

Agenda – Climate Change, Environment and Rural Affairs Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 16 November 2017

Meeting time: 09.15

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1 Private pre-meeting

(09.15 – 09.30)

2 Introductions, apologies, substitutions and declarations of interest

3 Annual scrutiny of Natural Resources Wales

(09.30 – 10.40)

(Pages 1 – 51)

Diane McCrea, Chair, Natural Resources Wales

Keith Ingram, Interim Chief Executive, Natural Resources Wales

Ceri Davies, Executive Director, Policy and Permitting, Natural Resources Wales

Attached Documents:

Research Brief

Paper – Natural Resources Wales



4 Budget and general scrutiny of the Cabinet Secretary for Economy and Transport – Postponed

(Pages 52 – 77)

Attached Documents:

Research Brief

Paper – Welsh Government

5 Paper(s) to note

(10.40 – 10.50)

5.1 Correspondence regarding the Committee's report, 'Turning the Tide? Report of the inquiry into the Welsh Government approach to Marine Protected Area management' – Letter from the Chair to the Cabinet Secretary for Environment and Rural Affairs

(Pages 78 – 86)

Attached Documents:

Letter from the Chair to the Cabinet Secretary for Environment and Rural Affairs

5.2 Correspondence regarding the Committee's report, 'Turning the Tide? Report of the inquiry into the Welsh Government approach to Marine Protected Area management' – response from the Cabinet Secretary to the Chair

(Pages 87 – 89)

Attached Documents:

Letter from the Cabinet Secretary for Environment and Rural Affairs to the Chair

5.3 Correspondence regarding the Committee's report, 'Turning the Tide? Report of the inquiry into the Welsh Government approach to Marine Protected Area management' – Letter from the Welsh Fisherman's Association

(Pages 90 – 91)

Attached Documents:

Letter from the Welsh Fisherman's Association

5.4 Correspondence regarding the Committee's report, 'Turning the Tide? Report of the inquiry into the Welsh Government approach to Marine Protected Area management' – response from the Chair to the Welsh Fisherman's Association

(Pages 92 – 93)

Attached Documents:

Letter from the Chair to Welsh Fisherman's Association

5.5 Letter from the Chair of the Public Accounts Committee regarding Welsh Government funding of Carmarthenshire Energy Limited

(Pages 94 – 99)

Attached Documents:

Letter from the Chair of the Public Accounts Committee

5.6 Letter from the Chair to the Cabinet Secretary for Environment and Rural Affairs regarding the Welsh Government's Natural Resources Policy

(Pages 100 – 106)

Attached Documents:

Letter from the Chair to the Cabinet Secretary for Environment and Rural Affairs

5.7 Slides from presentation delivered by EDF Energy at 26 October Committee meeting

(Pages 107 – 120)

Attached Documents:

Slides from EDF Energy presentation

Document is Restricted

Natural Resources Wales Annual Scrutiny 2017 by the Climate Change, Environment and Rural Affairs Committee.

Briefing on key issues and progress made since November 2016.

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1. Introduction

Natural Resources Wales' (NRW) purpose is to pursue sustainable management of natural resources. We embed the principles of sustainable management of natural resources throughout the way we work, and by applying these principles we maximise our contribution to the Well-being of Future Generations (Wales) Act Goals.

Our Benefits report¹, and the Wales Audit Office (WAO) value-for-money report², have both demonstrated that we have managed the first years well. The WAO report recognised that “*NRW’s successful creation involved significant challenges*”. Indeed, we continue to face increasing challenges: our Grant in Aid funding has been reduced significantly, we have absorbed new duties and responsibilities, and our people have experienced sustained change and uncertainty during this period. It is testament to the commitment and hard work of our staff that we have continued to deliver on our duties to a very high standard despite these pressures.

We are on track to deliver the benefits outlined in the original business case. However, we are concerned about our ability to fully capitalise on the opportunities presented by the new legislative framework, and to sustain our services at current levels, if our Grant in Aid funding continues to reduce. We would also be able to plan and manage our business far

¹ [“Creation of Natural Resources Wales – realising the Business Case benefits”](#). Natural Resources Wales. July 2017.

² [“The development of Natural Resources Wales”](#). Wales Audit Office. February 2016. Retrieved 9 October 2017.

more effectively if we were given multi-year budgets, rather than the annual budgets we have received in recent years.

We welcome the opportunity to present to the Committee during its annual scrutiny of NRW.

2. Remit letter

A summary of the actions taken to deliver the priorities set out in NRW's 2016-17 remit letter.

A summary of actions based on the 2016-17 priorities can be viewed in [Annex 1](#) (page 14).

A summary of actions you have put in place to deliver the priorities set out in 2017-18 remit letter.

A summary of actions based on the 2017-18 priorities can be viewed in [Annex 2](#) (page 16).

3. Voluntary Severance Scheme

An update on any voluntary severance scheme implemented since annual scrutiny in 2016, including numbers of staff that have taken up the scheme and the total cost to date.

We have not run any additional voluntary exit schemes since the 2016-17 Invest-to-Save application.

We have however implemented two new policies which help us manage our resources and costs:

- Redeployment & Redundancy (R&R) policy and procedure;
- An individual voluntary exit scheme (IVES)

These new policies were implemented in June 2016.

We recognise the importance of maintaining and improving our efficiency as a business, while seeking to safeguard security of employment for our employees. The R&R policy and associated procedure sets out how we will support staff whose posts are no longer required, whose role ends or who are confirmed as 'At Risk' following a Change Programme, on completion of a time limited role, career break or secondment. Affected staff are supported to find alternative roles either within NRW, or elsewhere in the Civil Service or Welsh Public Service through a period of redeployment activity. To date we have exited one employee through voluntary redundancy as part of our R&R policy.

The IVES policy and procedure provides a process to be followed where staff may be interested in leaving NRW on voluntary exit terms but through an individual business case. The procedure provides a framework to follow so that all parties involved in this process are clear on the actions required and the basis on which individual applications may be

approved. All such applications will be subject to approval of a business case in accordance with the compliance and delegations published. No exits have been agreed at this time through IVES.

We are considering running a further VES later in 2018-19. The scope and scale of the scheme is yet to be determined.

4. Corporate Plan and Business Plan

Details of the development process the next Corporate Plan for the body, including an outline of expected priorities and details of how these differ from the current 2014-17 plan.

Our new Corporate Plan runs from 2017-22. It differs from our previous Corporate Plan in that it takes on board new legislation – the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016, and is built around our new Well-being Objectives.

The Plan has been developed over the last several months through collaboration with staff and stakeholders.

We:

- ran a number of sessions with our Executive Team and Board Members,
- held external engagement events with stakeholders (these also included a number of staff members with specific areas of expertise to help facilitate discussion),
- will share the Corporate Plan with all our staff for comments before it is finalised.

Our priorities will be to develop our organisation and change how we work – adopting the sustainable management of natural resources and its associated principles and the five ways of working from the Well-being of Future Generations (Wales) Act - working in a much more integrated way with other public bodies and collaborating closely with partners in the Public Services Boards for example

A summary of the body's performance against both the 2016-17 Business Plan and the 2017-18 Business Plan (performance to date), including the latest corporate dashboard performance report.

Our Performance Framework 2016-17 and Performance Framework 2017-18 to date are below. The 2016-17 framework tracks indicators and measures, showing progress against the Corporate Plan, Business Plan and Remit Letter. While the 2017-18 framework tracks measures and progress against Business Plan and Remit Letter until our new Corporate Plan is finalised later this year.

2016-17 Final Dashboard [Performance Framework Dashboard Period 3 2016-17](#)

2017-18 Dashboard to Date [Performance Framework Dashboard Period 1 2017-18](#)

5. Staff Survey

An update on the NRW staff survey, including the results of the 2017 survey.

Our second People Survey³, conducted in April 2016, gave us invaluable information to inform our People and Teams strategy, leadership development and other change and development in our organisation. In preparing for our third survey, we wanted to gain greater narrative and deeper perspectives on how our people are feeling and what else we need to focus on to improve things.

We have decided to pilot an approach, developed in Bangor University at the Cynefin Centre, called SenseMaker, Cognitive Edge. This is an approach used across the world as a community and people engagement tool and more specifically, in many not-for-profit and public sector organisations in Wales including the WAO.

There will be an element of comparison with our second people survey, and we may return to the Civil Service questionnaire in the future. However, for our third survey, we want to gain more qualitative data to inform where things are going well and what we still need to change. The survey is due to go live in January 2018.

We have a full engagement plan to ensure we optimise the value of the feedback we receive, involving everyone in making NRW a better place to work, making even more of a difference in Wales.

6. Self-policing

A summary of any enforcement or self-policing action the body has taken against itself in the last 12 months.

We publish a record of all our self-permitting decisions⁴ on the website each month.

There were 93 self-permitting decisions between 1 September 2016 and 31 August 2017, and were a mixture of abstraction licences, marine licences, flood risk activity permits, Sites of Special Scientific Interest assents and herbicide authorisations.

Water Abstraction licences are issued by the Water Resource Permitting Team and their permitting process and legislation requires the submission of our decision documents to Welsh Government for scrutiny and the option to 'call in'. Welsh Government officials have been consistently satisfied with our determination of the applications. Once we receive Welsh Government officials' response, they are sent to the Executive Director for Evidence, Policy and Permitting for approval i.e. the Team Leader does not sign them off which is the process and level of delegation for non-NRW applications.

³ "[People Survey 2016](#)". Natural Resources Wales. Retrieved 9 October 2017.

⁴ "[Our self-permitting decisions](#)". Natural Resources Wales. Retrieved 9 October 2017.

Investigation of compliance

The NRW Environmental Management System (EMS) is certified to the ISO14001:2015 environmental standard. As part of the EMS we have a procedure relating to the investigation, reporting and review of environmental incidents.

- During the period 1 April 2016 to 31 March 2017, 10 environmental incidents relating to our work (or our contractors) were reported and reviewed (in 2015/16, 18 incidents were reported).
- Of the 10 environmental incidents, one was caused by a contractor working on our behalf.
- None of the incident reports were classed as serious according to the incident classification scheme that we use for environmental incidents.

7. Grants and Funding Programmes

An update on grants and partnership funding programmes.

The current competitive grant rounds (awarded in 2015 and 2016) and the Joint Working Partnerships (awarded in 2015) are all coming to an end in March 2018.

Below is a summary of the money allocated to the two grant rounds and the amount paid out to date:

Table 1

Round	Allocation	Paid to date
Competitive 2015	£1,703,396	£4,740,812
Joint Working Partnership 2015	£3,309,131	
Total of 2015 rounds	£5,012,527	£4,740,812
Competitive 2016	£510,392	£113,738
Totals	£5,522,919	£4,854,550

In response to the WAO report⁵ recommendations and in line with the requirements of the Welsh Government's new ways of working set out in the Well-being of Future Generations (Wales) Act 2015 and Environment (Wales) Act 2016, a new approach to partnership funding has been developed over the last year. It follows a Commissioning with Collaboration and Co-production Model⁶, and was endorsed by the NRW Board in May 2017⁷.

This new approach encourages the development of collaborative and, where appropriate, co-produced projects with a clear focus on the evidenced needs at local Area Statement level. As the Area Statements themselves are not due for completion until December 2019, we've decided to run an open call for an interim grant round, using local commissioning plans to identify preliminary challenges for which external stakeholders are invited to put forward solutions.

⁵ ["The development of Natural Resources Wales"](#). Wales Audit Office. February 2016. Retrieved 9 October 2017.

⁶ ["Commissioning with Collaboration and Co-production Model"](#). Natural Resources Wales. Retrieved 9 October 2017.

⁷ ["Minutes of the NRW Board meeting, May 2017"](#). Natural Resources Wales. May 2017. Retrieved 9 October 2017.

As this way of working is new and as this call will only offer grants for up to 18 months, it will be used as a pilot to explore how we secure a more place-based method that integrates environmental and well-being objectives in a holistic way. The next open call will then start once the Area Statements have been published, and will be for up to four years.

8. Financial position and savings

The latest financial position of the body.

Financial Year 2017-18

Revenue Budget

In 2017-18, we received a standstill Grant in Aid allocation from Welsh Government which compared to a 7% (£6m) reduction in 2016-17. We also have inflationary and pay pressures as well. To help, we have continued to realise reductions in our operating costs as we reduce the dependency on our legacy bodies. This allowed us to stabilise our budgets and not make any further budget reductions after making cuts in 2016-17.

The most significant cost pressure to emerge in 2017-18 is the impact of implementing the Job Evaluation scheme, with immediate and future cost implications. The immediate cost pressure is being managed by making opportunistic savings in budgets and our positive income position.

Since NRW was created, Welsh Government has provided additional in-year funding to support us taking on new responsibilities, transformation and dealing with emergency situations such as dealing with tree health problems (see Table 2).

Our current financial position⁸ was reported to the NRW Board in September 2017.

In summary, the overall financial position for 2017-18 at the end of August is positive; income is ahead of budget and expenditure is being managed below budget.

Capital Budget

Our biggest capital programme is for flood risk management. Currently, we spend between £15m and £20m per annum and the total is £19m this financial year. We are on course to complete three major schemes in 2018 at Crindau Pill (Newport), St Asaph and Roath (Cardiff).

Our baseline Grant in Aid is significantly below that level (an estimated £10m of the total £17m next financial year). Funding has been supplemented in recent years by European funding, Wales Infrastructure and Improvement Plan and additional allocations from Welsh Government.

We also receive a much smaller allocation for non-flood works – usually £0.8m plus another £0.9m for Wales Coast Path improvements. In 2017-18 we received an additional £2m which allowed us to begin a tree clearance scheme in north Wales which addresses

⁸ ["Finance Report – 2017-18"](#). NRW Board Paper. 20 September 2017. Retrieved 9 October 2017.

serious risks - Welsh Government has confirmed additional funding for this scheme for next year as well.

