

Environment and Sustainability Committee

Meeting Venue:
Committee Room 3 - Senedd

Meeting date:
10 June 2015

Meeting time:
09.30

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

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Agenda

1 Introductions, apologies and substitutions

2 Water Quality - Round Table Discussion (9:30 - 10:10) (Pages 1 - 32)

Dr Stephen Marsh-Smith, Executive Director, Wye and Usk Foundation
Peter Jones, Conservation Officer: Sustainable Development, RSPB

E&S(4)-17-15 Paper 1 Wye and Usk Foundation
E&S(4)-17-15 Paper 2 RSPB Cymru

3 Water Quality - Round Table Discussion (10:10 - 10:50) (Pages 33 - 36)

Rachel Lewis-Davies, Environment/Rural Affairs Adviser, NFU Cymru
Martin Bishop, National Manager for Wales, Confor

E&S(4)-17-15 Paper 3 NFU Cymru

Break (10:50 - 11:00)

4 Water Quality - Round Table Discussion (11:00 - 11:40) (Pages 37 - 40)

Tony Harrington, Director of Environment, Welsh Water

E&S(4)-17-15 Paper 4 Welsh Water

5 Water Quality Round Table Discussion (11:40 - 12:20) (Pages 41 - 46)

Natalie Hall, Water Manager, Natural Resources Wales

Michael Evans, Head of Evidence, Knowledge and Advice, Natural Resources Wales

Robert Vaughan, Manager – Sustainable Land, Farming & Forest Management,
Natural Resources Wales

E&S(4)-17-15 Paper 5 Natural Resources Wales

6 Papers to note

Natural Resources Wales Scrutiny: Additional Information (Pages 47 - 52)

E&S(4)-17-15 Paper 6

Letter from Wildlife Trust Wales to Natural Resources Wales: Partnership Project Funding (Pages 53 - 63)

E&S(4)-17-15 Paper 7

Agriculture Scrutiny: Correspondence from the Deputy Minister for Farming & Food (Pages 64 - 69)

E&S(4)-17-15 Paper 8

Letter from the Minister for Natural Resources: Local development plans: (Pages 70 - 72)

E&S(4)-17-15 Paper 9

Letter to the Chair from Roger Thomas: Natural Resources Wales - Annual Scrutiny (Pages 73 - 75)

7 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting

8 Consideration of Draft Letter to the Minister for Natural Resources: Inquiry into Marine Policy in Wales (12:20 - 12:30) (Pages 76 - 80)

Agenda Item 2

Document is Restricted



Wye and Usk Foundation (WUF) response to the Assembly's Environment and Sustainability Committee's evidence session as part of a short inquiry into water quality in Wales.

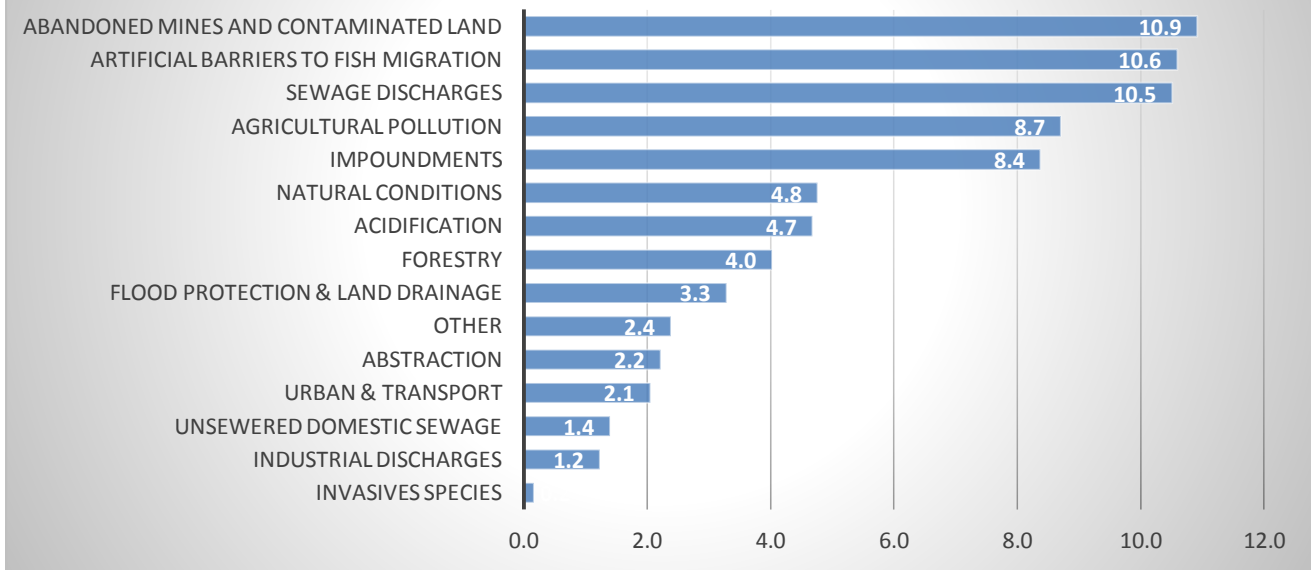
Background

- 1.1 WUF was formed in 1995 to meet a need in fisheries and riverine management – the actual delivery of improvements such as habitat restoration, fish passes, water quality etc. WUF restores two of Wales' best known salmon rivers, both EU Special Areas of Conservation, covering 6,480 Km² (including Herefordshire). We have raised and spent over £10m since 1998 and have engaged and trained our own skilled workforce. Our fisheries letting scheme brings in an additional £1.75million pa to the rural economy and we have created and sustained an estimated 65 FT job equivalents. Land use issues are now comprise our current challenge.
- 1.2 WUF is part of a wider network of rivers trusts in Wales, working under the umbrella body Afonydd Cymru
- 1.3 Implicit in our aspiration for the economic and ecological restoration of these rivers is that there is very good water quality in the two SAC Rivers. The issues faced by these and other rivers and waterbodies in Wales are:
- The effects of acidification
 - Pesticides
 - Phosphates
 - Sediment
 - Organic pollution
 - Mine water
 - Other substances (via water treatment works: eg plasticisers and pharmaceuticals)
 - Exacerbation of above issues by abstraction
- 1.4 Water Quality is crucial in achieving standards in a number of EU Directives: The Water Framework (WFD) Drinking Water, Bathing Water and the Habitat Directive (which also has water quality standards). Our comments will primarily be addressing the question of WFD and water quality.

2. Progress towards meeting statutory obligations

The WFD places obligations on NRW to monitor water quality in two areas: Physical/chemical (eg pH, BOD, Phosphate and pesticides) and Biological (fish, invertebrate, macrophytes and phytobenthos). It should be acknowledged that undertaking this level of monitoring for all the waterbodies in Wales at appropriate intervals is a very considerable undertaking, particularly for NRW in its current post merged state and given budgetary constraints. However, without this level of undertaking, the status of water quality in many locations remains unknown and the effects of any actions or changes cannot be assessed fully. An overview of the known causes of WFD failure in Wales is included below:

Reasons for not achieving good status 2014 % of all water bodies



We are able to cite examples where there has been significant progress as a result of project activity in the Wye catchment. However, levels of phosphate and low fish densities are the most common monitored reasons for failure as distinct from the causes above. This will become more significant as new more realistic targets for phosphate are adopted.

3. Current Sources of pollution of particular concern

Agricultural Pollution, often incorrectly described as diffuse, is a broad heading that includes pesticides, raised phosphate levels (P), sediment and organic pollutions. Of considerable concern are raised levels of P from the massive unregulated and unplanned expansion of poultry units. Poultry manure contains 5 times more P than cattle manure. It is, and will be a significant cause of WFD deterioration and failure in the future. Planners seem unwilling to resist the rapid advance even when confronted with evidence from NRW that a site would breach SAC water quality limits. There are often insufficient constraints placed on the management of units and the risk of water pollution is not given due proper attention. Until recently NRW seemed unable to provide the perhaps obvious evidence that in combination, multiple units will act in concert, to cause deterioration in water quality and ecological damage. Pictures ahead show the upper Wye at Erwood and Wye at Monmouth turned green by an algal bloom last July. This is diagnostic of P failure and could also land WG with infraction discussions.



Above: Algal Bloom Upper Wye at Erwood



Above: Algal bloom lower Wye at Monmouth

Likewise the increasing use of crops such as **stubble turnips, maize, potatoes and winter cereals** planted on unsuitable land, without taking into account the effect of these actions on soil structure. This results in massive rates of run off and soil loss (see right) with consequential degrading of ecological status of our rivers and the future productivity of our land. Anaerobic digestion is also increasing, supported by government tariffs. Wales's high rainfall and altitude (giving harvesting when soil is saturated) is incompatible with safely growing the maize used as feedstock. A similar conflict exists around Glastir, requiring arable crops on pasture land without specifying that they should only go on ground that is safe for that crop.



There are serious issues with widespread soil compaction in both the livestock and arable sectors leading to increased unfiltered overland flow ending up in rivers, exacerbating flooding and diffuse pollution issues. The problem is particularly acute in the east of the country. This has led for example to a 5 fold increase in the annual amount of sediment and agricultural sourced phosphate depositing in Llangors lake SAC in 2000 when compared to the rates pre 1975.

At a similar level of concern is the management of **dairy units**. It is quite possible that the amount of slurry in some counties exceeds the available area over which it might be **safely** spread resulting in Eutrophication of tributaries, lakes reservoirs and rivers. There are plenty of examples in Pembroke, Carmarthen and Powys.

Farming infrastructure in Wales has suffered underinvestment for some time. The current passive approach created by poor cross compliance rules that should protect water quality and even poorer enforcement of them means that there is a massive problem to correct the situation.

Forestry Problems. **Per hectare**, commercial forestry at present is a greater cause of pollution than even agriculture. The siting of forests, tracks, spraying with toxic chemicals on efficiently drained soils and the huge upheavals during clear felling cause one set of problems (flashy flows and high sediment delivery and high Nitrogen levels) while the siting of spruce trees in poorly buffered catchments exacerbates the effects of acid rain causing another type of failure. The oft repeated "Its Getting Better now our heavy industry has gone" while true should be tempered with "still a long way from satisfactory" Planting on peat is bad enough; replanting on peat is a serious blow to our Climate change ideals. It happens.



Planting on peat (above) and sediment transfer following clear felling.



The issue of mine water is also a serious and long term problem outwith WUFs current remit.

4. Actions taken

Actions taken to address agricultural impact on water quality have met with some success. Part of the problem is that the infrastructure of many units (farms) fall well short of the required standard in respect of effectiveness and reliability and too many farmers have ceased to manage their soils for long term sustainability.

NGOs such as WUF and other rivers trusts spend almost their entire time and budget in efforts to resolve WFD issues and have made very significant strides in resolving barriers to fish migration, Acid rain and more recently a successful programme that curbs agricultural pollution. NRW operate in this area too. Given how short of funding we all are, we feel a much more cooperative strategy could be achieved in Wales. In Herefordshire (no less strapped for cash!) we split the county with EA: WUF working in the west, EA in the east and as a result were able to deliver twice as many improvements to water quality in half the time.

We therefore commend to the committee the example of the Wye Catchment Partnership and WUF's work with farmers in Herefordshire. Together they specifically act to resolve Wye water quality issues and engages with agriculture, industry, NGOs statutory bodies both sides of the border. It has successfully raised additional funds and actions that are focussed on improving water quality.

As previously mentioned we believe the planning system is not operating properly in three principle areas:

- The compound effect is not being considered
- Sites are being consented that will inevitably cause water pollution
- Planning conditions to protect water are not being enforced

Finally if the RDP can be structured such that it supports a delivery mechanism for all farmers in need, rewards farming sustainably and productively, and withholds payments from those that are not, practices will improve immeasurably and all ecosystems services will be enhanced.

5. Monitoring and Enforcement

In our experience monitoring on the Welsh side of the Severn River Basin District is not very far short of adequate. Fish are the most easily monitored biological element but WUF has been using Phytobenthos – diatom analysis as this is much more useful at detecting change in sediment/organic pollution and phosphates over a medium term. Wales has the world's leading expert on the subject based at Cardiff Museum. This area could usefully be developed.

Enforcement has been the missing ingredient **most notably the enforcement of cross compliance breaches that impact on water quality, and the enforcement of planning conditions.**

Dr Stephen Marsh-Smith OBE

Chief Executive, Wye and Usk Foundation

Response of RSPB Cymru to the Environment and Sustainability Committee Inquiry into Water Quality in Wales

RSPB Cymru is part of the RSPB, the country's largest nature conservation charity. The RSPB works together with our partners, to protect threatened birds and wildlife so our towns, coast and countryside will teem with life once again. We play a leading role in BirdLife International, a worldwide partnership of nature conservation organisations. The RSPB has over 1 million members, including more than 51,000 living in Wales.

RSPB Cymru has been invited by the Committee to provide a brief note towards its inquiry into water quality in Wales, with reference to the following points:

- Examine progress towards meeting the statutory obligations under the Water Framework Directive and the Bathing Water Directive.
- Identify current sources of pollution of particular concern.
- Consider whether sufficient action is being taken to reduce pollution, including identifying examples of good practice.
- Consider the effectiveness of monitoring and enforcement.

The Government, of course, has very recently published its Water Strategy for Wales, whilst Natural Resources Wales has also recently consulted on the second cycle of River Basin Management Plans, under the provisions of the EU Water Framework Directive. The points listed above are, to some extent, addressed in each of these documents.

Preliminary Comment – Water Strategy for Wales

Before commenting upon each of the points above, however, we would like to express to the Committee our disappointment that the Water Strategy does not address how water resources in Wales should be managed to meet the specific water needs of wildlife. Moreover, the Strategy does not identify continuing biodiversity loss as one of its principal challenges, to be met alongside climate change, human population growth and rising per capita water consumption.

The applicability to water policy of each of the seven well-being goals in the Well-being of Future Generations (Wales) Act is rightly considered but, in relation to the goal for 'A resilient Wales', discussion is focussed solely on 'resilient ecosystems', with no mention given to maintaining and enhancing a 'biodiverse natural environment' [emphasis added]. Biodiversity has been accorded specific recognition as a feature of sustainable development through this goal, and it is to be hoped that the Committee will draw attention to the water resource needs of wildlife in its Inquiry Report.

Freshwater and wetland habitats – ponds, lakes, rivers, streams, ditches, canals, reservoirs, reed-beds, fens and marshes – support around ten per cent of our plant and animal species. However, although freshwater habitats receive more protection now than ever before, many are still in a poor condition, and the wildlife that depends upon them must cope with a multitude of threats, including pollution, water extraction, invasive non-native species and, of course, the impacts of climate change. The recent *State of Nature Report* found that, for freshwater and wetland species for which sufficient data existed, 57% had declined in recent decades, with 29% declining strongly.

