind. They have begun carrying out internal auditing of the commissions and will ensure no R&D commissions are contracted that fail to be approved by specialist internal auditors for ESA10.

Work is also underway for Protected Site Strategies to maximise Green Finance and use the Nature Restoration fund so that over time the funding required for them from the public purse will reduce and the investment will come from private funding.

Benefits, Risks and constraints

The PSS programme has been assessed as a high-risk programme due to its high political and strategic profile as well as unknown funding sourcing which impacts resourcing. A Risk Profile Assessment for the PSS programme can be found here:

[Risk Potential Assessment Form V2.0 October 2021 - Copy.docx](#)

PSS has previously delivered five pilot schemes that were developed and approved through the NE PSS business case. Figures provided by ALBS and Defra for funding bids for PSS are based on the delivery of the pilots, including what resource and funding is required to ensure successful implementation of the strategies in priority areas. The PSS expansion programme is currently at SoC stage of the full business case development. There is an assumption to consider that the full scope of the programme has not been fully considered or developed, and the preferred way forward has yet to be determined and evaluated as the most appropriate way to deliver PSS with the announced funding. This could suggest that delivery of a minimum of thirty PSS may not be feasible and funding for delivery of the first ten PSS in 2025/26 may be spent at risk before we have established further information at OBC stage of the business case where these assumptions could be answered. The below table shows a further breakdown of the expected spend per site in 2025/26 including proposed FTE that will be established as part of the project delivery, listing key activities that will be funded for each site in 2025/26.

PSS	Type	Total proposed spend 25-26	FTE	Key planned activities in 25-26
Sussex Woods	Existing pilot	£383,080	2.5	<ul style="list-style-type: none"> - Thermal Drone Surveys: Landscape-level surveys to build a data-driven evidence base. - Deer Population Monitoring: Annual surveys in 3 Deer Management Areas (DMAs), shifting to “pulse surveys” using 1km² grid squares for long-term tracking. - Woodland Impact Assessments: Conducted at 10 sites, repeated every 3 years to monitor woodland recovery. - Deer Diet Study (Phase II): Stomach content analysis in collaboration with Queen Mary University and Forestry England. - Carbon Impact Study (Phase II): Research on deer impact on carbon stocks in larger fenced woodlands, involving Forestry England, Forest Research, and Kew Gardens (including terrestrial laser scanning). - Deer Management Initiatives including Collaborative Management in DMAs: A deer Coordinator role, Night shooting training and licensing, carcass extraction equipment (match funded), trico deer deterrent trials at hotspots - Venison Supply Chain Development including the expansion of using venison in food banks, in the halal and hospital market and providing chef training to support use of venison in workshops
Cumbria	Existing pilot	£811,780	2.5	<ul style="list-style-type: none"> - Cumbria Aerial Nitrogen Strategy (CANS): Ongoing monitoring of atmospheric nitrogen deposition on bogs, comparing with groundwater nutrient loads, vegetation condition, and land management practices. - Vegetation Composition Survey: Assessing current plant communities on two PSS pilot sites to support CANS and other restoration projects. - Climate Change Impact Assessment: Modelling to evaluate if current bog restoration methods (e.g., ditch blocking, bunding) remain effective under future climate scenarios. - Lowland Peatland Landowner Engagement: Continued collaboration with NE, Cumbria Wildlife Trust, and Lake District NPA to understand landowner perspectives and barriers to peatland restoration. - Short Film & Impact Assessment: Public engagement tool to raise awareness of bogs’ ecological value and challenges, with evaluation of its effectiveness in changing perceptions. - Flood Risk Assessments: Preparing site-specific assessments to meet regulatory requirements for future bog restoration projects. - Alternative Farming Models: Exploring economically and socially viable alternatives to traditional pastoral farming that support peatland rewetting and restoration.
The Clun	Existing pilot	£590,080	2.5	<ul style="list-style-type: none"> - Development of a digital map and written plan outlining restoration options and required measures across the catchment to inform nutrient neutrality decisions. - Modelling of 10 bespoke land use scenarios to guide decisions balancing food security and environmental outcomes. - Trial Contributions to Decision Tools: Input into tools that help farmers evaluate land use options, particularly where food security and environmental goals intersect. - Clun Peatland Mapping Phase II including public-facing report on the ecohydrology of the Clun uplands and engagement with landowners to implement hydrological restoration measures. - Practical Peatland & Headwater Restoration: Capital works delivery based on previous mapping and surveys, supporting farmers to act on recommendations. - Expansion of the FINCH methodology to more farmers, integrating peatland mapping insights.

				<ul style="list-style-type: none"> - Exploring how to overcome low uptake of green finance by farmers, aiming to unlock environmental headroom for sustainable growth.
The Humber	Existing pilot	£400,826	3.3	<ul style="list-style-type: none"> - Ongoing work to guide estuary-wide mitigation placement for high tide winter bird habitats and avoid development in critical areas. - Invertebrate Surveys: Completion of sand dune habitat surveys within the Humber Estuary SSSI. - Habitat Suitability Models: Development of models for Humber Estuary SPA bird species using new and existing data to identify functionally linked land (FLL) beyond SPA boundaries. - GPS Tracking of Golden Plovers: Testing advanced GPS transmitters using mobile networks to track bird movements in real-time and improve understanding of FLL. - Aerial Survey Testing: Field surveys will also test aerial survey methods as a potentially more cost-effective and less invasive alternative for identifying FLL. - Stakeholder Mapping: Identifying and engaging key estuary communities to build socio-economic resilience through environmental investment leading to a Senior Stakeholder Round Table.
The Peak District	Existing pilot	£366,629	2.5	<ul style="list-style-type: none"> - Landscape-Scale Collaboration & Green Finance White Peak Nature Recovery Development (Year 2): Supports a farmer-led group exploring green finance to fund nature network delivery and contribute to a collaborative White Peak vision. - Emerging Farmer Cluster: Early-stage formation of a collective group of land managers recognizing the benefits of working together as landscape stewards. - Climate Change Impacts on Calcareous Grassland (Year 4): Expands research across 24 dales sites to assess effects on productivity and nutrient cycling, informing monitoring reform. - Alkaline Fen Project (Year 3): Develops adaptive climate delivery plans and landowner materials to define and communicate what "good" looks like for fen restoration. - Tests a low-conflict, advisory approach to engage multiple landowners on a complex SAC site. - Willow Tit Project: Early-stage collaboration with RSPB and NT to connect fragmented populations across southern limestone SSSIs. - Scarce Plant Project (Year 2): Builds a self-sustaining volunteer network and tests how well agri-environment schemes (AES) support scarce plant conservation. - Transitional Grassland Survey: NVC and ecological baseline survey to inform SSSI monitoring and address nutrient transfer pressures. - Ecoacoustic Bird Survey: Baseline acoustic and breeding bird monitoring ahead of agroforestry introduction near Lathkill Dale. - Research into innovative methods for collecting ecological baseline data to support long-term monitoring reform.
River Great Ouse	New PSS	£218,870	2.2	<ul style="list-style-type: none"> - Integrated Catchment Planning including develop a catchment-wide plan combining: Diffuse Water Pollution Planning (DWPP), Flood defence and risk management, Nature recovery and river restoration, Water quality improvement and flow regulation - Ensure collaborative Governance to convene cross-boundary stakeholders, including: Environment Agency (EA), Flood authorities, Local authorities, Conservation partners and land managers - Coordinate interventions across the River Great Ouse catchment to address shared environmental pressures. - Build on previous pilots by: Expanding land management incentives, Advancing the Nature Recovery Blueprint, Integrating flood risk management into existing strategies

Malvern Hills	New PSS	£190,635	1.5	<ul style="list-style-type: none"> - Re-run comprehensive visitor surveys to update understanding of post-COVID recreational use, including: Visitor numbers and demographics, Transport modes, Activity types (e.g. hiking, dog walking, mountain biking) - Conduct a detailed assessment of recreational damage, identifying severity and hotspot areas. - Test the feasibility of the PSS approach to manage visitor pressure while maintaining public access and nature connection. - Develop new techniques to balance recreational use with long-term protection of the SSSI. - Investigate sources of poor air quality, focusing on distinguishing between traffic and agricultural contributions. - Explore and replicate mitigation strategies based on findings from comparable initiatives.
River Camel	New PSS	£139,838	1.2	<ul style="list-style-type: none"> - Trial grazing management strategies to assess impacts on: Soil structure and rain infiltration, Wildlife habitat quality, Landscape beauty and heritage - Monitor soil health and habitat outcomes from grazing interventions. - Collect and model data on: Surface runoff patterns, River flow dynamics - Identify pollution pathways and opportunities for restoring natural hydrological processes. - Engage with farm managers to explore: Nutrient use efficiency, Crop management practices, Soil health and farm economics - Support sustainable cropping choices to reduce runoff and improve long-term viability.
Brecklands	New PSS	£344,287	2	<ul style="list-style-type: none"> ▪ Identify local emission sources contributing to nitrogen and ammonia (NH₃) exceedances affecting protected sites and human health. - Continue air quality monitoring and analysis, providing critical baseline data for the PSS. - Review and define actions needed to reduce nitrogen deposition. - Monitor the effectiveness of implemented measures to track progress and inform future strategies. - Examine air pollution evidence to better understand site-specific impacts and inform targeted awareness-raising efforts. - Develop a robust communication strategy to engage stakeholders and partners effectively. - Build on existing partnerships and projects to foster a more collaborative, integrated approach. - Transition the Breckland Shared Nitrogen Action Plan into the broader PSS programme, aligning with legislative and funding support.
New Forest	New PSS	£416,064	2	<ul style="list-style-type: none"> ▪ 25-26 activities include building on work from other pilots e.g. Sussex Woods: - Investigate the relationship between deer and recreational pressures. - Develop condition assessment methodologies to separate deer browsing from the common New Forest grazing. - Evidencing deer densities and impacts to develop shared targets - Evidencing the impact of deer on agricultural productivity and carbon sequestration - Supporting landowners with their deer management e.g. training, bespoke advice - Developing the venison economy e.g. The New Forest Mark, supplying venison to hospitals
Cross-cutting Research	Supports new PSS	£8,937,910	32.6	Over 60 projects supporting existing, new and future PSS, and overall PSS programme development and activities on a national level.

It is important to note that the existing project is a research and development project which is run by NE which has targeted five pilot areas to test how NE will use their new powers in the Environment Act (s. 110) and produce the necessary toolkits and guidance for wider roll-out. The expansion of PSS, in part as a delivery mechanism for the Nature Restoration Fund, will therefore be transitioning from research and development towards business as usual over time which is why the funding needs are transitioning from mainly CDEL into RDEL (BaU).

The assumption is that this will reduce over time as the Nature Restoration Fund comes online transitioning PSS from reliance on funding from the exchequer to a larger proportion of funding from private sector via green finance and the nature restoration fund. However, the extent to which this will be achieved needs to be worked through in the full business case once the policy is settled.

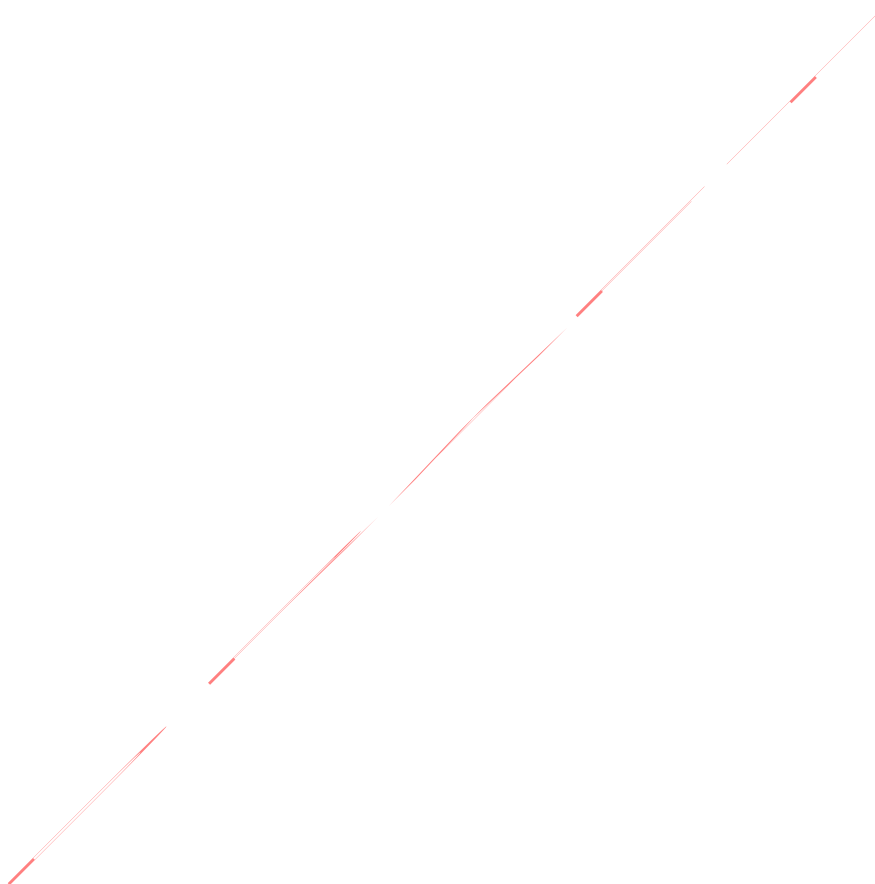
External factors may impact projected costs out to 2029-30. As such all the figures provided are subject to future adjustments. The “total after 2029/30” assumes that the PSS implementation and development programme and NRF will run for another 5 years, but they could run for longer depending on overall need, success and political will. Cost figures for the Environment Agency and Forestry Commission post 2029/30 are assumed to remain constant. While the cost figures for Natural England are based on the costs when a strategy is on BaU stage and having a central programme team in place. It’s important to highlight that these longer-term figures are only a best guess at this time.

Below, shows the spending profile of PSS in 2025/26, breaking the £12.8m of funding down by quarter. The table also shows what activities the funding will be spent on and the evidence base used to determine when and where spending will be appropriate for PSS delivery and when further evidence will be provided to inform future iterations.