Financial Year 2018-19 and beyond

We await confirmation of our indicative Grant in Aid allocations for the next two financial years. Due to recent changes in legislation and policy and anticipated financial pressures in the coming years, we have taken the decision to re-design the organisation with less staff than we have now. We expect our change programme to be complete by 1 April 2019 and should realise £10m in savings per annum in both staff and non-staff related costs.

We recently wrote to the Cabinet Secretary advising them of the impact of reducing our Grant in Aid for the next two years. If we were cut by a further 5% per annum it will have meant a 'real' terms reduction of 35% for non-flood and 20% for flood since we were created.

We are also determined to be an efficient and effective regulator and we have maintained our charges and fees at or significantly below the levels in real terms that our predecessor body raised in 2012-13. Again, for 2018-19, we will be maintaining charges at the same 'cash' levels as 2017-18.

For our commercial activities, we will be implementing our Enterprise Plan, which will ensure that we optimise our commercial opportunities and activities to support the sustainable management and use of natural resources.

Details of any cases made to Welsh Government for additional funding over and above your budgeted financial allocation for both 2016-17 and 2017-18 to address pressures and new responsibilities.

Additional Funding

Additional Grant in Aid allocated by the Welsh Government for use in 2016-17 and 2017-18 was as follows:

Table 2

Funding allocated for:	2016-17 £m	2017-18 £m
Flood Risk Management Capital Programme	3.5	4.0
Tree health	3.5	3.5
New legislation, responsibilities and services	2.9	1.8
Flood Risk Management Revenue	0.8	1.5
Welsh Government policy priorities (waste crime in 2016-17 and marine, waste and river basin priorities in 2017-18)	0.2	0.3
Regulated activities not recovered through charges	0.4	0.4
Organisational change (Internal Drainage Districts pension deficit in 2015-16 and match funding for Voluntary Exit Scheme in 2016-17)	1.0	0.0
Metal Mines Remediation	0.0	3.3
Emergency Tree Felling Scheme	0.0	0.4
Total	12.3	15.2

The latest information on the cash and non-cash realisable savings achieved by the body, including details of the costs and benefits realised by the organisation since it was established, the future forecast of costs and benefits and any reasons for deviation from those anticipated.

The latest Business Case position

Our Audit Risk and Assurance Committee (ARAC) has signed off the benefits realisation tracking report⁹ for the Business Case¹⁰ which justified the establishment of NRW as a single environmental body in Wales.

Comparison of Original Business Case, Revised Welsh Government Target and Current forecast of the position by the end of Year 10 (2022-23)

Table 3

all figures in £m	Original Business Case	Welsh Government Revised Target	Final position forecast at 31 March 2017
Cash Benefits	127	127	141
Costs	-69	-66	-78
Net	59	61	63
Net Present Value	42	41	44

The document reports on the benefits realised from the creation of NRW. It compares actual benefits with the Welsh Government’s 2011 Business Case that identified ways in which a new organisation would achieve better outcomes, better delivery for Wales and better value for money.

This benefits report follows the WAO report, “The development of Natural Resources Wales”¹¹, which concluded “NRW adopted a sound and well-structured approach to meeting the significant challenges presented by its creation, ensuring continuity in delivering its wide range of functions and with a clear focus on achieving the intended benefits”. It also noted that “NRW had made good progress towards achieving the financial savings intended from its creation” and “had learned from progress made and challenges faced”.

Since the WAO’s report, we have maintained our core functions and made significant steps in fulfilling our new purposes, for example publishing the State of Natural Resources Report, being active partners on Public Service Boards, and adopting new collaborative ways of working in the lead up to preparing Area Statements.

We have established NRW as a standalone, integrated organisation that has started to deliver better outcomes. Although there is still a lot of work to fully realise NRW’s potential, we have already delivered all the changes necessary to achieve the qualitative and quantitative benefits required by the Business Case.

⁹ [“Creation of Natural Resources Wales – realising the Business Case benefits”](#). Natural Resources Wales. July 2017.

¹⁰ [“Single Environment Body in Wales Business Case”](#). Welsh Government. 29 November 2011. Retrieved 9 October 2017.

¹¹ [“The development of Natural Resources Wales”](#). Wales Audit Office. February 2016. Retrieved 9 October 2017.

By the end of March 2017, we had made changes that will accumulate £141m of cash realisable benefits by 2022-23, compared with the £127m Business Case target. A further set of productivity improvements in place by the end of March 2017 will accumulate £30m of non-cash realisable benefits by 2022-23, compared with the £31m Business Case target. The total of £171m combined cash and non-cash realisable benefit compares with the Business Case's target of £158m.

Although the actual cost of creating NRW was £78m instead of the Business Case estimate of £69m, the extra cost is more than offset by the extra £14m of cash-realisable benefit.

This has been achieved against a backdrop of decreasing Grant in Aid for NRW from Welsh Government, and the benefits realised have helped to mitigate the impact of the reduction in funding.

9. Implementation of legislation

An update on the cost of delivering NRW's functions under both the Environment (Wales) Act 2016 and the Well-being of Future Generations (Wales) Act 2015, including any financial pressures.

Natural Resources Management Transformation Programme

One of the strategic objectives of the Natural Resources Management (NRM) Transformation Programme is to develop tools and guidance to meet the requirements of the new legislation set out in the Well-being of Future Generations (Wales) Act 2015 and the Part One of the Environment (Wales) Act 2016. Our intention is to develop tools, guidance and evidence in an integrated and streamlined way to minimise costs and duplication.

Hence the projects across the NRM Transformation Programme integrate where appropriate the requirements of the Well-being of Future Generations (Wales) Act and Environment (Wales) Act. Key projects are included such as:

- The provision of evidence to inform the development of well-being plans by public service boards.
- Development of tools and guidance to inform the development of the first cycle of area statements.

As well as projects which will develop guidance for new duties in Part One of the Environment Act such as:

- Use of exploratory powers.
- Payments for Ecosystem Services (PES) schemes.

Also included are projects which will facilitate the embedding of NRM and the new ways of working required under legislation, such as:

- Training.
- External funding.

We have received additional monies from Welsh Government to support the changes required under the new legislation. We received £0.8m for 2016-17 and £1.4m for 2017-18. We are in the process of finalising our bid for 2018-19. These figures represent two-thirds of the cost we have estimated for meeting the requirements of the legislation. We have not sought recompense for the costs incurred against the Well-being of Future Generations (Wales) Act, these costs will be absorbed by NRW. For the costs incurred against the Environment (Wales) Act, we accept that a portion of these costs would have been incurred as a result of the bringing together of the three legacy organisations.

Given the broader financial pressures which the organisation is operating under, a longer term financial settlement to reflect the costs associated with the new legislation, rather than an annual bid which is agreed at the start of the new financial year, would allow us to plan our resources and finances in a more sustainable long-term basis.

An update on progress to date in delivering NRW's functions under these Acts.

Area Statements

We have made a commitment that Area Statements will form a central part of our operational planning process. Our Board has agreed that we should focus the first area statements around our six operational areas plus the marine area so that we can prioritise our own resources, and take a more place-based approach.

The Natural Resources Policy was published in late August 2017 by Welsh Government. This is the second of the three key products to emerge from the Environment (Wales) Act – building on the SoNaRR produced by NRW – and now enables the task of development of Area Statements (to help implement the policy) to begin.

Three national themes are identified in the Natural Resources Policy. These are:

- Delivering nature-based solutions - working more effectively with nature to tackle our big challenges. This in particular reflects the conclusions drawn in our SoNaRR;
- Increasing renewable energy and resource efficiency – and setting out a clear pathway for investment in these areas; and
- Taking a place-based approach – to respond to local needs and opportunities.

Since the three priority areas are so high level, in the time since publication of the Natural Resources Policy we have been talking to Welsh Government about how to now turn the policy into implementation.

We plan to develop some National Spatial Priorities that reflect some of the key opportunities in the Natural Resources Policy – this will help to frame our work on Area Statements at a national level. This could bring together existing spatial evidence on opportunities to deliver nature based solutions, for example (not exclusively):

- Opportunities to maintain Wales' productive capacity; for crops, livestock, fish, timber and natural fluxes of energy.
- Opportunities for supporting health outcomes, including in relation to air and noise pollution through to conditions associated with physical inactivity.
- Opportunities for hazard protection, particularly in relation to the impacts of flooding and climate change, etc.

These are still early discussion and we'll be providing more information in the coming months to confirm what will happen next and the opportunities for stakeholders to be involved.

We are preparing tools to inform the assessment of sustainable management of natural resources to feed into the preparation of Area Statements and future SoNaRRs. Both spatial and economic models are under development.

Embedding Sustainable Management of Natural Resources (SMNR) across the Organisation

We have developed the SMNR Development Framework for our staff, in line with the "level" approach recommended by the Qualifications and Credit Framework. The framework will reward professional development and potentially enable other organisations to embed the principles of SMNR through applying the standard.

In spring 2017, we trialled the level 1 & 2 course with staff. Using feedback we finalised the level 1 & 2 course, which we are in the process of rolling out to all staff across the organisation. 546 staff have enrolled in 19 courses in the period up to Christmas 2017. Full roll out will be complete by summer 2018.

Through the development of the well-being statement and corporate plan we have taken the opportunity to raise understanding with staff and partners of our purpose, and how it changes the way we work as an organisation. Our representatives on Public Service Boards have taken the opportunity to talk about the contribution that natural resources make to the well-being of that place. Our staff have also provided tailored presentations to each Public Service Board on the priorities and opportunities falling out of SoNaRR.

In July 2017, our Board strongly endorsed a paper¹² presenting a narrative around what a Welsh funding framework to deliver SMNR might look like. The paper recognised all the funding streams that contribute to the delivery of SMNR, via grants from different bodies/organisations, and charging schemes through to alternative funding mechanisms such as PES. The narrative also considers more specifically what we may do to align our future charging scheme more strongly with the SMNR purpose and ways of working.

We have defined the roles that we may play within the PES arena, presenting to and gaining endorsement from our Board. The defined roles will ensure that we support stakeholders to develop new opportunities in a consistent way and in a manner that helps to deliver SMNR objectives. More particularly we have undertaken detailed work, which we refer to as the "Green Market Place", into identifying the opportunities for PES in Wales and what may be needed to develop it. This work has identified a range of opportunities that we continue to explore with Welsh Government officials.

Meeting the needs of the new legislation has been a key driver of organisation design. We are committed to being a placed based organisation, working closely with the people and communities we serve. Our new leadership team lead engagement at each Public Service Board and will lead the preparation of Area Statements. The new governance arrangements that will be introduced, will require all parts of the organisation to maximise the contribution to the well-being goals through delivery of our purpose.

¹² ["Funding Sustainable Management of Natural Resources"](#). NRW Board Paper. 13 July 2017.

10. Wales Audit Office

An update on progress made to implement the recommendations in the Auditor General for Wales' February 2016 report The Development of Natural Resources Wales.

We have one action still outstanding - a recent response from the Cabinet Secretary for Environment and Rural Affairs in October 2017 indicated that benefits need to be reported till the end of our first 10-year period. We are now looking at how best to do that. A more detailed summary of progress is available in [Annex 3](#) (page 23).

Key achievements since the 2016 scrutiny session include:

- Publication of our first Well-being Statement.
- Finalised 2016-17 reporting against the NRW Business Case.
- Three more accommodation moves completed.
- Established new commissioning approach to Grants and Partnership funding.

Details of the actions taken by the body following the Assembly's Public Accounts Committee report Natural Resources Wales: Scrutiny of Annual Report and Accounts 2015-16.

Following the Public Accounts Committee's (PAC) scrutiny of NRW's Annual Report and Accounts 2015/16, three recommendations were made to address our governance arrangements. Below is a summary of progress to date. A full summary will be submitted to the PAC in November 2017.

PAC Recommendation 1: We recommend that Natural Resources Wales undertake a full evaluation of its governance arrangements relating to contracting processes, clearly setting out lessons learned with specific reference to timber sales contracts referred to in this report.

- Two governance reviews are currently ongoing
 - process mapping of our decision-making rules and documentation required relating to the evaluation, negotiation and awarding of contracts and other external commitments
 - Implementing a Single Tender Action process to cover our Timber Sales
- Governance arrangements, including escalation, regarding contract amendments e.g. to duration or quantity have been built in to our Timber Management Platform.
- Our new Enterprise Plan, approved July 2017, sets out our approach to Commercial Services, a significant area of our work that involves sales contracts. A Commercial Activity Policy Project has been set up to establish governance arrangements and scrutiny of current and future activities under our new Enterprise Portfolio.

PAC Recommendation 2: We recommend Natural Resources Wales review its delegation arrangements alongside its awareness raising of State Aid law, public law and the processes for awarding contracts. We recommend the findings of this evaluation are shared with the Public Accounts Committee to enable this Committee to monitor implementation and progress against identified changes.

- Financial and Non-Financial Schemes of Delegation have been reviewed

- Additional broader examples of novel, contentious and repercussive issues will be added to both schemes.
- A full review of the Financial and Non-Financial Scheme of Delegation is planned for 2018 to align with major organisational structural changes currently being developed.
- Training Programme rolled out to Grants and Partnerships, New Enterprises, Future Regulations and Procurement teams.
 - State Aid Training completed in October 2017
 - Public Law Training to follow before end of 2017.
- PAC Response to be sent in November 2017.