The *Report* further found that slightly more freshwater species have declined than increased over recent decades, including dippers and kingfishers. Native fish numbers are declining, together with many freshwater invertebrates. It is suggested in the *Report* that freshwaters are affected by more

threats than any other part of the natural environment, with the few exceptions tending to be in well-protected and/or remote locations. The *Report* lists the following principal causes of decline:

- Water pollution
- Lack of active management
- Water abstraction
- Non-native species and introduced diseases
- Climate change
- Physical modification and drainage
- Habitat fragmentation

Wildlife suffers from the current effects of human activities, including the pollution, acidification and eutrophication of lakes, rivers and streams from both industry and agriculture. Diffuse nitrate and phosphate pollution from agricultural runoff are particular problems, but there is also the problem of sheep dip residues, including cypermethrin.

Progress towards meeting the statutory obligations under the Water Framework Directive and the Bathing Water Directive

The statutory obligations under the WFD can be summarised as follows:

- All surface water bodies to achieve good ecological and chemical status by 2015 – this covers inland waters, transitional waters (semi-saline estuarine) and coastal waters.
- All groundwater bodies to achieve good groundwater quantitative and chemical status by 2015.
- Heavily modified water bodies and artificial water bodies to achieve good ecological potential and good surface water chemical status by 2015.
- No water bodies to experience deterioration in status from one class to another.
- Protected areas to achieve the requirements made under their designation in relation to the water environment.

The principal delivery process for the Directive is by means of River Basin Management Planning; the first set of such plans was produced for the period 2009 to 2015, and the second set of plans is now in preparation, for issue by the end of 2015, and to cover the period to 2021. In common with other bodies, RSPB Cymru has responded to the consultation applicable to the draft plan for the West Wales River Basin District.

Our response expressed a particular interest in proposed measures in the plan for Protected Areas in Wales, specifically Natura 2000 water-dependent sites, to achieve favourable conservation status. In the first cycle of RBMPs, 112 N2K protected sites were designated as requiring special protection under the Habitats and Birds Directives; of these, 26 intersect with one or more RSPB Cymru reserves. In June 2014, the RSPB conducted a review of the status of conservation objectives in these water-dependent N2K sites, and found:

- 85% of water-dependent N2K sites that intersect with one or more RSPB nature reserves in Wales are failing to reach 'favourable conservation status' (FCS).
- Key issues of concern to achieving FCS include the drainage and burning of blanket bog, coastal squeeze in low lying and inter-tidal areas, dredging in estuaries and coastal zones and diffuse water pollution, predominantly of freshwater environments.
- Remedial measures are heavily reliant on public funding (eg, flood management, invasive species control), voluntary actions or investigations.

The 2011 National Ecosystem Assessment (NEA) for Wales found that 66% of Wales' rivers, lakes and wetlands did not meet 'good ecological status', as required under the WFD, ie, only about one-third of surface waters met the requirement. Current Welsh Government targets aim to establish GES for 44% of Wales' inland waters by 2015, with the remainder only to achieve this status by 2027. Many Welsh rivers risk failing to meet targets for spawning salmon and evidence suggests that sewin

(sea trout) numbers have declined by around 50% in recent years. The NEA found that more than 15% of Wales' very best rivers had deteriorated in quality over the preceding 10/15 years.

The Water Strategy suggests that all 102 designated bathing water areas in Wales reach the standards required under the Bathing Water Directive, significantly ahead of other countries in the UK.

Current sources of pollution of particular concern

RSPB Cymru is particularly concerned about diffuse sources of freshwater pollution, especially run-off from agricultural land or from roads, although point sources are also a contributing factor. Diffuse pollution can be caused by excessive or improper use of fertilisers, poor management of waste or livestock on farms, or wrongly connected domestic or commercial drainage systems. In the sub-set of N2K water-dependent sites referenced above, freshwater habitats, such as the Llyn Dinam SAC and the River Wye SAC, have been most significantly affected by diffuse pollution. In the case of Llyn Dinam SAC, a small group of lakes making up the protected site is naturally nutrient-rich, but elevated levels of phosphorus are clearly attributable to human influences. In the upper catchment of River Wye SAC, the most significant sources of diffuse pollution are from agriculture, including fertiliser run-off, livestock manure, silage effluent and soil erosion from ploughed land.

Pollution from agriculture continues to be an issue, despite existing regulation such as Cross-Compliance, which is designed to protect the environment. Addressing pollution must be a consideration of the Welsh Government's new Agricultural Strategy, due to be consulted on from June.

Is sufficient action being taken to reduce pollution? Identify examples of good practice

Clearly, from the answers above, more needs to be done if pollution of freshwaters is to be further reduced.

In terms of managing pollution, RSPB Cymru would promote the 'polluter pays principle', and we would recommend the adoption and enforcement of General Binding Rules (GBRs), as already practised in Scotland and favourably referenced as a means in the Welsh Government's Water Strategy.

Enforcement of measures to counteract diffuse and other forms of pollution will be crucial to the improvement of water quality for both human and wildlife use; GBRs would provide a good means of awareness raising of cause and effect among relevant landowners and stakeholders. The Coal Authority, with NRW, has a programme of measures to counter chemical pollution from former coal mines but, we understand, this is not the case for non-coal metal mines, for which a funded programme is required. Informal advice from NRW has suggested that annual expenditure of c£2m would be sufficient to fund such a programme.

Nitrate Vulnerable Zones (NVZs), covering 2.4% of Welsh land, are in place to comply with and enforce the EU Nitrates Directive to reduce water pollution from agricultural sources of nitrates. These have recently been reviewed and updated, with compliance required for an extensive list of continuing and new measures and rules. A further review of NVZs and measures of compliance will be required for 2016.

RSPB Cymru would wish to encourage more sustainable land management that contributes to achieving WFD objectives, including more extensive farming systems. The Welsh Government has an obligation to maintain High Nature Value (HNV) farms, which are typically extensive farming systems often found in the more marginal parts of the country, especially the uplands. These farming systems are best placed to contribute to a number of Government objectives, including those relating to the WFD; encouraging support for such farms through the RDP would be a cost-effective means of contributing towards achieving WFD objectives, as well as helping to meet climate change and nature targets. Sustainable forestry can also have a significant impact on achieving WFD objectives, for example by ensuring that forestry grants under the RDP are targeted on improving the management of existing woodland and forestry, together with the removal of inappropriately planted forestry such as on peat soils, and ensuring that new woodland planting is targeted to make a contribution towards

WFD objectives, whilst also ensuring an approach to woodland creation that does not negatively impact priority open habitats and/or dependent species such as ground-nesting waders. Such an approach is being considered within the NRM Pilot on the Dyfi, to ensure that woodland creation to improve water quality/flow does not have a negative impact on one of the most important lapwing populations in Wales.

An example of good practice is the EU LIFE Active Blanket Bog in Water Project at Vyrnwy in mid-Wales, that RSPB Cymru previously undertook in conjunction with the then CCW, EAW and FCW. The project aimed at addressing the key issues facing Welsh uplands management and the scientific evidence in relation to water, greenhouse gas emissions and regulation, carbon storage and biodiversity. A significant issue was the increased risk of downstream flash flooding driven by likely climate change, including more frequent and severe rainfall events.

The focus of attention was on degraded blanket bog, which had been depleted by a combination of drainage for agriculture, burning, forestation and intensive animal grazing. The aim of the project was to restore it through rewetting, with benefits for drinking water, flood control, carbon storage, plants, invertebrates and birds. The likelihood is that water run-off will be reduced, with benefits in terms of flood prevention and habitat restoration for birds. It is already the case that water tables have recovered and generally are more stable; during storms, peak water discharge has been lower, whilst during dry periods water tables and discharge rates have been more stable. Levels of discharge water colour have declined. Indications also suggest that Vyrnwy has now become a net sink for carbon, with benefits to climate change mitigation targets for Wales.

The RSPB-managed farm at Vyrnwy has taken practical measures to prevent pollution from 'dirty' water entering water courses, with the collection and storage of all such water from farm yards and also from sheep dip; clean run-off water is kept separate from dirty.

[See also the attached SCAMP Recovering Bogs report]

Consider the effectiveness of monitoring and enforcement

The principal measure of success or otherwise in the monitoring and enforcement of water quality control can only be what is known of the outcomes compared to targets. On the basis of what has been outlined above, the availability of statistics for water quality against targets suggests that monitoring is happening to the required scale. However, Wales is falling far short of the required WFD objectives for GES and FCS, suggesting that enforcement of required water quality standards is lacking. We have suggested GBRs as a management tool but, of course, enforcement requires appropriate levels of resource for NRW; we understand that this might be a factor restricting the Government's willingness to proceed with legislating for GBRs, for example through the current Environment Bill. However, we would urge the inclusion of legislative provision for GBRs; even if resource is a problem at present, the very existence of GBRs, especially for the control of diffuse pollution, might prove beneficial in terms of more sustainable land and water management.

It is clear from the statistics outlined above that the monitoring and enforcement of measures to improve water quality in Wales are falling far short of what is required. RSPB Cymru is especially concerned that this failure has harmful impacts on water-dependent wildlife, and we would ask the Committee in its Inquiry Report to press the Welsh Government to ensure adequate resource provision for NRW to enable better monitoring and enforcement of appropriate measures. The water supply companies might have a financially supporting role to play in this regard – cleaner upstream supply of water reduces the cost of purification for human consumption.

The introduction of greening measures to Pillar 1 of the CAP during the current reform could have secured significant environmental benefits, including for water, had the measures been more ambitious. Improvement to future greening measures, so that they are an effective means of restoring and protecting the environment, must be seen as a priority for the Welsh Government.

RSPB

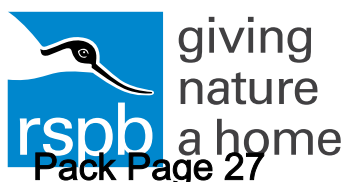
28 May 2015

Restoring bogs

for **water quality** and **wildlife**:
the **positive effects** on **moorland birds**



Working together to give nature a home



Bare peat in the SCaMP area in 2005, before restoration



What's the story?

United Utilities (UU) owns more than 56,000 hectares (216 square miles) of water catchment land across the north-west of England, providing water for 6.7 million people. The Sustainable Catchment Management Programme (SCaMP), working with Natural England and tenant farmers, was set up in 2005, covering UU catchment land in the Peak District and the Forest of Bowland. The aim is to improve the SSSI condition of the land, benefiting wildlife and raw water quality. There has been a long-term decline in the habitat condition across much of the water catchment land, due to

atmospheric pollution, overgrazing and burning. The blanket bog has been eroded, and the vast carbon store in the peat, gathered over millennia, has been disappearing quickly, destroying wildlife habitat and leading to poor water quality.

The UK's blanket bogs and upland heaths are some of our most precious wildlife habitats. Although they are protected under UK law and European Nature Directives, many of them remain in poor condition and under threat. A healthy blanket bog protects a vast carbon store, and accumulates more carbon in the

form of peat. When lost from the peatland, the carbon has climate change impacts, increasing carbon dioxide emissions and the carbon discolours the water, leading to higher water treatment costs.

Since 2010, the RSPB has worked in partnership with UU at Dove Stone in the Peak District, to manage land to benefit water quality and wildlife. The pioneering work of UU is one of the finest examples of how landscape-scale habitat restoration can result in multiple benefits for wildlife and people.

The importance of the uplands for moorland birds

The uplands comprise the UK's largest area of semi-natural habitats. They provide a home for a wide range of birds: ring ouzels, peregrines, short-eared owls and wading birds including golden plovers, dunlins and curlews.

Golden plovers are the most common wading bird of the blanket bog.

Across the SCaMP area, we carried out moorland bird surveys in 2005 before the start of the major restoration work, and then in 2007, 2009 and 2014.

The uplands give a home to birds such as curlews



Landscape-scale habitat management – what has been achieved?

Tenant farmers, supported by agri-environment funding, have reduced sheep numbers to allow vegetation to recover.

Together with UU, we adopted a policy of “no burning” on peat, and undertook major work across the landscape to revegetate bare peat in the Peak District. This involved

applying heather brash, a grass seed mixture to act as nurse crop, and fertiliser and lime to increase the pH of the acidic peat. This enabled plants to establish and grow more easily.

Following this, we blocked gullies to restore the high water table in the peat. This work has transformed the

eroding peatlands into wetter, more diverse habitats. We are re-introducing sphagnum moss, a key feature of blanket bog, which is slowly re-colonising naturally. It will take many years to fully restore the area, but we’re moving towards a natural blanket bog once more.



John Bird



Dave O'Hara



John Bird

2011: heather and natural cottongrass colonises the revegetated land.

2012: heather bales dug by volunteer teams bring the water table close to the surface.

2014: re-introduced sphagnum moss begins to establish in the blocked gully.

Improving water quality

Monitoring by UU shows that the SCaMP restoration has quickly contributed to reducing particles of

peat in the water, known as turbidity. There has also been a slight, but significant, decrease in water colour,

which shows that dissolved carbon levels are beginning to decrease.



Dippers have increased by 188%

Mark Sisson (rspb-images.com)

£35

Table 1 Change in bird species populations and comparison with English upland trend 2005–2014

Selected species	% Change in population recorded by SCaMP (63 km ²)	Breeding Bird Survey trend (61 km ²)	SCaMP compared to wider upland Breeding Bird Survey
Increasing			
Red grouse	88% increase	Stable	SCaMP better
Golden plover	138% increase	Stable	SCaMP better
Dunlin	775% increase	None on BBS	SCaMP better
Ring ouzel	164% increase	Stable	SCaMP better
Dipper	188% increase	Stable	No statistical difference
Skylark	108% increase	Stable	SCaMP better
Meadow pipit	52% increase	Stable	SCaMP better
Buzzard	282% increase	Stable	SCaMP better
Carrion crow	30% increase	Decline	SCaMP better
Stable			
Kestrel	1% increase	Decline	No statistical difference
Declining			
Curlew*	23% decline	Stable	SCaMP worse
Whinchat**	61% decline	Stable	SCaMP worse

* Curlew stable since 2007 on SCaMP plots

** Whinchat upland Breeding Bird Survey sample very small; wider national decline

The effects on moorland birds

The work has shown significant population increases in a range of moorland bird species. Of the 27 breeding species analysed, 14 species increased, 10 species were stable and 3 declined.

For 17 species with sufficient data, the population changes recorded by SCaMP were compared to trends

from the upland Breeding Bird Survey in England, using data from 61 km squares.

The diversity of species that have increased is most striking. The increase in the numbers of dunlins, recorded in the Peak District, represents a significant conservation success as they

were in danger of becoming extinct in this area.

This demonstrates that SCaMP management and the landscape-scale approach to restoration in this project has wider benefits for a range of bird species.