Table 24 – A quarterly breakdown of costs and activities for 2025/26

Time	Evidence base	Full 2025/26 spend (£m)	Spend on new sites (£m)	Activity	Case
Q1	Informed by the interim findings of the PSS research and development project. The interim report has been informed research activities, two evaluation focus groups, qualitative investigation, interviews with NE and observations at project meetings and trips. A preliminary report of the advisory guidance will be released to provide a baseline for future PSS.	0.8	0.1	NE delivered research activities and knowledge exchange, project specifications and procurement preparation ahead of budget allocation, continued air quality monitoring and analysis in priority sites. Stakeholder engagement activities and cross-cutting workshops	SOC
Q2	Work to scope the evaluation for Q3/Q4 has been started in in Q1 and 2. The ToC provide an agreed roadmap of how PSS programme is expected to produce results. This blueprint will be used to identify key evaluation questions, indicators, and data collection strategies to provide learning to the programme and provide supporting evidence to the economic benefits outlined in the SoC.	3.2	0.4	Delivery commencement of activities outlined, including research.. Bulk of delivery across Q2-4	SOC

Q3	Final Evaluation report delivered including evaluation of PSS R&D project. Will include write up of pilots, rapid evidence reviews and exploration for future evaluation.	4.4	0.4	Delivery commencement of activities outlined, including research.. Bulk of delivery across Q2-4	OBC
Q4	Focus on the delivery of the monitoring and evaluation plan drafted by Defra and NE colleagues. There will be a delay between the end of the current contract and the start of the contract for programme level evaluation.	4.3	0.4	Delivery commencement of activities outlined, including research.. Bulk of delivery across Q2-4	OBC
Total	N/A	12.8	1.3	N/A	N/A



Headline Cost

Table 24 below shows the breakdown of gross costs for each option as described in the economic case. Option 0 is a do-nothing option, option 1 is the do minimum option, option 2 is the preferable option with the announced funding and option 3 is the do maximum option if we were able to attain more funding.

Table 26 - Headline Cost

Items	Option 0	Option 1	Option 2	Option 3
Gross Costs (million)	0	24.3	147.2	438
Income (million)	0	0	0	0
Net Cost (million)	0	24.3	147.2	438

Monthly budget management meetings are held with NE FBP's and Area Business Managers to provide project budget updates, review, discuss pressure points and agree on allocation changes.

Assumptions:

5.1.1. Natural England costs:

- Costs are based on 24/25 budget delivering five pilots, so are an average per strategy, recognising there will be significant differences in the cost of each PSS depending on the complexity of the pressures being addressed, location and size.
- The existing pilot projects will move to BAU in 2027/28.
- All PSS will move to BAU after 4 years of operation.
- The costs for maintaining a PSS in BAU are significantly reduced from those in the first four years of operation. Average total costs per strategy in full development are around £875,000. Average costs per strategy in BaU are around £14,000.
- The central team budget for Natural England will remain fixed throughout the appraisal period. An assumption has been made that Natural England will become more efficient at managing PSS over time. This will lower the average cost of the central team per PSS.
- Over the appraisal period, an overall shift from CDEL to RDEL is expected. A full financial breakdown of costs can be found in the annex.

5.1.2. Environment Agency costs:

- Environment Agency costs are based on total FTE costs, including for PSS area leads, permitting officers and specialist advisory roles for improvement of biodiversity and identified site pressures. They also cover R&D cost and RDEL for consultancy outsourcing to upgrade data models and create new datasets. EA funding for this PSS programme is dependent on other funding relating to EA's work on nutrient pollution being continued as part of the business planning process for Defra for 2025-26.

5.1.3. Forestry Commission costs:

- Forestry Commission costs are based on FTE costs for current projects they are working on with Defra, such as the Sussex wood PSS pilot.
- They are based on the assumption that there will be at least 3 PSS a year that will involve forestry commission support and ongoing management resulting in a cumulative increase of resource required for FC.

Funding sources

The Budget allocated £70 million in 2025/26 to support infrastructure and housing development while boosting nature recovery. Of this, £12.8 million was allocated to PSS to identify priority areas

where PSS will be developed and contribute to the government growth mission for 2025/26. For the duration of this SR period until FY 29/30, there is an estimated cost of £78.3m needed to deliver [at least 30 PSS to unlock economic growth]. Moving forward in the next phase of the SR we will be requesting further funding which will support a WLC of £147.2m to continue to deliver PSS after 2030 (the preferred option).

We are investigating ways to reduce these costs moving forward. A large proportion of our the funding needed to deliver this project will be transferred to our ALBs, we will have mechanisms in place to monitor the spend across the whole of the programme against delivery To ensure this we are in the process of developing an MOU which will provide clarity on programme roles and responsibilities as agreed with Natural England and the NRF Programme Board. We will also be investigating further measures to ensure compliance such as an MOU or directional power.

Funding from NRF - The NRF will use developer funding and invest this in environmental improvements at scale by pooling individual contributions to deliver strategic interventions against the primary pressure from development. This could link developer contributions with wider PSS to ensure value-for-money investment in mitigation against multiple pressures from different sources, increasing confidence in habitat recovery and offering a sustainable exit strategy from development constraints. PSS will act as an enhanced delivery mechanism alongside the NRF delivery plans to create environmental headroom in areas where environmental capacity to absorb harm is being exceeded. This will reduce the burden on developers by supporting the lift of NN requirements and unlocking housing and infrastructure. The amount of money that will be attributed to a PSS delivery plan through the NRF will only affect specific sites that are linked to increased development however it is currently unclear how many PSS sites will be supported by NRF funding. Other PSS sites will not receive this funding uplift, and we will look to include these assumptions in the OBC.

When strategic plans are being created by NE with support from locally led partnerships, alternative funding from other sources will be sought out to leverage ongoing restorative actions on a site such as ELMS/LNRS. What funding sources that are sought out by each site will vary from site to site and how much received will be dependent on engagement with the appropriate partners and actors to deliver a PSS. This will be agreed during the Natural England consultation phase to ensure this is in place prior to the establishment of a PSS.

During the progression and implementation of PSS, there are opportunities for strategies to draw on private finance opportunities however this has not been considered in the bid below, with no confirmation of private finance for upcoming PSS. Alternative funding sources such as ELMS will also provide an option to apply for further PSS funding through the provision of other nature recovery strategies as an alternative to future bids that would be transferred through the central Defra funding stream. Specific funding alternatives (both public and private) that will be used for future PSS are currently being actively pursued and this will continue to be investigated and evaluated at OBC stage. Alternative funding streams are reflected in the table below. The total amount of funding reflected in the table is up until 2029/30 however there will be ongoing BAU costs on PSS sites after this point.

Table 27 24 - Sources of funding

Annualised funding profile (£m)	25/26	26/27	27/28	28/29	29/30	30/31-34/35	Total
Defra Funding	12.8	15.2	16.3	16.4	17.5	68.9	147.2
(list by function)	Funding from SRI	Funding from SRII	Funding from SRII	Funding from SRII	Funding from SRII	Funding from future SR	-
Other sources:	TBD	TBD	TBD	TBD	TBD	TBD	TBD
NRF	-	-	-	-	-	-	-

Annualised funding profile (£m)	25/26	26/27	27/28	28/29	29/30	30/31-34/35	Total
Initial project costs	12.8	15.2	16.3	16.4	17.5	68.9	147.2

Impact on resource budgets and balance sheet

The table below shows a summary of the breakdown of CDEL and RDEL for each ALB every year until 2029/30. These figures include an average inflation rate of 2% and VAT (where applicable). The figures in the table include an internal assumption of an optimism bias of 10% to counteract any overinflation we may have included in our predictions for delivery to ensure the figures show a more realistic spend plan. Inflation that has been included in the economic case forecast is on average around 2% which was calculated used in the GDP deflator.²³ -

Defra resource has not been accounted for in the WLC of the programme and this figure is based on ALB bid figures only. Defra figures below have been included for the balance sheet based on the predicted FTE of four staff for programme delivery, commercial and finance. The RDEL cost assumed each FTE will cost £70K a year with inflation and optimism bias also included in the final figures. An updated resourcing plan is expected to be produced in 2025/26 which will see an increase in Defra FTE and cost and this update will be reflected at OBC stage.

A further table can be found in the affordability section which breaks down the CDEL and RDEL totals into project workstreams to provide an insight into what the funding will be spent on. These workstreams were developed during interactive project planning sessions with NE and EA, however not all workstreams will be relevant for each organisation. It will be highlighted in the table which workstreams are not relevant to each organisation. Examples of workstreams include, delivering PSS in priority areas, updating guidance, monitoring and evaluation work, setting up local area teams, conduction a public consultation and any work contributing to the PSS business case process. Workstreams are based on previous activities implemented during the pilot phase however the workstreams may change or differ dependent on the preferred option chosen at OBC as this will affect funding, some objectives and aims that PSS will need to achieve. It is also important to note that NE take an agile management approach to their funding spend across workstreams so are unable to specify where funding will be allocated as they will move money to different workstreams where it is needed most dependent on what PSS are chosen in the future. It is currently uncertain what assets will be created from CDEL on the balance sheet and SoC stage, it is assumed that a large proportion of the funding will be spent on R&D.

²³ HMT, *GDP deflators at market prices, and money GDP October 2024 (Autumn Budget 2024)* (2024) available online: <https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-october-2024-autumn-budget-2024>

Table 28 - Programme Impact on Balance Sheet

£m			24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Natural England	RDEL		-	1.4	5.2	7.6	7.7	8.1	6.1	4.3	1.6	1.5	1.5
	CDEL		-	8.2	4.3	1.9	0.9	0.4	0.3	0.2	0.1	0.1	0.1
Environment Agency	RDEL		-	2.1	2.8	2.9	2.9	2.9	1.5	1.5	1.6	1.6	1.6
	CDEL		-	0.3	0.3	0.3	0.3	0.3	-	-	-	-	-
Forestry Commission	RDEL		-	0.5	1.4	1.8	2.3	2.8	3.3	3.8	4.3	4.7	5.2
	CDEL		-	0.3	1.2	1.8	2.4	3.0	3.6	4.2	4.8	5.4	6.0
TOTAL	RDEL		-	4.1	9.4	12.3	12.9	13.8	10.9	9.7	7.4	7.8	8.3
	CDEL		-	8.77	5.8	4.0	3.6	3.7	3.9	4.4	4.9	5.5	6.1
Grand total			-	12.8	15.2	16.3	16.4	17.5	14.8	14.1	12.3	13.3	14.4

SR1 + SR2	Between 30/31-34/35	Whole Life Cost
30.0	15.0	45.0
15.6	0.8	16.4
13.6	7.8	21.4
1.5	-	1.5
8.8	21.3	30.1
8.7	24.0	32.7
52.5	44.1	96.6
25.8	24.8	50.6
78.3	68.9	147.2

Resourcing and Headcount.

We know from the Research and Development Program that the current level of FTE is insufficient to roll out the proposed PSS program. We have therefore bid for additional resource for 2026/27 onwards through the Spending Review. The expansion of Protected Site Strategies, as a delivery mechanism for the Nature Restoration Fund, will be transitioning from research and development towards business as usual over time which is why the funding needs are transitioning from mainly CDEL into RDEL (BaU). The assumption is that this will also over time transition from reliance on funding from the exchequer to a larger proportion of funding from private sector via green finance and the Nature Restoration Fund as it expands. However, the extent to which will need to be worked through in the full business case once the policy is settled.

Resource skills and capacity reviews will form part of the programme's regular reviews of project performance and progress. This assurance process will assess whether the current level of resource dedicated to work streams is sufficient to ensure effective delivery. Resource needs will be managed through business planning, with effective use of contingent labour and other contracted resource to deliver specialist work packages or to meet short-term needs.

ALBs have made their headcount estimation by resourcing delivery from Q2 onwards. Beyond the launch of PSS in October 2026, we anticipate that the PSS teams in NE will see a slow decline in FTE as some PSS become BAU work for ALBS as set out in table below. Natural England's resource bid accounts for the support and coordination they will provide across delivery bodies, lowering the resource requirements of other delivery partners (e.g. Forestry Commission). Natural England has incorporated finance officers and a programme manager into their FTE to handle funding, spending, and resource planning. They also have a Green Finance Senior Adviser and Higher Adviser to secure additional Green Finance funds. Defra will resource the programme as part of its business-as-usual activities, and any additional resources required for further work will be identified through business planning. We will continue to look at potential further areas where efficiencies can be made.

The project/ programmes forecast headcount at the end of March 2025 is in the table below and reflect the resourcing required for the workstreams as set out in the finance and project management business case. The headcount is assuming the business case will move forward with the option to do at least five PSS a year. We are assuming to go to full FTE in 2025/26 subject to investment committee approval with the provided evidence from the pilot sites and NE business case. This will demonstrate that PSS delivery can begin in 2025/26 and will align with the preferred option. If an alternative preferred option is chosen through the development of the business case, the FTE figures are likely to change to reflect that. A more detailed resource plan can be found in an additional annex.

Table 2925 - Programme/Project forecast headcount

PSS	2025-26				2026-27				2027-28				2028-29				2029-30			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NE FTE	0	50	50	50	66	66	66	66	70	70	70	70	73	73	73	73	58	58	58	58
EA FTE	0	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38	38
FC FTE	0	0	0	TB A	TB A	TB A	TB A	TB A	TB A	TB A	TB A	TB A	TB A	TB A	TB A	TB A	TB A	TB A	TB A	TB A
Defra FTE	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Headcount Target	TBA				TBA				TBA				TBA				TBA			

Overall affordability

The costs for 2025/26 are £12.8m from the total whole life cost of £147.2m until 2034/35. The costs for 2025/26 are still being refined as the method of delivery of the preferred option becomes clearer however they are currently affordable. Should costs in 2025/26 exceed funding, we will look to prioritise specific workstreams and PSS locations which will affect timeline of delivery of the programme as a whole. Funding is primarily used to ensure resource in place to begin implementation of PSS, including funding towards internal and ALB staff costs, external consultant fees, project implementation and monitoring and evaluation work.

A list of the more specific workstreams can be found in the management case and they have been combined into the below workstreams that are specific to each ALB. Assets that will be created through capital R&D spend include published papers and reports that will then feed into the advisory guidance that develops a toolkit for stakeholders to use when implementing a PSS to be published in Autumn 2025. These assets will be created by EA, NE and FC. Other funding from RDEL will be used for research and development as a PSS progresses which will sit on the ALB balance sheet. Details on assets created through PSS using initial funding will become clearer after 2025/26 and we will continue to work through these details at OBC stage.

The figures that can be found in the annex are subject to change as NE use an Agile management method that allows them to move funding to areas where it is most appropriate which will be determined at the start of each fiscal year. These figures will be reviewed at OBC stage as they are likely to change dependant on the scope of the preferred option for the PSS programme. As predicted above, NE figures are likely to go down as PSS move into BAU after 4 years. FC figures show an increase in numbers each year as they have assumed they will not be able to reduce their figures like NE as woodland work does not turn into BAU. This raises a financial risk that these sites will need further funding after the current scope of PSS. Future funding requirements will be bid through SR phase II, and the outcomes of this bid will determine future ambition and influence the chosen preferred option at OBC stage.