PAC Recommendation 3: We recommend that Natural Resources Wales review its internal governance arrangements to ensure that its accounting officer, Executive Team and Board should have a much greater role in scrutinising contracting processes and the awarding of contracts. It is imperative that these processes are robust with a clear and demonstrable audit trail that decisions have been taken on a fair and sound basis.

- Board and sub-committee Terms of Responsibility reviewed summer 2017.
- Board Forward Look introduced to summarise and plan scope and range of their work.
- Meeting documentation and templates have been updated and will be available to all staff November 2017.

11. Brexit

An update on the implications of Brexit for NRW, and an overview of work undertaken by the body to prepare for Brexit.

The NRW Board considered the implications of Brexit¹³ on 23 March 2017. This presents both risks and opportunities from an environmental perspective. On the one hand, it creates significant uncertainties about the regulatory framework, the approach to compliance with current environmental obligations and the level of funding available to support natural resource management. Set against these concerns is the potential to devise “Made in Wales” solutions which no longer require lengthy negotiations with the European Commission and other Member States prior to implementation.

We are represented on the Cabinet Secretary for Environment and Rural Affairs’ roundtable meetings which advise the Welsh Government on the policy and legislative implications of leaving the EU. The roundtable is supported by a further seven Welsh Government working groups and our staff have been participating in each of these since their inception, supported by regular meetings of an internal steering group on Brexit. This involves specialist staff from across all parts of the organisation and is chaired by our Head of Natural Resource Management.

As part of the process of horizon scanning, we’re continuing to discuss Brexit related issues with our sister organisations in the rest of the UK. Regular networking meetings take place at a variety of levels (from the Chief Executive to relevant specialist staff) and

¹³ [“The implications of Brexit for natural resource management and for NRW”](#). NRW Board Paper. 23 March 2017.

Brexit is a standing item on most agendas. We also contributed to a recent inter-agency project on the land management implications of Brexit¹⁴.

Annex 1

A summary of the actions taken to deliver the priorities set out in NRW's 2016-17 remit letter.

- 1. Work closely with Welsh Government in developing your approach to implementing Environment (Wales) Act 2016, including Area Statements and the State of Natural Resources Report (SoNaRR) which will inform both the priorities and the risks and opportunities for the sustainable management of natural resources for NRW and the National Natural Resources Policy, and the Future Trends Report and work of the Commissioner under the Well-being legislation.**

We are working closely with Welsh Government in developing our new Corporate Plan and ensuring our duties under the Environment (Wales) Act are being met. Our work on Area Statements continues to progress and remains on track to be completed December 2019. Similarly our first SoNaRR report was published in September 2016 and work is already underway on the second SoNaRR, due to be published in 2020.

The whole emphasis of the Corporate Plan is to maximise the contribution the natural environment can make to the Well-being Goals for the people of Wales, while managing our natural resources sustainably so they can continue to be used by future generations

- 2. Be an active partner in public service boards, demonstrating the contribution resources to delivering well-being and working collaboratively to maximise local well-being.**

We have played our part in the establishment of the new Public Services Boards across Wales and recognise our unique position of being the only statutory member to sit on each Public Services Board. We provided significant evidence on natural resources and local environment as part of Public Services Boards first Well-being Assessments.

- 3. Establish an enterprise plan within your Governance Framework with milestones for income generation that exemplify sustainable management of natural resources, working with partners and communities.**

An Enterprise sub-group of the NRW Board provided oversight of the development of the Enterprise Plan which was approved by the NRW Board in July 2017. The plan sets out the relationship between our commercial activities and the sustainable management of natural resources and defines a set of commercial principles that we will follow.

- 4. Identify opportunities to support community development and enterprise through volunteering and continued support for the Lift programme.**

The Lift programme has been delivered through the work placement strand of our Cyfle Placement Scheme. We've had two successful 10 week placements in north Wales where they gained lots of valuable experience whilst working with us. We hope the opportunity to

¹⁴ [Potential Implications of leaving the EU for UK agriculture and the rural environment.](#), Institute for European Environmental Policy. 31 August 2017.

gain new skills will put individuals in a better position to find employment and help to prevent longer term poverty in Wales and we will continue to support the Lift Scheme.

5. Commence construction on the priority Wales Infrastructure Investment Programme flood risk schemes for St Asaph, Crindau (Newport) and Roath (Cardiff).

Schemes at Roath, Crindau and St Asaph are all on site and progressing on track. We forecast that St Asaph will have finished construction by the end of December 2017 and Crindau to be substantially complete by the end of March 2018, while Roath is due to be completed September 2018. These schemes will ensure a reduction in flood risk to over 1,600 properties.

6. Take action to tackle waste crime as identified in the Waste Crime Working Group and Fires at Waste Sites Action plan

Our regulatory and enforcement officers have received training on enforcement investigations and investigating illegal waste activities. We have become a sponsor of the “Right Waste Right Place campaign” to increase awareness of the waste duty of care with businesses and landowners.

We commissioned a report on waste crime in Wales including an overview of the scale and cost of waste crime, the factors leading to it and recommendations for tackling it. We produced an evidence based list of high fire risk sites to ensure that we target our work at those sites that pose the greatest risk. This list is periodically updated and has been shared with the Fire and Rescue Services so that they are aware of high risk sites in their service areas.

We have provided internal and external training on fire prevention and mitigation at waste sites and we have seconded three members of staff from the Fire and Rescue Services to support our officers at high risk fire sites.

7. As part of the Welsh Revenue Authority (WRA) Implementation Programme, explore delivery options for Landfill Disposals Tax (LDT) compliance and enforcement functions, in the context of Tax Collection and Management (Wales) Bill and LDT Bill provisions.

We have been working closely with Welsh Government and those developing the WRA. We gave evidence¹⁵ to the Welsh Assembly Finance Committee¹⁶ for the LDT (Wales) Bill on 19 January 2017 which set out progress. One of our senior managers attends the WRA Implementation Programme Board. Both Bills were enacted in 2017.

8. Provide timely and joined up advice to Welsh Government on the implementation of EU and domestic regulations and in support of infraction casework, including helping to develop the approach to implementation of the new EU Invasive Alien Species Regulation.

¹⁵ [“Natural Resources Wales response to: National Assembly Wales’ call for evidence on the Landfill Disposals Tax \(Wales\) Bill”](#). 19 January 2017. National Assembly for Wales. Retrieved 12 October 2017.

¹⁶ [“Finance Committee agenda and papers”](#). 19 January 2017. National Assembly for Wales. Retrieved 12 October 2017.

The Wales INNS Programme, established in 2016, has supported Welsh Government by providing advice on the EU Invasive Alien Species Regulations 2014 to meet Wales' obligations under these regulations. The adoption of the forthcoming related Invasive Alien Species (Enforcement & Permitting) Regulations that will give us powers as a regulator has been delayed until 2018.

We are awaiting further consultation with Defra to progress. Advice and support has been provided to Welsh Government to develop a framework for implementation of powers to issue Species Control Provisions by NRW and Welsh ministers under amendments to the Wildlife and Countryside Act 1981 by the Infrastructure Act 2015.

9. Work with Welsh Government to develop and implement the Marine Transition Programme, Marine and Fisheries Strategic Action Plan

We have submitted initial advice to Welsh Government on a risk-based and proportionate approach to consenting via the Wales National Marine Plan. We are providing ongoing advice and liaison to develop an approach to area statements in the marine environment and relationship to marine planning, including meetings with Welsh Government Marine and Natural Resource Management teams and internal liaison in NRW.

10. Work with Welsh Government and Partners on developing a common evidence base, engaging together with Higher Education/the research community and innovating in the collection and sharing of data

We continue to contribute the greatest number of datasets to the Welsh Government Information Hub (Lle). As of April 2017, we contributed 56% of total datasets and our datasets create the most user activity (searches and downloads) on the portal. By working closely with Welsh Government and seeking to automate data uploads where we can, the service also costs significantly less to run and requires less administration. At our suggestion, Welsh Government is developing future developments for Lle to improve the customer experience, provide greater availability and create further efficiencies in administration.

Annex 2

A summary of actions you have put in place to deliver the priorities set out in 2017-18 remit letter.

- 1. In the clear policy context set by "Taking Wales Forward", the associated Welsh Government Well-being objectives and the publication of the Welsh Government's Natural Resources Policy, NRW should publish its Corporate Plan 2017-18 / 2021-22 during late summer early Autumn of 2017, detailing the associated well-being objectives. This should set out how NRW will work to deliver the new policy and legislative framework, demonstrating the ways in which the priorities and policies contained within the Natural Resources Policy are being integrated into the approach of delivery within NRW and providing a compelling and empowering vision for staff and stakeholders.**

Our new Corporate Plan for the next five years is currently being developed, it responds to the Programme for Government - Taking Wales Forward, the national strategy - Prosperity

for All, the National Resources Policy and the new legislation and new policy derived from it, including the development of our Well-being Objectives. We will ensure that all these strategies and policies are fully considered in the Corporate Plan, due to be published in January 2018.

2. Begin to develop work locally towards the production of area statements, working closely with Welsh Government and Public Service Boards, together with local and national stakeholders to identify and deliver local opportunities and benefits in line with the priorities set by the Natural Resources Policy.

The operational teams leading on the development of Area Statements are beginning to gather a range of evidence around the natural resources in their place, the key stakeholders and active groups. We have focused a lot of initial energy in supporting the development of local Well-being Plans through the Public Services Boards. This has included providing evidence and data packs for every Public Services Board in Wales and offering support with drawing together elements of the Assessments of local well-being. These assessments, along with the response analysis, and the connections we are making with other stakeholders through this process, will be important elements to build on when developing the Area Statements.

One of the early opportunities that has been identified is to use our partnership funding to support both the development and delivery of the Area Statement process. We are proposing to fund projects in each of the areas covered by Area Statements – over time, aligned to the priorities, risks and opportunities in those places, or at an appropriate spatial scale. We will use the commissioning process over the rest of this financial year to help identify challenges that together we need to address, and identify suitable projects for funding in 2018-19.

3. Work with Welsh Government to prioritise the evidence needs identified in the State of Natural Resources Report 2016 and agree approaches as to how these may be best delivered, and develop proposals for outcome indicators to measure and monitor the extent to which the sustainable management of natural resources is being achieved across Wales at the national and local level, building on the positive outputs from the scoping of options for a future natural resources monitoring framework.

With Welsh Government, we have established an evidence task and finish group to help prioritise evidence needs for the next SoNaRR in 2020. The purpose of the group is to agree the framework and propose indicators to measure and monitor progress being made towards the Sustainable Management of Natural Resources (SMNR) in Wales and to evaluate delivery against Natural Resources Policy priorities and objectives. We're also liaising with Welsh Government about methods and approaches to assessing Sustainable Management which align with work being developed by DEFRA and the Office of National Statistics.

4. Work closely with the Welsh Government to complete the review of the role and purpose of the Welsh Government Woodland Estate in the context of the principles and objectives of SMNR.

Work has commenced on our requirement to work closely with the Welsh Government to complete the review of the role and purpose of the Welsh Government Woodland Estate

(WGWE) in the context of the principles and objectives of sustainable management of natural resources. We have had preliminary discussions with Welsh Government about the scope of the review, which will include consideration of how we can improve access to the benefits flowing from the WGWE especially to communities, and have mapped out the key legislative, strategic and policy drivers relevant to our management of the WGWE.

We have engaged with key staff internally and had discussions with our Corporate Planning team to understand how the review fits with the drafting of our new Corporate Plan. We will meet with Welsh Government to finalise the scope of work; discuss how the review will dovetail with the refresh of the Woodlands for Wales Strategy; confirm governance arrangements including the role of the Woodland Strategy Advisory Panel; and agree the outputs from the review.

5. As a Category 1 Responder, continue to work closely with the Welsh Government to ensure Ministers are provided with appropriate situation reports and briefing on emergency preparation, response and recovery in relation to high category environmental incidents as specified in NRW's Incident Categorisation Guidance.

As a Category 1 Responder:

- we continue to work closely with the Welsh Government,
- attend preparedness meetings such as Wales Resilience Forum and Wales Resilience Partnership Team,
- and provide Welsh Government with situation reports and briefings on emergency response and recovery in relation to high category environmental incidents as specified in our Incident Categorisation Guidance.

6. Improve community resilience through the priority flood risk management schemes and Flood Awareness Wales programme. Continue to build evidence on flood risk from all sources through new flood risk assessment mapping and delivering the National Flood Asset Database and a comprehensive flood forecasting and warning service.

Our flood awareness work has led to two new community flood plans being developed so far this year and 32% of the existing community flood plans maintained, this work ensures the plans are still up to date and fit for purpose should they be needed. There are 963 flood plans in place for communities and individual businesses and 265 flood plan wardens have been recruited. We have also made 4,476 people more aware and prepared for flooding through local and national engagement work.

The development of a new flood risk assessment for Wales is underway and will continue throughout the rest of this year with key products being delivered and finalised in 2018-19. Work to develop a National Flood Risk Asset database continues, it now contains information from external risk management authorities including local authorities around Wales and we are working with our other partners (Network Rail and Dŵr Cymru Welsh Water) with an aspiration to include their asset information in the near future.

The other key flood risk management activities including our ongoing services such as providing flood forecasting and warnings across Wales, our asset maintenance programmes, development and planning advice, enhancements to our flood maps and

preparation for flood risk incidents have all continued alongside our other business as usual activities.

7. Work jointly with Welsh Government to strengthen action to tackle waste crime as identified in the Waste Crime working group and Fires at Waste Sites Action Plan.

Our Fire Prevention and Mitigation Plan (FPMP) guidance for waste sites has been reviewed and rewritten considering practical firefighting experience and taking on board the findings from the live fire tests carried out by the Waste Industry Safety and Health Forum and supported by the Chief Fire Officers Association.