Dunlins have increased by 775% and have been rescued from the brink of extinction

Tim Melling



70% of breeding pairs of golden plovers fledged young at Dove Stone

Breeding wading birds – an increase linked to water table restoration

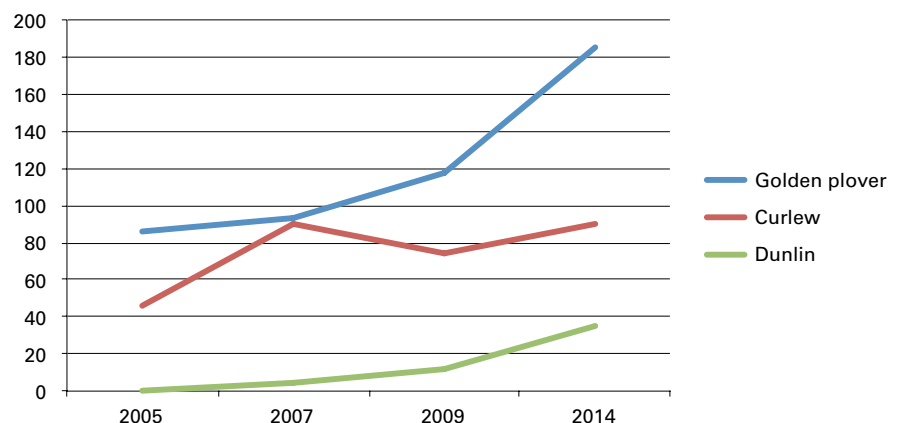
Where large-scale blanket bog restoration has taken place at Dove Stone, numbers of breeding wading birds have increased. This applies particularly to golden plovers and dunlins, the two species of wading bird associated with bog, and there has also been a positive effect on curlews.

Breeding success for golden plovers

In addition, we ran a study between 2011 and 2013 on the productivity of golden plovers at Dove Stone. We found high nest hatching success, with over 70% of breeding pairs fledging young. It is likely that this success has been aided by the increase in insect food, due to re-wetting and revegetating the dry and eroded peat. The population increase has also coincided with a reduction in the control of predators.

Increasing populations of red grouse

We found an 88% increase in the numbers of red grouse in the area, compared to stable populations in the wider Upland Breeding Bird Survey. This demonstrates how restoring the hydrology and



Breeding wading bird population change at Dove Stone (individual birds)

vegetation diversity of blanket bogs can benefit red grouse – a species which is important to many moorland managers.

Restoration benefits wildlife, water quality and carbon management

The speed of transformation was quicker than we first expected. Restoring wet bogs has most notably supported increases in moorland breeding waders of conservation concern, and the landscape-scale approach to habitat restoration has benefited a diverse

range of bird species, from red grouse to buzzards. The SCaMP study provides strong evidence of the potential to transform damaged ecosystems.

Across the wider English uplands, over 200,000 ha of blanket bog is in need of restoration. To achieve this, it has been estimated it will require annual capital costs of around £27 million for six years. With investment, there is the potential to secure future benefits for wildlife, carbon, water and people.



Dave O'Hara

Wetter, sphagnum-rich bog: habitat restoration for wildlife.

[Acknowledgements](#)

Ed Lawrance and Pete Wilson, United Utilities Wildlife Wardens, helped arrange access for repeat surveys. We would like to thank all the farmers and land managers who supported the survey work, and the field surveying team who carried out the work.

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NFU Cymru response to Environment & Sustainability Committee Inquiry - Water Quality

1. NFU Cymru welcomes the opportunity to respond to the Environment & Sustainability Committee Inquiry into water quality which seeks to examine progress towards meeting the statutory obligations under the Water Framework Directive and Bathing Water Directive.
2. Currently just over one third of our water bodies achieve good ecological status under the terms of the Water Framework Directive. Reasons for failure are complex and varied and were summarised in the Welsh Government Consultation Document 'A Water Strategy for Wales' (2014)
3. Evidence suggests that there are a range of issues and sectors influencing water quality in Wales and Water Framework Directive Failures attributable to agricultural pollution are shown to be between 14-15%.
4. It is clear that efforts to address water quality using a single issue approach will not deliver the necessary improvements to deliver on Water Framework Directive goals, in particular, the requirement to meet 100% compliance with the Directive by 2021. That said, NFU Cymru acknowledges the role that the agricultural industry has in improving water quality through addressing issues relating to agricultural pollution.
5. We would stress that in agricultural terms the word pollution can be considered inappropriate to the extent that often what is meant is raised nutrient levels. We would highlight that failures are higher due to changes to monitoring which now include assessment of both biological and chemical status. An increasing issue with Invasive Non-Native Species in riparian habitats which leaves riversides totally devoid of vegetation in winter as these plants dieback also contributes to an exacerbation of the problem.
6. NFU Cymru would take this opportunity to highlight the practical action that farmers are taking on a voluntary basis to improve water quality. This includes:
 - a. Reductions in fertiliser application rates since 1980s – 35% less nitrogen and 60% less phosphates – whilst achieving similar crop yields
 - b. Almost 560,000ha of land under Glastir agri-environment contract that benefit water and the wider environment
 - c. Over 275,000ha of land under management options aimed at improving water quality under Glastir Advanced
 - d. 310,000m of streamside corridor established through the Glastir Scheme alone
 - e. Approximately £16m of investment in farm infrastructure to improve water quality

- f. In excess of 1500 nutrient management plans part funded through Farming Connect, with a further 400 funded as part of Glastir Advanced. (The number of farmers with nutrient management plans developed outside of these mechanisms is not known)
 - g. Three quarters of the land area of Wales under voluntary farm assurance schemes which require inspection for compliance at 12-18 month intervals and which have clear requirements on manure, nutrient and pesticide management.
7. In addition there are initiatives such as the recent innovative project led by Dwr Cymru–Welsh Water aimed at reducing levels of the grassland herbicide MCPA in the River Teifi and Upper River Wye catchment areas. This initiative supports farmers to try alternative methods of controlling rushes and weeds through offering the free hire of weed-wiper equipment using Glyphosate between April and October 2015.
 8. The significant actions to improve water quality have led to acknowledged successes. The reversal in decline of the otter population in Wales arising from improved water quality being a case in point. The recent clean beaches awards are testimony to improvements to the quality of bathing waters
 9. NFU Cymru recognises the clear role that farmers have to play in contributing to further and sustained improvements in water quality in the years ahead.
 10. NFU Cymru are strong advocates of appropriate interventions where poor practices are responsible. It has been our long-held view that any approach must be evidence-based, providing local solutions to local problems working in partnership with industry to be effective.
 11. NFU Cymru would highlight the significant mechanisms at our disposal, which with some thoughtful design and implementation, have the potential to make very valid contributions to water quality.
 12. The Rural Development Programme (RDP) (2014-2020) which has recently been formally adopted following approval by the Commission offers, in our view, a number of clear opportunities.
 13. We understand that 60% of the £957m budget has been allocated to land-based measures via the Glastir scheme which has six strategic objectives, including *‘To increase the level of investment into measures to manage our water resources effectively with the aim of contributing towards an improvement in water quality in Wales and to meeting our obligations under the Water Framework Directive’*.
 14. Glastir has a number of elements including Entry, Advanced and Commons with a number of new elements proposed as we enter the new RDP which include Small Grants and Part-Farm/Habitat Network Schemes.
 15. It has been the long-held view of NFU Cymru that participation in agri-environment schemes should be voluntary but that the scope of the scheme should be such as to be open to any farmer irrespective of location or farm enterprise type. NFU Cymru believes that the ambition for Glastir should be to be simple, uncomplicated and transparent for the applicant with activity that is practical and achievable to implement on the ground. This is vital if the strategic objectives of the scheme are to be delivered.
 16. We would express some concern at proposals which appear to de-emphasise the entry level scheme which is accessible to all in favour of more targeted interventions through Glastir Advanced. We would reiterate that action on the ground relies on farmer participation.
 17. We would further highlight that the Glastir Small Grants and Part-Farm/Habitat Network Schemes offer new and significant opportunities for environmental action, particularly in the area of water quality, by engaging agricultural businesses (and sectors) not ‘traditionally’ involved in agri-environment work. We are disappointed that despite the budget allocation to these measures in the RDP that the roll-out of these elements is likely to be significantly delayed.

18. The new Sustainable Production Grant Scheme offers a further opportunity for measurable improvements in water quality, through 40% funding for a range of capital items such as slurry/manure storage and clean/dirty water separation. The environmental benefits of such investments are clearly understood, such investments leave a legacy beyond the lifespan of any project and farmer participation should, therefore, be actively encouraged. It is our strong view that the Sustainable Production Grant Scheme should be clear and easily accessible, the application process should be straightforward for farmers and not add additional, unnecessary costs.
19. We cannot emphasise enough that an application process that is shrouded in complexity will represent a barrier to uptake and ultimately lead to delayed progress in this area.
20. The Knowledge Transfer, Innovation and Advisory Service under the Wales Rural Development Programme 2014-2020 (Farming Connect) offers a further opportunity. We understand that Farming Connect will receive a budget allocation of £45m over the programme period to increase the emphasis on business focussed behaviour and therefore improve the profitability, competitiveness and environmental performance of farm, forestry and food businesses through knowledge transfer, innovation and advice.
21. On the issue of water quality, in our view, Farming Connect must now move on from its current approach of 'awareness raising' of generic issues relating to water quality, to providing advice to support farmers to take action in targeted areas in conjunction with the other measures available. This requires the concerted effort and co-ordination of all parties including Natural Resources Wales, Welsh Government and contractors which, hitherto, has been lacking.
22. It is our view that improved performance by Farming Connect in this area could support Natural Resources Wales whose key challenge, two years on from establishment, remains how to effectively engage with the 18,000 or so farm businesses across Wales who manage 80% of the total land area.
23. These businesses tend to be sole traders or partnerships that find themselves operating in a highly complex regulatory context – of which environmental management is just one of a number of important facets.
24. We would reiterate our concerns that the merger of three organisations and subsequent restructuring has led to the loss of a number of key personnel, particularly those who were employed previously by Environment Agency Wales. Others with suitable expertise and experience, whilst still employed within NRW, appear to be consigned to different roles and are less accessible to farmers who would have, in the past, approached them for advice on regulation and best practice.
25. In terms of making progress on this issue, NFU Cymru is of the view that a service similar to the Farm Liaison Service within Welsh Government, with knowledgeable and trusted staff within NRW providing practical advice and support on both regulation and best practice across a range of issues, including water quality, would deliver beneficial outcomes.
26. Turning to the issue of effectiveness of monitoring and enforcement, NFU Cymru would highlight the need for any monitoring system to be sufficiently robust as to be able to take into account exceptional weather conditions which are outside anyone's control and which in all probability will increase in frequency in future years.
27. We would also take this opportunity to reiterate that NFU Cymru does not support additional regulation or 'gold-plating' of regulation which is a blunt instrument which adds cost and places farmers in Wales at a competitive disadvantage to our EU counterparts. It is our view that far greater benefit can be achieved through voluntary action working in partnership with industry to drive improvements in water quality as described above.
28. We do not, therefore, support the introduction of additional regulation including general binding rules and would highlight farmers in Wales are already governed by a raft of

regulations including strict rules on the use and disposal of pesticides and on the use and disposal of sheep dips. Cross Compliance requirements established through the basic payment scheme deliver baseline standards and are subject to an inspection regime by Rural Payments Wales. Those participating in agri-environment schemes also follow the rules set out in the Whole Farm Code. It is our view that the introduction of General Binding Rules would effectively result in the introduction of another layer of regulation and NFU Cymru would conclude that it would be premature for NRW to have any additional regulatory powers at this stage.

29. The Inquiry into water quality is also timely as the Review of the Nitrates Directive is underway with revised maps and the potential for additional designated areas in Wales expected in the coming months. We would highlight the very significant restrictions placed on farmers in NVZ areas for the benefit of water quality. NFU Cymru is very keen to work with Welsh Government and NRW in a partnership approach to identify areas where voluntary action now could prevent the need for designation in the future. NFU Cymru would suggest that in such instances a concerted multi-agency effort is required to make targeted efforts to support the farmers to take action in these areas.
30. To summarise, NFU Cymru would agree that improvements in water quality are necessary if Wales is to meet the obligations of the Water Framework Directive. The agricultural industry has a clear role to play in making improvements to the 15% of Water Framework Directive failures currently attributable to the sector. We are able to identify a clear number of opportunities available to drive improvements in water quality including a number of measures in the new Rural Development Programme. NFU Cymru is very keen to work with Welsh Government to see the development and implementation of schemes that are fit for purpose, engaging to farmers and deliver transformational change.
31. We note the invitation to submit oral evidence to the Committee on Wednesday 10th June 2015. NFU Cymru looks forward to giving evidence at this event.

Agenda Item 4

Written Evidence from Dŵr Cymru Welsh Water to the National Assembly for Wales' Environment and Sustainability Committee's inquiry into Water Quality in Wales

This submission is from Dŵr Cymru Welsh Water, the statutory water and sewerage undertaker that supplies over three million people, mostly in Wales. We are owned by Glas Cymru, a single purpose, not-for-profit Company with no shareholders, where all financial surpluses are returned to customers. Between 2001 and 2015, we have returned some £250 million to our customers through customer dividends, social tariffs and accelerated investment. We provide essential public services to our customers by supplying their drinking water and then carrying away and dealing with their wastewater. In this way, we make a major contribution to public health and to the protection of the Welsh environment. Our services are also essential to sustainable economic development in Wales. Welsh Water supports £1 billion per annum of economic activity and some 6,000 jobs.

We are grateful for the opportunity to contribute to the Committee's inquiry into water quality in Wales, which is timely given that the Welsh Government has recently published its Water Strategy for Wales.

1. Progress toward meeting the statutory obligations under the Water Framework Directive (WFD) and Bathing Water Directive (BWD)

Dŵr Cymru makes an important contribution to helping Wales meet the various European Directives that apply to the aquatic environment. Since 1989, we estimate that we have invested some £2.5bn of our customers' money in environmental improvements. These investments will continue against a background of falling water bills (relative to inflation) during 2015-2020. Indeed, Dŵr Cymru is implementing circa £1.7 billion of investment during that period, including a major programme of environmental improvements that will support the delivery of EU obligations.

The WFD aims to bring all water bodies in Wales up to Good Status by no later than 2027. Compliance reporting is cyclical - the second six year cycle beginning next year. It is noteworthy that Wales will start the second cycle in a stronger position than England because of the farsighted policy of Welsh Ministers and Natural Resources Wales (NRW) to target the finite resources available during the first cycle on "quick wins", working toward the ambitious target of 50% of water bodies at good status by 2015. The latest monitoring shows 41% of water bodies in Wales are now classified as 'Good', mainly due to investment made by the water sector. The improving trend in Wales contrasts to the position in England where progress, if any, has been much slower.