Accounting Officer Assessment

The Accounting Officer Assessment can be found in an additional annex. The assessment focuses on the Protected Site Strategies (PSS) expansion programme, which will tackle the greatest challenges facing protected sites. PSS aims to improve the conservation and management of European Sites through spatially specific, evidence-based strategies. A PSS will enable the joining up of stakeholders and environmental plans under a more cohesive programme of delivery that will enhance decision-making capability and achieve value for money.

This will be integral to site recovery as PSS addresses the primary source of pressure affecting site conditions such as pollution and climate change. The preparation and adoption of a PSS will take account of upcoming development, factoring in how this can be achieved alongside high environmental standards to contribute to the delivery of Governments statutory targets as set out under the Environment Act 2021. The assessment examines the programme's compliance with standards of regularity, propriety, value for money, and feasibility.

The Accounting Officer has considered this assessment of the PSS expansion programme, and on balance the proposal is affordable for 2025/26, and the conditions have been partially met. Years 2026/27 onwards is subject to future spending reviews, and we will continue to update and refine this at OBC stage. A summary of the key points can be found below will be published on the government's website ([GOV.UK](https://www.gov.uk)). Copies will be deposited in the Library of the House of Commons and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

- **Regularity** – Under the Environment Act 2021, Natural England (NE) has the authority to develop and publish strategies for improving the conservation and management of protected sites. This includes assessing the impact of various activities on these sites and providing opinions on necessary mitigation measures. NE must consult with local planning authorities, relevant bodies, and government agencies. The Secretary of State can issue guidance to consultees on how to fulfil these duties, which will be presented to Parliament and made public. The programme adheres to internal governance processes and aligns with the HM Treasury Green Book. It has undergone assessment and, after a period of conditional approval, is set to receive full approval from the Defra Investment Committee in May 2025. The programme supports government priorities and legislative objectives, including the 25 Year Environment Plan, Net Zero targets, Environmental Land Management Schemes, and the Environmental Act. Regularity has been met,
- **Propriety** – The programme continues to follow the expected assurance processes for expenditure of this nature and value as outlined in Defra's Integrated Assurance and Approvals Strategy. The Project business case will be sent for investment committee approval in May 2025. Programme governance includes a bi-monthly NRF Programme Board, assures ministers and the SRO that the programme aligns with HM Treasury rules on Managing Public Money. It provides strategic oversight, sets priorities, and supports the programme delivery team. The programme follows internal assurance processes, has undergone independent reviews, and received spending approval through review bids, including fraud risk assessment. Engagement with HM Treasury officials is ongoing to determine if it meets criteria for Treasury Approval and inclusion in the GMPP. Propriety has been met.
- **Value for money** – PSS will act as an enabling mechanism to support the restoration of SSSIs, development mitigation schemes, and broader nature recovery. By improving information and enhancing collaboration, PSS will help realize the benefits of restoring protected sites faster and at a lower cost. Positive externalities include improved ecosystem services like clean air, water regulation, and carbon sequestration, while negative externalities arise from activities such as farming and development, leading to pollution, habitat destruction, and biodiversity loss. The programme justifies its economic rationale with comprehensive data on natural assets, aiming to inform efficient policy design and correct market failures, maximizing environmental benefits. It is expected to deliver significant benefits, including improved decision-making and wider economic gains. The preferred option is considered cost-effective and the condition to provide value for money is partially met and will be fully met when benefits are fully monetised at OBC. An initial estimate for BCR has been included for the Sussex Woods pilot which can be extrapolated to identify VfM on other sites. An evaluation workstream has been initiated to track progress against the benefits case.
- **Feasibility** – The PSS pilot phase, which started in 2021 and will conclude in March 2025, has provided valuable insights into project management and governance. These learnings will be applied to the PSS expansion programme to ensure successful outcomes and benefits. The pilot schemes showed positive results, and future PSS sites are expected to replicate these results using evidence and evaluation from the pilots. The governance framework has been updated to support effective decision-making, with collaboration from government departments, arms-length bodies, and other stakeholders. Regular monitoring, reporting, and review points are established throughout the programme's lifecycle. Performance is tracked against various objectives, including environmental, social, and economic benefits. The objectives are challenging but achievable, assuming key enablers are met. PSS is currently partially feasible while change management and contingency plans are developed to account for the significant interdependencies between delivery bodies.
- **Affordability** - The costs outlined in the SOC for the PSS programme are currently the best estimates and will be refined through the three stages of the business case. Expected costs for 2025/26 are affordable, with future costs based on a preferred option bid via the SR process. As costs become clearer, delivery will be prioritized to meet programme aims within the allocated budget. The programme is in its third year of pilot scheme delivery and

will start its first year of the PSS expansion programme. It awaits funding approval from the Investment Committee through April 2026. The committee requires a clear commercial strategy and long-term ambitions to ensure value for money. The PSS programme has business case funding for 2025 to 2026, pending committee clearance. The conditions on affordability are partially met.

6. The Management Case.

Introduction

Defra is responsible for the delivery of this implementation programme with support from Natural England as owner of the PSS powers, and Environment Agency and Forestry Commission as the statutory consultees. Defra were also the responsible body for the delivery of the PSS pilots with NE as the delivery body which resulted in the successful management and implementation of the scheme concluding in March 2025. Evidence from five pilot sites will feed into management delivery of the PSS expansion programme of at least 30 PSS sites by 2029/30. Delivery of this programme is expected to begin in April 2025, using existing structures and governance that was put in place for the PSS pilot project to allow for immediate spend of funding.

HMT and No10 have highlighted that delivery of this programme is a priority; we are balancing this demand with delivering a quality product. It should be noted that there is an intrinsic link between the implementation programme for PSS and the Nature Restoration fund (NRF) where PSS acts as a delivery mechanism for the environmental headroom required to progress development, supported by the NRF - NRF is also at Strategic Outline Case stage. A coordinated response across ALBs and MHCLG will be essential to delivery. A compressed RACI can be found below:

Table 30 - High level workstream RACI

[R = Responsible, A = Accountable, C = Consulted, I = Informed]

High Level Workstreams	Defra SRO	Defra	NE	FC	EA
Overarching delivery of PSS	A				
Update of Primary legislation	A	C	I	I	I
Pilot Study Development		R	R	C	C
Creating Advisory guidance for PSS		C	R	I	C
Publication of SoS guidance		R	C	I	I
Development of PSS strategic plans (DP)		R	R	C	C
Expanding PSS application (beyond priority areas)		R	R	C	C
Training and capacity building		I	R	R	R
Commissioning of contracts		C	R	I	I
Internal recruitment		R	R	R	R
Allocation of funding to ALBs through SR process		R	C	C	C
Public consultation		I	R	C	C
Evaluation of PSS sites		I	R	C	C
Establishing area teams and governance		C	R	I	I
Setting up national evidence programmes		C	R	C	C
Communication and engagement		C	R	C	C
Identifying private finance opportunities		R	R	C	C
Establishing local partnerships		I	R	C	C
Delivering PSS in priority areas		R	R	C	C

A memorandum of understanding will be established between Defra and NE as the delivery body, and a separate one with EA and FC as statutory consultees for PSS. Further details can be found in Annex I. This MoU will outline the responsibilities and principles for cooperation, although it will not be legally binding. It will clearly define the financial arrangements for the duration of the programme, governance structure, information sharing, dispute resolution, and terms of termination and audit if funding is withdrawn. In such an event, PSS will be able to rely on alternative funding options as detailed in the financial case, including the ambition to utilize NRF, ELMS, and green finance. These options have been successfully secured during the PSS pilot phase to fund mitigation and restoration in line with these alternative funding strategies

Project structure and governance

6.1.1. Project structure and work packages

The broad methodology for PSS follows the project management structure. The project includes the following work packages that contribute to the overall success and delivery of the objectives and aims as set out in the strategic outline:

- Creation of NE advisory guidance
- Publication of SoS guidance
- Public consultation of delivery plans
- Agreement of site locations and establishment of delivery plans
- Setting up local PSS area teams and governance structures
- Designing national evidence programmes
- Commissioning of contracts to deliver plans and implement actions
- External Communication dissemination
- External training and capacity building
- Recruitment to build capacity in ALBS

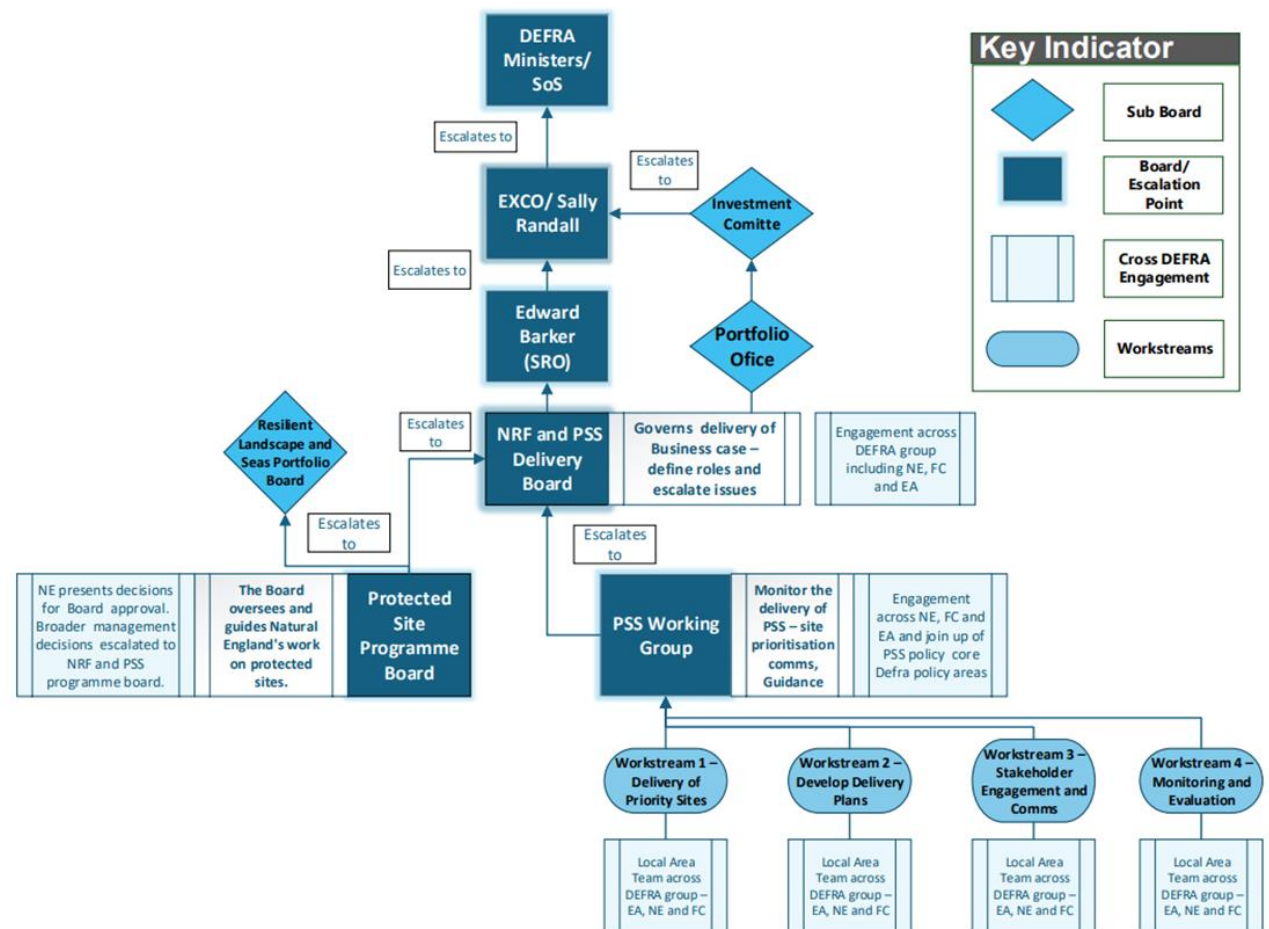
6.1.2. Governance

Governance of PSS is provided by the following groups. All boards are accountable to the Senior Responsible Officer (SRO); Edward Barker the next route of escalation after the boards is the Environment Committee chaired by Sally Randall. If necessary, decisions regarding project management and delivery can be further escalated to ministers and the Secretary of State. This is shown below in the governance structure diagram.

- **NRF and PSS Delivery Board** (Defra) – Responsible for overseeing the delivery of the Protected Sites Strategy business case. The Board provides an efficient route for engagement across Defra and its ALBs (specifically Natural England, Forestry Commission and Environment Agency) with shared and interdependent activities/milestones. It ensures clear roles, responsibilities and expectations are aligned whilst project delivery delays and risk profiles are escalated for awareness and decisions on mitigation are held. The board does not discuss detailed policy analysis. A TOR can be found [here](#)
- **Protected Sites Programme Board** (Natural England)- The Programme Board is a sub-group of the Resilient Landscape and Seas Portfolio Board and makes cross-organisational decisions and provides oversight to shape the direction and prioritisation of Natural England's protected sites work. The scope includes Strategic direction, designation, monitoring, management and protection of protected sites (ie SACs, SPAs, Ramsar sites, NNRs and SSSIs). Marine Protected Areas are not included except when there is a logical rationale for doing so as is the case for some planned PSS. NE will feed key project decisions that align with NE powers into this board in the first instance such as picking PSS sites for future implementation. It will include sign off formalisation of each PSS (subject to internal delegation). Any of the decisions that relate to wider project risks and project management will be escalated and agreed to the NRF and PSS Delivery Board.

- PSS Working Group (Defra)**- A biweekly informal meeting to monitor the delivery of PSS. The working group provides an opportunity to give regular updates on key workstreams such as site prioritisation, Advisory Guidance, Communication and forward look for Defra and its ALBs (specifically Natural England, Environment Agency and Forestry Commission). It ensures join up of PSS policy and development with core Defra policy areas that feed into and overlap with PSS, ensuring all are kept informed of progress in key areas and ongoing initiatives. The working group escalate any issues to the NRF and PSS programme board. A TOR can be found here: [PSS Working Group TOR v2 March 2023.docx](#)

Figure to show current governance structure



Project roles and responsibilities

Senior Responsible Officer for the project is Edward Barker.

- Owns the Project on behalf of the business, ensuring the project gives value for money and delivers a product that will achieve the forecast benefits.
- Ultimately responsible to the business for the success of the project. Balances the demands of the business, users and suppliers. Ensures the project is properly resourced.