We published updated standard rule sets on 1 August 2017 requiring new permit applicants to have an FPMP at the point which they start operating and existing standard rules permit holders to have a FPMP in place from 1 November 2017.

These changes alone require 69 operators across Wales to have a FPMP in place. Our Permitting Team are including a condition requiring an FPMP in bespoke permits and have commenced a programme to add the requirement to existing bespoke permits that feature at the top of the high-risk fire sites list.

8. Develop enterprise activities within your Governance Framework with milestones for income generation, exemplifying the sustainable management of natural resources, and working with partners and communities, including tourism opportunities linked to the Welsh Government marketing approach for the Year of Legends in 2017 and Year of Sea in 2018.

Our Enterprise Plan explains the staged approach that will be taken to the development and implementation of the plan. We are progressing this in a way that is aligned to our Corporate Planning process. We are working with others including Welsh Government in a collaborative effort to address environmental challenges, provide multiple benefits and long-term solutions at an appropriate scale (principles of SMNR) as part of our commissioning led outward funding model.

Stage 1 is about defining the programme and the links back to Wellbeing Objectives and SMNR, this stage has been completed. Stage 2 is about establishing a clear financial baseline and a set of financial targets and performance indicators. We have defined the financial baseline for the main areas using the 16-17 year. We want to define the targets and indicators in parallel with our Corporate Planning process to ensure alignment. Stage 3 is about Governance and we have an ongoing project led by our Governance team, which ties together Enterprise activities into all the inter-related framework of controls. Stage 3 will be completed early in 18-19 but with earlier milestones.

All promoted recreation sites on NRW managed land have been uploaded to mid Wales tourism data portal for use by others (e.g. tourism businesses, Visit Wales etc.) We work with appropriate colleagues across the organisation and with stakeholders such as Visit Wales, local authorities, National Park authorities and National Trail managers to promote our recreational offer in a way that is consistent and coherent within the Wales brand.

We are supporting Visit Wales's Year of Legends. We are promoting 10 walks with legendary links¹⁷ for people to explore the landscapes which inspired some of Wales's ancient stories. Five in woodlands and National Nature Reserves, and five on the Wales Coast Path.

The Year of the Sea is the theme for Visit Wales's 2018 campaign, and will celebrate Wales' outstanding coastline.

We will celebrate the wealth of the marine environment during the Year of the Sea. Our campaign will have two elements. The first will be to promote our top 10 sites for visits – including our Skomer Marine Conservation Zone, our coastal National Nature Reserves and forest sites. The second will be to raise awareness of the wealth of wildlife in Welsh seas.

9. Continue to identify opportunities to support community development and enterprise through volunteering and continuing support for the Lift programme and continue to support community energy projects and community forests on the Welsh Government Woodland Estate, where appropriate.

Over the next 18 months, we aim to provide 30 Lift placements Wales-wide. We have also been working to develop our Cyfle scheme for various forms of 'placement' within NRW (including apprentices, students, researchers and volunteers).

Our Commercial Business Development Manager, with responsibility for developing the Energy Delivery Programme, met with Welsh Government officials and Community Energy Wales representatives in May 2017 reassuring all parties that appropriate developments in appropriate areas of the Welsh Government's Woodland Estate would be considered favourably.

To date there have been no direct approaches from community energy groups with proposals for any developments on the Welsh Government's Woodland Estate and this may be due to limiting factors such as the market place, grid costs and the risks associated with such developments. It should be noted however, that between 2010 and 2013, we actively promoted a programme of Small Scale Hydro which saw over 300 expressions of interest, leading to a small number community schemes being built. This was largely encouraged by the Feed in Tariff, which, since the establishment of NRW has since been reduced and then withdrawn.

We are currently working on how we may de-risk opportunities by taking schemes to the point of winning Planning Consent before offering these on the market. We are actively working up a cluster of five small scale hydro projects to this end.

A recent open market tender for an onshore wind development of nine turbines at Alwen Forest near Ruthin secured a commitment from the winning developer of placing the necessary community engagement phase of the project in the hands of Community Energy Wales plus a commitment to allowing up to 15% of the value of the project to be locally owned. This has given us greater confidence to strengthen the emphasis on local ownership and direct benefits to Wales in all future invitations to tender for energy developments on the Welsh Government's Woodland Estate.

¹⁷ "[Year of Legends – bring your imagination as NRW reveals its top 10](#)". Natural Resources Wales. Retrieved 11 October 2017.

We have been working with the Llais y Goedwig group to identify how we can improve the way we work with community groups wishing to use our land for community projects. We are working towards improving the Mynediad scheme to help streamline how we respond to requests. The scheme provides more scope for the voluntary sector organisations and groups to bring forward projects as we are not resourced to provide individuals with volunteering opportunities. We are working with Welsh Government through the review of the scope and purpose of the public forest estate, to better understand their aspirations for community woodlands.

10. Play a key role in implementing the Marine Plan and the delivery of its general duties and functions as part of the work under the Marine Transition Programme

We have worked closely with Welsh Government to support the development of the first Wales National Marine Plan. This has been a constructive process and enabled us to influence the development of the plan from the perspective of our regulatory and advisory roles.

We are maintaining close working arrangements with, and support for, Welsh Government as the focus of work moves towards arrangements for implementation of the Plan, including our regulatory function in the Marine. We have a forward work plan to identify and develop the guidance required to support implementation of the Plan, this will be the process for embedding SMNR in our decision making and advisory processes.

11. Identify and capitalise on opportunities to work in closer partnership with Local Authority environment teams, the Agriculture Inspectorate and other regulators to discharge your and their respective regulatory duties where they interact, for example, to address statutory nuisances or local air quality, agricultural pollution, or simply where expertise residing in one regulator may provide assistance to another.

We work closely with other regulators, stakeholders Welsh Government and local authorities sharing expertise and aiming to ensure a joined-up approach where our responsibilities overlap. More, recently through our engagement in Public Service Boards – we are aiming to identify further opportunities for collaboration and give expert advice where needed.

We recently undertook a survey to measure the quality of our advice – we attained a baseline score of 4 out of 5 for the effectiveness of our advice when responding to development plans, and a score of 3.9 out of 5 for responding to planning application consultations. This indicates that most respondents either agreed, or strongly agreed that our advice had an impact on their decision making.

12. Continue to support the Fly-tipping Action Wales programme by working with Local Authorities and others to enable the delivery of the Welsh Government's fly-tipping Strategy. This would include the sharing of intelligence, maintaining communications with stakeholders and continuing to tackle large-scale illegal dumping of waste, as defined in the Fly-tipping Protocol. These actions would support the Welsh Government's strategic aim of a Wales which is "free from the unacceptable social, economic and environmental harm caused by fly-tipping".

Provide support and advice to Local Authorities when undertaking their duty to address contaminated land.

Waste Data Flow statistics show that there has been a 42% decrease in the number of fly-tipping incidents dealt with by local authorities since the Fly-tipping Action Wales initiative began in 2007-08, resulting in a 40% decrease in the cost of clearing up fly-tipping. However, there was still around 36,000 recorded incidents in Wales last year, clearly there is more work to be done to achieve the aims of the strategy.

Key elements of our work in 2017-18 will include:

- Deliver educational messages in a sustainable manner to schools and colleges in Wales through existing educational providers.
- Further research to establish a sound evidence base to better understand how Wales can continue to lead the way in tackling fly-tipping.
- Deliver place based, evidence and intelligence led projects. Focusing on co-delivery, shared objectives and sustainable outcomes.
- Targeted intelligence led education and awareness campaigns via broadcast and social media (including schools and colleges) in communities where the need is the greatest.
- Research training options for local authority officers to include e-learning packages and an enforcement qualification.
- Continue with the Working Groups (Enforcement, Private Land and Making Fly-tipping Socially Unacceptable) to deliver the actions from the Fly-tipping Strategy.

Our Fly-tipping Action Wales team have also led on the development of a web based waste recording system and a corresponding app called FlyMapper, which allows us and our partners to record, photograph and plot fly-tipping incidents on a national map. The combination of a web-based system and a smartphone app makes reporting incidents quicker and easier than ever and interest in FlyMapper is growing, with seven local authorities currently using the software and interest from private land owners like Dŵr Cymru Welsh Water as well.

13. Continue to support the delivery of the Glastir Sustainable Land Management Scheme in accordance with the Section 83 Agreement and Rural Development contracts NRW holds with the Welsh Government.

We have developed a bespoke team to support Welsh Government with Glastir Woodland Verification. They have also assisted with main stream on farm Glastir delivery. The team has provided a successful service which has included a re-engineered process for all Woodland verification, enhanced training and guidance to our staff on a range of Glastir services and high levels of scheme delivery which has resulted in a large of area of new tree planting across Wales.

14. Take forward as part of the Welsh Revenue Authority (WRA) Implementation Programme, the delivery of Landfill Disposals Tax (LDT) compliance and enforcement functions, in the context of Tax Collection and Management (Wales) Bill and LDT Bill provisions.

We are continuing to work with Welsh Government Treasury and WRA staff to set out how we will deliver compliance operationally. A business case is being finalised, and a joint

steering group is overseeing operational decisions. We will be recruiting and setting up our systems over the next six months (October 2017 – March 2018).

15. Employ, and provide support as host, for the two members of the Wales Biodiversity Partnership Support Team.

We worked with Welsh Government and Wildlife Trust Wales to secure the long-term future of the Wales Biodiversity Partnership Support Team and looked to improve ways of working to better deliver their combined priorities and as a result the Wales Biodiversity Partnership Support team transferred to us and became permanent members of staff from April 2017.

Since then we have worked on supporting the establishment and steer of Local Nature Partnerships; providing a forum for sharing good practice, networking, direct liaison with us and Welsh Government representatives. We have started work on refreshing the Wales Biodiversity Partnership evidence gaps project, supported Wales Nature Week – an annual week of wildlife themed events across Wales, we have produced good practice documents correlating nature recovery local actions with the Well-being of Future Generations (Wales) Act Goals which we have circulated to all Public Service Board leads in Wales. We have continued Wales Biodiversity Partnership communications through email, social media etc. and are also preparing to refresh the Wales Biodiversity Partnership website.

Annex 3

Auditor General for Wales’ February 2016 report The Development of Natural Resources Wales - NRW Response Action Plan

Ref	WAO Recommendation	NRW Action	NRW Lead	Due	Update	Status
R1a	To enable NRW to undertake more robust medium-term planning, the Welsh Government (WG) should provide NRW with more certainty over future funding arrangements, particularly for the next three years, including whether additional funding will be available for the increased statutory responsibilities.	Following the Assembly election in May 2016, discuss with Welsh Government the indicative funding position for 2017-18 to 2019-20 and how WG can provide more long-term certainty.	Executive Director of Finance and Corporate Services	31/10/16	WG have provided a draft one year revenue settlement and four year capital settlement. Therefore, we still don't have certainty of funding beyond 2017-18. When the Finance Minister announced the draft budgets earlier this Autumn he said that he was hoping to provide indicative revenue budgets beyond 2017-18 after the UK Autumn Statement. We are currently using predictions made by the Institute of Fiscal Studies on Welsh Government funding to inform our planning assumptions.	Completed

Ref	WAO Recommendation	NRW Action	NRW Lead	Due	Update	Status
R1b	NRW should engage in dialogue with the Welsh Government and stakeholders to agree on the key delivery priorities for NRW over the next five years, and to manage expectations of its role and its contribution to environmental outcomes, given reduced funding.	Deliver NRW Corporate Plan 2017-2022 Engagement Plan including Welsh Government and capture feedback from all stakeholders including WG	Director of Governance	Sep 2016	In line with the Welsh Government's (WG) Natural Resources Policy we have agreed with WG that our new Corporate Plan will be published in late 2017. We published our first Well-being Statement including our well-being objectives in March 2017. These will also inform our new Corporate Plan 2017-22.	Completed
R2	NRW and the Welsh Government should agree an appropriate approach to monitoring and reporting benefits realisation in the context of the wider action that NRW is taking in response to budgetary pressures.	NRW to complete 2015/16 benefits realisation report.	Transformation Portfolio Director	31/05/17	Final Benefits Realisation Report will be completed in May 2017.	Completed
		NRW / WG sponsorship meeting to agree future requirements for benefits realisation reporting	Transformation Portfolio Director	31/05/17	We have asked WG to be able to stop formal benefits realisation reporting. Response from WG on 3 October 2017 indicates that benefits need to be reported till end of 10 year period. We are now looking at how best to do that.	Awaiting confirmation
R3a	Consider NRW's long-term accommodation needs	Continue development and implementation of NRW long term Accommodation Strategy.	Executive Director of Finance and Corporate Services	31/03/17	Accommodation needs continue to be assessed but delivery to end of March 2017 includes: <ul style="list-style-type: none"> Appointed an Accommodation Officer Focus on rationalisation of small offices/ depots, Accommodation aligned with the new NRW structure and approach to place-based delivery. E.g. Bangor office move. NRW Laboratory moved to co-location at Swansea University. 	Completed
		Complete strategic options for	Executive Director of Finance and	31/12/16	Bangor office moved completed early 2017.	Completed