Later this year Ministers will approve updated River Basin Management Plans covering Wales for the second cycle of the WFD. These Plans are the WFD's main delivery mechanism. Dŵr Cymru is working with NRW to agree a well-targeted and affordable list of projects/schemes that we will carry out during 2016-2020 specifically aimed at helping to deliver the second cycle WFD Plans in Wales.

Turning to the BWD, we have already spent over £1 billion to help Wales meet its standards, with this investment paid for by our customers. In recent years we have, for example, improved our sewerage infrastructure at Criccieth, Llandudno West, Rhyl and Prestatyn.

It is easy to forget that in 1994 only 10 of the 50 (i.e. 20%) EU designated bathing waters in Wales met the stringent European (Guideline) water quality standards (the water quality standards required at Blue Flag beaches). Twenty years later in 2014, Wales has 102 EU designated bathing waters of which 90 (88%) met the Guideline standard.¹ This brings major economic benefits to Wales: as the Welsh Government's new Water Strategy says, "*High bathing water quality is a key factor for tourism and supports well-being in Wales*".

The EU has adopted a revised BWD, so this year will see the full introduction of even tougher standards: the new 'Excellent' standard is about twice as stringent as the old 'Guideline' standard. Despite this, early projections indicate that three-quarters of Wales' bathing waters will meet the 'Excellent' standard in 2015, which is great news for the people, environment and economy of Wales².

¹ <http://naturalresources.wales/media/3880/wales-bathing-water-report-2014.pdf> NRW Wales Bathing Water Report 2014

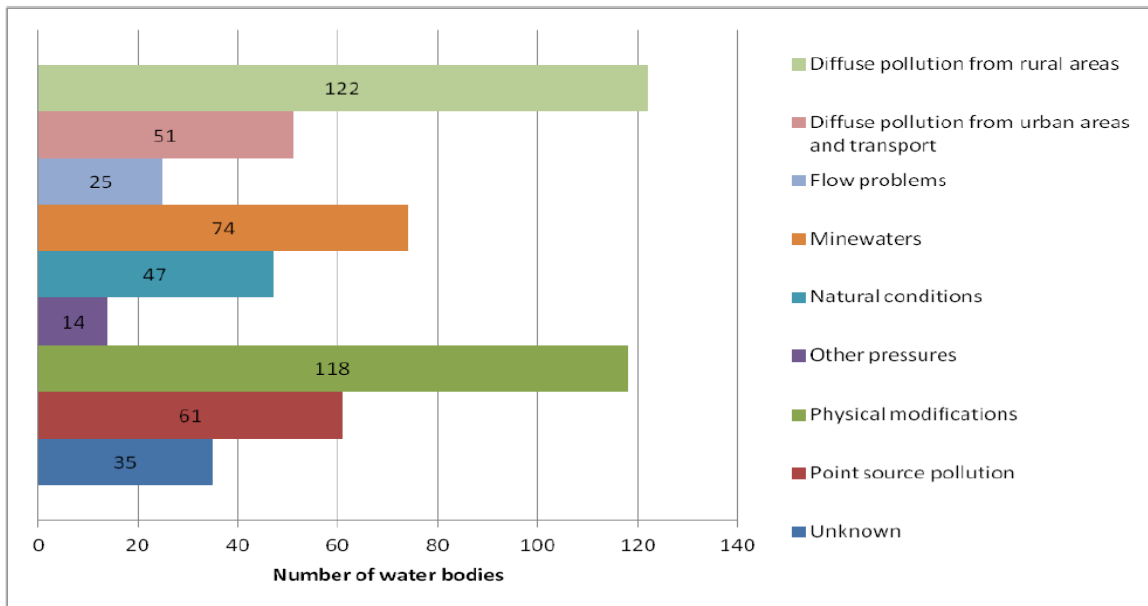
² <http://gov.wales/newsroom/environmentandcountryside/2014/9366434/?lang=en>

In 2015-2020 Dŵr Cymru is planning a large programme of scientific investigations in relevant coastal areas, focussing on developing our understanding of the remaining sources of faecal bacteria which are measured in the new BWD. This will give us (and NRW) better evidence about the bacteriological loads that may be attributable to us, enabling us to target our investment post 2020 accordingly and showing where other sectors, e.g. agriculture, must make a greater effort to deal with diffuse pollution.

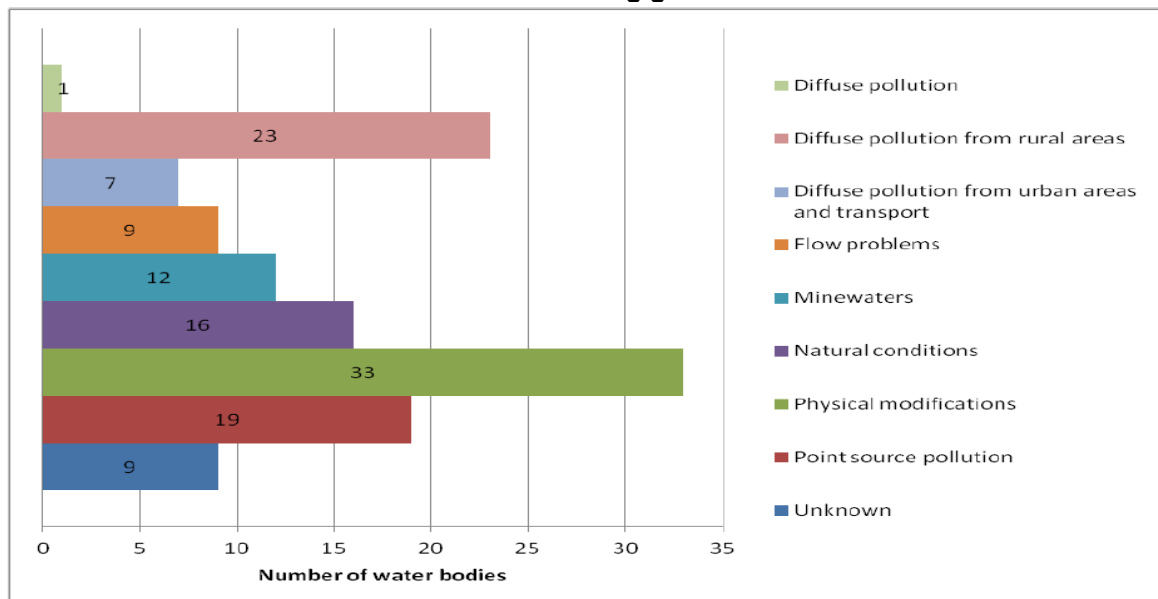
2. Current sources of pollution of particular concern

NRW leads the delivery of the WFD in the Western Wales and Dee River Basin Districts (which cover most of Wales apart from the cross border Severn District where WFD implementation is led by the Environment Agency). NRW recently completed a statutory consultation on updated River Basin Management Plans for these Districts³: the extracts below show the variety of sectors, including our own, that are contributing to water body failures. Water company inputs are mainly contained within the point source pollution bar.

Western Wales River Basin District – Reasons for not achieving good status



Dee River Basin District– Reasons for not achieving good status



³ <http://naturalresources.wales/about-us/consultations/our-own-consultations/consultation-on-the-proposed-update-to-wales-river-basin-management-plans/?lang=en>

Given our reliance on the aquatic environment, Dŵr Cymru recognises that it is in our interest to protect and improve it. It is also in the long term interests of our customers. We remain committed to reducing still further the impact that some of our discharges and abstractions may be having on water bodies, so we are working with NRW to agree an affordable programme of WFD improvements for 2015-2020.

We are, though, very aware that most water bodies where we plan to invest are under a variety of other pressures. As is clear from the figures above, pressures from physical modifications (such as flood defences, weirs); diffuse pollution from agriculture; and water from abandoned mines are widespread in Wales. Our worry is that unless something is done to reduce these other impacts, there will be little to show for our customers' investment in terms of achieving 'WFD good status'. By way of example, Dŵr Cymru remains committed to play its part in reducing phosphorous loadings to the aquatic environment, but unless all sectors that contribute to these polluting loads also play their part in reducing them, our customers' investments will be largely in vain.

We believe that the WFD offers NRW the opportunity to show it can deliver better outcomes for Wales. To that end we are exploring with NRW the potential of aligning the investment programmes of the main sectors so that everyone's investment is targeted on the same water bodies at more or less the same time. This should include NRW's, such as the vital work of its flood risk management; fisheries; catchment; and forestry teams. This collaborative approach would ensure that everyone's funding is spent to best effect for Wales – an important consideration at a time when all our budgets are under such pressure. It would also maximise the number of water bodies at Good status by the end of the WFD's second cycle (2021).

There is, in our view, little point in requiring some parties to reduce their impact if other significant polluting influences are allowed to continue. If there is no realistic prospect of us achieving 'good status' in a particular water body then NRW should make use of the WFD's provisions enabling alternative objectives to be set.

2. Consider whether sufficient action is being taken to reduce pollution, including examples of good practice

In deciding what should or should not be done during the WFD's second cycle, Welsh Ministers and NRW will need to try to keep the third (final) WFD cycle in Wales at a manageable scale. There is a real danger that all the harder – and more expensive – problems will be stored up for the final (third) cycle and will be unaffordable for all parties.

A particular worry for Dŵr Cymru is that we (or others) will make investments during 2015-2021 in the hope that the remaining parties will reduce their impact by 2027. But when the potential scale and costs of the final WFD cycle are clear, regulators will make far more use of the WFD's alternative objectives, undermining the value of our customers' investment in relevant water bodies.

You ask for examples of good practice. Dŵr Cymru was pleased to be able to offer leveraged funding to non-profit bodies, notably charities, to support projects designed to bring water bodies into compliance with WFD, if there was some linkage with our operations. This enabled us to assist in a very cost effective way, a variety of initiatives, such as educational projects teaching school children about the aquatic environment; or encouraging businesses to think about the fate of surface water from their sites; or helping farmers to reduce their impact. We are continuing this funding scheme over the next 5 years, and very much look forward to working with the third sector to continue to deliver very cost effective, local, and engaging solutions for our customers.

Another example of good practice is the Welsh Government's support of the sustainable drainage approach to surface water management: this is a policy area where a distinctly Welsh policy agenda is emerging. From our perspective, it is impractical and unaffordable to construct ever larger pipes and storm water storage systems, particularly in the face of climate change. As well as significantly reducing the risk of flash flooding, properly designed and maintained "SuDS" deliver greater resilience to the onset of climate change, and bring potential benefits for the environment and associated biodiversity. By helping us to improve the performance of our combined sewer overflows, SuDS also have a role to play in helping Wales meet its obligations under relevant EU legislation. We welcome the Welsh

Government's commitment in its new Water Strategy to find the most effective way of embedding SuDS principles in new developments.

3. Consider the effectiveness of monitoring and enforcement

We recognise that we are all (including NRW) facing budgetary pressures and we must all continue to look for opportunities to make cost savings. However, this should not be at the expense of discharging core functions, which in NRW's case includes environmental monitoring. NRW quite rightly prides itself on being an organisation whose decisions are based on sound science and evidence – continued provision of this evidence is essential to justify actions and investment decisions.

On enforcement, Dŵr Cymru agrees with the recently published Water Strategy from Welsh Government, in that more needs to be done to reduce diffuse pollution from rural areas if WFD obligations, as well as those arising from the EU's Drinking Water Directive, are to be met. The WFD specifically requires Member States to tackle diffuse pollution, including from agriculture. Dŵr Cymru is recording some deteriorating raw water quality within key catchments from which we source our drinking water supplies, particularly elevated levels of certain pesticides. This is forcing us to consider installing enhanced treatment processes at some works as significant costs to our customers and to our carbon emissions.

The Welsh Government's White Paper on an Environment Bill proposed introducing a system of General Binding Rules (GBRs) in Wales. GBRs involve setting straightforward rules that those carrying out specific activities must follow to reduce the pollution risk. They are generally seen as a form of 'light touch' regulation, particularly as they avoid the need to obtain individual permits. The WFD explicitly allows Member States to use GBRs to help deliver its objectives. There is a well-established and successful regime operating in Scotland that applies to various agricultural activities such as the storage and application of fertilisers; discharge of surface water run-off; sheep dipping; as well as the storage and application of pesticides. So, for example, the pesticides GBR prohibits their use within 10m of a watercourse; sets rules about the maintenance of sprayers; requires that pesticides be applied in line with product instructions; and bans their use on soil that is frozen or waterlogged, or is on a slope etc.

Dŵr Cymru welcomed the proposal to have GBRs here in Wales, in part because we hoped it would reduce our problems with pesticide levels. We are therefore disappointed that the Environment (Wales) Bill introduced into the Assembly in April does not include provisions specifically intended to establish GBRs. The new Water Strategy does though, say that the Welsh Government is still considering whether to follow the Scottish model of GBRs: we hope that NRW will pilot a regime using its non-specific experimental powers in the Environment Bill.



National Assembly for Wales' Environment and Sustainability Committee Inquiry into Water Quality in Wales

Submission by Cyfoeth Naturiol Cymru / Natural Resources Wales

June 2015

Purpose of Natural Resources Wales and key messages

1. The purpose of Natural Resources Wales is to ensure that the environment and natural resources of Wales are sustainably maintained, sustainably enhanced and sustainably used, now and in the future. We welcome the opportunity to give evidence to this inquiry. The focus of this written evidence is on the issues raised in the invitation and principally the Water Framework Directive and Bathing Water Directives, but our role in maintaining and improving the quality of water goes beyond these Directives.
2. Good quality water is essential for living organisms and to support Wales' diverse wildlife. People and the economy also derive clear benefit from Wales' natural water resources. We all rely on clean water to go about our daily life, whether for drinking, washing, industry, food production or recreation. It is important that our rivers, groundwaters, lakes and coastal waters are healthy and sustainably managed to ensure that we can continue to enjoy and benefit from them in the future.
3. The quality of the water in Welsh rivers, lakes and around the coast has been improving over the last 20 years. An example of this is that 100% of bathing waters now comply with the mandatory requirements of the Bathing Waters Directive and 88% with the more stringent guideline standards (only 12% in 1990).
4. However, in Wales we face a number of water management challenges including incidents of pollution and climate change, developments and population increase, which put pressure on already ageing sewer networks, leading to overloaded works and increased overflows, potentially affecting environmental quality and future development.
5. Diffuse pollution pressures are more difficult to tackle than point sources and we look forward to continuing to work closely with Welsh Government on their review of regulation in this area.
6. We are working to maintain and improve the quality of water for everyone and in doing so are committed to a more integrated approach to the management of water in line with Welsh Government's Natural Resources Management policy and proposals in the Environment (Wales) Bill and pursuant to the long-term policy direction in relation to water set out in Welsh Government's Water Strategy.
7. Partnership working is key to our success. We need to work together with our partners in sharing expertise and developing common outcomes we can all work towards. We welcome work with our partners on areas of good practice which are delivering improvements to water quality, the economy and people of Wales.