Chris Heaton Deputy Director for Protected Site Strategies and the Nature Restoration Fund

- Chairs the 'NRF and PSS Delivery Board' – the primary point of escalation for project risks and issues.
- Accountable for the overarching delivery of PSS including the delivery of governance of the programme.

Jon Taylor (G6) (Supported by Elen Strale, Maya Tucker and Juliette Fox)

- Accountable for writing the project business cases and the SoS guidance.
- Jointly responsible for policy testing before implementation.
- Accountable for the delivery of the PSS expansion programme working alongside NE.

Mike Allwright (G6) (Supported by Erica Ward and Tim Baptiste)

- Jointly responsible for policy testing before implementation.

Adam Wallace (DD for Natural England) (Supported by David Burton)

- Responsible for the delivery of the overall PSS programme and delivery of published advisory guidance and toolkit. Accountable to manage the commissioning of consultants for leading the PSS Evaluation workstream.

Jenni Balmer (DD for Environment Agency) (Supported by Sam Thomas)

- Accountable for the delivery of the PSS expansion programme as a statutory consultee

Ian Tubby (DD for Forestry Commission) (Supported by David Jam)

- Accountable for the delivery of the PSS expansion programme as a statutory consultee

Project Plan

The below milestones and descriptions will be assigned the FTE as described in more detail in the resource plan in the Annex H. The specific roles and responsibilities that are described in the resource plan will be used across multiple workstreams to achieve the milestones set from the workstreams. The Budget required to deliver these milestones includes £95M RDEL and £22.3M CDEL which will be spread to appropriate workstreams that are specific to the ALB. The estimated dates to achieve these milestones is based on the management timeline that was realised in the PSS pilot programme. The information from the pilots informed delivery timelines and milestones that were agreed in internal planning sessions with Defra, EA and NE. This will be further developed at OBC stage with NE, EA and FC. Assurance milestones have been covered in the IAPP document.

Table 31 - Project milestones

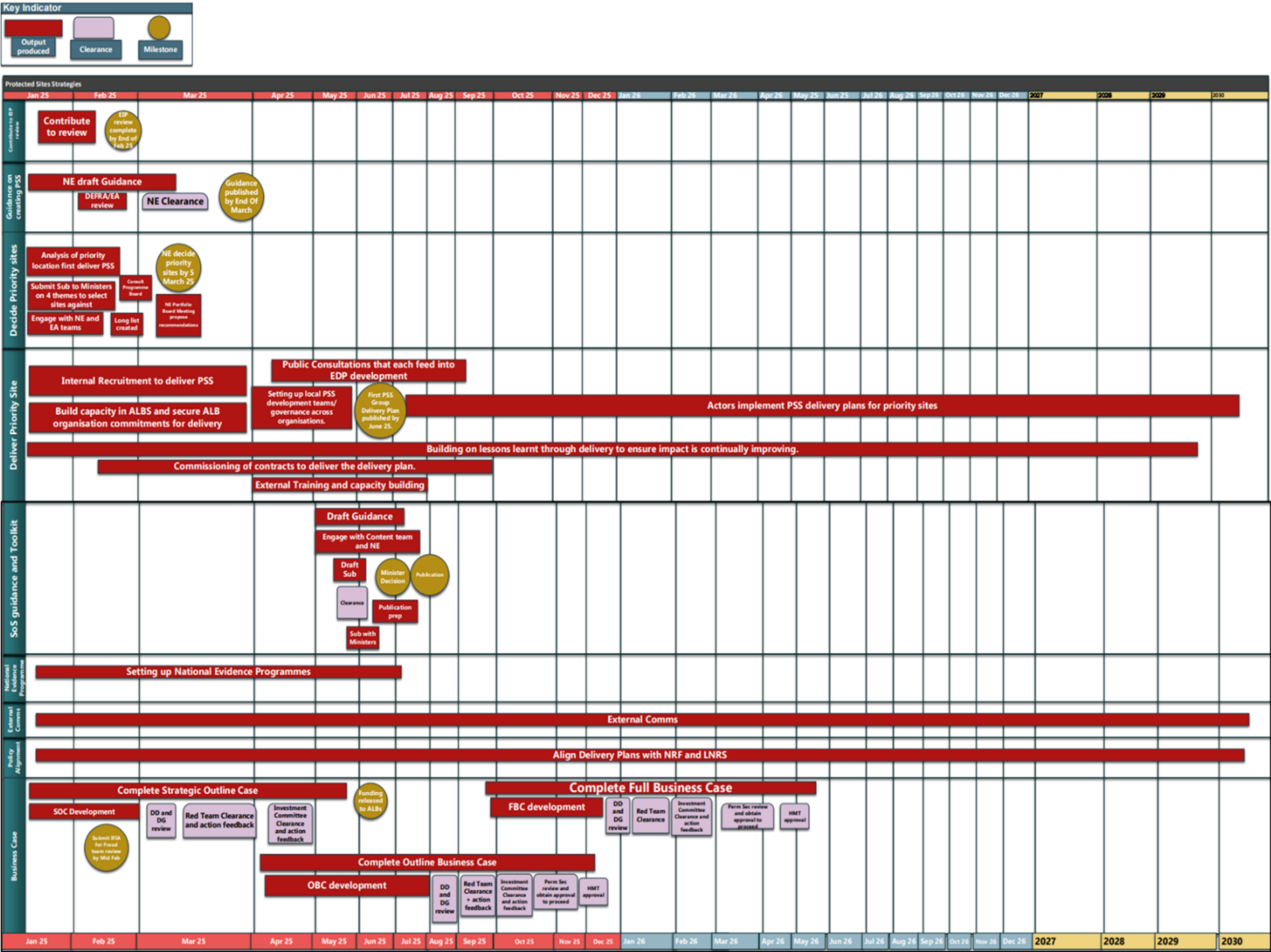
Milestone description	Estimated start date	Estimated end date	Asset to be created?
Publication of NE advisory guidance on how to create a PSS	04/11/2024	31/03/2025	Published advisory guidance
Ministerial approval of priority sites	01/01/2025	31/03/2025	
First strategic plan established	01/01/2025	01/06/2025	Training and capacity building for area teams
Funding released to ALBS	01/01/2025	01/06/2025	
National evidence programmes established	01/01/2025	30/04/2025	National evidence programme
PSS SOC Business Case	16/12/2024	20/05/2025	Completed SOC
PSS OBC Business Case	01/04/2025	10/12/2025	Completed OBC
PSS FBC Business Case	20/09/2025	06/05/2026	Completed FBC

External communication dissemination	01/01/2025	01/01/2030	Videos/communication pieces/social media posts
Publication of SoS guidance	01/05/2025	01/06/2025	Published guidance for the duty of cooperation
Ministerial approval of SoS guidance	01/01/2025	30/04/2025	

Monitoring and evaluation of milestones will be established within the governance structure to ensure there is a regular information being fed into the boards on what the funding is being spent on within the programme. Further information on the project milestones can be found in the Plan on a Page below.

POAP

Figure 2 Plan on a page



Resourcing Plan

The project target headcount for the preferred option for 2025-26 is around 92 Full Time Equivalent (FTE) staff (plus FC FTE which is to be confirmed), which is not currently being met and will continue to increase during implementation thereafter. After 2028-29 the NE headcount reduces to reflect the transition of PSS to business as usual. It is expected that after the implementation of PSS and initial operational phases, resource requirements will plateau as sites move into BAU work and no further resource is required to implement further PSS. Defra resource is subject to change as the programme progresses which is currently being settled internally. Below FTE has not been accounted for to manage programme governance with a dedicated project management and analyst team which will be a financial pressure that has not been accounted for when the initial bid was issued as it was assumed all money would need to go to delivery bodies. FTE figures will be further evaluated at OBC stage.

Figure 3 FTE forecast

FTE forecast						
Organisation	25/26	26/27	27/28	28/29	29/30	30/31
Defra – Core team	2	2	2	2	2	2
Defra – Finance	0.5	0.5	0.5	0.5	0.5	0.5
Defra - DgC	1.5	1.5	1.5	1.5	1.5	1.5
NE	50	66	70	73	58	46
EA	38	38	38	38	38	38
FC	TBA	TBA	TBA	TBA	TBA	TBA
Total (excluding FC)	92	108	112	115	100	88

Project Performance

The benefits to achieve the programme strategic outcomes will be realised through continuous monitoring and evaluation in the PSS programme which will be set out in the evaluation plan. NE will be doing monitoring and evaluation of the overall programme through a number of commissions which have yet to be agreed, building on the monitoring and evaluation workstream that took place during the pilot phase. The output of this comprehensive programme included a minimum of quarterly published reports which included evaluation of impacts that demonstrated economic growth and positive ecological responses specific to each site plan.

NE will also be referencing the guidance in the HMT Magenta book and this work will be overseen by an evaluation principle within NE that will feedback the progress to the programme board regularly. Further benefits mapping and profiles can be found in Annex E and will be monitored and managed through the course of the programme. We will consider obtaining a benefits manager in Defra who will be responsible for designing, implementing, and managing a PSS programme benefits including providing updates on the progress of benefits realisation alongside the NE evaluation principle.

Scheme evaluation will include assessment of performance against outcomes, sharing lessons learnt and informing future priorities for Protected Site Strategies. Some of the funding has provisionally been included for delivery and monitoring and evaluation, covering *Theory of Change* and *Theory of Action* in line with Magenta Book guidance. This will ensure effective evaluation of the fund and support effective outcome and impact reporting to NE and Defra. An evaluation plan has been developed and included in the Annexes.

Performance targets and metrics that will be measured in monitoring and evaluation work on PSS and protected sites will be aligned with Defra's outcome delivery framework and will ensure that P01, P02, P03, P04 and D05 is delivered through programme implementation. The arrangements to measure performance targets for PSS will continue to build on existing arrangements from the pilot schemes which were able to demonstrate progression of the pilot delivery and effectiveness of the strategies to improve protected site conditions and contribute to nature recovery.

6.2. Communications and Stakeholder engagement

We will build on stakeholder engagement carried out for the PSS Pilots to enable us to refine the PSS programme facilitating the preparation of PSS that meet stated aims. There are three key stakeholder groups PSS targets including: Practitioners – land managers, farmers, foresters, environmental non-government organisations; Business – utility companies, food and supply chain companies, developers; Local – local authorities, local community organisations, local people. From the pilot study an engagement plan was developed that included workshops and public consultations with positive responses and engagement with the PSS pilots. Moving forward, public consultations will be held before establishing a PSS site to ensure they are locally led strategies. External Communications activities will be integrated with the Nature Recovery Network and Local Nature Recovery Strategies Communications Plan to ensure maximum impact with key external audiences. Internal Communications activities are being integrated within the SSSI Change Programme Communications Plan to ensure maximum impact with key internal audiences. Further communication joins up and dissemination between NE and Defra will be maintained through the PSS working group and will include communication via social media such as videos and posts shared via NE networks.

An example of the successful engagement work conducted in the PSS pilots can be found in the case study for the Libraries connected initiative. Libraries Connected and Natural England collaborated to enhance engagement and communication through Nature Connection Training for library staff. The initiative involves 176 library services and 3,000 branches, serving over 61 million people.

Strategy

The MOA signed between Libraries Connected and Natural England facilitated Nature Connection Training for library staff, funded at approximately £500 per library. Natural England provided £160,000 in financial support, while Libraries Connected contributed £20,000 in-kind support.

Benefits

The training improved engagement and communication across various networks, contributing to the creation of new Public Service Spaces (PSSs) and enhancing community engagement. 81% of respondents felt more connected to nature after participating in activities.

Outputs

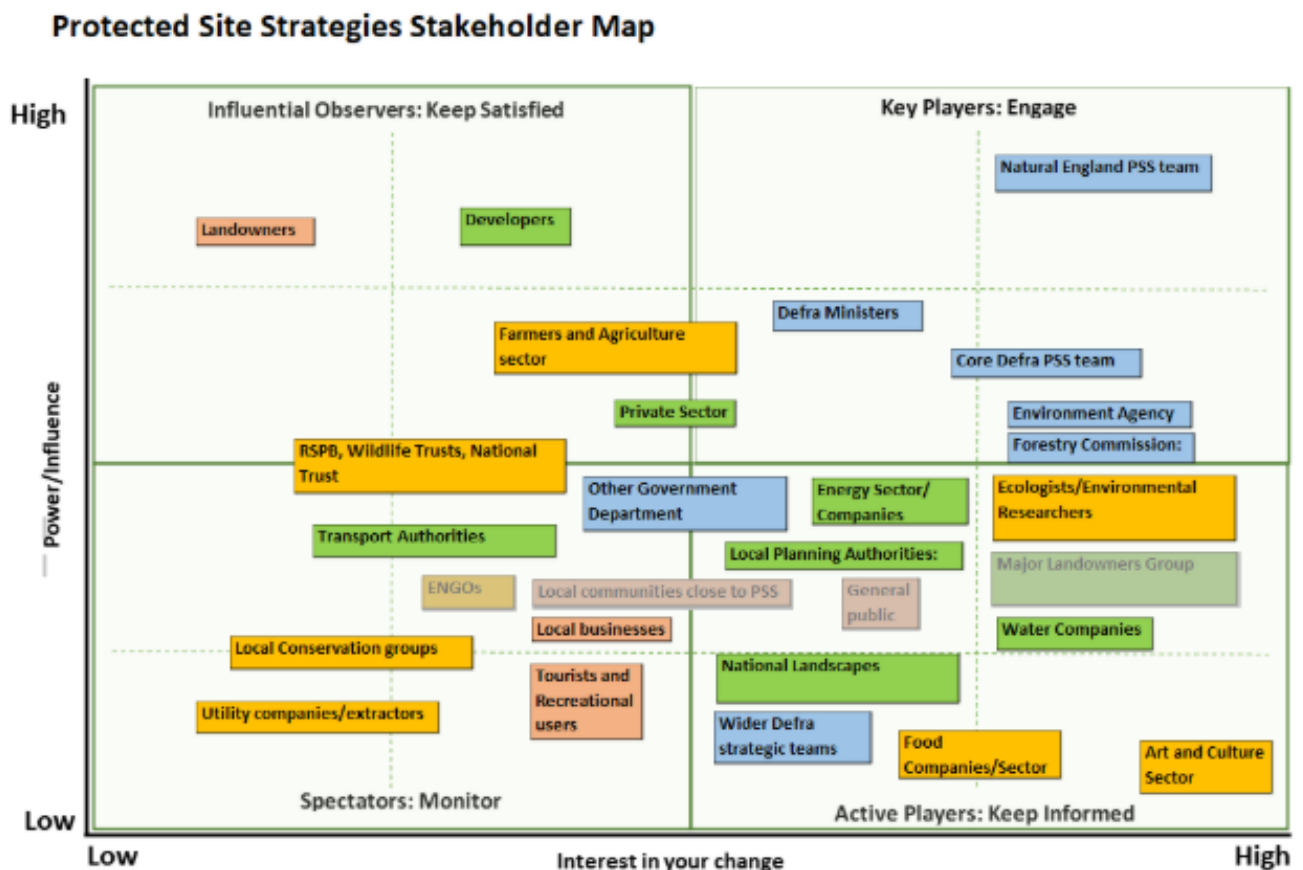
Libraries organized diverse activities such as events, workshops, guided walks, literacy programs, arts and crafts, sensory activities, eco-awareness talks, gardening, mapping exercises, seed libraries, local history activities, celebratory events, data collation, support for refugee communities, community cohesion, and health and wellbeing initiatives.

