

Spending watchdog probes Forest wetland projects

National Audit Office called in by local MP

BY BEN CRAIG

AN INVESTIGATION has been launched by the government spending watchdog into claims that EU funding rules have been broken by a controversial wetland restoration programme in the New Forest worth millions of pounds.

The head of the National Audit Office (NAO), Sir Amyas Morse, has written to New Forest West MP Sir Desmond Swayne to say his team is looking into the issue, which affects the controversial Latchmore Brook project, between Fritham and Hyde.

As revealed in the A&T, the use of money for wetland restoration led by the Forestry Commission was reported to the NAO by Sir Desmond for potentially breaching a government ban on using EU cash for statutory duties by public bodies — known as “dual funding”.

Some of the £19m provided under the 10-year Higher Level Stewardship scheme (HLS) might have to be repaid if regulations are found to have been infringed. The HLS uses mainly EU funds on local environmental projects, including payments to commoners.

Sir Amyas said that after reviewing information sent by Sir Desmond, his team will look further into the dual funding issue as well as what procedures are in

place to monitor and control the wetland restoration works.

Questions would start with Natural England, as the HLS's administrator, he said, and include other stakeholders in the scheme — which may draw in the Forestry Commission, the verderers and the national park authority who make up the New Forest HLS partnership.

Attention has been focussed on the HLS partly due to the unpopularity of the Latchmore Brook proposals, which has sparked nearly 340 objections.

Under plans being considered by the NPA, 96,000 tonnes of material would be laid at the pop-

ular beauty spot to raise the riverbed and restore meanders to protect internationally important habitat. Other projects have proved less contentious such as at the Avon Water, near Wootton Bridge.

Leaked emails show concern over the dual funding issue was shared as early as 2008 between the then head of the Forestry Commission, Mike Seddon, and Oliver Crosthwaite-Eyre, who at that time was Official Verderer but is now chairman of the national park authority.

Mr Crosthwaite-Eyre followed Mr Seddon's advice to seek an indemnity from Natural England

to repay the money if the verderers, as the formal HLS signatories, were found to have infringed the rules — which could bankrupt the organisation.

In answer to questions from the A&T, Natural England maintained that indemnity insurance was not something it “would provide or be involved in”.

But it also implied that although the HLS was inspected by the Rural Payments Agency in October 2014, there has been no formal audit by the EU to check whether dual funding was an issue.

It said: “The European Commission conducts regular audits and if they determined that Natural England had not complied with the EU's Rural Development Programme rules they would apply reductions at England level to our claim for re-imbursment of expenditure.”

The FC's own planning application states that it has a “legal responsibility” under the EU Habitats Direct/Wildlife and Countryside Act to restore Sites of Special Scientific Interest, such as at Latchmore Brook, when assessed by Natural England as being in an “unfavourable condition”.

Natural England insists there is no dual-funding breach, however, stating: “The scale and complexity of the New Forest works go above and beyond what could reasonably be expected to be achieved under statutory duties.”

Sir Amyas said that an update on the investigation will be provided to Sir Desmond by November 30th.

Minister downplays ‘conflict of interest’

CONFLICT of interest claims have been played down by a government minister after it emerged a businessman whose company carried out some of the wetland restoration also helps to run an independent advisory organisation which published a glowing review of the works.

William Bond, from Wareham, was a board member at the River Restoration Centre — a not-for-profit group of experts which in a report published in March praised the New Forest's wetland programme.

But he is also managing director of Alaska Environmental Contracting Ltd: the firm paid to work on projects such as the £1.5m Forestry Commission plan to restore Latchmore Brook, between Fritham and Hyde, into miles of wetland.

In response to a written question by Sir Desmond, DEFRA junior minister Therese Coffey said potential conflicts of interest were dealt with through the formal HLS partnership between the verderers, the Forestry Commission and the national park authority.

She added: “The partnership has appointed a project board to steer and oversee the implementation of the HLS agreement and the board's terms of reference enable it to address any potential conflicts of interest.”

Mr Bond has denied any conflict of interest and said he played no part in the RRC wetland report other than to supply photos.