Natural Resources Wales' role in managing Water Quality

8. Natural Resources Wales has a significant role in protecting and enhancing water quality including (but is not limited to):
 - a. Undertaking our role as competent authority for the Water Framework Directive (WFD) and other Water Directives.¹
 - b. Monitoring 7400 km of rivers, 122 lakes and 102 bathing waters to assess whether they comply with the standards set out in Directives and, if they don't comply, use this evidence to make sound decisions and influence Government policy.
 - c. Identifying the significant sources of pollution which cause individual water bodies to fail and work with partners on plans to improve the water quality
 - d. Working with the water industry and Ofwat to identify and prioritised improvements to sewage treatment works and sewerage infrastructure
 - e. Maintaining water quality through the regulatory permitting process and monitoring and enforcing compliance with these.
 - f. By regulating water abstractions and discharges, and preventing pollution, we contribute to making sure there is enough safe water now and for the future
 - g. Providing advice and guidance relating to water quality and carrying out targeted campaigns in catchments where we are concerned about particular issues.
 - h. Supporting the forestry sector through advice via the UK forestry standards (UKFS)
 - i. Regulating and advising the agricultural sector through providing technical support, monitoring and inspection on Welsh Government schemes such as Cross Compliance and the Glastir sustainable land management scheme.
9. Natural Resources Wales also plays a central role in taking a natural resource management approach by supporting catchment based activities with evidence, expertise, advice and guidance. We are developing our approach through three trial areas in Wales, building on existing work and partnerships.
10. We are able to make some significant improvements through our own activities for example through managing the Welsh Government Woodland Estate and our National Nature Reserves. We also work with local and national partners to deliver projects and initiatives to improve the water environment. Examples of this are:
 - a. The Metal Mines Strategy for Wales (We are working to remediate the top 50 sites through the Metal Mines Strategy for Wales) and
 - b. The Diffuse Pollution Strategy, which highlights eight key areas of concern and outlines the actions Natural Resources Wales intends to take to work with those causing the problems to reduce diffuse water pollution.

Progress towards meeting the statutory obligations under the Water Framework Directive.

11. Much of our work in managing and protecting our rivers, lakes, coastal waters and other water bodies is now governed by the EU's Water Framework Directive (WFD). This Framework Directive has several objectives such as preventing and reducing pollution, promoting sustainable water usage, protecting the environment, improving the state of aquatic eco-systems and reducing the effects of floods and droughts. Its ultimate objective

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- ¹ For the WFD as competent authority we are responsible for carrying out the analysis required for characterisation, monitoring, identifying waters used for the abstraction of drinking water, and establishing a register of those waters and other protected areas. We have to prepare proposals for environmental objectives and programmes of measures for each river basin district, and prepare draft River Basin Management Plans. We must also ensure public participation in preparation of the River Basin Management Plan and make certain information required under the Water Framework Directive accessible to the public.

is to achieve a good status for all European Union waters by 2015, unless one or more of the exemptions set out in the Directive can be justified.

12. Natural Resources Wales is the Competent Authority for implementation of the WFD in Wales. We have responsibility for drawing up the River Basin Management Plans (RBMPs) - working in partnership with a wide range of public, private and voluntary organisations (including water companies, local authorities, environmental NGOs, business & industry).
13. Wales has three RBMPs – Western Wales is entirely within Wales, the Severn and Dee are cross-border. In each River Basin District we have a Liaison Panel made up representatives of the key sectors. This provides an open forum for co-deliverers to discuss and influence the development of the RBMPs and assist with implementation. Plans are produced and updated every six years. The first plans were approved by Welsh Ministers in December 2009.
14. The WFD establishes a target for all waters, which goes beyond just water quality – that is Good Status (including insect, plant, fish life, water chemistry) which is a measure of a healthy and robust catchment ecosystem. We must look at the water environment as a whole, integrating water quality, quantity and physical habitat with ecological indicators. Where Good Status cannot be achieved, we must provide a reason why.
15. The RBMPs set objectives for water bodies and summarises the measures which we and stakeholders will deliver to achieve these outcomes for the water environment. Actions range from tackling urban and rural diffuse pollution, metal mines remediation and investment in water company assets to reduce their environmental impact.
16. Since 2009 we have improved our understanding of the pressures on the water environment allowing us to target actions to manage them. The majority of actions published in the first RBMP have been started or completed.
17. In 2009, 30% of water bodies were in good condition. The 2014 interim classification indicates that 40% of all water bodies achieved good or better status. This change is as a result of actions taken and the result of improving data quality and methods of assessment. Many organisations have worked together across the river basin district on a range of projects. We expect to see further improvements as the environment responds realising the benefits of actions already taken.
18. The WFD ‘Challenges and choices’ consultation ran from June 2013 to December 2013 and gave communities and our partners the opportunity to tell us what they thought the most significant issues were with the water environment, the best way to tackle these issues, and what the priorities should be. As part of our ongoing engagement 14 catchment workshops were held throughout Wales; two of which were hosted by voluntary organisations.
19. The outputs from the workshops have helped to shape the updated River Basin Management Plans (uRBMPs) 2015-2021 and the supporting 14 Management Catchment Summaries.
20. The consultation for the uRBMPs began on 10 October 2015 until 10 April 2015 and was supported by further extensive engagement. We continue to review the responses to the consultation and to work with stakeholders to develop an effective programme of measures, and agree a realistic but ambitious set of priorities for the second cycle. Those priorities will be reflected in an updated RBMPs presented to Welsh Government ministers in September 2015. Ministers will make a decision on affordability and overall ambition which will be published in the final updated RBMPs in December 2015.

Progress towards meeting the statutory obligations under the Bathing Water Directive.

21. The bathing water season runs from 15th May to 30th September. The Bathing Waters Directive (76/160/EEC) aims to ‘preserve, protect and improve the quality of the environment and to protect human health’. It looks to do this by minimising pollution of bathing waters and protecting bathing waters against any further deterioration.

22. The quality of Wales Bathing Waters has been improving steadily over the last 25 years. In Wales we have 102 designated bathing waters. In the 2014 bathing season all 102 passed the mandatory European standard, while 90 passed the tougher European guideline standard ensuring Wales delivers the best bathing water quality in the UK.
23. 2015 is the first year of a new Directive (2006/7/EC) that imposes tighter standards on bathing water quality classifications aimed at achieving higher standards than the past Directive. In 2015 all EU countries will use a new classification system for bathing waters. Bathing waters will be classified as: excellent; good; sufficient and poor. The new standards are approximately twice as strict as the previous ones. The consequence of this will be a perception of a decline in bathing water quality.
24. We identify the significant sources of pollution that cause individual bathing waters to fail and progress plans to improve the water quality. These sources include agriculture, sewage overflows, animal and bird faeces at beaches and households and businesses with badly connected drainage. We are continuing to work with our partners, including directing major water company investment, to continue improving bathing water quality.

Identify current sources of pollution of particular concern

25. The following are some of the top threats to water quality and the current and potential future uses of the water environment based on data from 2009 to February 2013²
 - a. Pollution from mines. Failures are related to diffuse and point source pollution as a result of contaminated water draining from abandoned mines and contaminated land
 - b. Pollution from rural areas. Failures are related to agricultural activities, including livestock poaching, erosion of river banks and fields, run-off from grassland and arable fields, tracks and the farm yard, and the poor management of slurry.
 - c. Pollution from sewage and waste water. Failures are related to pollution from sewage discharges. Organic and chemical pollution from continuous discharges (e.g. sewage treatment works) and combined sewer overflows (which discharge during heavy rainfall events) both contribute to this issue.
26. Acidification and pollution from towns, cities and transport are also significant major pressures on water quality. Also, during 2014, there were around 70 significant pollution incidents in Wales having a serious impact on water quality.
27. Of course, similar pressures risk pollution of bathing waters as a result of bacterial pollution from sewage discharges, misconnections and agricultural run-off. However, each bathing water is unique and to help the public to make an informed decision about where to swim, we have produced a detailed bathing water profile for each bathing water in Wales. Each bathing water profile includes: a description of the beach and surrounding area; rivers and streams feeding into the site and details about how we manage pollution at the site.

Examples of good practice;

28. Many respondents to our Challenges & Choices consultation recognised the need for a multi-agency approach with all mechanisms being delivered in an integrated way. It was also recognised that we need to implement measures at a catchment scale. This was considered by stakeholders to ensure local buy-in, partnership working and improve funding opportunities. Below are only a few of the many examples of good practice:
 - a. We are working with others to deliver large-scale implementation of Sustainable Drainage Systems (SuDS) in Wales. We recognise the need to deliver a drainage approach that can cope with current and future challenges, whilst realising wider catchment benefits. Greener Grangetown is a £2 million partnership between the City of Cardiff Council, Dwr Cymru Welsh Water and us to better manage surface

² as outlined in Natural Resources Wales, Living Waters for Wales – supporting information for Wales' Challenges & Choices consultation (2013) and covering all types of water body and where more action is needed.

water in the Grangetown area of Cardiff. This continues the work of Dwr Cymru's innovative RainScape project. Working with us, Rainscape has identified solutions for reducing surface water in sewers across Llanelli and Gowerton, and bringing wider benefits to the local environment, businesses and residents.

- b. An innovative approach to regulation has helped the dairy industry in West Wales and protected the local environment. In order to offset the extra nutrients getting into the water Natural Resources Wales and First Milk, owner of Haverfordwest Creamery, have developed a scheme to reduce the environmental impact of local farming practices. A group of more than 40 farms which supply the creamery with milk have committed to take part in the scheme.

Consider the effectiveness of monitoring and enforcement

29. Our current system for the control of point source pollution from sewage treatment systems and industrial activities, through a system of permits and monitoring, ensures that our water environment is well protected from these sources. However, we will continually monitor compliance and review the effectiveness of these permits as new information emerges on environmental pressures and on the standards of protection required.
30. As well as being a statutory requirement of the WFD and Bathing Water Directives (amongst others), monitoring is a fundamental part of the management of water quality in Wales. Without monitoring we are unable to understand the progress we are making, or to report on the quality of our waters and without that evidence we cannot manage the pressures that act upon them. That ability to act has led to significant improvements in water quality across Wales in recent decades. As an example our monitoring of bathing waters has allowed water companies to target their investment in infrastructure improvements. Now all Welsh bathing waters meet the criteria set out in the Bathing Waters Directive. That compliance has a direct connection to the economy of Wales and the communities that rely on coastal tourism. The results of the monitoring can be viewed by residents, visitors and businesses on our [bathing water explorer](#) allowing them to make informed choices about where and when to visit.
31. We will rationalise our monitoring programme where appropriate so that we can concentrate on the essentials, and look at innovative ways to bolster our information. We'll use others' information where it is suitable and meets our needs
32. Most discharges to water must by law have a permit. We issue permits with conditions to make sure the discharge doesn't cause pollution or threaten the quality of the receiving water (river, lake, sea or groundwater). We routinely check that permits comply with their conditions in a number of ways, from site inspections and audits, to examining data and reports sent to us by the operators.
33. We negotiate agreements and codes of practice with industry sectors and other bodies to operate in ways which prevent pollution. We also negotiate the prohibition of use for some chemicals, so they don't cause environmental harm.
34. We have powers to serve notice on people to require them to prevent or remedy pollution. Ultimately we can take legal action if people cause pollution, or if they don't comply.
35. Our Enforcement and Prosecution Policy is published on our website together with Guidance on Enforcement and Sanctions, which explains how Natural Resources Wales makes enforcement decisions, the types of tools available and the considerations we make during the process.
36. We will use the full range of enforcement and sanctioning tools that are available to us, in combination if necessary, to achieve the best outcomes for the environment and for people. Provision of clear advice and guidance will be our main approach to secure compliance but securing compliance with legal requirements, by using enforcement powers including civil sanctions and prosecution, is an important part of achieving this aim.

37. As Welsh Government's Water Strategy recognises, diffuse pollution can be difficult to identify and control and it emphasises the importance of a joined up approach to land and water management. They wish to work with the construction, forestry and agriculture sectors to understand, review and where appropriate, change current practices and regulatory approaches. They will consider whether a similar approach to that taken in Scotland is appropriate for addressing some of the issues in Wales. This has involved the use of general binding rules to address diffuse pollution. We look forward to continuing to work closely with, and advising, Welsh Government on the evidence base to inform their review of regulation in this area.

Conclusion

38. New sustainable and joined-up solutions must be found to the current and future threats to water quality. The proposals in the Environment (Wales) Bill will help us focus on a more integrated approach to natural resource management, looking at the root causes of problems and working with stakeholders to find appropriate solutions. Our three trial areas across Wales are helping us understand how we can make this work in practice and how we can ensure that natural resource management is embedded across all our functions.
39. The creation of NRW has been an opportunity to review our approach to delivering the WFD in Wales. The updated version of Living Waters for Wales (LWW) began to explain how we aim to take an ecosystem approach to deliver the requirements of WFD and restore catchments and the related water environment. Our goal is not simply to deliver the requirements of the WFD, but to integrate planning and delivery of objectives for Protected Areas - these are those sites and objectives designated under other European legislation. We will also aim to coordinate and link WFD planning and delivery with our implementation of the Floods Directive.
40. We are delivering an ongoing programme of investigations to identify the reasons water bodies fail to meet their objectives. We are working with co-deliverers to ensure our evidence base is robust and that we develop and target cost-effective solutions. Land managers, farms, businesses, industry, water companies, local authorities, planners, governmental bodies, non-governmental organisations, and individuals must commit to fundamentally changing our relationship with water and the environment it supports. Partnership working is key to success. We cannot deliver our objectives by legislation and guidance alone – we need to work together with our partners in sharing expertise and developing common outcomes we can all work towards.

Cyfoeth Naturiol Cymru / Natural Resources Wales

May 2015



**Cyfoeth
Naturiol
Cymru**
**Natural
Resources
Wales**

Ein cyf/Our ref:
Eich cyf/Your ref.

Agenda Item 6.1

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Alun Ffred Jones AM
Chair, Environment and Sustainability Committee
National Assembly for Wales
Cardiff Bay
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2 June 2015

Annwyl Alun,

NRW Annual Scrutiny – Additional information

As we agreed to provide during NRW's annual scrutiny session on 6 May, please find below additional information on the following areas:

- a diagram outlining the relationship between different elements of the legislative framework, including water basin plans, national park plans and forest plans;
- further details on the role of NRW as a statutory adviser within the planning system, including any legal advice that the committee has received on the matter;
- a breakdown by legacy body of staff who have left through the voluntary exit scheme; and
- an explanation of the effect of the £7 million reduction in the 'good for the environment' budget in 2015-16.