Conclusion

The collaboration between Libraries Connected and Natural England successfully enhanced communication and engagement through Nature Connection Training. The project positively impacted library staff and communities, fostering a deeper connection with nature and improving mental wellbeing. The flexible, community-centric approach effectively addressed local needs and challenges.

A full stakeholder engagement plan has been developed in line with the PSS programme and can be found in the annexes. By supporting NE in developing the communication plan we have highlighted key stakeholders that need to be involved in communication dissemination and upcoming events or engagement activities to communicate key changes in the programme. The communications plan using a message house framework can be found in the additional annexes. A more detailed communication plan is being developed for OBC. A stakeholder mapping diagram can be found below. Further information on future stakeholder positions can be found in a table in Annex I.

Figure 4 Stakeholder mapping diagram



Change management

The feasibility of PSS is only partially achieved, as substantial organisational changes will be necessary to expand delivery from five pilot sites to at least 30 sites by the 2029/30 timeframe. The ambition of this programme is substantial and will necessitate close collaboration and cooperation with partner organisations with agreed governance structures and collaborative agreements such as the MOU. Currently, it is flagged as high risk and will require significant confidence at OBC to ensure the programme is deliverable and offers value for money. Key changes have been highlighted in the diagram below and additional information can be found in an annex.

This expansion will affect changes to structures, roles, ways of working and processes needed to ensure effective delivery of the PSS programme. In both Defra and NE, internal messaging has included the prioritisation of the PSS programme to deliver the government growth agenda. This has included the Autumn budget announcement that has allocated PSS with £13 million to deliver nature recovery in priority areas and a letter sent up to No10 highlighting the PSS is a priority programme to be delivered by NE.

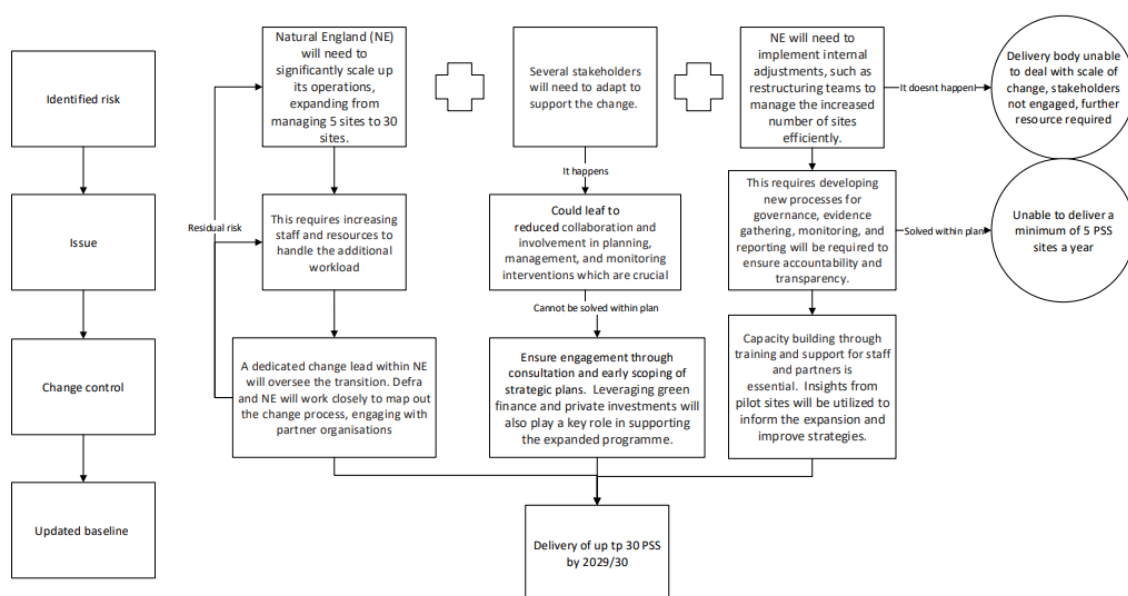
Defra and NE will work closely to map out the change process, engaging with partner organisations to ensure confidence in the deliverability of the programme. Capacity building through training and support for staff and partners is essential. Establishing robust monitoring and evaluation frameworks will help track progress and make necessary adjustments. A dedicated change lead within NE will oversee the transition, ensuring smooth implementation of reforms and effective management of the expanded programme.

NE and Defra will need to implement internal adjustments, such as restructuring teams to manage the increased number of sites efficiently. Developing new processes for governance, evidence gathering, monitoring, and reporting will ensure accountability and transparency. Insights from pilot sites will be utilised to inform the expansion and improve strategies. Once funding is released in May, ALBs will begin resourcing the implementation programme by drafting role appropriate job descriptions and putting applications out to candidates to ensure suitable people with the required skills/capability will be in the job roles to allow the programme to develop. Internal staff will also be moved across to PSS through other projects being reprioritised to ensure there is sufficient people ready to work towards the agreed aims and objectives.

Currently, area PSS teams are being readied. Locations were identified in February 2025 through consultations, and public consultations will begin in May to establish the scope of PSS. A plan for resource allocation can be created, and information has been shared with EA/FC on potential priority areas. The Protected Sites programme board will approve the final scope, confirming the setup of new area teams with appropriate governance structures. Several stakeholders, including local authorities, environmental groups, private sector partners, and local communities, will also need to adapt to support the change. Enhanced collaboration and involvement in planning, management, and monitoring interventions are crucial. Leveraging green finance and private investments will also play a key role in supporting the expanded programme.

To support quick implementation of future PSS with area teams, NE have developed advisory guidance with a knowledge exchange platform that will provide a one-stop portal that can provides all stakeholders and partners the relevant information required to deliver a PSS effectively. This guidance and platform are currently going through testing with practitioners to ensure it is fit for purpose and the second iteration will be completed in Autumn 2025.

Figure 5 Advisory guidance produced by Natural England



Benefits realisation

We will build on the benefits realisation plan carried out for the PSS Pilots that enable us to manage our known benefits identified in the economic and strategic case, and this will be linked with future monitoring and evaluation plans. For the pilot scheme, the benefits were owned by the main NE project team, and it was tracked during regular 'stand up meetings' which fed into the board.

The benefits to achieve the programme strategic outcomes will be realised through continuous monitoring and evaluation in the PSS programme. NE will be doing monitoring and evaluation of the overall programme through a number of commissions which have yet to be agreed, building on the monitoring and evaluation workstream that took place during the pilot phase. The output of this comprehensive programme included a minimum of quarterly published reports which included evaluation of impacts that demonstrated economic growth and positive ecological responses specific to each site plan.

PSS will also ensure sustainability by improving site conditions through collaborative stakeholder involvement and systematic research. They achieve environmental and socioeconomic benefits by aligning with other schemes and leveraging private finance. Centralised resources and capacity-building programs for stakeholders ensure effective and sustainable site management which will be measured through effective governance. The programme success will be measured by the critical success factors as outlined in the economic case.

NE will also be referencing the guidance in the HMT Magenta book and this work will be overseen by an evaluation principal within NE who will feedback the progress to the programme board regularly. Further benefits mapping and profiles can be found in Annex E and will be monitored and managed through the course of the programme. We will consider obtaining a benefits manager in Defra who will be responsible for designing, implementing, and managing a PSS benefits realisation programme benefits providing updates on the progress of benefits realisation alongside the NE evaluation principal. Further benefits profile and mapping can be found in the Annex E. This will continue to be evaluated at OBC stage along with the economic analysis of the benefits realisation.

Risk, Assumption, Issues and Dependency Management

PSS has been assessed as a high-risk programme as set out in the risk potential assessment. RAID logs below will be managed by the Defra project team and will be tracked by the assigned owners below. Previously with the pilot schemes, any risks identified were identified with the 'stand up meetings' and then escalated to the board and the PSS working group. The risks for the PSS expansion programme will also be tracked via information provided from the regular PSS working group meeting and evaluation check -ins that are joined by evaluation consultants, NE, EA and FC, who can feed in any risks escalated from area teams. When issues are raised at these meetings, they will then be escalated to programme board if necessary.

Dependencies have been assessed by the Defra project team and have been agreed with the delivery bodies. These will continue to be reassessed and updated at OBC stage. Currently the RAID logs are monitored, and trends are tracked via PowerBI models. Once a Project Management team is established in Defra this role could be taken on to ensure risks are monitored more closely with regular check ins with the risk owners and trends are tracked more effectively. This could also include further workshops with risk owners, the project team and ALBS to reassess assumptions, updated mitigations and risk owners.

6.2.1. Risk Log

Table 32 - Project risks

Ref	Owner	Risk	Cause	Impact	Likelihood	Mitigation	Mitigation Owner
				(VL, L, M, H, VH)			
PSS_R1	Programme Board	Rushed deadlines: An evidence-based approach is not fully followed resulting in PSS not reaching its full desired benefit.	Rushed deadlines to pick priority areas (due to HMT pressure)	High	Low	Utilize ALB expertise to gather as much evidence as possible within the available time. Close working with ALBs to ensure that potential blockers to delivery are flagged in a timely manner and that relevant resource is made available to overcome the issue.	Programme Board
PSS_R2	Jon Taylor	Delay in publishing guidance: There is a risk that if the ICF guidance is delayed this will have a knock-on effect on the timelines for publishing the PSS guidance.	Publication of ICF guidance is delayed due to insufficient resource.	Medium	Low	The team has weekly check ins with ICF (Inner City Fund) evaluation leads to monitor guidance progress.	Jon Taylor
PSS_R3	Jon Taylor	Lessons learnt missed: Previous mistakes relating to PSS delivery are repeated and information on effective delivery is lost.	Lessons learnt have been missed from the Marine Case Studies from delayed production of evidence.	Medium	Medium	Monthly meetings/ Workstreams document initiated.	Jon Taylor
PSS_R4	Programme Board	Funding reduction: Could lead to project scope reduction with insufficient funds available for full project scope which will lead to delivery delays.	Monetary funding reduction or funding not being spent on programme deliverables.	High	Medium	Hold discussions with NE/EA/HMT in advance of the spring budget on priority areas for PSS & to ensure they remain realistic around the duration of time for which pump priming may be necessary. Producing legislative guidance to set out what funding can be used for.	Programme Board

PSS_R5	Programme Board	Lack of Evidence: Will affect what information is available to inform a PSS for suitable mitigation to tackle key pressures sites and species are facing.	There is a risk that insufficient data will be available or shared from OGDS on the impacts on protected sites and species.	High	Medium	Develop Delivery Plans early, with evidence from pilot schemes where good evidence is already available.	Programme Board
PSS_R6	Jon Taylor	Shift in ministerial priorities: Could postpone the ascension of the PIB, the implementation of the NRF/PSS, and the rollout of the expansion programme, thereby affecting the delivery of sustainable development.	Potential delays in parliamentary proceedings or changes in priorities.	Medium	Low	PSS is a high priority area. Prepare concise and timely ministerial briefings, respond promptly to queries, and ensure effective project planning to prevent delays and prepare contingencies.	Jon Taylor
PSS_R7	Programme Board	Lack of Resourcing could result in not meeting milestones. This could be due to the project scope not being fully defined or delivery plans encountering more challenging issues than initially expected.	Lack of resource within core departments or agencies, including specialist legal, commercial, or ecological expertise at national or local levels	High	Medium	Implement training, surge resourcing, early clearance notifications to SCS/Ministers, project planning, and leave/availability tracking. Please also see mitigation for related dependencies with ALBS below.	Programme Board
PSS_R8	Jon Taylor	Pauses in programme delivery from lack of engagement could reduce the strategy's impact and create long-term challenges, such as being unable to form suitable partnerships to create an effective PSS or source alternative funding for management.	Limited engagement with investors and stakeholders could lead to development projects experiencing delays, technical issues, or cost overruns.	Medium	Low	Stakeholders have already been engaged through pilot schemes ending in 2025. To further engage key stakeholders, additional communications and guidance will be released. NE will also commence a consultation period to engage relevant partnerships before establishing a PSS.	Jon Taylor

6.2.2. Assumption Log

Ref	Owner	Assumption	Impact (if untrue)	Likelihood	Mitigation	Mitigation Owner
			(VL, L, M, H, VH)			
PSS_A1	Programme Board	There is an assumption that PSS will be granted funding for the 2025/26 period after the investment committee meeting in May. If this does not occur, there is a risk that the project will be delayed, and the allocated funds for 2025/26 will not be utilized due to insufficient time before the end of the financial year.	High	Low	The SOC will be reviewed and approved by all relevant parties, who have valuable experience in writing and overseeing business cases, particularly our portfolio business partner.	Programme Board

6.2.3. Issue Log

The project owns 4 issues, 3 of which are open and displayed below.