Ref	WAO Recommendation	NRW Action	NRW Lead	Due	Update	Status
		South, North and Mid Wales to reflect new organisational structure and requirements.	Corporate Services		Our Mid Wales move out of our Newtown office will complete in September 2017. Strategic options established for the South Wales project to complete by December 2018.	
R3b	Make more effective use of data in order to track sites' usage, expenditure, and performance; and to assess effectiveness of the rationalisation programme.	Complete utilisation survey programme at largest sites.	Executive Director of Finance and Corporate Services	Ongoing	Utilisation surveys are used as part of ongoing accommodation needs analysis. Surveys have been completed across Wales in advance of major North and South Wales office moves mentioned above.	Completed
		Implement Agile working principles.	Executive Director of Finance and Corporate Services	31/12/16	Principles approved and in use for current and future accommodation projects.	Completed
		Implement expenditure and performance tracking for sites post rationalisation	Executive Director of Finance and Corporate Services	30/09/16	Regular meetings with Business Finance to track rationalisation savings.	Completed
R4	NRW should ensure that the approach to job evaluation is flexible enough to meet NRW's future business needs.	Review NRW generic role profiles to ensure they are fit for future business needs	Executive Director of Organisational Development and People Management	31/03/17	The scheme developed is flexible enough to support future business but will be reviewed and if necessary updated to reflect future Organisational Design needs.	Completed
R5	NRW should review its staff and stakeholder engagement activities to demonstrate value, effectiveness and alignment to organisational purpose, priorities, and the transformation programme activities and outcomes.	Implement regular feedback process for Executive Team and the NRW Board using new Communications Dashboard.	Director of External Relations and Communications	31/03/17	Quarterly Communications report for Executive Team and Board is in place. Refreshed stakeholder/sector engagement approach developed enabling Board and Executive Team strategic oversight and involvement at the same time as operational responsiveness and adaptability.	Completed
R6	NRW should monitor its use of	Continue to report regular	Executive Director of	31/03/16	Workforce related data is now regularly and	Completed

Ref	WAO Recommendation	NRW Action	NRW Lead	Due	Update	Status
	workforce-related data to ensure it is meaningful and accurate and reported appropriately through to the Executive Team and NRW Board, and to other Committees where relevant.	monthly workforce management information.	Organisational Development and People Management		accurately reported to the Executive Team and Directorates. Key metrics (e.g. well-being, health & safety) are reported to the People and Remuneration Committee and NRW Board.	
		Review use of workforce data, how it is reported and agree future reporting requirements.	Executive Director of Organisational Development and People Management	31/03/17	Improved well-being, health and safety data now regularly and accurately reported to the Executive Team and Directorates. Wider organisational change is being prioritised as this will drive workforce data requirements	Completed
R7	The Welsh Government and NRW should ensure that they set out clear guidelines on the expected role of Board members given the reduction in time, and keep under review whether the reduction in time has any impact on the effectiveness of the Board.	Agree New NRW Board terms of operation.	Director of Governance	31/03/16	The new NRW Board has agreed its 'modus operandi' including format and frequency for NRW Board meetings, Committee membership, NRW Board update sessions, NRW Board sub-groups and 'champion' roles. NRW Board documentation, including the NRW Board Handbook, has been updated to reflect these new arrangements.	Completed
		Review effectiveness of NRW Board operations	Director of Governance	31/03/17	An NRW Board effectiveness exercise, facilitated by Academi Wales was completed in Autumn 2016 with follow up actions agreed.	Completed

Ref	WAO Recommendation	NRW Action	NRW Lead	Due	Update	Status
P1	Risk Management – Embed key risk management processes	Complete actions in NRW Internal Audit Risk Management Action Plan	Director of Governance	31/03/17	Updated approach to risk management has been developed. New tools Include: Risk Appetite Statement, Risk Assessment Criteria and Risk Register templates.	Completed
P2	Procurement – response to Welsh Government Procurement Maturity Model self-assessment	<p>The Maturity Model pilot is currently being undertaken by NRW.</p> <p>Once complete we will work with Value Wales to agree:</p> <ul style="list-style-type: none"> - the date for them to undertake their own assessment of NRW - how the “lessons learned” from the pilot will be fed into the revised Maturity Model in readiness for its launch throughout Wales 	Executive Director of Finance and Corporate Services	31/03/17	<p>NRW self-assessment for the WG Maturity Model for FY15/16 completed.</p> <p>WG are now formally reviewing their (entire) work plans (which includes the Maturity Model) with a view to launching a new Programme of activity in the Autumn. WG are keen to involve everyone in shaping this, and so will be taking this forward in association with the Procurement Board and Delivery Group colleagues over the summer.</p> <p>In the meantime NRW continues to use the key elements of the Maturity Model as a basis for improvement and to form best practice.</p> <p>-</p>	Completed
P3	Grants Management – response to Environment and Sustainability Committee concerns in relation to processes for awarding and administering grants.	Implement recommendation from Business Area Review of how Grants are awarded, administered and managed	Executive Director of KSP and Executive Director of Finance and Corporate Services	31/05/16	Future approach to grant administration approved by NRW Board in September 2016.	Completed
		Review effectiveness	Executive Director of	31/03/17	New arrangements will apply to grants rounds	Completed

Ref	WAO Recommendation	NRW Action	NRW Lead	Due	Update	Status
		of new process and amend where necessary	KSP and Executive Director of Finance and Corporate Services		from 2018/19. Ongoing actions to address internal audit report will be delivered to agreed timescales.	

23 October 2017

Agenda Item 4

By virtue of paragraph(s) vi of Standing Order 17.42

Document is Restricted

Memorandum on the Economy and Infrastructure Draft Budget Proposals for 2018-19

Climate Change, Environment and Rural Affairs Committee – 16 November
2017

1.0 Introduction

This paper provides information on the Economy and Infrastructure (E&I) budget proposals as outlined in the 2018-19 Draft Budget published in October 2017 as far as they relate to the remit of the Climate Change, Environment and Rural Affairs Committee (CCERA).

Our proposals deliver a budget against a challenging backdrop of continuing austerity but one which maintains our focus on a sustainable and more environmentally friendly future. We are able to maintain our focus on decarbonisation and the longer-term impact this will have on communities across Wales, whilst also recognising the need to help mitigate the impact of climate change.

Climate change is fundamentally linked to sustainable growth and jobs. It has an impact on our economic prosperity and it is important that we harness the opportunities in renewable energy developments. The Environment (Wales) Act 2016 sets out the decarbonisation pathway for Wales to reduce emissions by at least 80% by 2050 in the context of UK and international obligations. Work is also underway to introduce a series of interim targets and carbon budgets by 2018.

We are looking at how we can align our carbon budget and financial budget planning cycles as part of our 2019-20 budget preparations. However my budget proposals directly contribute to this agenda as well as being supported by the wider pan public sector collaborative approach we have adopted.

The Welsh Government has published Taking Wales Forward 2016-21 which sets out its priorities to deliver more and better jobs through a stronger, fairer economy, improve and reform public services, and build a united, connected and sustainable Wales. *Prosperity for All*: the national strategy sets out how we are taking a cross government approach to delivering Taking Wales Forward over this term of government and laying the foundations for longer term improvements for the people of Wales.

The focus of our budget is to deliver our programme for government and the Wellbeing objectives set out in our national strategy *Prosperity for All*:

- Support people and businesses to drive prosperity
- Deliver modern and connected infrastructure
- Promote and protect Wales' place in the world
- Equip everyone with the right skills for a changing world
- Tackle regional inequality and promote fair work

- Drive sustainable growth and combat climate change
- Build resilient communities, culture and language.

We will be launching a new Economic Action Plan in the autumn that will help us work with the business community to respond to these key challenges.

The budget proposals will support the delivery of E&I key priorities under the four strategies outlined in Taking Wales Forward, making the best use of the available resources in as an environmentally friendly and sustainable manner as possible. The budget demonstrates our shared commitments through the agreement we have reached with Plaid Cymru. This furthers our environmental objectives with support for the key initiatives such as increased provision of £1m in 2018-19 and 2019-20 for electric charging points for cars to enable the move to lower emission forms of transport. The increased funding for north to south improvements of £15m in 2019-20 for the A487 and the A470 may also contribute in reducing carbon emissions.

The Well-being of Future Generations (Wales) Act 2015 has also provided the framework for developing our plan and we have adopted a long-term perspective and taken an integrated approach in our decision-making.

2.0 Overview of the Budget

The Draft Budget covers 2018-19 and 2019-20 for revenue and 2018-19 to 2020-21 for capital. This is the first year that an outline budget (Stage 1) was published on 3 October 2017 followed by a detailed budget (Stage 2) on 24 October 2017.

An overview of the budget allocations to support E&I activity is shown in the table below:

Economy & Infrastructure MEG	2018-19 Draft Budget New Plans £'000	2019-20 Draft Budget New Plans £'000	2020-21 Draft Budget New Plans £'000
Resource	800,497	766,655	-
Capital	411,421	487,035	504,624
TOTAL DEL	1,211,918	1,253,690	504,624
AME	38,632	166,867	-
TOTAL	1,250,550	1,420,557	504,624

The principle of sustainability is embedded into our decision making and plans.

2.1 Revenue

In shaping our spending plans for 2018-19 we have looked to minimise the impact of reductions on public transport services and growth and jobs in the short term. Over the longer term we will need to share resources across public services and collaborate with our partners to achieve long term efficiencies. We are involving people in the future decision making to inform our priorities.

Energy and environment budgets prioritise initiatives to support sustainable business development. The budget is £1.458m in 2018-19 and £1.753m in 2019-20. It includes development of supply chains such as Fit for Nuclear enabling companies to prepare for the opportunities in new sources of energy.

The Transport budget includes £51.620m in 2018-19 and £53.933m in 2019-20 for sustainable travel including provision for public transport to support the modal shift from cars to public transport such as concessionary fares, the rail franchise and walking and cycling.

The Bus Services Support Grant for example has been maintained at £25m annually to support local authorities in subsidising bus and community transport services. In view of challenging budget settlements we are consulting widely with all stakeholders to ensure that there are affordable, sustainable and quality local bus services in the long term. The first Bus Summit in January 2017 demonstrates our collaborative approach and supports the five ways of working in the Well Being and Future Generations Act.

2.2 Capital

Affordability of capital programmes over the three year budget period will continue to be challenging. We will continue to adopt a preventative spend approach, evaluating the long term benefits and outcomes of our strategic investments to maximise economic benefits and improve public services. Our strategic investments will be made with full and proper consideration as part of their development, of their sustainability, impact on the environment and how they contribute to wider Welsh Government goals to help mitigate the impact of climate change. Innovative finance and other opportunities to enhance our financial resource will be important, as will prioritisation and a flexible approach to our investment planning in delivering optimal results.

The Welsh Government has made use of the capital borrowing powers provided by the Wales Act 2017 to boost our available capital funding, in particular to support the financing of the new M4 subject to the outcome of the public inquiry. Funding of £740m is currently ear marked in central reserves.

The establishment of a new National Infrastructure Commission for Wales will be important in assessing the priorities for capital investment.

Our public transport improvements support our aspirations to reduce emissions by reducing car use and provide cleaner and more efficient vehicles, which is good for our health and our environment. For example the South Wales Metro will transform the way we travel around the Cardiff Capital Region, providing faster, more frequent and joined-up services using trains, buses and light rail. Rail investment of around £452m is included in the budget over the period 2018-19 to 2020-21. It includes an additional allocation for £50m capital over this budget period to develop a new rail station in Llanwern. It will provide extensive park and ride facilities and line improvements and improve connectivity for communities to the east of Newport, boosting economic development opportunities and aligning with other transport improvements such as the South Wales Metro and the M4.

An additional allocation of £15m has been provided in 2019-20 for north to south dualling improvements to A470 and A487 as part of the budget agreement with Plaid Cymru. These improvements will help address our plans to remove traffic pinch points and by reducing travel times help reduce our carbon emissions in line with our overarching ambition to reduce such emissions by 2050.

3.0 ECONOMIC DEVELOPMENT

3.1 How environmental considerations, including climate change, low carbon energy and sustainable development, are included in the decisions taken to support (or not) individual businesses, and how the impacts resulting from any support provided are assessed in total across your department.

Secure and affordable energy is essential to economic productivity and growth.

Within the Energy and Environment sector, the UK Committee on Climate Change Report highlighted, UK growth is expected to still account for circa 8% of GDP and support up to 2 million jobs by 2030, lifting to 13% of GDP with 5m jobs by 2050. The sector remains a focus for investment with growth in low carbon services projected to be particularly high, at 12-15% per annum.

The recent Energy Statement by the Cabinet Secretary for Environment and Rural Affairs, in setting renewable energy generation and consumption targets for Wales, demonstrates a further commitment to supporting decarbonising investments in Wales in the foreseeable future.

The Environment (Wales) Act 2016 places a statutory duty to reduce emissions in Wales with at least 80% reduction in emissions by 2050 and a series of interim targets and five yearly carbon budgets decarbonise to support their delivery. This is vital within the context of our existing UK and international obligations and sets a clear pathway for decarbonisation. It also provides certainty and clarity for business and investment and will require a

fundamental change to at least three major national infrastructure networks – Power, Transport and Heat. The challenge is to ensure this essential change is delivered in a way that maintains their effective functioning and affordability for consumers and business. The opportunity for Wales is to secure the economic benefit available from implementing such transformational change.

Within the Energy sector and support for the steel industry we have been supporting this transformation, most notably through the establishment and deployment of an Environmental Protection Scheme (EPS) fund which has and is being used to support some of our largest industrial employers to invest in state of the art emissions reductions and abatement technologies to their production facilities.

We continue to work with Tata Steel and the steelworks in Port Talbot. The plant is a major employer in Wales, makes a significant contribution to the Welsh economy and also has a major environmental impact given the nature of its activities. We have already provided £8m of support for the power plant in Port Talbot which will improve energy use and reduce carbon emissions from the plant. We are committed to further exploring how we can reduce the environmental impact of the plant.

We continue to support businesses to drive energy efficiency in production. The move to a circular economy will also benefit more economic value to Wales through our supply chains and make us more resilient for the long term. This is particularly important for employment opportunities closer to home.