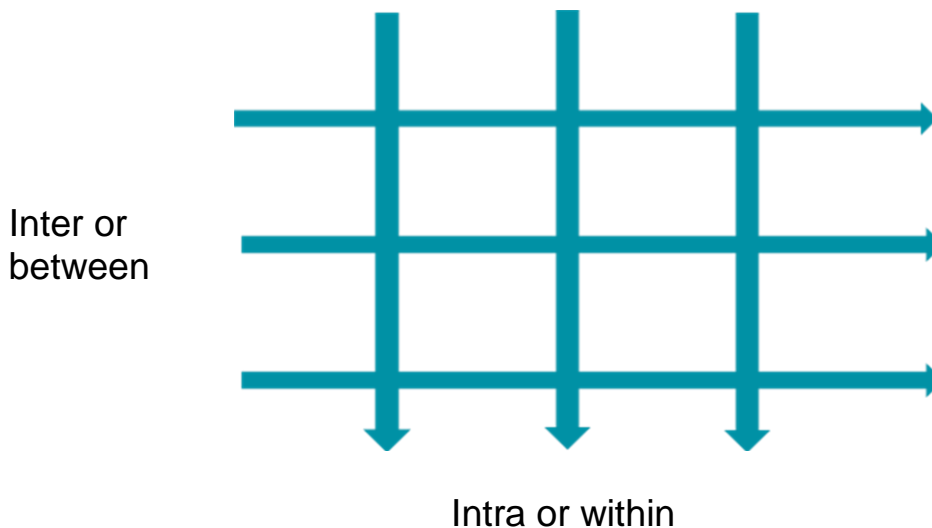
Cofion cynnes,

Emyr Roberts
Prif Weithredwr
Chief Executive

1. Diagram

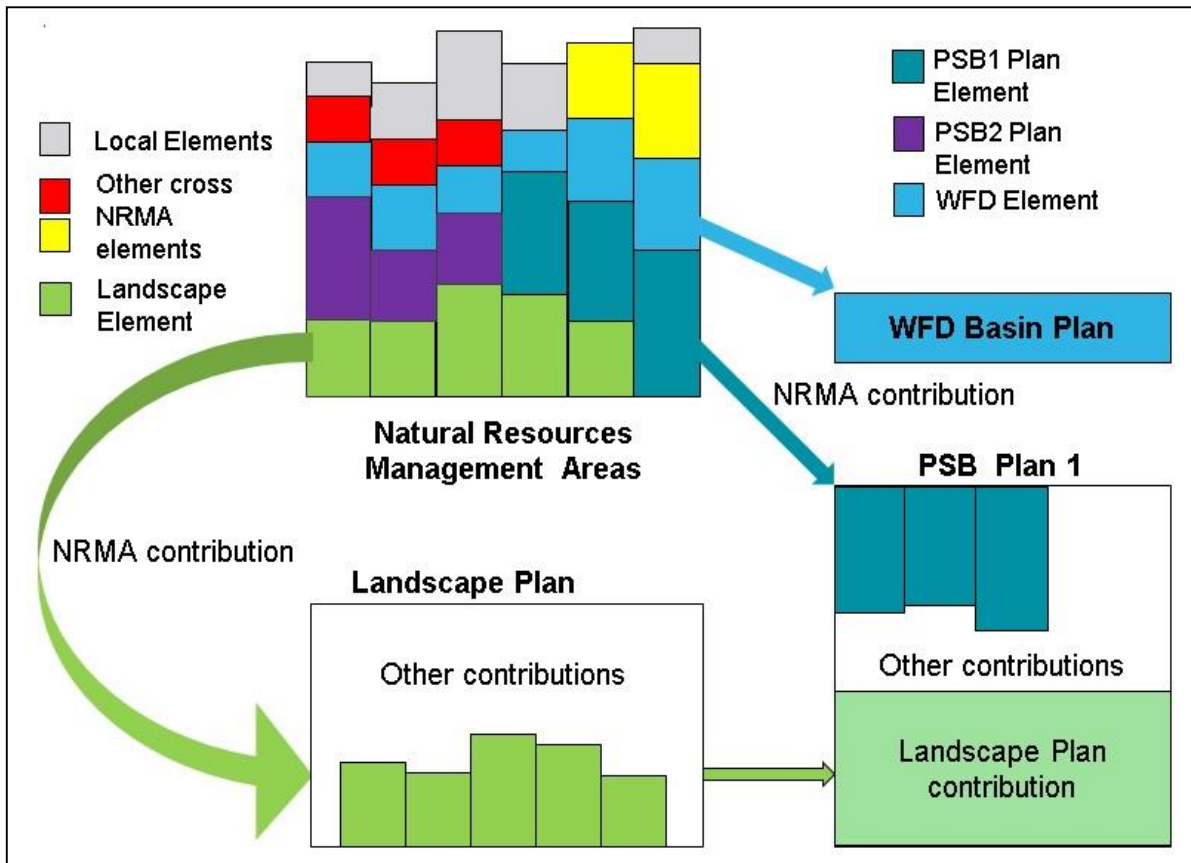
Catchments are the natural engines of the environment and make a logical basis of Natural Resource Management Areas (NRMA). The NRMA Statements will contain local issues and regional, cross boundary contributions to other plans. Here is a model which helps explain the different relationships, using six adjacent catchments with different needs which demonstrate how plans will vary.

A Model for Catchments as NRMAs



Stylised Example of a Cluster of Six Adjacent Catchment-Based Natural Resources Management Plans

- All Contribute to one WFD Basin Plan
- Five contribute to one Designated Landscape Plan
- Three contribute to one PSB 1 Plan (shown for illustrative purposes in the diagram)
- Three contribute to another PSB Plan
- The Landscape Plan also contributes to PSB Plan
- Five have got unique local features which do not appear in any other plans
- Each NRMA statement can contribute to other wider plans shown as cross NMRA elements



2. Legal Advice

Following consideration of the Committee's request for sight of the legal advice on the role of NRW in the context of the Town and Country Planning regime, the advice I have received is that as advice of this nature is subject to the principle of legal professional privilege, if NRW were to provide the actual advice this would lead to a weakening of confidence in this principle. This position is reflected amongst public bodies in general that the principle of legal professional privilege should always be upheld save in exceptional circumstances.

I am also mindful that whilst the legal advice sets out NRW's general role as a statutory adviser within the planning system, it does also provide advice in the context of specific planning cases. Again, the principle of legal professional privilege is relevant as disclosure of this case specific advice may prejudice NRW's future legal interests.

The Committee may wish to look at the advice which was provided in the NRW Board paper of 18 December 2013, and in particular paragraph 17, which summarises the opinion of the QC on the principles which NRW should adopt.

3. Voluntary Exit Scheme

VES Legacy Body Breakdown			
Legacy Body	VES 2013/2014	VES 2014/2015	
EAW	59	25	84
CCW	41	21	62
FCW	26	12	38
Total	126	58	184

4. An explanation of the effect of the £7 million reduction in the 'good for the environment' budget in 2015-16.

The change in the 'Good for ... ' programme budgets for 2015-16 compared with 2014-15 is largely due to the way in which costs, primarily staffing, have been attributed across the various activities. In setting up NRW there was no one system for categorising the work of the new organisation, and this has been refined over time.

For example, the Good for Knowledge theme, which is responsible for the development of the natural resource management approach, saw an apparent increase (181) in the number of staff involved, which approximately corresponds to the apparent reduction (157) in staff numbers seen in the Good for Environment theme in 2015-16. Natural resource management is our principal approach to progressing our contributions to sustainable development, and the different allocation of this resource does not represent a reduction in the budget for our environmental work.

It should also be noted that across all of our Good for programmes there will be multiple benefits for the environment, people and the economy, so any estimates will always need a degree of caution when estimating benefits from a particular programme of work.

5. Roadmap

I attach a copy of our Roadmap with this letter.

Our roadmap for developing Natural Resources Wales

Proud to be leading the way to a better future for Wales by managing the environment and natural resources sustainably

Why NRW exists:

Our environment and natural resources are under pressure from climate change, loss of biodiversity, the need to create and maintain jobs and the need to produce energy. New sustainable and joined-up solutions must be found to the challenges we face. NRW must lead the change needed now and in the future so that Wales' environment and natural resources are sustainably maintained, enhanced and used.

Learning from our history:

We are a young organisation with a clear purpose. We are building on the successes and strengths of the bodies that preceded us. Together, as one organisation, we can achieve much more to build a prosperous and sustainable future for Wales.

...good for **knowledge**



Use evidence to make decisions and always be open and explain what we are doing and why. Evidence we develop will be shared so it can be used by others.

...good for **business**



Support businesses to create prosperity and jobs, while using the environment and our natural resources in a responsible way.

...good for the **environment**



Manage the environment in an integrated way, ensuring our ecosystems are resilient, wildlife and landscapes are enhanced and natural resources used wisely.

...good for **people**



Help keep people safe and healthy and encourage them to understand, enjoy and benefit from the natural resources around them.

...good **organisation**



Be an exemplar of public service delivery, operating efficiently and being a great place to work.

Turning vision into reality with our transformation portfolio

Embedding Natural Resource Management

Delivering Customer focus

Developing our people and teams

Improving efficiency and service delivery

Developing enterprise and business

Our journey

2013



Single point of contact for customers

2014

Corporate Plan launched

Single Pay Scheme



New NRW laboratory

2015



All staff on NRW network

First phase of vision launched



Unlocking the potential

Stand alone capability



Place-based teams



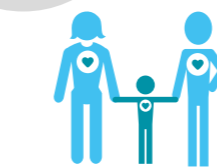
New website launched

2016

Initial transformation complete



Environment Bill



Wellbeing of Future Generations Bill

2017

First area-based statements

2018

First wellbeing plans

2019

2020

World's Best

at Natural Resource Management

Our values

passionate and ambitious

trusted and professional

disciplined and focused

common sense

responsible and accountable

Turning Our Values into Behaviours

Passionate and ambitious about our work and the positive impact we will have

Pack Page 52

- We respond positively to change and understand what it takes to respond to changing needs.
- We take pride in doing a good job.
- We actively seek new ideas and approaches from both inside and outside NRW.
- We seek to innovate in our work and find creative solutions to problems.
- We communicate and engage confidently and in a timely way about our work.

Trusted and professional in our relationships with stakeholders, staff and their representatives

- We do what we say we'll do.
- We are open and transparent in explaining our actions and decisions.
- We base our actions and decisions on the best available information.
- We respect the views of others and treat others as we would expect to be treated ourselves.
- We encourage and respond constructively to feedback.
- We trust others to deliver outcomes if they are best placed to do so.

Disciplined and focused in our prioritisation and delivery

- We are clear on our priorities and outcomes and how as individuals we help achieve them.
- We stop doing the things that do not fit with NRW's vision and priorities.
- We constantly check and challenge our actions and decisions against NRW's vision and purpose and the wider needs of the business.
- We work across teams, bringing together a diversity of skills and experience to solve problems and find better ways to do our work.

Taking a **common sense** approach to our work

- We work together and with others to find practical and pragmatic solutions, inside and outside the organisation.
- We set realistic and achievable goals and targets.
- We manage the expectations of our partners and customers and are clear about what we can achieve and when.
- We focus on the outcome and use minimum necessary process.

Being **responsible and accountable** for our actions

- We act to keep ourselves and others safe and well.
- We maximise value for money in everything we do.
- When we make mistakes, we learn from them and make improvements where we can.
- We understand our responsibilities and the responsibilities of others.
- We are accountable for our actions and decisions.
- We understand that our individual actions have an impact on the organisation as a whole.
- We take tough decisions where it's necessary.



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Wildlife Trusts Wales is
a Registered Charity:
104567
and a Company Limited
by Guarantee: 3032775

NRW Board
NRWBoardsecretariat@naturalresourceswales.gov.uk

6th May 2015

Dear NRW Board Member,

Re: Natural Resource Management – partnership project funding 2015/16

We have reviewed the Board papers on partnership funding for tomorrow meeting and would like to make a few comments and highlight a number of concerns.

We welcome the decision to continue funding the sector. However, we were surprised to see this paper, as we would have expected significant consultation with the third sector before any Board consideration. This risk was highlighted within the Annex which states;

“NRW fails to appreciate the experience of applicants. NRW has collected a lot of feedback/lessons learnt and will build this into the next funding round”

However, we believe that this is exactly what has happened. NRW have not taken account of the experience of the applicants. At the current NRW scrutiny session being undertaken by the Environment and Sustainability Committee, many organisations including the Wildlife Trusts and RSPB, highlighted significant concerns regarding the partnership funding including that,

1. funding decisions were not transparent
2. the fund was not developed in consultation with the third sector
3. imposition of a capped overhead rate of 7% for projects.

All projects accrue overhead costs, and the Third Sector should be able to rely on being able to recover the full costs associated with those projects, this is the principle of Full Cost Recovery and does not imply that the Third Sector expects grants to cover other core costs of their organisations. However, the **imposition of 7% overhead rates has forced third sector organisation to run partnership projects at a loss** which is not sustainable. **NRW should recognize that third sector organisations need full cost recovery to be a principle of grant funding.** It should be noted that purchasing capital items requires no overheads.

It is suggested, in the Board paper, that the 7% cap aligns with EU funding streams. However, what this fails to recognize is that EU funding covers up to 75% of costs and is a source of funding that allows organisations time to secure the remaining match funding. The NRW grant only covers 50% of costs with the remaining costs coming from the third sector. However, **this cap on overheads means that the figure is much nearer to 70-75% of costs being met by the third sector.**

The funding also appears to be designed to encourage community groups to become more active in their local environment, which we fully support. However, with

- a 50% intervention rate
- funding levels set at a minimum of £10,000 (thus a £20,000 project) and a maximum of £20,000 (£40,000 project)

this scale of project, and level of match funding, is outside the scope of many communities.

The paper also highlighted a number of areas that will be a priority for funding, many of

which are outside the technical expertise of community groups, such as

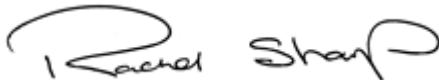
- Water Framework Directive (WFD),
- mitigating and adapting to climate change using Natural Flood Management techniques,
- linking to NRW land but not impinging on designated sites.

These priorities simply will not happen without the expertise, knowledge, match funding and administration capacities of third sector organisations. Also, many of these priorities will not happen without involving local contractors (which is an important source of income for many local farmers and companies). Community groups might apply for funding without fully knowing what they are signing up for, which may cause problems further down the line.

We believe that the overall sum of £874,000 is much needed. Indeed, against the wider backgrounds of austerity and funding community rarely focussed on the environment, this fund is increasingly essential. Therefore, we would ask you to consult with the third sector and reconsider this proposal for partnership funding.

Thank you for considering the above.

Yours sincerely,

A handwritten signature in black ink that reads "Rachel Sharp". The signature is written in a cursive style with a large, looping initial 'R'.