Ref	Owner	Issue	Impact (VL, L, M, H, VH)	Mitigation	Mitigation Owner
PSS_I1	Programme Board	Funding will not be released for either PSS or NRL until we have Investment Committee clearance. This may result in ALBs deciding not to spend at risk which could delay resource onboarding timelines.	High	SOCs are under development, with investment committee meetings booked for May.	Programme Board
PSS_I2	Programme Board	There is extremely limited resource to write the Strategic Outline Case (SOC), this may result in the red team date being missed and ALBs getting their funding even later than expected and the project plan being insufficient to demonstrate programme deliverability.	High	This issue has been escalated to programme board previously on the 13/02/2025, 30/01/2025, 19/12/24 & 15/01/25. Edward is progressing urgent discussions to resolve this as soon as possible.	Programme Board
PSS_I3	Programme Board	There is insufficient economist, science, PMO and policy resource.	High	This issue has been escalated to the board on the 13/02/2025, 30/01/2025 and 05/12/24 and Edward is progressing discussions to secure specialist resources urgently.	Programme Board

6.2.4. Dependency Log

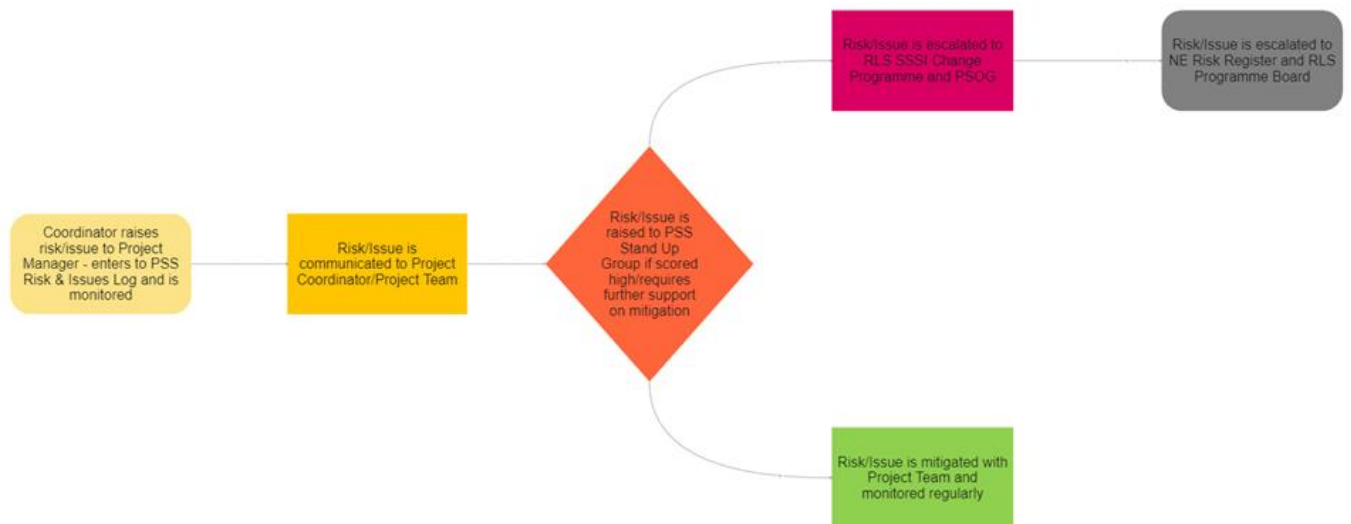
Ref	Owner	Dependency	Impact (if failed)	Certainty	Mitigation
			(VL, L, M, H, VH)		
PS S_ D1	Program me Board	We are heavily dependent on NE support for the PSS work, primarily because they are the driving force behind this operation and possess significant corporate memory. Establishing a PSS requires suitable arm's length body (ALB) infrastructure to be in place and will not ease 'business as usual' work pressures if it does not proceed. We need 95 FTE to deliver the initial 11 PSS in 2025/26 which will be delivered from the Budget funding of £13M. Further funding will be required for delivery in future years.	Very High	High	The strategy includes establishing robust governance frameworks, actively bidding for additional funding during the spending review, and improving communication between Defra and ALBS. Additionally, comprehensive contingency plans will be developed to address potential risks and uncertainties, ensuring proactive measures are in place.

PS S_ D2	Jon Taylor	<p>There is a dependency on the delivery of other programmes, particularly the NRF, to provide suitable funding from developer contributions for mitigating actions for a PSS in some priority sites. If alternative funding for management cannot be sourced, or if mitigating actions in priority sites cannot be delivered to create headroom for development, this will affect the delivery of housing and nature recovery. Developer uptake of the NRF will also impact this process. Ongoing work includes pushing the delivery of PSS and NRF in tandem to ensure timely transfer of funding, policy development to align strategic levers, and alternative work in ALBS to identify other funding strategies.</p>	Medium	Medium	<p>The initial programme has been designed to not rely on other related projects or measures being put in place, and in some areas, PSS will be delivered without delay. On sites directly linked with upcoming development and the NRF, PSS could act as a delivery mechanism, tailoring the mitigating actions to tackle development pressures affecting a protected site. These sites will be a high priority area, and determining their location will depend on the prioritisation of the NRF scheme. This will be further monitored with joint governance between PSS and the NRF</p>
PS S_ D3	Jon Taylor	<p>The timeline for completing site management and improving site conditions will depend on the pressures affecting each site. In some instances, there will be an overlap of sites and pilots being managed. Effective management of resources and time within ALBS and Defra is crucial to ensure the window of opportunity for a successful PSS is not missed.</p>	Medium	Medium	<p>To ensure effective evaluation and governance in managing site conditions, a robust mitigation strategy is essential. This involves assessing pressures, establishing clear governance structures, managing resources efficiently, and creating detailed timelines. Engaging stakeholders and continuously improving practices through research and feedback loops are also crucial.</p>

6.3. Risk escalation

The diagram below highlights the process that NE will follow when identifying and escalating risks when delivering PSS. When a risk is identified it is raised through the relevant governance chain and further mitigation is suggested to support coordinators through risk and assurance management. A risk from there will either be resolved or escalated to programme boards in NE and Defra.

Figure 6 Natural England Risk escalation diagram



6.4. Fraud risk assessment

PSS has been given a high fraud risk rating, A link to the Internal Fraud risk assessment can be found here: [PSS IFIA.xlsx](#)

Contract management

This will be developed at FBC stage for PSS where we will summarise the strategy, framework, and plan for managing the contract once this has been signed, setting out who is responsible over the life of the contract which will be evaluated at OBC. This will include contract appendices that should include the Service Level Agreement and any cost/risk sharing to incentivise contract performance and delivery. The arrangements for contract change; early termination and break-clauses will also be noted. Any contract terms that will affect the service or product delivery will be included in this section. We will be bringing in additional commercial resource and expertise to manage this within Defra.

Assurance and Approvals

The PSS Integrated Approval and Assurance Plan can be found here: [PSS Integrated Assurance and Approvals Plan \(IAAP\).docx](#)

Evaluation plan and Lessons Learned

The evaluation for the PSS Pilots will inform the development of the PSS Programme. We will use the successes and lessons learned to build the evaluation framework and ensure the PSS meet their intended objectives and are aligned to Defra's outcome delivery framework. An evaluation plan that has been drafted by the ICF, the PSS contracted evaluation consultant, has been included in the annexes below. This will further be developed at OBC stage.

6.4.1. Sharing Lessons

As we progress through the OBC, FBC and into delivery we plan to continue capturing lessons in a designated excel spreadsheet. To ensure continued improvement throughout Defra group we will aim to ensure we are readily available to share our lessons with other projects going forward using the [CoEx Lessons Library](#).

6.4.2. Applying Lessons

The following lessons have already been captured and learnt from:

Table 26 - Lessons learnt list

Project	Source	Lesson Description	Impact	Recommended Future Action in relation to NRF	Owner	Date Of Implementation
LL062	Lessons Library	<p>Issue</p> <p>'Balance of experienced and new joiners was not good. There was a rush to bring people in but the organisation was not always ready to utilise the resources when they arrive, so some left again quickly (mostly returning to other agencies / departments).</p> <p>Individual impact: It was difficult for new joiners to get up to speed quickly and start adding value, which created uncertainty and affected self-confidence of some people. Some resources joined and left quickly creating a perception that EU Exit Delivery was a poor place to work.'</p> <p>Recommended Action</p> <p>1) 'Portfolio to ensure there is a dedicated team responsible for on boarding new joiners and overseeing induction</p>	High	Currently considering how to apply this lesson however considering the amount of resource we plan to onboard we are aware of the learnings from this and plan to implement the recommendations. In the pilot scheme NE utilised the LNRS training programme and bimonthly hybrid meetings to ensure smoother integration. Going forward NE are planning to build on the above and will have the additional benefit of the Advisory Guidance draft version available from March for new starters.	Team	N / A

		activities - including making sure that when teams request new resource, they are clear what the role is for, how it fits into their organisation and that there is a genuine and ongoing need for the resource. 2)Creation of an on boarding handbook. 3) Introduction of a post-on boarding check for new joiners (2 weeks after joining?) to assure the process. 4)Programme material - including org charts and project structure charts to help new joiners orient themselves in the complex environment.'				
Project Speed	Conversation	When delegating spending to ALBs, it's important to ensure clear communication between organizations to maintain transparency regarding the allocation and usage of funds.		Considering the significant funding being delegated to ALBs a programme board has been setup to ensure communication can be formalised. A MOU is also being developed to help support this work.	Cameron Young / Juliette Fox	

Contingency plans

Contingency plans, particularly for disaster recovery where relevant, will be developed from the PSS pilots to reflect the PSS expansion to ensure operational resilience during the design and implementation phase. Testing of plans will continue throughout each business case phase and the ongoing monitoring and evaluation work will ensure there is scope to frequently assess the resilience of delivery against any predicted or unforeseen risks. Predicted programme delivery risks can be found in the programme management case.

PSS has minimal risks relating to cyber security as it is not in programme scope to deliver an IT service. Any cyber security fraud risk has been identified and RAG rated in the fraud risk assessment. Any holistic/social approaches taken for mitigating interventions to achieve the policy outcomes may involve a risk of identity theft of partnerships however this has been mitigated against with the PSS pilot schemes which were successfully delivered with minimal impact and so lessons learnt from this can inform future PSS implementation. This will be monitored throughout the programme duration following the information and guidance provided in the NIST cybersecurity framework - [The NIST Cybersecurity Framework \(CSF\) 2.0](#)

If Natural England is unable to deliver the programme due to resource constraints, we will utilise appropriate commercial frameworks to procure the necessary resources at the required scale. These frameworks, such as those provided by the Crown Commercial Service (CCS), allow us to engage pre-approved suppliers under agreed terms and conditions

In the event that Natural England is unable to deliver the Protected Site Strategies (PSS), we will seek to modify the existing legislation to grant DEFRA and other ALBS, such as EA and FC, broader scope and power to implement these strategies. This would include changes to the Environment Act 2021, that currently solely grants NE the power to implement a PSS. This legislative change would enable these organisations to take on the responsibilities and authority necessary to manage and improve protected site strategies effectively. By expanding the legal framework, we can ensure that there is a robust mechanism in place to address conservation needs and mitigate pressures on biodiversity, even in the absence of Natural England's direct involvement

Equality Impact Assessment

A standard equality impact assessment has been completed and has been included in Annex B. From the responses provided for the screening process, PSS does need to complete a full EqIA. If this changes we will be in contact with the Defra EDI team. A summary of the screening process template can be found here: PSS EIA Screening Document content form.docx.

Data Protection Impact Assessment

From the responses provided for the screening process, PSS does need to complete a full DPIA. If this changes we will be in contact the Data Protection Team data.protection@defra.gov.uk. Even though PSS has been screened out from needing to complete a full DPIA WE aware of other data protection requirements like:

[Record of Processing Activities](#)

[Privacy Notices](#)

[Data Sharing Agreements](#)

[Cookie Banners/Settings](#)

7. Annexes

7.1.1. Annex A - Economic Case: Climate & Environment Impacts

While climate and environment impact assessments should form part of the economic case in section 2, HMT also requires specific data on climate and environment impacts to inform advice to Ministers and support publication. Please review the supplementary guidance on assessing climate and environment impacts before completing this section.

A.1 Assess the impact of the proposal on the UK's net zero pathway.

A.1.1 Please select a net zero impact rating using the tick box below. This should be the same rating as provided in the unified excel. Descriptors of the ratings are provided in the supplementary guidance.

NZ impact rating		Tick (X)
1	Positive (primary objective)	
2	Positive (not primary objective)	X
3	Neutral	
4	Negative	
5	Unknown	

A.1.2 [High impact proposals only – over £50m in any single year and in a high emissions impact sector²⁴] Set out the annual greenhouse gas impacts of the policy in MtCO₂e out to 2037. Proposals with a lifetime beyond 2037 should also include total impacts from 2038-2050. *N.b. GHG policy savings will require a positive value; emissions increases will require a negative value. If the emissions impacts are expected to be below 0.1MtCO₂e in all years no quantification is required, but you should justify this in the text box under 2.6.3.*

Table 34 - Greenhouse gas impact between 2025/26-2034/35

Greenhouse gas impacts, in MtCO ₂ e equivalent													
2025	2026	2027	2028	2029	2030	2031	2032	2033	2035	2035	2036	2037	Total 2038-2050

A.1.3 In the free text box below, please provide supporting narrative to justify the net zero impact rating in 2.6.1. High impact proposals should also provide supporting narrative relevant to the assessment in 2.6.2 (250 words max).

The development of PSS will have a positive impact on the UK's net zero pathway. Some PSS may involve restoration/creation of habitats that will support carbon sequestration. At present, we have a PSS development research project that is calculating the reduction in carbon to atmosphere from deer which will also lead to direct reduction in emissions. The management of recreation pressures in and around Protected Sites like the New Forest and the South Pennines will have a direct effect on climate change mitigation through Green Travel plans reducing transport emissions.

²⁴ High emissions impact sectors are defined as transport, new buildings, use of existing buildings, renovations, power (including electricity production and heating), manufacturing, construction (including flood protection), fluorinated gases ('f-gases'), waste, agriculture, land use change (including that which will impact natural capital), forestry, fuel supply, hydrogen, and greenhouse gas removals.

A.2 Provide a narrative description of the environmental impacts of the proposal and of how these impacts and the environmental principles policy statement (EPPS) have been considered in the policymaking underpinning the proposal. Please detail the impacts across targets on biodiversity, air quality, water quality and availability and waste reduction (250 words max).

Delivery of PSS will improve site condition, delivering positive environmental impacts. They will tackle the current suite of impacts on water and air quality and water availability, which will have biodiversity benefits through improving habitats. This will support delivery of Environment Act statutory targets (species extinction, species abundance and wider habitats). For some pressures, such as overgrazing by deer and nutrient pollution, PSS are expected to create a circular economy to reduce waste.

The EPPS have been considered:

- Integration – will have positive environmental impact and will help build environmental protection opportunities by engaging a wider suite of stakeholders than currently involved in site recovery work.
- Prevention – will not cause environmental harm. Whilst actions on the ground will be required (potentially including the use of machinery, transport, infrastructure) the wider biodiversity benefits will outweigh any emissions.
- Rectification at source – PSS are designed to tackle pollution at source (e.g. nutrient pollution).
- Polluter pays – by tackling impacts at source, polluters will pay to improve site condition. The NRF will ensure that developers pay for their impacts, and this will go towards nature recovery rather than simply mitigating for damage.

Precautionary – where the evidence base for the PSS is uncertain, or the actions to bring about site condition are novel, this will be the subject of ongoing evaluation.

A.3 Provide a narrative description of how the activities funded by the proposal have been made resilient – or will increase resilience – to the effects of climate change (250 words max).