The circular economy development in innovation provides an example of how we are working collaboratively to embed processes to achieve positive impacts in the long term. It is a key concept of the green economy, based on optimising systems rather than components, away from 'Resource to Waste' to resilient and productive circular systems. Strategic alliances with organisations such as Ellen MacArthur Foundation, McKinsey Company and multinational enterprises are at the forefront of circular economy exploration and application. The SMART Innovation team and companies assess key elements such as recyclability, re-use, greater utility, reduced obsolescence, reduced waste, and design for manufacture and material selection. This is in conjunction with the development of new products, processes and designs and will support delivery of a prosperous, resilient and globally responsible Wales.

We continue to invest in land and building to support business across the Welsh economy. Where we refurbish existing buildings or construct new buildings, where possible, these are intended to be constructed to a BREEAM 'excellent' standard and thereby ensure our interventions in the built environment are sustainable and have as low a carbon footprint and energy use as possible.

The UK is a signatory to a number of EU environment and climate standards. There remains some uncertainty about the impact that any Brexit deal may have on this position and we are working to ensure an exit deal will work for us in Wales and in accordance with our stated aims within the Environment (Wales) Act 2016 and the Wellbeing and Future Generations Act 2015.

Our National Strategy *Prosperity for All*, describes how we will build prosperity in a way that supports and sustains Wales' stunning natural environment, ensures that current and future generations will continue to benefit, and makes a tangible contribution to the fight against climate change. As part of this commitment I have asked my officials to provide options how we can ensure all our offers of support to businesses include a commitment for them to reduce their environmental impact.

3.2 How the 'Prosperous and Secure' strategy will seek to contribute to achieving the Welsh Government's environmental objectives, including its climate change, low carbon energy and sustainable development ambitions, and whether this will involve any significant changes in your department's activities or interventions.

Prosperous and Secure sets out the blueprint on how we will deliver a sustainable and resilient economy which makes the most of the natural resources available to Wales and preserves and protects these assets for future generations. Our budget plans focus on well being for all objectives including a drive for sustainable growth and to combat climate change. There are a number of actions reflected in these budget proposals which build on the good work we have in progress to deliver these ambitions.

Historically Wales has been an investment destination for low carbon and renewable energy investments, most notably in nuclear, on- and offshore wind, hydro-energy and other generation technologies. Many of the levers to deliver such projects have resided outside of Wales but nevertheless we have worked well with investors in such projects to deliver tangible benefits to Wales in terms of employment and local contracts.

For the future, Wylfa Newydd, should it proceed, at £10-12bn represents the largest private sector investment in Wales in a generation. It is necessary to coordinate a cross Welsh Government response by integrating Wylfa Newydd related activity across existing policies and programmes as needed. This includes delivering new packages of activity where this adds value, and contributes towards securing legacy benefits, to achieve the forecast economic outcomes.

Prosperous and Secure renewed our commitment to deliver further renewable energy generation in Wales. The recently announced target for Wales to generate 70% of our electricity consumption from renewable sources by 2030 will be supported with further investments in the sector. In the future we will have more control over consenting energy projects following the Wales Act 2017.

Uncertainty persists over the impact and implications of any Brexit deal on the sector, on attractiveness of the UK and thus Wales for investment, ongoing commitment to environmental standards and regulations, implications for cross-border trade in energy and until this is crystallised the impact on our strategy and how we will need to respond will remain uncertain.

Driving sustainable growth and tackling climate change will require us to manage changes to the energy infrastructure required by decarbonisation. Decarbonisation requires a fundamental change to at least three major national infrastructure networks, power, transport, and heat. It is essential this is done in a way that maintains their effective functioning and affordability and in a way which provides an opportunity for this to benefit Welsh supply chains.

3.3 Whether the new 'Prosperous and Secure' strategy will involve any significant changes to the support available to the energy and environment sectors in Wales.

Energy is a defined priority sector for Welsh Government and is a key economic imperative which underpins our aims for a 'Prosperous and Secure' Wales. Secure and affordable energy is essential to economic productivity and growth.

In terms of opportunities, this means supporting large energy investments in on-shore renewables, marine, nuclear and so on, including our two largest energy investment projects, Wylfa Newydd and the proposed Swansea Bay Tidal Lagoon.

To deliver secure and affordable low carbon energy, we need a mix of different technologies and sizes, from community scale to major projects.

More broadly, in developing our cross-cutting strategies we will be considering how we can better support the sustainable use of our natural resources so that they deliver economic, social and environmental benefits to our people and communities.

Renewable energy has an important role to play in achieving our decarbonisation target. Our Low Carbon Delivery Plan will show how we will support renewable energy.

Renewable energy incentives have also benefited individuals, communities and businesses by providing an income stream from the sale of energy.

The EU Emissions Trading Scheme (EU-ETS) is a key EU wide policy aimed at decarbonising energy generation and energy intensive industries across the EU at lowest cost. The Welsh Government has requested early discussion with the UK Government to scope what future arrangements may look like for those businesses currently obliged to participate in the EU ETS to ensure any future trading scheme or alternative policy balances the need for industry to

decarbonise with concerns regarding business competitiveness, carbon leakage and job security.

The UK has led the EU on clean investments, accounting for 37% of European clean energy investment in 2016. There is a risk in leaving the EU there will be a hiatus in clean investment in the UK and also in the wider EU following the loss of the UK contribution to the EU budget and possibly to the European Investment Bank.

The Welsh Government recognises that marine and tidal projects can be catalysts to secure long-lasting legacy benefits for Wales and the commitment to support, in principle, the development of more renewable energy projects, including tidal lagoons, is set out in the Programme for Government, *Taking Wales Forward*.

4 TRANSPORT – M4

4.1 How the Welsh Government’s planned M4 relief road fits within a sustainable transport policy.

The National Transport Finance Plan 2015 includes an environmental impact assessment which is available at the attached link:

<http://gov.wales/topics/transport/planning-strategies/ntp/?lang=en>

A long list of over 100 options has been considered over many years to tackle the longstanding problems associated with the M4 around Newport. The proposed solution has been through a ‘Strategic Environmental Assessment’ which included health impact assessment and equality impact assessment, before being tested at Judicial Review in 2015.

The project has been developed using the Welsh Transport Appraisal Guidance, or ‘WelTAG’, which considers all economic, environmental, social and cultural factors. The latest published reporting also includes a detailed Environmental Statement setting out all the impacts and the proposed mitigation, taking into account, of course, climate change.

In light of the introduction of the Wellbeing of Future Generations Act a Sustainable Development report has been published to consider how the project aligns with its goals. A link to the report is below:

<http://bailey.persona-pi.com/Public-Inquiries/M4-Newport/C%20-%20Core%20Documents/2.%20Orders/2.3.11%20-%20M4%20Corridor%20around%20Newport%20Sustainable%20Development%20Report.pdf>

The project is currently being scrutinised by independent inspectors at Public Inquiry to test whether it is the long-term, sustainable, solution to the problems associated with the M4 around Newport. Their report will inform a final decision on whether to proceed with construction.

4.2 How you have addressed environmental and sustainable development issues in developing the project.

The route has been carefully planned taking into account the environmental sensitivities of the Gwent Levels and River Usk. More than half of the route is on brownfield land, less than 2% of the area of the Gwent Levels Sites of Special Scientific Interest (SSSIs) is needed and impacts would be mitigated.

The River Usk is of international importance for its migratory fish and otters and is legally protected. The design and construction of the new bridge across the Usk would avoid any impacts on these species.

A number of areas will experience a large improvement in air quality as a result of the scheme, most notably in urban areas adjacent to the existing M4 corridor.

The M4 project has had detailed carbon calculations of its construction and in-use footprint. User emissions on the South Wales network, despite forecast increases in traffic levels, would in fact slightly reduce due to strategic traffic having a shorter more efficient route.

I am mindful of our requirements to reduce CO2 emissions 80% by 2050. The M4 Project, as with other congestion pinchpoint schemes, will contribute to achieving our goal, alongside Metro and of course electrification of the rail network and the implementation of electric cars.

4.3 Any further action you propose to take in this regard.

I am passionate that our approach to developing a modern and integrated transport network for all of Wales be an exemplar of sustainable development. For example - the new M4 Glan Llyn junction has been purposely located to serve the planned 4,000 home, 6,000 job community on the old Llanwern site and will further environmental considerations by incorporating cycle routes and linking into proposed Metro facilities to encourage a modal shift.

5 TRANSPORT POLICY DEVELOPMENT AND DELIVERY

5.1 Improve the sustainability and reduce the environmental impact of transport services, assets and infrastructure.

The Wales Transport Strategy (WTS) “connecting the nation” sets out the high-level vision; to promote sustainable transport networks that safeguard the environment while strengthening our country’s economic social and life. The strategy sets long term outcomes and ambitions for our social economic and environmental agendas and which underpin Taking Wales Forward and Prosperity for All.

As this strategy was published in 2008, I have asked Officials to review its content and update to reflect the legislative changes that have occurred since its publication. I anticipate publishing the new strategy in late 2018. The

strategy will consider the goals and principles as set out in the Well-being of Future Generations (Wales) Act 2015, the Environmental (Wales) Act 2016 and the Welsh Government's National Strategy – Prosperity for All. The WTS will set out the transport vision that will promote sustainable transport networks and services that safeguard the environment while strengthening our country's economic social and life.

In addition to reviewing the WTS I will this autumn launch our new Welsh Transport Appraisal Guidance. The Welsh Transport Appraisal Guidance, or 'WelTAG', considers all economic, environmental, social and cultural factors which need to be considered when designing and developing new transport proposals for Wales.

5.2 Contribute to the achievement of Welsh Government targets for reductions in Greenhouse Gas Emissions.

We are currently developing our transport policies that will ensure we play a full role to deliver the 2050 target to reduce greenhouse gas emissions. Our policies need to consider the carbon emissions generated by the transport sector in Wales and the areas over which we have control. The transport sector accounts for approximately 13% of Wales' carbon emissions generated by the different range of transport modes available to consumers

Decarbonisation of the transport sector is key if we are to meet our Environment Act (Wales) 2016 duty to deliver at least an 80% emission reductions by 2050 and in delivering on our obligations set out in the Air Quality Standards (Wales) regulations 2010. Whilst many of these levers remain with the UK Government there are certain actions within the Welsh Government's control which will contribute to delivering our commitment to reduce greenhouse gas emissions.

The M4 project for example has had detailed carbon calculations of its construction and in-use footprint. User emissions on the South Wales network, despite forecast increases in traffic levels, would in fact slightly reduce due to strategic traffic having a shorter more efficient route once the new M4 is built.

The M4 Project is one contribution alongside other congestion pinch-point schemes, which will contribute to achieving our goal, alongside Metro and other public transport promotion, electrification of the rail network, cycling and walking and the implementation of alternative fuel ultra-low emission vehicles in both private and public fleets.

Our review of the Wales Transport Strategy provides an opportunity to develop closer links with land use planning which can lead to reducing the need to travel. It could for example test if adopting as a first principle minimising the need to travel and as a second principle, ensure the trips are made in the most sustainable way. There will still be a need to address congestion and reduce their impact on the environment and specifically air quality.

5.3 Adapt to the impact of climate change.

The UK Climate Change Committee's Climate Change Risk Assessment 2017 Evidence Report identifies the risks to Wales from a changing climate. It describes specific risks to infrastructure, business and industry, and provides recommendations regarding future action. In response, the Welsh Government will be developing a Climate Change Adaptation Plan for Wales in 2018.

5.4 Reduce and minimise air, land and water pollution.

Reducing the impact of transport infrastructure and services on air or water quality is an important consideration during the development and delivery of new road schemes and improvements to the existing network.

We also deliver a programme of improvements through our Air Quality Management Areas and Noise action Planning Priority programmes.

5.5 Minimise impact on, and seek to enhance, biodiversity.

When investing in new transport infrastructure wherever possible, our designs incorporate green infrastructure, create green corridors and wider ecological networks, and are located to avoid fragmenting habitats.

6 GENERAL

6.1 How environmental considerations are reflected in the budget setting process and also in allocations for the current draft budget including details of any changes made within the current draft budget to address environmental issues.

Sustainable development, of which environmental considerations from a key part are at the heart of our decision making process.

Our public transport proposals included in these budget proposals, for example support our aspirations to reduce emissions by reducing car use and provide cleaner and more efficient vehicles, which is good for our health and our environment. For example the South Wales Metro will transform the way we travel around the Cardiff Capital Region, providing faster, more frequent and joined-up services using trains, buses and light rail.

Reducing carbon was an important consideration in our decision to allocate a further £50m of funding to develop a new rail station at Llanwern. The scheme will have a positive impact on carbon reductions and with the extensive park and ride facilities and line improvements our investment will bring, will encourage a modal shift in passengers from private car to rail.

6.2 How you monitor and evaluate environmental impact within your portfolio, including details of specific indicators, recent performance

and examples of action taken or policy changes implemented to address any areas of underperformance.

Outcomes are monitored for each of the projects and contracts that are managed within the portfolio. Feasibility studies are undertaken prior to the commencement of key projects to assess suitability for going forward in delivering against our wellbeing goals. This assessment will include consideration of environmental impacts but the extent of this consideration will depend on the nature of the investment. Our support for skills and jobs for example, to ensure people have the right skills to equip them to provide a meaningful contribution to society, will be assessed on quality of education provided and will have less of a focus on environmental considerations. Our investment in the M4 and our road investments for example follow the 'WeITAG' process and will consider all economic, environmental, social and cultural factors. These will continually be assessed as the project is delivered.

Evaluation of projects and programmes is undertaken during and at the end of the projects and can be undertaken internally or by external contractors.

Gateway reviews for large projects are undertaken to assess value for money and both internal and external audits have and will be undertaken, which provide further evidence to support policy outcomes.