Rachel Sharp
Chief Executive Officer
Wildlife Trusts Wales



7th May 2015

Paper Title	Natural Resource Management - Partnership Project Funding - 201516
Paper Reference:	NRW B B 29.15
Paper Prepared By:	Rhian Jardine, Head of Sustainable Communities, Emyr Thomas, Team Leader Strategic Funding, Clare Southard, Strategic Funding Officer, Helga Dixon Strategic Funding Officer

Purpose of Paper:	To decide and agree how partnership funding for 2016/17 and 2017/18 should be targeted
Recommendation:	To agree the approach for the next 2 years of partnership funding and more specifically to agree the thematic scope and the criteria as set out in paragraphs 11- 14 of the paper
Decision Required:	Yes

Impact: To note – all headings might not be applicable to the topic	<p>Impact on the Environment: Natural Resources Wales Partnership Funding will be directed at achieving environmental outcomes and approaches as set out in our corporate plan and promoting the adoption of environmental management systems.</p> <p>Impact on the Economy: Tools for fostering interventions that generate economic benefits, will be integrated into Natural Resources Wales’ Partnership Funding. In addition, Partnership Funding levers in match funding which increases levels of direct employment, purchasing of goods and services, and capital works in Wales.</p>
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	<p>Impact on the community: Partnership Funding can be used to carry out community engagement work around environmental issues. The provision of funding support to other organisations can be an effective means of securing interventions that generate social benefits for disadvantaged communities.</p> <p>Impact on knowledge: Partnership Funding will be used to acquire knowledge services such as data and information collection and use both relevant and important to Natural Resources Wales activities. This knowledge will be shared with others.</p>
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Issue

1. The Board agreed in April 2014 to a new Partnership Funding approach, setting aside for the next three financial years up to a total of £4.2 M per annum (decreasing pro rata in line with reductions in our Grant in Aid from Welsh Government).
2. The first year's successful competitive and joint working partnership applications have been assessed and the results communicated to applicants. The amounts are currently being finalised and the offer letters dispatched.
3. The total sum is committed for 2015/2016 with a significant number of successful projects being offered funding for the full three years. An approach for allocating remaining funding that will be available for Years 2 and 3 (currently estimated at £349K & £525K respectively) is proposed in this paper. The Board agreed at its last meeting that the Communities Group would develop the approach for allocating the funding for years 2 and 3 and that this would be reported to the Board at its next meeting in May 2015. The Communities Group met on Friday 17th April and this paper reflects their discussions.
4. Some concern was expressed around the appropriateness of the term 'Partnership Funding' however after discussion at the Communities Group it was agreed that a change at this stage might confuse partners and internal colleagues and it would be more appropriate to change in the new round of funding, commencing 2018, rather than at this midway stage. Therefore the recommendation is to keep the term 'Partnership Funding'.
5. Natural Resource Management is key to everything we deliver, however, as the pilots are still under development, we cannot yet make it the basis for partnership funding. It is recommended that any future rounds of funding should be launched as 'NRM – Fund for... People/Environment/ Communities/ Biodiversity etc. We will bring this suggestion back to the Board at the appropriate time.

Background

6. It was hoped that through our first round of partnership funding we might attract new applicants that would deliver aspects of our wider remit. However it transpired that most of the applicants had relationships with the legacy bodies. In round one the initial analysis of the grants (not including Local Authority Joint Working Partners and figures subject to further scrutiny by Finance Directorate) allocated indicate that:
 - over £6million allocated over 3 years for competitive projects
 - 88 partners
 - average grant is £68,600
 - over 3 years smallest NRW grant £10,000, largest NRW grant £240,000.

7. NRW introduced the 7% cap on overheads in order to help equalise the distribution of funding in the first round of applications. We were concerned that some organisations were securing a disproportionate share of funds because they failed to distinguish overheads at project level from those at the level of the organisation. In offering competitive opportunities, it is inevitable that some organisations can offer better value for money than others.

8. The Welsh Government's endorsement of full cost recovery is clear. In its document entitled *Third Sector Scheme* (January 2014) Welsh Government re-visited its working with the voluntary sector and re-affirms this principle. NRW is not offering core funding. . NRW has only a modest and finite sum of money to give out each year (£4.2m). Paying high or all overheads to some organisations has the effect of reducing the funding available to deliver environmental outcomes.. The 7% cap is intended as a means of distributing funding as widely as possible and is in line with the approach adopted by European funding streams.

9. The Key Facts and Assumptions for designing Round 2 are as follows:

- Subject to Finance Directorate confirmation there may be £349k in year 2016-17 and £525k in year 2017-18 available for grants.
- Projects can be up to 2 years (start April 2016. End March 2018).
- A prioritised list of projects will be drawn up from applications and funding allocated as monies become available.
- The next round will be open to Third Sector organisations only.

Next Steps

10. The table sets out the proposed timeline recognising that last year the application window was too late in the year and needed to be brought forward.

Date	Action	Notes
Early May	Paper to NRW Board	
	Continue discussions with WG to ensure maintain fit with WG ESD funding	
End May	Funding Round opened to partners	Digital launch
June 6th	Info to Internal Strategic Funding Board	
End July	Deadline for submissions	

August	Partnership Funding & Finance Team scan bids for completeness, request any outstanding info,	prepare for Assessment Panels
September	Assessment Panels take place	involving relevant staff from Ops/EPP/KSP/Finance and Audit
End September/Begin October	Recommendations from Assessment Panels to Strategic Board	
	Recommendations go to NRW/WG board	
December 2/3	Report back to NRW Board	
End of December	Letters go out to Grant Applicants	
Jan/March 2016	Negotiation/Entry onto Cronfa	
April 2016	Projects Start	
March 2018	All projects finish	

11. The Communities Group discussed the options for the scope and criteria for Round 2 of Partnership Funding 2016/17 and 2017/18. They agreed an approach to offer smaller grants with an aim to reduce bureaucracy and engage with new partners, although recognising the difficulties in the current financial climate of securing match funding for smaller organisations. It was proposed that we should attempt to achieve an equal split if possible between the rural and urban projects and that exemplar projects that could be replicated in other areas to share best practice should be funded.

12. The following are the criteria proposed for Round 2:-

- To focus the next 2 years of partnership funding on smaller grants.
- The purpose of the grants are for direct delivery projects, either to fund community participation and community activities or to purchase capital equipment
- All bids will be competitive
- Maximum 50% intervention rate
- Minimum Grant of £10,000 per annum. Maximum Grant of £20K per annum.

- No salaries costs are eligible for NRW payment but organisations can count salaries as Match Funding (subject to provision of timesheets). There will be a cap on overheads of a maximum of 7% of direct costs
- All outdoor recreational provision supported by NRW grants must adhere to the principle of least restrictive access and be developed in accordance with the Equality Act 2010. This will be made a condition of funding.

13. In terms of the thematic scope for this round NRW will invite proposals which aim to use our environment and natural resources for one of the following benefits:-

- a. Increased public understanding of and care for natural resources – leading to behaviour change and more sustainable ways of living
- b. Improved social equity and cohesion of people & communities
- c. Improved health, wellbeing and resilience of people and communities
- d. Increase the economic benefits for people and communities – reducing levels of poverty.

12. Further points of prioritisation will be applied namely for projects that:

- i. Take place within the natural resource management pilots (Tawe, Rhondda, Dyfi) and/or use NRM concepts
- ii. Involve engagement and participation of disadvantaged groups in Wales
- iii. Provide links to NRW land whilst not impinging on protected areas or where visitor demand is already too high
- iv. Enable communities to adapt to and mitigate the effects of climate change (for example could use Natural flood management techniques).
- v. Identify specific positive biodiversity outcomes.
- vi. Address issues to meet Water Framework Directive targets.
- vii. Are sustainable beyond the life of the NRW grant request.

Governance

13. As the remaining money within the Partnership Funding pot is only a modest sum we need to be proportionate in the manner in which we select projects and monitor them.

14. The projects will be selected by the establishment of assessment boards comprising NRW staff and specialists from across the organisation with knowledge pertinent to the field of activity selected. The assessment boards will also check whether the applicants are

constituted bodies and perform all due diligence checks. The projects will be scored and prioritized by these project boards. A high level board will then make the final decision on prioritization.

15. Because these are only small grants (max £20K pa) the decisions on risk and due diligence will be made by the Partnership Funding Board. All successful applications will be entered onto Cronfa (our grants IT system) by a single team in order to facilitate fast issue of offer letters for these small amounts.

16. Monitoring of outputs will be conducted by NRW Partnership Officers based in an NRW region. This officer will make contact with the grant recipient at the outset, monitor in connection with quarterly claims and undertake a final inspection visit.

17. Update reports will be provided to ARAC.

18. We will liaise with Welsh Government prior to the launch of this round to ensure that there is no duplication of funding and we update them on progress as the projects are selected.

Risks

19. The risks associated with Partnership Funding are set out in Annex 1.

Financial Implications

20. Natural Resources Wales has a budget of approximately £4.2m per annum for both Joint Working Partnerships and Competitive Projects for the next 3 years commencing in April 2015 reducing in line with any reductions in our indicative budget from Welsh Government.

21. As some projects that we will fund are only 1 or 2 years in length money will come back to be distributed in years 2 and 3 which is the fund that we now wish to target for the next application round. This paper sets out our approach for allocating this sum estimated to be up to £874,000.

22. The new Natural Resources Wales Partnership Funding approach will commence in May 2015 and we aim to have all of the £4.2m allocated and committed before April 2016.

Communications

24. A full communications plan is being prepared, with the intention that there will be a digital launch of this round at the end of May. The aim will be to ensure that we engage with as

many stakeholders as possible, and providing ample opportunities for them to engage with partnership officers so that they fully understand the process and the focus for this round of funding. We will also create a programme to showcase successful projects from the 2015/16 funding round.

Equality impact assessment (EqIA)

25. Equality issues will be integrated as one of the cross-cutting themes in the implementation of the Partnership Funding approach by Natural Resources Wales Screening for the Equality Impact Assessment is underway.

Conclusion

26 .The aim of this paper is to secure agreement from the Board on how the remaining unallocated money for Partnership Funding should be targeted for 2016/17 & 2017/18.

Index of Annex

Annex 1 - Risk

Agenda Item 6.3

Rebecca Evans AC / AM
Y Dirprwy Weinidog Ffermio a Bwyd
Deputy Minister for Farming and Food



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

Alun Ffred Jones AM
Chair of the Environment and Sustainability Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Dear Alun Ffred,

2nd June 2015

Environment and Sustainability Committee - Agriculture Scrutiny

During the committee meeting on 20 May I agreed to provide an update on progress in relation to the establishment of a feedback panel for young farmers and on the Working Smarter recommendations that have not yet been completed.

Progress in relation to the establishment of a feedback panel for young farmers

Attracting new blood and fresh ideas is an essential ingredient for any successful industry. I am very keen that young people should play a key role in helping to successfully drive forward individual businesses and the wider industry and in so doing are able to engage with industry bodies and the Welsh Government in an effective manner, representing the views and aspirations of the younger generation of farmers. We are now working very closely with Wales YFC on a number of matters including its Enabling Change project and we are moving forward on key initiatives such as the Young Entrant Support Scheme and wider work following Malcolm Thomas' Next Generation into Farming Review.

There was reference at the Committee session to how work now needed to fit with developments taking place as part of a strategic approach to the agriculture industry. I will launch a consultation on this important initiative at tomorrow's Wales Farming Conference. How young person's interests are properly taken account of needs to be considered alongside the governance and engagement arrangements that we are to establish in partnership with the agriculture industry as part of the work now underway on the strategic framework for Welsh agriculture.

The Working Smarter recommendations that have not yet been completed

The Working Smarter reports prepared by Gareth Williams (independent advisor) have at their heart, better regulation, shared responsibility between the industry and government, as well as efficient and effective customer services and communication. These core principles are being applied to the delivery of the recommendations which cover a diverse range of policies and activities including planning, tourism and agriculture as well as wider Welsh Government engagement with customers.

Good progress has been made to date; 61 of the 78 recommendations are now 'complete' and 17 are ongoing. A summary of the 17 ongoing recommendations is enclosed at Doc 1 with some further commentary below.

Significant progress has already been made to improve the expertise of our staff and their approach to customers as recommended in the Working Smarter reports, but with changing legislation and policies, primarily to reflect changing European legislation, these are not recommendations that can be actioned and completed on a "one-off" basis but need ongoing review and action. For example, recent changes to the cross compliance regime has resulted in the need for additional support for customer facing staff and a revision of the extremely successful 'When the Inspector Calls' guidance produced by the Working Smarter Records Task and Finish Group.

Work on the major recommendations, including the 6 day standstill, EID Cymru and CPH project, is ongoing. Significant progress has been made in conjunction with the industry and our delivery partners to ensure that these significant initiatives on behalf of the industry are introduced in an effective and controlled way to simplify regulations and on farm practices to support the drive for a modern, professional, sustainable and profitable agricultural industry in Wales.

The Working Smarter principles and ongoing recommendations will be taken forward under the strategic framework for Welsh Agriculture that I referred to earlier. This will ensure that the Working Smarter principles continue to be at the centre of the way the agricultural industry and government works together

A further update on progress with the Working Smarter recommendations will be published later this year to coincide with the introduction and publication of the Strategic Framework.

A handwritten signature in black ink, appearing to read 'Yours, Rebecca'.