PSS will be targeted to areas where they will have the most benefit for nature recovery, whilst considering future plans such as new development. This will lead to ecologically functional protected sites which in turn will lead to larger, more resilient species populations. Given climate change and the impact it has on our protected site network (i.e. species range shifts, loss of habitats etc), these PSS will aim to address the impact of climate change, where possible, which has been a key component of the PSS Research and Development programme. This has included funding research in 2024/25 to develop the mechanism content of Adaptive Delivery Plans which will be utilised across the PSS included in this bid to address climate change in an effective manner.

A record of where and what type of action has been taken under each PSS, and how successful it was at bringing about a positive change in protected site condition/condition of the individual designated features, will be required to help evaluate progress towards nature recovery across the targeted sites. This recovery from the pressures causing poor condition will help increase generic resilience of nature to climate change. It is also expected that habitats may be created to buffer these protected sites, which will increase connectivity for species which will be critical for climate change resilience. Data will be collected under the monitoring and evaluation programme of what actions (including if habitats like tree buffer zones) are created or restored, and their impact upon site condition.

7.1.2. Annex B – Supplementary Information

The formatting of this business case summary sheet has been restricted to ensure consistency and ease of review during the spending review. If these restrictions prevented you from including pertinent information to this proposal, please use the space below to set this out.

Please complete the following sections

B.1 Additional EIP target pathways information

If the proposal is expected to contribute to one of the EIP target pathways, clearly state its contribution quantitatively using the contributions framework guidance and the risk to target pathways if not funded (250 words max).

PSS will make key contributions to both our SSSI EIP interim targets and long term 75% EIP commitments. While we are putting forward a relatively modest number of PSS each PSS will tackle favourable condition issues in a holistic way across multiple numbers of small SSSIs and/or on single large area SSSIs such as river systems., estuaries and vast tracts of moorland.

Recovering the condition of protected sites can help enable sustainable development and deliver against the governments' existing Environmental Improvement Plan target of restoring 75% of protected sites to a favourable condition by 2042. It will contribute towards the interim EIP target of 60% of SSSIs on-track to meet favourable condition by 2030. It will also contribute towards the following Environment Act targets²⁵:

- Halt the decline in species abundance by 2030 and Increase species abundance so that by 2042 it is greater than in 2022 and at least 10% greater than in 2030.
- Restore or create in excess of 500,000 hectares of a range of wildlife-rich habitats outside protected sites by 2042.

B.2 Equalities impacts

Please set out estimates for the equality impact of this bid.

This section should be completed for all proposals for additional funding. This includes new proposals and proposals that received short-term funding, which departments are bidding to continue.

EQ1 Please provide an overall summary of the equalities impact for the main area(s) of spend proposed in this area

Minimal impact. There is evidence showing that women, people with disabilities and from an ethnic minority are less likely to spend time in the natural environment. Research has been conducted on how barriers can be reduced and is being incorporated into policies on improving access. There is also evidence that people from minority ethnic backgrounds are severely underrepresented in the environment or ecology workforce.

EQ2 Please provide an assessment of the equality impacts for the main area(s) of spending proposed in this area, broken down by protected characteristics.

Ratings:

1. If the area of spending is significantly underused or inaccessible to a certain protected characteristic.
2. If the area of spending has a mainly undifferentiated impact on those who share the protected characteristic.

²⁵ Defra, *Environment Act Targets* (2022) available at <https://www.gov.uk/government/news/new-legally-binding-environment-targets-set-out>

3. If the area of spending has a significant disproportionate positive impact on those who share that protected characteristic.
4. If the area of spending has a significant and very large disproportionate positive impact on those who share that protected characteristic

Description of impact: a brief explanation of how the expenditure affects each protected characteristic. This should show how the area of spend as it currently stands affects the protected characteristic, against a counterfactual in which the spend does not occur

Quality/ use of sources: evaluate the quality of the data sources being relied on, and whether the best available data is being used

Scope/ plans for improvements of data sources: set out existing weaknesses in the data. Plans for improvement should include the expected timeframes for making improvements.

Protected characteristic	Rating 1-4	Description of impact	Quality/use of sources	Scope/plans for improvement of data sources
Age	2	No impacts identified	The Monitoring Engagement with the Natural Environment (MENE) survey and the People and Nature Survey (PANS) combined provide over a decade of data collected, analysed and published by Natural England on visit frequency to green and natural spaces and other environmental behaviours. There is a range of data available on the environment workforce diversity including the Wildlife and Countryside Link and Full Colour Survey (published in 2022) and the SOS report published in 2022.	Research has been conducted on how to improve access to green and natural spaces, and this has been incorporated into policies. Further research will be needed to understand if new policies improve access for these groups. Research external to Defra is continuing to explore the barriers for people from ethnic minority background to joining the environment workforce.
Sex	1	Data gathered over ten years shows that women are less likely to spend time in the natural environment compared to men		
Marriage/civil partnership	2	No impacts identified		
Disability	1	Data gathered over ten years shows that people with a disability are less likely to spend time in the natural environment. Not all SSSIs and NNRs will be accessible to people with physical disabilities		
Pregnancy & maternity	2	No impacts identified		
Religion or other belief	2	No impacts identified		
Sexual orientation	2	No impacts identified		
Gender reassignment	2	No impacts identified		
Race	1	Data gathered over ten years shows that adults and children from black, Asian and minority ethnic backgrounds are less likely to spend time in the natural environment. People of colour make up only 4.81% of environmental professionals compared to 12.64% of overall UK Workforce. 6-14% of students taking 'feeder' courses for environment careers are from minority ethnic backgrounds. The average across all higher education courses is 26%		

7.1.3. Annex C – Evaluation plan – [PSS SOC Evaluation Plan.docx](#)

7.1.4. Annex D – ToC narrative

Main objectives heading (text):

1. Protected Site Strategies are consulted on and published (and adopted)
 2. Strategic delivery plans are created and executed for conservation and management to achieve uplift in nature recovery and socio-economic wellbeing - some align with other strategic delivery plans (NRF)
 3. Uplift in training, skills and research provided in structure for green jobs, increasing work productivity on PSS
 4. Publishing of advisory guidance to support stakeholders who will engage with the PSS process
 5. Greater stakeholder engagement in PSS allows for suitable locally led strategies to be created
 6. Publishing of SoS guidance to enforce compliance with public bodies and stakeholders
 7. Alignment with other nature recovery strategies and policy levers that can support PSS self-funding and reduce duplication of efforts
 8. Future funding secured in SR period
 9. Evidence collated and analysed to create learning for future PSS and to identify gaps of evidence
-

Details of the main objectives

•How are they characterised:

PSS objectives are key to delivering the governments growth mission by supporting sustainable development. PSS will improve join up with planning and sustainable development by acting as a cohesive local framework for delivery mechanisms for mitigating actions identified in an NRF delivery plan aligned with restoration measures.

•How much of it is needed:

Early insights from the pilots will be utilised in the PSS expansion which will begin in April with five new established PSS sites per year being developed.

•Where should it happen:

A PSS strategy will be locally led and will support people to change behaviours and act for Nature in a cohesive programme of delivery. The adoption of PSS will be prioritised where NRF implementation will be immediately beneficial. PSS are being modelled on successful existing strategic schemes used in the Solent, Thames Basin Heath and the Humber which have been proven to speed up planning and deliver for nature. The five research and development pilots were set up by Natural England in 2021 and are in the Clun, the Humber, Peak District, Sussex Woodlands and Cumbria

•What does 'good' look like:

The five research pilots are testing the full potential for PSS at different geographical scales together with gap filling research in other geographies and for a range of on and offsite pressures, including air quality, water quality, nutrient pollution and overgrazing

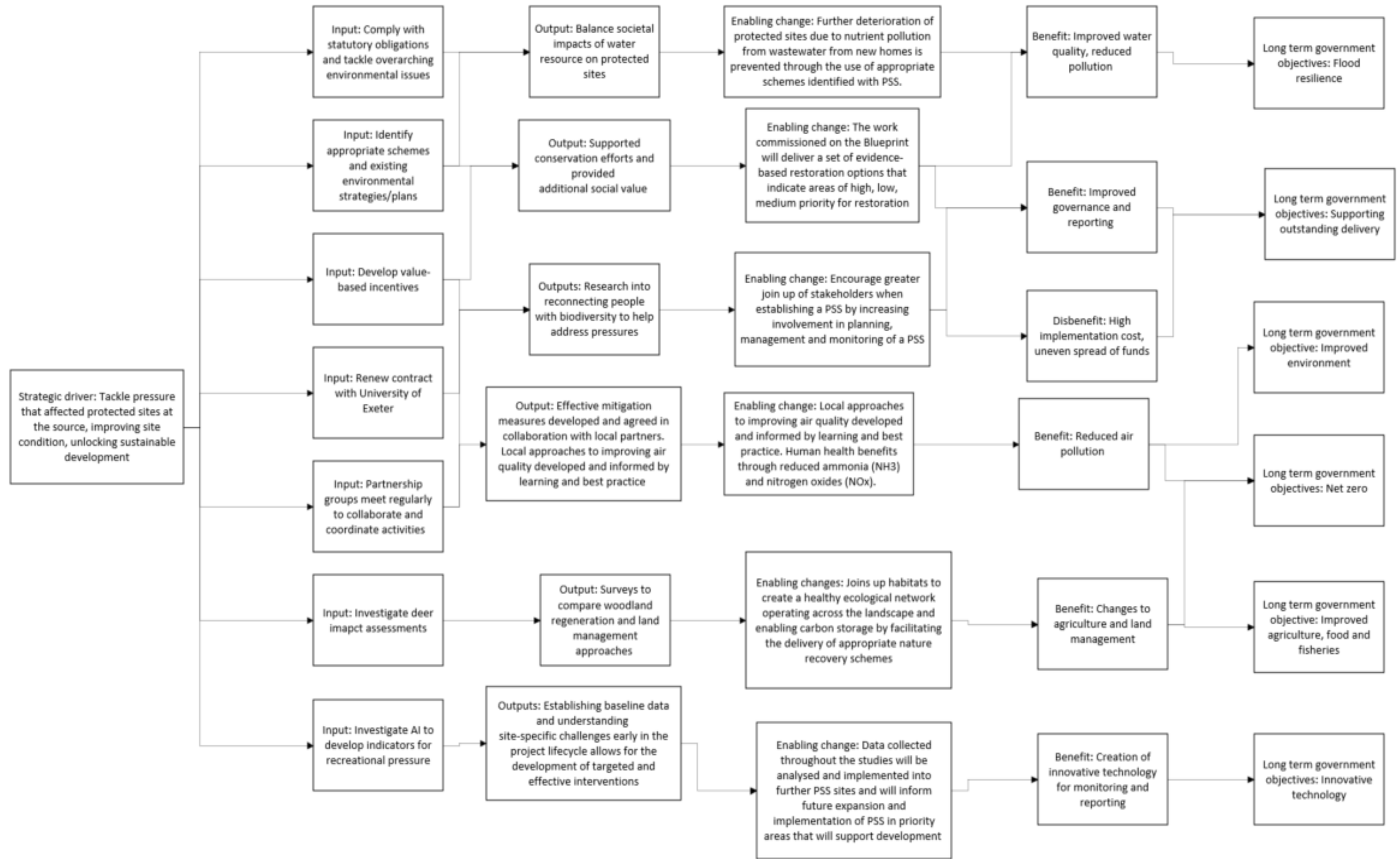
Capability (helping to achieve the main output)	Further detail, including: •What is it? •What contribution will it make to the main objective? How? •What is needed in the future to achieve this capability?	Planned policy activities that are expected to achieve it?	Risks, assumptions, opportunities, complexities
Capability 1: Responsibility for addressing environmental impacts moves from site-by-site system to a strategic system led by state organisations.	Natural England local resource for ongoing work on pilots and new area teams (Funding, staff time, area team input) e.g., NE PSS central team supports PSS teams by doing procurement, monitoring, events, data compliance, legal etc) Local PSS team (dedicated staff) work through PSS landscape transformation development process (as per Advisory Guidance)	NE PSS central team supports PSS teams by doing procurement, monitoring, events, data compliance, legal etc) Local PSS team (dedicated staff) work through PSS landscape transformation development process (as per Advisory Guidance)	Limited engagement with investors/ stakeholders Dependency on delivery of other programmes
Capability 2: NE PSS National Programme Board provides oversight and steer to PSS central team and programme	Natural England PSS team for overall programme management - national resources Problem and pressure analysis to diagnose key sites and pressure source	Legal/governance and management structure is agreed with Defra partners	Lack of suitable resource and skillset in ALBs
Capability 3: Identifying priority sites that ensures alignment with other strategies	Stakeholder time and resources (Practitioners, businesses, private investment) Public authority time and resources (Local planning authorities, EA, FC) NE consultation in priority areas - area teams support PSS teams by aligning priorities and resources related to local sites	Problem and pressure analysis to diagnose key sites and pressure source NE consultation in priority areas - area teams	Lack of Evidence Funding: Monetary funding reduction or funding not being spent on programme

	EA, Local Authorities and other statutory partners support PSS teams	support PSS teams by aligning priorities and resources related to local sites EA, Local Authorities and other statutory partners support PSS teams	deliverables could lead to project scope reduction or delays.
Capability 4: Timely release of funding allows for teams to begin internal resourcing work	Stakeholder time and resources (Practitioners, businesses, private investment)	Finance/funding solutions identified	Funding: Monetary funding reduction or funding not being spent on programme deliverables could lead to project scope reduction or delays.
Capability 5: Greater join up of Defra partners comms allows for stakeholder engagement with PSS and consultation process	Stakeholder engagement and mapping Communication dissemination and alignment with Defra comms	Communication dissemination and alignment with Defra comms	Limited engagement with investors/ stakeholders
Capability 6: Join up with other Defra strategies allows for alternative funding sources to support PSS delivery and longevity of site management	Cross government policy development, interaction and alignment with other strategies (NRF, LNRS, BNG)	Map and appraise linkages with other Defra strategies	Dependency on delivery of other programmes
Capability 7: Completion of BC is expedited allowing for funding bids to be released to begin timely delivery	Legal/governance and management structure is agreed with Defra partners Project management and support of activities such as resourcing to deliver strategy from Defra Defra strategic direction and governance for delivery Defra strategic direction and governance for delivery	Development and completion of PSS BC Finance/funding solutions identified	Shift in ministerial priorities