<http://ppi.w.org.uk/files/2016/10/PPIW-Summary-of-Expert-Workshop-Improving-the-Economic-Performance-of-Wales.pdf>

Commissioning evaluations and research is one way of gathering evidence on policies and programmes, but is not the only way and is not always the most appropriate.

The portfolio uses a variety of approaches in gathering evidence and for evaluation of policy and programmes. Some of these inform the process through expert advice and learning.

6.3 How the department has amended or changed its policy or practice as a result of the Welsh Government's obligation to maximise its contribution to achieving the well-being goals, and embracing the five ways of working, required by the *Well-being of Future Generations (Wales) Act 2015*.

Our budget proposals have continued to look at how we embed the five ways of working to help us maximise our impact, inform plans which support Taking Wales Forward and take an integrated approach to considering impacts on protected groups, support a focus on our shared national goals and deliver a sustainable economy and nation for future generations.

The Wellbeing of Future Generations Act is the central organising principle of our plan, ensuring that our decisions take account of the economic, social, cultural and environmental objectives and impacts. In so doing, we are adopting an approach to embed involvement, collaboration, integration, long

term investment and prevention into our policies and delivery. As part of this work we have been developing with the Future Generations Commissioner a toolkit for the development of infrastructure projects which will enable us to maximise our contributions to the shared national goals.

Proposals for any business activity are required to provide evidence that they are aligned to deliver one or more of the seven Well-being Goals as well as one or more of the Welsh Government's Well-being objectives. Additionally, delivery areas are required to show that the five principles of sustainable working have been applied where possible in preparing business cases. When agreeing allocations with business areas, we assess the impacts of these elements along with other factors to ensure that decisions on budgets are made that support the most appropriate business cases.

I met with the Future Generations Act Commissioner last December to discuss the M4 and other projects. Her views are very much welcomed on how decision making must consider all the goals and ways of working of the Act.

We have revised 'WelTAG' working with the Office of the Future Generations and Wellbeing Commissioner to provide for better guidance and more closely alignment with the 5 Ways of working in meeting the WBFGA objectives.

Lesley Griffiths AM,
Cabinet Secretary for Environment and Rural Affairs,
Welsh Government

3 October 2017

Dear Lesley

Turning the Tide: the Climate Change, Environment and Rural Affairs Committee's report on the Welsh Government's approach to Marine Protected Area (MPA) management

Thank you for your response to the Committee's report, which is attached as an Annexe to this letter. The Committee has agreed that I should write to you to seek further information on several matters you raise in your response.

The Committee is grateful for the way you engaged with it during the course of this inquiry. However, your response has raised a number of issues which need clarification.

During the inquiry many stakeholders recognised that there has been progress in recent years on MPA management. The key issues they raised with Members were:

- the need for the Welsh Government to take a stronger leadership role,
- the need for appropriate levels of resource, both staffing and finances, and
- the need for greater transparency and efficiency in work that is already ongoing.



Unfortunately, your response does not adequately address a number of these concerns or fully address our recommendations. I have set out several questions below, which I hope will enable you to clarify your position.

Recommendation 1 – The Committee recommends that for Wales to realise the benefits of its MPAs, sites must be managed effectively. The Welsh Government must provide leadership on this matter by developing, as a matter of urgency, an MPA strategy and ensuring that all management authorities, including the Welsh Government, are actively engaged in MPA management and fulfilling their duties and responsibilities.

Welsh Government response – Accepted.

As you will be aware, during our inquiry we heard criticism from stakeholders about the lack of leadership from Welsh Government. Despite accepting the recommendation, there is nothing in the response to suggest that the Welsh Government will be doing anything differently as a result of accepting this recommendation. Can you explain how you will address the concerns expressed by stakeholders?

The response does not explain what the Welsh Government will do to ensure that all management authorities, including Welsh Government, are actively engaged in MPA management and fulfilling their duties and responsibilities. Please provide us with details of the actions you intend to take to give effect to this part of the recommendation.

Could you provide the Committee with a copy of the MPA Management Priority Action Plan, to which you refer in your response, and which will be in use from April 2018? If you are unable to provide a copy, please can you indicate when you expect the plan to be finalised?

Recommendation 2 – The Committee recommends that MPAs cannot be managed effectively without the appropriate level of resources, including funding and staffing. The Welsh Government must: ensure it has sufficient



staffing to deliver its marine conservation responsibilities; bring forward proposals for funding an area-based approach, with each management area having a dedicated officer; and ensure that Natural Resources Wales has sufficient resources to undertake its responsibilities for MPA management and improvements to the condition of the Wales Natura 2000 Network.

Welsh Government response – Accepted in principle.

The Committee notes your comments that all staff in the Marine and Fisheries Division are involved in sustainable marine management to some extent. Can you confirm that you are satisfied that current staffing levels are sufficient to deliver the Welsh Government marine conservation responsibilities?

This recommendation refers to the need to bring forward proposals for funding an area-based approach. What actions are you taking to respond to this? The Committee notes that you support the view of the Steering Group, which concluded it would be more cost-effective and provide better value for money, to focus on specific projects, rather than an area based approach. Can you provide the Committee with the details of any cost and benefit analysis undertaken by the Group of the various potential approaches?

As soon as possible, can you provide the Committee with an update on the Steering Group's assessment of whether more collaboration and sharing of best practice is necessary and, if so, how that will be achieved? Is it intended that this will be addressed in the MPA Management Priority Action Plan?

Your response refers to Natural Resource Wales' (NRW) capacity to deliver its statutory responsibilities within its existing funding allocation. Do you expect NRW to deliver any non-statutory functions in relation to MPAs, such as improvements to the Wales Natura 2000 Network? Are you satisfied that NRW will be able to undertake such work without needing additional funds?

You told the Committee you would raise funding issues directly with NRW in your monthly meetings with them. What are the results of those discussions?



Recommendation 3 – The Committee recommends that the Welsh Government must increase public awareness of MPAs and improve its engagement with stakeholders and the public. It must also operate in a more transparent and efficient way, publishing information about the activities of the specialist groups it leads and ensuring stakeholders are fully engaged in the development of the MPA strategy.

Welsh Government response – Accept

During our inquiry, stakeholders felt strongly that there was a lack of transparency in relation to the meetings of the considerable number of groups involved in this field. Although the Committee is pleased that you have accepted the recommendation, there is no sign in your response that you plan on doing anything differently in future. Given that you have accepted this recommendation, can you explain what actions you will be taking to address stakeholders' concerns?

The recommendation also refers to ensuring that Welsh Government and the considerable number of specialist groups it leads operates in a more efficient way. What work has been undertaken to ensure that the all of the specialist groups are necessary and have clear objectives without unnecessary overlaps in responsibilities?

In terms of wider engagement, you refer to specific actions during 2018 as part of the Year of the Sea campaign. What are your department's plans for wider engagement during 2018 and beyond?

Recommendation 4 – The Committee recommends that the Welsh Government should develop an enforcement strategy, based on risks, which addresses all pressures on MPAs – including water quality; litter; recreational pressures; fisheries and unregulated marine resource gathering – and should move quickly to implement management measures in MPAs where there are known risks.



Welsh Government response – Accept in principle

In your response to this recommendation, you refer to the “National Plan for Managing our Network of MPAs”. Is this the same as the MPA Management Priority Action Plan, to which you refer in your response to Recommendation 1? If it is a different plan, could you explain its purpose, whether it is a Welsh Government plan, and provide the Committee with a copy?

In your response, you state that the Welsh Government already operates a risk-based and intelligence-led approach to marine enforcement. Please can you provide recent examples of successful interventions that have arisen as a result of this risk-based approach?

Recommendation 5 – The Committee recommends that the availability of data, evidence and research is central to MPA policy development and management. The Welsh Government should establish a Wales marine science partnership to bring together industry, academia and stakeholders. The Welsh Government must also ensure it has in place effective data and research for MPA management, including monitoring and surveillance.

Welsh Government response – Accept in principle

The Committee recommended that industry, academia and stakeholders should be involved in the Welsh Government’s approach. Can you confirm to what extent those three groups are involved in the NRW work with the Joint Nature Conservation Committee, as outlined in your response?

What assessment have you made of the potential for the establishment of a Wales marine science partnership, bringing together industry, academia and stakeholders?

What actions are you taking to ensure you are satisfied that relevant bodies and organisations will have sufficient resources to interpret the data that is being



collected? Please can you set out how you will ensure that marine science monitoring and research is coordinated and focuses on your priority areas?

Recommendation 6 – The Committee recommends that when designating MPAs in the future, the Welsh Government should set out the resources necessary for the associated management, monitoring, surveillance and enforcement that site(s) will require and how such resources will be provided.

Welsh Government response – Accept

The Committee welcomes your response to this recommendation. However, the response does not address the final point of the recommendation, which asked the Welsh Government to specify how resources for the management, monitoring, surveillance and enforcement will be provided. Can you inform the Committee of the actions you will be taking to give effect to this part of the recommendation?

Recommendation 7 – The Committee recommends that the Welsh Government should define its understanding of an Ecologically Coherent Network of MPAs in Welsh waters and work with stakeholders to address gaps in the network.

Welsh Government response – Accept

In your response you refer to your written statement of 2 May 2017, in which you stated: “I have asked my officials to work in partnership with our marine stakeholders to consider and recommend the necessary action to address the gaps identified. I have requested this work considers gaps identified in the Welsh offshore region also, which will become the responsibility of Welsh Ministers in April 2018.”

Given the tight deadline for this work we would be grateful for an update on progress as soon as possible.



Recommendation 8 – The Committee recommends that a cornerstone of MPA management is recourse and access to justice. The Welsh Government must ensure that future arrangements in are in line with the Aarhus Convention and not prohibitively expensive for applicants.

Welsh Government response – Accept

The Committee would be grateful if you could keep us updated of progress in this area.

Recommendation 9 – The Committee recommends that the Welsh Government must assess the likely impact of exiting the European Union on Welsh MPAs, including whether designation and management can be harmonised, and commit to no loss of protection under future arrangements. It must also seek agreement with the UK Government about how marine environmental protections will be managed coherently in cross-border marine areas.

Welsh Government response – Accept

Given that you have accepted this recommendation, we would be grateful if you could provide the Committee with details of the assessments you have made of the impact of exiting the EU on Welsh MPAs.

Could you also provide the Committee with details of any early consideration that has taken place of policy changes as a result of exiting the EU, including the potential harmonisation of designation and management?

Can you update the Committee with details of work that is being undertaken or discussions that are ongoing in relation to the management of cross-border marine areas?



Recommendation 10 – The Committee recommends that the Welsh Government should ensure that reporting of Welsh MPA site condition and status currently required under European legislation is undertaken regularly after the UK exits the European Union, with reports published and provided to management authorities in a timely manner.

Welsh Government response – Accept in principle

In your response, you refer to a project to assess how NRW can produce site condition reports on a more regular basis. Can you give an indication as to when that project will conclude and could you share with the Committee the conclusions of that project in due course?

Recommendation 11 – The Committee recommends that the Welsh Government should work with the UK Government to ensure Wales’ fisheries resources and the interests of the Welsh fleet are fully protected in Brexit negotiations. Future Welsh fisheries management arrangements should take into account the Wales National Marine Plan and a Welsh MPA strategy.

Welsh Government response – Accept

Your response says that you will continue to work with the other Devolved Administrations and the UK Government to secure the future of the Welsh fishing industry. Please can you update the Committee on progress of this work? Could you also provide an update on your input into the UK Government’s forthcoming Fisheries Bill?

Recommendation 12 – The Committee recommends that the Welsh Government must explain how it intends to address the potential shortfall in funding for MPA work that is currently met by EU funds, such as the European Maritime and Fisheries Fund and LIFE–Nature.

Welsh Government response – Reject



The Committee notes your explanation for rejecting this recommendation. What assessment have you made of the levels of funding needed to replace funding currently being met by EU funds? Furthermore, what impact will the loss of those funds have on MPA work in Wales?

The Committee has asked the Business Committee to schedule a Plenary debate on the Committee's report on 8 November. I would be grateful if you could respond to this letter by 1 November, so that your response can inform the Plenary debate.

Yours sincerely,

A handwritten signature in black ink that reads "Mike Hedges". The signature is written in a cursive style and is followed by a long, sweeping horizontal flourish.

Mike Hedges AM

Chair of the Climate Change, Environment and Rural Affairs Committee



Mike Hedges AM
Chair
Climate Change, Environment & Rural Affairs Committee
National Assembly for Wales
Cardiff
CF99 1NA

2 November 2017

Dear Mike

Thank you for your letter of 3 October regarding my response to the Committee's report on our approach to Marine Protected Area (MPA) management. Your letter raised a number of queries about the response which I would like to clarify.

I am satisfied the MPA Management Steering Group is the right forum for the Welsh Government to provide leadership, advice and obtain a collective steer to ensure we have an effectively managed network of MPAs in Wales. The Steering Group is the means by which the management authorities across Wales come together to discuss and agree ways to secure effective management and assist with the delivery of actions which ultimately improve the condition of our MPAs.

The Welsh Government gave a clear steer to management authorities earlier this year, when I wrote to remind them of the importance of fulfilling their statutory responsibilities to manage the marine environment. More recently, my Department has been working with the Steering Group to develop a coherent approach to management across the MPA network. This is the MPA Management Priority Action Plan (it was incorrectly referred to as the National Plan for Managing our Network of MPAs in the response to another recommendation). It includes an approach where management actions are targeted to where they are expected to deliver the greatest improvement (or maintenance) in feature condition. Resources are stretched across the public sector and there is a need to continue to prioritise against competing demands. An approach which targets expenditure and management activity to where it will have the greatest positive impact upon feature condition is, in the current climate, the most appropriate and affordable means of securing improvements across our network of sites. When established, my Department will seek the views of stakeholders through the Wales Marine Advisory and Action Group (WMAAG) and I have asked my Department to send a copy to the Committee at the same time.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

As stated during my oral evidence to this inquiry, I am satisfied with current staffing levels within Welsh Government to deliver our marine conservation responsibilities. It is important to recognise the cross cutting nature of the work within the Marine and Fisheries Division and with partners such as Natural Resources Wales which contribute to the management of marine protected areas.