Rebecca Evans AC / AM
Y Dirprwy Weinidog Ffermio a Bwyd
Deputy Minister for Farming and Food

Doc 1 - Working Smarter Recommendations – Progress Update

Number	Summary	Progress
R3	The Welsh Government officials who communicate directly with farmers must have an understanding of the industry gained through their own farming experience and / or effective training provided by the Welsh Government.	<p>A significant number of front-facing staff, for example within the Divisional Offices and Farm Liaison Team have farming experience.</p> <p>Front line staff are supported by their managers, with additional training and regular briefing to ensure that have the required knowledge to deal with their daily engagement with customers.</p> <p>There is an ongoing commitment to keep this knowledge and expertise up to date.</p>
R21	Where Regulation permits, the Welsh Government must lead partners in further developing earned recognition as a critical factor in deciding which farms to inspect.	<p>A Working Smarter Task and Finish Group reviewed the extent of use of earned recognition in planning farm inspections in Wales and found that regulators are using the approach to target inspections in a significant number of schemes, for example for CAP schemes and farm assurance inspections.</p> <p>The value and benefits of applying earned recognition and risk selection are recognised and will continue to be adopted where appropriate.</p>
R22	The Welsh Government to work with EAW and other partners to develop and introduce a common competency framework for all farm inspectors; this to include training, monitoring, and accreditation.	Welsh Government officials continue to work with other Regulators and Farm Assurance Schemes to ensure that consistent and common standards of service are applied to the agricultural sector by our inspectors.
R28	The Welsh Government should work closely with Defra and the Scottish Government to bring pressure to bear on the Food Standards Agency (FSA) to allow an independent and transparent assessment of their running costs and to fully appraise alternative meat inspection models that will build on the European Food Standards Authority (EFSA) recommendations.	<p>A Steering Group have been working together to develop a discount system to full cost charges for meat hygiene and welfare at slaughter official controls that promotes efficiency, supports improving compliance (within a de-regulatory remit), appropriately supports small and medium-sized enterprises and provides a balanced discount arrangement that seeks to achieve a more balanced and more equitable system.</p> <p>The Steering Group has proposed and considered the impact of a number of options for changes to the method used to allocate discounts, arriving at a broad consensus in July 2014 which was presented to the FSA Board, at its September 2014 meeting, by the Chair of the Steering Group</p>

		The FSA consultation on this closes 12 June.
R31	The Welsh Government must work closely with Defra, the EC and the farming industry, to derive a fair and workable system for responsibility and cost sharing in the event of a major disease outbreak.	<p>Officials are continuing to ensure that policies and their delivery provide an appropriate balance of responsibility and costs between government and keepers during the course of normal business and a disease outbreak.</p> <p>The most recent example of this is the introduction of 'Quarantine Facilities', which has been developed in conjunction with industry representatives to balance flexibility for farmers with movement controls to help prevent the spread of disease.</p>
R32	The Welsh Government must rapidly progress the County Parish Holding (CPH) transfer project.	<p>Officials are working with stakeholders on the design and the delivery options of this major change programme which will start to see the rationalisation of CPH records later this year.</p> <p>Initial focus will be to remove the complications of CTSlinks and SOAs and to implement a distance rule (following consultation) on a whole case working basis.</p> <p>It is expected to take 2 years to cleanse the CPH system before reaching a position of business as usual.</p>
R33	The issues around the 6-day standstill rule must be addressed and resolved by the Welsh Government and the farming industry working together.	<p>Officials in OCVO have been working with stakeholders to develop an appropriate model that provides flexibility for farmers while maintaining movement controls to help prevent the spread of disease. The business case was recently agreed by Ministers.</p> <p>The target for implementation is December 2016.</p>
R35	The Welsh Government should work with the other administrations in the UK to continue to lobby the EC to review the sheep EID legislation as many aspects of this regulation are proving unworkable for farmers.	<p>The implementation of EIDCymru will be a positive factor to reduce the practicalities of this regulation.</p> <p>The experience and statistical evidence from the introduction of EID Cymru will help support any future negotiations with the EC over EID.</p>
R37	The Welsh Government should work closely with Defra and industry groups / partner organisations to develop a national sheep database.	<p>EIDCymu, the national sheep data base for Wales, will be introduced from November 2015.</p> <p>The initial focus will be on livestock markets and abattoirs to ensure that the system works effectively at these high volume premises with full rollout for sheep keepers being achieved in January 2015.</p>
R38	The Welsh Government must continue to work with Defra and the other administrations to thoroughly investigate and	The Welsh Government submitted an application to the European Food Safety Agency (EFSA) for consideration of an approved method of storing sheep carcasses prior to disposal. However, this

	research all of the options for on-farm carcase containment.	was not supported by EFSA. Bangor University are now investigating what technical adjustments can be made for the system to be considered for approval for the disposal of pigs/poultry. Possible further developments for ruminant fallen stock may be some time in the future.
R41	Data sharing has been impeded because of copyright issues, data protection law and incompatible databases / systems.	Defra are piloting an approach based on the Health and Safety Executives' (HSE) 'Find It' tool, the principles of which were presented to the Working Smarter Task and Finish Group. Officials are continuing to liaise with Defra and the HSE on the progress of the pilot with a view to considering the introduction of any lessons learnt in Wales.
R46	All inspection bodies need to revisit staff training and competencies.	Welsh Government officials work with other Regulators and Farm Assurance Schemes to ensure that consistent standards of service are applied to the agricultural sector by our inspectors. There is an ongoing commitment to keep this knowledge and expertise up to date, for example through coordinating training and awareness events.
R59	Ensure that officials who engage directly with farming customers have a real understanding of farming, gained through direct experience and/or specific ongoing training.	A significant number of front-facing staff, for example within the Divisional Offices and Farm Liaison Team have farming experience. Front line staff are supported by their managers, with additional training and regular briefing to ensure that have the required knowledge to provide effective and appropriate support and advice to customers on a daily basis. There is an ongoing commitment to keep this knowledge and expertise up to date.
R60	Establish a task and finish group to improve communications and develop customer service – both to a high standard.	The Communications Task and Finish Group has been established in partnership with industry to review communications. The group which is chaired by the Deputy Head of Agriculture and Rural Affairs Division (Gary Haggaty) has met on several occasions to identify priorities for improvements.
R63	Ensure the industry key performance indicators are explained in farmer language, communicated effectively and as a result, are widely understood.	Officials continue to work with stakeholders directly and through opportunities such as Gwlad and the Welsh Government website to provide further explanation of industry key performance indicators such as inspection rates.
R67	The next generation broadband programme must be progressed rapidly to avoid the many	Superfast Cymru is the largest partnership of its kind in the UK working to give, when combined with the commercial roll-out, 96% of premises in Wales

	disadvantages suffered by businesses in not-spots.	access to fast fibre broadband by 2016. The roll-out began in earnest in Bangor in January 2013 and is progressing well.
R77	The animal health and welfare role of the AHVLA could be better carried out as part of Welsh Government rather than the current agency status.	<p>The role of AHVLA in Wales is currently being reviewed to identify alternative delivery models. The substance of the recommendation will be considered alongside other service delivery options.</p> <p>The main priority is to maintain effective animal disease surveillance and readiness to respond to notifiable disease outbreaks.</p>

Agenda Item 6.4

Carl Sargeant AC / AM

Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref

Ein cyf/Our ref SF/CS/1370/15

Alun Ffred Jones AM
Chair – Environment and Sustainability Committee
National Assembly for Wales
Cardiff Bay
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CF99 1NA

30th May 2015

Dear Alun,

Thank you for your letter dated 1 May requesting an update regarding the Environment and Sustainability Committee's Report into the use of population and household forecasts in the preparation of Local Development Plans (LDPs). I am pleased to provide information in respect of the two specific recommendations you raise, namely:

Recommendation 1: How the Government proposed to address concerns related to the extent to which LPAs are able to produce their own 'robust and credible' forecasts;

Recommendation 2: The outcome of the technical analysis on whether a longer time frame for projections would enhance their robustness.

In response to recommendation 1 there are currently 16 adopted LDPs with a further 2 nearing the end of their examination, potentially resulting in 18 adopted LDPs by the end of the year. This would result in 75% LDP coverage across Wales. This is an encouraging and positive position which demonstrates Local Planning Authorities (LPAs) ability to produce and justify robust and credible housing forecasts through the examination process.

My officials have been working closely with local authorities, both individually and in regional groups, providing advice and support to add robustness to the process. Collaboration between local authorities has grown considerably, alongside the sharing of expertise. Local authorities have utilised both in-house demographers/expertise (for example Caerphilly Council) or engaged private consultants to undertake the necessary work (for example Cardiff and Newport Council's). Both approaches have been deemed 'robust' at examination.

In addition, Conwy Council's demographer assisted Denbighshire Council in the preparation and examination of their LDP housing provision; Swansea and Neath Port Talbot Council have undertaken a joint economic and housing evidence base using external consultants which has driven the formulation of a housing provision in their respective LDPs.

In light of the issues raised previously by the committee, and in order to further support and develop the skills and capacity within local authorities, I approved a bid for training on specialist demographic software (PopGoup) from the South East Wales Strategic Planning Group (10 local planning authorities in South East Wales, February 2014). The PopGroup software is recognised as the industry standard and is used by the majority of LPAs in Wales including Welsh Government Knowledge and Analytical Services (KAS). This training was attended by 26 local authority officers and has been successful in improving the knowledge and capacity of local authorities. In-house expertise supported by technical training, combined with access to the Welsh Government projection modelling and data, has enabled local authorities to undertake their own in house projection modelling, if they consider it appropriate.

A combination of additional training, collaboration, identifying best practice, access to the modelling and data and advice from officials has enabled local authorities to achieve adopted LDPs. This has placed authorities in a strong position when preparing a plan, culminating in a much improved situation.

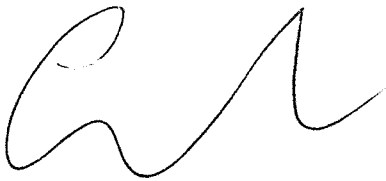
In addition, a strategic planning approach is set out in the Planning (Wales) Bill which will enable cross boundary planning issues such as housing provision to be dealt with through a Strategic Development Plan (SDP), if appropriate. Such an approach will further facilitate the sharing of resources, avoid duplication, reduce repetition and improve efficiency. SDPs will address issues at the larger than local scale, such as housing provision, in a more integrated and comprehensive way.

Recommendation 2 raises issues beyond my portfolio. Jane Hutt AM, Minister for Finance, has responsibility for publication of population and household projections for Wales. Welsh Government, Knowledge and Analytical Services (KAS) published 2011-based household projections in February 2014. The 2011 projections were developed in close collaboration with LPAs and key users in Wales through the Wales Sub-national Projections working group (WASP). This group provided a forum for discussing and agreeing the methodology and base data of both the population projections and the household projections. Members of the WASP working group included local authority representatives with knowledge of and/or experience of demographic data and population and household projections.

A key outcome of this technical group was the conclusion that a further migration variant for population projections based on a longer time frame (10 years) to accompany the existing suite of projections would enhance their robustness. I am pleased to report that the 2011-based population projections and the household projections (which use the population projections as their base) did include this additional new variant in respect of a 10 year migration projection. All LPAs have access to the projection model and the assumptions underpinning it, as well as a raft of additional evidence. LPAs can therefore undertake further modelling, taking account of local circumstances, if appropriate, to produce alternative outputs. Critically, the quality of the evidence will be central to demonstrate that an LDP can be found 'sound'; and adopted after examination, this not only relates to technical assumptions to support housing growth, but all aspects of the plan, the linkages and direction of travel of the plan as a whole.

I hope you are encouraged as am I, with the continuing progress, knowledge and capacity of LPAs to undertake their own credible and robust projections which is confirmed by the number of LDPs adopted in Wales to date.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a series of loops and a final upward stroke.

Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources

Agenda Item 6.5

Mr Alun Ffred Jones AM, Committee Chair
Mr Alun Davidson, Committee Clerk
Environment and Sustainability Committee
National Assembly for Wales
Cardiff Bay
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18 May 2015

Email: seneddenv@assembly.wales

Annwyl Cadeirydd,

Scrutiny of Natural Resources Wales 6th May 2015

I would be grateful to be allowed to correct some erroneous statements that were made to your Committee during its meeting of the 6th May when scrutinizing the performance of NRW.

I should from the outset state that, as the former CEO of CCW and, prior to that, Director of EAW, I strongly supported the establishment of NRW. Despite the committed and expert efforts of the staff of the predecessor bodies, all the evidence showed a continuing decline in the quality of our natural environment – a global trend – over many years; it was clear that a new approach was both essential and urgent.

It is therefore disappointing to see Peter Matthews, Chair of NRW, seeking to defend the performance of NRW by criticising the work of the predecessor bodies. NRW's performance should surely be defended through reference to what it has achieved, rather than by seeking to cast a shadow over the efforts and achievements of those who came before.

In his evidence to Committee, Mr. Matthews stated that he found that SSSIs *'were dealt with exclusively just as SSSIs. What we discovered is that the people who dealt with SSSIs in the past never had a dialogue or a conversation with the people in other organisations that were dealing with, for example, catchment plans under the Water Framework Directive'* (WFD). This statement beggars belief as it is so completely wrong.

CCW had a post in place from 2001 which had responsibility for ensuring that river basin planning and catchment management plans took account of protected areas. This officer worked closely with colleagues from other organisations, most notably sitting on the UK Technical Advice Groups

(TAGs) with the Environment Agency and others. Two guidance papers, written by the UK TAGs and concerning Natura 2000 (N2K) sites and the WFD, were accepted and agreed between the agencies and implemented UK-wide (*Ref. 1 below*).

Another WFD UK TAG guidance paper (*Ref.2*) specifically outlined how to integrate SSSI requirements into catchment planning in WFD and was published in 2003. I also formally advised the Welsh Government in 2009 that infraction proceedings would be possible if river basin management plans did not take account of N2K sites; the Welsh Government then issued guidance to Environment Agency Wales on this issue. Additionally, the officer in this CCW post – who, incidentally, transferred to NRW – also published an overview of the legal and technical relationship between the WFD and the Habitats and Birds Directives in 2010 (*Ref.3*).

Later in his evidence, Mr. Matthews refers to the Chartered Institute of Water and Environmental Management (CIWEM); this professional body has, both in its peer-reviewed journal and its newsletter, regularly reported on the collaborative work undertaken by the agencies on the WFD.

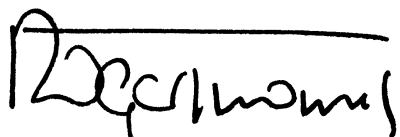
My second concern relates to Mr. Matthews statement that *'in the past, the attitude was, 'We're against development because it's bad for the environment'*. Whilst Mr. Matthews described this as an *'over simplification'*, it actually represents another unsubstantiated slur on the two predecessor organisations that were statutory consultees under the Town and Country planning legislation. The evidence from CCW, as reported regularly to scrutinizing committees in the National Assembly, was that about 5,000 planning applications were received each year under the consultation process (prior screening meant that only those applications with the potential to have adverse effects on the natural environment were referred to the organization).

Of this approximate annual workload of 5000 applications, about 10% initially received holding objections because of insufficient information for CCW to be able to respond fully to the planning authority. Most of these holding objections were removed upon receipt of further information and/or negotiation. CCW had a clear strategy to open discussions with developers at the earliest possible stage of any development proposal. This enabled CCW to help design away adverse environmental impacts and to achieve more sustainable development proposals. Most of our significant difficulties occurred when our first involvement came at too late a stage in the development process. Formal objections were made to about 1% (ie. around 50) applications each year – so to describe CCW as anti-development is, I suggest, not borne out by the evidence.

Thank you for the opportunity to provide the evidence that puts the record

straight on these matters.

Yn gywir,

A handwritten signature in black ink, appearing to read 'Roger Thomas', written over a horizontal line.

Roger Thomas

1. Water Framework Directive UK Technical Advisory Group: .
<http://www.wfduk.org/resources/category/characterisation-water-environment-3/tags/protected-areas-53>
2. Guidance on the identification of small surface water bodies, UK Technical Advisory Group on the Water Framework Directive (2003):
http://www.wfduk.org/sites/default/files/Media/Characterisation%20of%20the%20water%20environment/Identification%20of%20small%20surface%20water%20bodies_Draft_030703.pdf
3. "Conservation monitoring in Freshwater Habitats", 2010, published by Springer Science (Chapter 3)

Agenda Item 8

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