Outcome / Benefit	Further detail, including: •What kind of changes in the outcome are expected to be observed (in part or wholly due to the activities associated with, and achievement of, the main objective)?	Planned policy activities and contextual / external factors that are likely to influence the achievement of the outcome (and how)	Risks, assumptions, opportunities, complexities
Outcome 1: Actions to tackle pressures at the source undertaken in agreed delivery plans	Impacts on protected sites are removed from system/land changes established with PSS - site conditions are improved and more connected	Natural England local resource for ongoing work on pilots and new area teams (Funding, staff time, area team input)	Lack of suitable resource and skillset in ALBs
Outcome 2: 30 PSS sites established with 5 new site strategies identified a year with ongoing work on pilot studies to develop into a PSS	Increased carbon sequestration from peat restoration and increased forestry productivity contributing to national carbon targets Improved air quality/reduced air pollution allowing for increased health benefits to support NHS	Natural England local resource for ongoing work on pilots and new area teams (Funding, staff time, area team input)	Lack of MHCLG resourcing Lack of Defra resourcing Shift in ministerial priorities
Outcome 3: Improved ecological baseline techniques and more up to date condition assessments	Improved climate change resilience to flood, drought, fires - reduced cost of event mitigation Recovered landscapes allows for a more resilient ecosystem that allows for greater access to nature	Natural England local resource for ongoing work on pilots and new area teams (Funding, staff time, area team input)	Lack of suitable resource and skillset in ALBs
Outcome 4: Headroom is created through mitigating strategies that can unlock development in priority areas	Improved nutrient mitigation leading to lift of nutrient neutrality zones Improved food production with immediate changes to land use management and farming practices	Public authority time and resources (Local planning authorities, EA, FC) Natural England PSS team for overall programme management - national resources	Shift in ministerial priorities Lack of Defra resourcing

Outcome 5: Increased creative sector growth creates greater engagement with PSS	Community perspective changed to pro-PSS ensuring greater social cohesion and higher economic growth	Cross government policy development, interaction and alignment with other strategies (NRF, LNRS, BNG)	Limited engagement with investors/ stakeholders
Outcome 6: Stakeholders and practitioners understand and share PSS vision and participate in management	Community perspective changed to pro-PSS ensuring greater social cohesion and higher economic growth	Stakeholder time and resources (Practitioners, businesses, private investment)	Limited engagement with investors/ stakeholders
Outcome 7: Greater join up between other environmental strategies and plans	Community perspective changed to pro-PSS ensuring greater social cohesion and higher economic growth	Cross government policy development, interaction and alignment with other strategies (NRF, LNRS, BNG)	Dependency on delivery of other programmes
Outcome 8: Funding released allows for greater resourcing and capacity in ALBS to deliver programme Finance secures to continue work on PSS sites with sufficient investment from public and private funding mechanisms	Contribute to government growth mission and sustainable development by contributing to infrastructure decisions Green economy and finance are utilised and boosted to support wildlife, species and ecosystems contributing to 30by30 targets.	Defra strategic direction and governance for delivery	Programmes overspend/ Underspend
Outcome 9: Governance structure is clear to allow for high level management of programme	Programme able to deliver agreed work with little need for intervention	Defra strategic direction and governance for delivery	Lack of Defra resourcing

7.1.5. Annex E – Benefits profile and mapping



7.1.6. Annex F – SWOT Analysis of the long list of options.

	Strengths	Weaknesses	Opportunities	Threats
Option 0 - Business As Usual - PSS pilots wind down, and PSS discontinues	No funding necessary.	No new nature restoration. Doesn't align with previous work or current objectives. No infrastructure development.	No expertise or skills required.	No integration with other programmes or opportunities to address market failures.
Option 1 - Continue with 5 PSS pilots but do not scale up	Achieves nature recovery but at a small scale. This option is affordable and engages with other mechanisms to an extent.	No prioritisation of any other initiatives to allow integration. Limited scope means limited funding leveraged and limited innovation.	Implementation of this option will be timely with limited resource constraints.	Partially meets strategic aims, but the small scale is not ambitious enough.
Option 2 - Introduce 5 new PSS per year, 30 total	Achieves nature recovery at an appropriate scale within capacity and capability. Attractive to suppliers. Delivers research and innovation, leveraging other sources of finance.		Integrates well with other programmes. Allows opportunities to prioritise sites and develop the programme sustainably, including integration in chosen sites.	
Option 3 - Introduce 15 PSS per year, 90 total	Integrates well with strategic aims. Will achieve nature recovery at a higher scale.	Likely diminishing returns on higher levels of nature recovery.	Significant levels of collaboration possible.	Attractive to supplier, but potential capacity issues. Enough recruitment not possible, implementation not phased. May be too large scale to be funded sustainably
Option 4 - Align PSS sites with LNRS where PSS acts as delivery mechanism	Meets strategic aims. Does improve nature recovery as a reasonable scale	Less local coordination and integration. Less efficient at leveraging finance. Does	Collaboration possible at a local level.	Attractive to suppliers, scale could be too large though. Would require more personnel

	for immediate pressures.	not integrate with anything beyond LNRS which doesn't focus on PSS priorities. Requires funding from other schemes		and skills, quick to implement.
Option 5 - Expand scope of BNG to sell BNG units for designated features	Does integrate well with strategic aims. Likely to be a lower cost.	Delivers more for the environment, but costs could be higher.	Some collaboration possible.	Less efficient at leveraging finance. Would require more personnel and skills, slow to implement, risky rollout.

7.1.7. Annex G – Additional economic case documents

7.1.8. Annex H – Additional finance case documents

Affordability table

ALB	RDEL £m	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
FC	National FC team to engage with respect to deer impacts management	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
FC	National team to engage with respect to wider woodland resilience and creation (i.e. aside from deer impacts management)	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
FC	FC officers for deer-relevant PSS	0.2	0.7	0.9	1.2	1.4	1.7	2.0	2.2	2.4	2.7
FC	FC officers for woodland PSS	0.2	0.4	0.6	0.8	1.1	1.3	1.5	1.8	2.0	2.2
FC	RDEL for grants for training courses	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
NE	NE Agile management	0.8	0.4	0.3	5.2	7.6	7.7	8.0	6.0	4.3	1.5
EA	Total EA FTE	1.8	2.4	2.5	2.5	0.1	1.3	1.4	1.4	1.4	1.4

EA	Corporate Cost for EA RDEL	0.2	0.3	0.3	0.3	0.1	0.2	0.2	0.2	0.2	0.2
EA	Consultancy RDEL	0.1	0.1	0.1	0.1	0.2	1.5	1.5	1.6	1.6	1.6
External consultant fees	ICF consultancy - still to be agreed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total		2.8	2.4	4.6	10.1	13.0	13.7	11.8	10.3	9.0	8.3
ALB	CDEL £m	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
FC	FC officers for deer-relevant PSS	0.2	0.6	0.9	1.2	1.5	1.8	2.1	2.4	2.7	3.0
FC	FC officers for woodland PSS	0.2	0.6	0.9	1.2	1.5	1.8	2.1	2.4	2.7	3.0
NE	NE Agile management	8.2	4.3	1.9	0.9	0.4	0.3	0.2	0.1	0.1	0.1
EA	Consultancy on PSS to identify pressures	0.3	0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0
Total		8.8	5.8	4	3.6	3.7	3.9	4.4	4.9	5.4	6.1
Inflation	AVG 2 %	2.4	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
resource total (specify) total (RDEL)		4.1	9.4	12.3	12.9	13.8	10.9	9.7	7.4	7.8	8.3
capital (specify) total (CDEL)		8.8	5.8	4.0	3.6	3.7	3.9	4.4	4.9	5.5	6.1

future risk/optimism bias	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Project whole life costs	12.8	15.2	16.3	16.4	17.5	14.8	14.1	12.3	13.3	14.4

7.1.9. Annex I – Additional Management case documents. Summary of the Memorandum of Understanding

Parties Involved

- **Defra:** Secretary of State for Environment, Food and Rural Affairs
- **Natural England (NE)**
- **Environment Agency (EA)**
- **Forestry Commission (FC)**

Purpose

The MoU outlines the collaboration between the parties to work on the PSS and NRF. It establishes the responsibilities and principles for cooperation, although it is not legally binding.

Key Objectives

- Achieve the goals set out in project plan as set out in the SOC.
- Secure necessary permissions, licenses, consents, or approvals for the project.

Financial Arrangements

- Defra will provide financial contributions to NE, EA, and FC as detailed in Financial Annex.
- Funding is expected to be confirmed annually, subject to business planning.

Principles of Collaboration

- Collaborate and cooperate to ensure project delivery.
- Be accountable for their respective roles and responsibilities.
- Share information, data, and resources to develop effective working practices.
- Comply with statutory requirements and best practices.
- Ensure sufficient and qualified resources are available.

Governance Structure

- A Programme Board will be established, led by Defra, to provide strategic oversight and direction.
- The Programme Board will include representatives from each organisation and meet monthly.
- MoU Representatives will manage the project at the workstream level and ensure key objectives are met.

Intellectual Property Rights

- Pre-existing and independently developed intellectual property rights remain with the owning party.
- Jointly developed intellectual property rights will be shared among the parties.

Confidentiality and Information Sharing

- Parties must treat confidential information as such and not disclose it without permission.
- Information requests and disclosures must comply with the Freedom of Information Act 2000 and other relevant regulations.

Dispute Resolution

- Initial disputes should be resolved by MoU Representatives.

- Unresolved disputes will be escalated to the Management Board and, if necessary, to senior officials.

Term and Termination

- The MoU is effective until March 31, 2030, with the possibility of extension.
- Parties can terminate the MoU with notice under specified conditions.

Review and Audit

- The MoU will be reviewed annually and when substantial changes occur.
- Parties must maintain accurate records and provide access for audits.

Additional table on stakeholder mapping

Stakeholder	Current Position (Power/Influence High-Low)	Future Position (Power/Influence High-Low)
Landowners	Landowners can influence position of PSS and possible mitigation during the consultation process or if they are formally involved in the PSS partnerships. At the start may have low interest in making changes to practices. Have control over land use but may not be highly interested in conservation unless it impacts their property rights	Would like to increase interest and engagement in the programme.
Developers	Potentially in opposition as PSSs restrict where development can occur, also interested because they will contribute to NRF which is a potential funding source.	Want to reduce likelihood of opposition
Farmers and Agriculture Sector	High influence in partnerships on a PSS strategic plan due to the land use changes and management practices that will be required from them. Some interest has been shown through pilot schemes.	Would like to increase interest and engagement in the programme.
RSBP	Likely consultation responders, try to influence what happens on the protected sites during public consultation or as a partner.	Increased interest and feedback would benefit wider development of strategic plans however this could also increase influence in consultation and partnership agreements.
Wildlife Trust		
National Trust		
Other Government Departments	NRF perspective interest and how this links to wider PSS strategic plans such as DESNZ/CLG. Currently reduced engagement with OGDS.	Increased engagement expected with the policy which can ensure alignment with other strategies however this could increase influence in trajectory of overall programme work.
Local conservation groups	Low influence in process other than during public consultation and possibly low interest unless a PSS involves matters of conservation of a particular feature.	Would like to increase interest and engagement in specific locations and the process to gain the best baseline evidence to inform strategic plans.

Utility Companies interest/extractors	Low influence in strategic plans and low interest. Control essential services like water and electricity, impacting project logistics	Likely to remain the same.
NE PSS team	Power to determine the scope of PSSs.	To remain the same.
DEFRA Ministers	Overall senior sponsors	Will remain the same however increased engagement would be beneficial when discussing PSS aside from the NRF.
Core DEFRA PSS team	Own the protected sites, oversight of the project delivery, Governance and Funding	To remain the same.
Major Landowners	Actively involved, participating hands-on in planning workshops. Active stakeholders who can offer opportunities for environmental stewardship, compliance with regulations, provide an enhanced land value, and help build community partnerships.	Stakeholder aims to maintain their involvement and to seek greater engagement opportunities with them
EA	Statutory consultee and duty of cooperation, they will help deliver actions of the PSSs e.g permits, licencing	To remain the same.
Forestry Commission	Statutory consultee and duty of cooperation, they will help deliver actions of the PSSs e.g forestry, trees etc	To remain the same.
Local Planning Authorities	Need to consider PSS in planning permissions and development	To remain the same
Transport Authorities	Ensure that transport infrastructure development does not negatively impact protected sites and supports sustainable access	Greater engagement could lead to options for green transport or alternative funding that could be utilised that supports the aims of access to nature and mitigating recreational pressure.
Local Communities	Benefit from environmental and recreational improvements, and their involvement ensures strategies meet local needs and gain public support	An increased interest would be beneficial – increased awareness of the programme could support formation of effective strategies.
Local Businesses	They will benefit from any increased tourism that will be gained from an increase in access to nature so will be engaged with process but low influence.	
Tourists and Recreational Users	Tourism provides economic benefits and fosters a connection with protected area values, making it a positive force for conservation	
General public	Consulted during the process in public consultation. May have interest in way management of site changes for biodiversity and economic reasons.	

Ecologists and Environmental Researchers	Their expertise helps in understanding ecological dynamics and monitoring the effectiveness of conservation strategies, they will have an impact on specific management that can be used in the formation of a strategic plan and influence the outcome.	To remain the same.
National Landscapes	If PSS sits within a protected landscape – to keep informed in any changes that may affect management of a PL.	Increased engagement could be required when PSS are within PL.
DEFRA strategic teams	NRF, LNRS teams etc to ensure alignment with other strategies	Maintain level of engagement with other Defra strategic teams. Could have further influence as programme progresses or in the instance where they align with proposed strategic plans.
ENGOS	Will have some interest in PSS and contributing to the action however they will have low influence unless involved during the public consultation	Greater interest moving to an active player could highlight positive actions and possible funding stream that could benefit the development of strategic plans.
Water Companies	Have significant influence over water resource management and a strong interest in the outcomes of Protected Site Strategies due to their impact on water quality and regulatory compliance.	Closely managed and actively engaged in the process.
Food companies/sector	May have an interest in Protected Site strategies due to their environmental impact and the increasing demand for sustainable practices. They are under pressure from regulators, investors, and consumers to reduce their carbon footprint, improve animal welfare, and ensure sustainable land use.	Interest will likely grow stronger as they adopt more transparent and regenerative practices, aligning with sustainability goals.
Energy companies/sector	Energy companies can influence Protected Site Strategies due to their reliance on natural resources, regulatory compliance, and sustainability goals. Their operations often intersect with sensitive areas, requiring careful planning to balance business needs with environmental preservation.	Greater engagement as they look to diversify their energy portfolios and investing in sustainable technologies
Art and Culture sector	Arts and culture stakeholders have a high interest in Protected Site strategies due to their focus on preserving cultural heritage.	Remain the same
Private Sector	Their financial resources and technical expertise can greatly enhance conservation efforts, while market incentives can promote sustainable practices.	Their involvement could expand beyond funding and technical expertise to include active participation in conservation planning and implementation.