More specifically the work of our Marine Enforcement Officers is diverse in nature and range from dealing with EU and UK control measures such as satellite monitoring, catch data and effort management on fishing vessels through to enforcing against marine licensable activity and marine licence conditions. The work of officers on the ground is prioritised and directed at those activities which pose the highest risk at any one time to ensure the Welsh Government meets its obligations. Officers fully investigate and if necessary prosecute those who contravene the regulations in place. Officers currently have 36 active investigations, 12 of which are due to appear in Magistrates Court before the end of the year.

I have already committed to publishing a summary of the main discussion points and actions arising from stakeholder meetings, including minutes from the MPA Management Steering Group, on the Welsh Government website. Updates on the Steering Group's work, and on MPAs more generally, have already been provided to the WMAAG either verbally or in writing. These updates include options for managing our sites as a network, completion of our MPA network and progress on the Assessing Welsh Fishing Activities project. The most recent WMAAG meeting in May included a session on the work of the MPA Management Steering Group and the move to a needs-based approach to management. At the next meeting of the WMAAG on 15th November stakeholders will have the opportunity to develop, refine and maximise the activities and engagement opportunities for Year of the Sea in 2018 and beyond.

The need for, and membership of, other specialist groups is identified through engagement and discussion with stakeholders. My Department reviews the terms of reference and work programmes for these groups on a regular basis to ensure they are still fit for their purpose and delivering the outcomes we are collectively working towards.

The availability of robust data, evidence and research is vital to ensure effective management and sustainable use of our seas. We collaborate with a range of partners organisations and a number of partnerships already exists which focus on marine science and evidence. I would not want to duplicate structures and forums by establishing a Wales marine science partnership. The work to develop a consistent and evidence based approach for marine biodiversity monitoring programme is being led by the Joint Nature Conservation Committee in partnership with Natural Resources Wales and the other country conservation bodies. Opportunities to work with others, through shared standards, to collect and collate evidence and data will be considered as this programme of work develops, including using vessels of opportunity, industry and volunteers.

At a Welsh level, we are leading the way by producing indicative Site Condition Reports for each of our Special Areas of Conservation and Special Protection Areas. I expect the reports to be published towards the end of the year. Natural Resources Wales' project to move towards a more regular production of site condition reports is at an early stage, but I will keep the Committee informed of progress.

In my written statement earlier this year, regarding completion of the network of MPAs, I outlined my request for officials and stakeholders to work in partnership to deliver this work. I expect much of this work to begin and align with transfer of the offshore nature conservation powers, for marine conservation zones, in April 2018.

My Department and I continue to meet with counterparts across the UK to discuss issues arising with the UK's exit from the EU. Officials from across the UK are engaged in technical discussions. Our engagement is supported by the Stakeholder round table and its sub groups I initiated in response to EU Exit. I will be setting out my vision for managing Welsh Seas following our exit from the EU early next year.

On the point about EU funding, I reiterate it is for the UK Government to assess and explain what it is going to do to replace funding lost as a result of exiting the EU. I have made it clear on a number of occasions I do not expect Wales to lose any funding as a result of Brexit.

Regards

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping flourish at the end.

Lesley Griffiths AC/AM

Ysgrifennydd y Cabinet dros yr Amgylchedd a Materion Gwledig
Cabinet Secretary for Environment and Rural Affairs

Agenda Item 5.3



Welsh Fisherman's Association
Cymdeithas Pysgotwyr Cymru

The national voice of Welsh fishermen

Email to Mike Hedges, Chairman CCERA

23rd October 2017

Dear Mike

Firstly I would like to apologise for my tardy reply and thank you for your kind and prompt response to my letter of the 29th September 2017.

Disappointingly your reply does not address the issues that were raised by the Welsh Fisherman's Association – Cymdeithas Pysgotwyr Cymru Cyf (WFA-CPC) that we set out clearly and objectively.

We understand that Committee Inquiry's would need to engage with as many individuals and organisations as possible, however, in our experience, the evidence would suggest that the Committee's outreach in this case has not met this objective. It is important to note that, as a result, the majority of evidence received by this Committee Inquiry does not reflect the experience and knowledge of fishermen throughout Wales who are disadvantaged in one respect because their full time employment is fishing, not as many other witnesses that exist to produce responses to inquiries, consultations or questions to A.M.'s. Having said that the WFA-CPC exists to broadly represent wider fishing interests and yet despite our previous history of giving evidence we were not invited to provide evidence directly. Having indirectly discovered the details of the Inquiry via Twitter and submitted a detailed, reasoned, objective and honest response the "Turning the Tide" Report fails to recognise our written or oral evidence with the exception of 4 examples where the WFA-CPC's contributions fit neatly within the theme of the Report.

To summarise evidence in this way is selective, dismissive and exclusive and in our view inconsistent with the statutory principles of the Wellbeing & Future Generations Act and challenges the principles of impartial and objective use and understanding of the evidence submitted and similarly disrespects and disregards the views of Welsh fishing communities that, as mentioned earlier, are disadvantaged in their opportunity to (if they were aware) reply or contribute evidence hitherto presented on their behalf by the WFA-CPC.

The Committee Report as our letter of the 29th September sets out relies on the evidence and opinions of a few individuals and organisations with a narrow agenda. This approach will only support conclusions that fit a popular agenda rather than an evidence led and balanced solution.

Marine & Fisheries Policy cannot progress if it relies on opinions alone, these are complex and heavily regulated areas of the Environment and Rural Affairs Portfolio recognised by the Cabinet Secretary's endorsement of an evidence led approach to decision making. It is our sincere belief that an evidence led approach is the only way to achieve a reasoned consensus that engages all parties equally, respectfully and constructively. Fragile fishing communities have been neglected for too long by public figures in favour of costly environmental lobbyists that have little regard for Welsh life, heritage, culture and language. Wales has a rich maritime and fisheries heritage which has co-existed with a healthy marine environment for centuries pre-dating any MPA designations or environmental industries.

For some reason lobbyists have succeeded in misleading the Welsh public and public figures demonising the characteristic small scale fishing fleet in Wales. We would suggest closer attention be paid to the “conservation status” of Terrestrial SAC Designations and the Environment Act Wales 2016 - Section 7 “Species & Habitats “of principle importance for conservation of biodiversity in Wales. Following decades of protection and many millions of pounds of public money invested, biodiversity continues to decline and pollution, waste, and litter increase at source contaminating rivers and ultimately our marine environment??

Welsh fishermen have never been in receipt of subsidy and are proud hard working primary food producers that work in the most dangerous peace time occupation in the world to provide fresh, healthy and sustainable food to the public. I am at loss to understand why fishermen and women in Wales are not held up in the same way as agricultural food producers.

I fear this change will never happen whilst scrutiny continues to marginalise fishing and fishing communities relying on the subjective opinion of false prophets.

I would therefore respectfully urge you and your colleagues to revisit the detail our letter of the 29th September and our written evidence, as sadly your reply does not begin to address or comprehend the significance of our concerns or indeed the true status of marine protection in Wales. .

Unfortunately despite your reassurance we maintain that there would appear no value in contributing to further marine or fisheries inquiries by CCERA until our concerns have been fully recognised and addressed, given our experience of the Inquiry into MPA’s Management in Welsh Waters we would have no confidence in contributing to the Committees scrutiny of future fisheries policy and legislation resulting from the UK’s departure from the EU.

Yours sincerely

Jim Evans

For and on behalf of
Welsh Fisherman’s Association-Cymdeithas Pysgotwyr Cymru

Agenda Item 5.4

Jim Evans
Welsh Fisherman's Association

8 November 2017

Dear Jim

Thank you for your letter of 23 October.

I am sorry that you feel that my response did not address the concerns raised in your initial letter of 29 September.

In your letter, you state that you “indirectly discovered the details of the Inquiry via Twitter” and “despite our previous history of giving evidence we were not invited to provide evidence directly.” I can confirm that officials supporting the Committee emailed the WFA-CPC using the address office@wfa-cpc.co.uk on 16 December 2016, at the same time as all other consultees. Officials supporting the Committee contacted you on 20 February 2017 to arrange a meeting to discuss matters including the Committee’s inquiry. You also attended a Committee meeting on 30 March 2017. As in my previous letter, I apologise if you did not receive the initial email, but it is evident that the WFA-CPC was not disadvantaged in any way as a result.

Your letter refers to “witnesses that exist to produce responses to inquiries, consultations or questions to A.Ms”. As I said in my previous letter, the Committee seeks evidence from as many individuals and organisations as possible to inform its work. Those who contribute to Committee inquiries do so in good faith. There will be occasions when there are differences of opinion, but I expect stakeholders to treat each other in a respectful manner.



You also say that the Committee's report "relies on the evidence and opinions of a few individuals and organisations with a narrow agenda. This approach will only support conclusions that fit a popular agenda rather than an evidence led and balanced solution". I am satisfied that the conclusions reached by the Committee are balanced and based on the evidence we received and heard. Therefore, the Committee will not reconsider them.

It is important to note that the Cabinet Secretary welcomed the Committee's report and all but one of its recommendations were accepted either in full, or in principle. Given this response, I can only conclude that the Cabinet Secretary shares my view that the report is balanced and based on compelling evidence.

I am sorry you feel that there appears to be no value in contributing to future inquiries of the CCERA Committee and that you would have no confidence in contributing to the Committee's scrutiny of future fisheries policies and legislation. As I said in my previous letter, hearing the voices of Welsh fishermen will be particularly important as arrangements are put in place as a result of the UK exiting the EU. I can assure you that the Committee will continue to provide opportunities for the WFA-CPC to engage with us on these important matters. I sincerely hope that you take those opportunities.

I hope this has addressed some of the concerns outlined in your most recent letter. I recognise that there may, however, be matters on which we will have to agree to disagree. In the interests of openness and transparency, I intend to publish your second letter and this response on the Committee's website.

Yours sincerely



Mike Hedges AM

Chair of Climate Change, Rural Affairs and Environment Committee



Mike Hedges AM,
Chair, Climate Change, Environment and Rural Affairs
Committee

11 October 2017

The Welsh Government funding of Carmarthenshire Energy Limited

Dear Mike,

The Auditor General for Wales published a [report](#) regarding the Welsh Government funding of Carmarthenshire Energy Limited in July 2017. The report highlighted a number of governance concerns about the Welsh Government funding of the financial support for the project and makes five recommendations to address these.

Although the Public Accounts Committee believes that the governance concerns have been addressed through the recommendations in the report, we did feel that the report, and the example of Carmarthenshire Energy Limited more generally, may be of interest to the Climate Change, Environment and Rural Affairs Committee particularly around the level of regulation around community benefit funds.

Yours sincerely,



Nick Ramsay AM
Chair



Caroline Hill

16 October 2017

Auditor General's report: The Welsh Government's funding of Carmarthenshire Energy Limited

Dear Ms Hill,

Thank you for your letter of 7 August 2017 on behalf of Selina Carpenter, Andy Clifford and Karla Smith. I apologise for the delay in replying but the Public Accounts Committee first opportunity to consider the Auditor General's report together with your letter was on 25 September.

During the Committee's consideration of the issues included in the report, Members noted that some governance concerns had been identified regarding the Welsh Government's handling of its financial support for the CEL T2 project but believes that these concerns have been addressed through the report's recommendations. Members were in agreement that the report, and the example of Carmarthenshire Energy Limited more generally, may be of interest to the Assembly's Climate Change, Environment and Rural Affairs Committee particularly around the level of regulation around community benefit funds. Members requested that I write, enclosing a copy of your letter, to the Chair of the Assembly's Climate Change, Environment and Rural Affairs Committee. Should that Committee decide to consider any of the issues contained in the report, they may contact you as part of that work.



I would like to thank you for raising these issues with me.

Yours sincerely,

A handwritten signature in black ink that reads "Nick Ramsay". The signature is written in a cursive style with a long, sweeping underline.

Nick Ramsay AM
Chair



Nick Ramsay AM
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff CF99 1NA

7 August 2017

Dear Mr Ramsay

More issues to be addressed

The Press has reported that you have said that the Public Accounts Committee will want to consider the Auditor General's report "The Welsh Government's funding of Carmarthenshire Energy Limited" carefully – and the use of public money to fund initiatives that claim to "directly benefit local communities."

When the Audit Report is considered by the Public Accounts Committee, there are more issues to be addressed about the "direct benefit to communities" than the governance issues - which were central to the remit of the Audit Report (and its recommendations) in its investigation of the CELT 2 wind turbine at Salem.

1. Loan period

The Audit Report mentions that the loan of Government money was initially for a 12-month period – "but has since been re-negotiated" [See Footnote 6, page 16]. This rather detracts from the assurance that the CELT 2 project is meeting its re-payment commitments. Perhaps the need for the re-negotiation – for an unspecified longer loan term – reflects the inflated estimated value of the project (£2.6m compared to £1.3m) made by the man who had dual roles (at the Energy Saving Trust and on the Carmarthenshire Energy board), Ben Ferguson-Walker.

2. "Preparatory grants"

- a) The Audit Report states that over £34,000 of public money has been given by the Welsh Government as a "preparatory grant" for Allt Cafan which is a scheme on land at Pentrecwrt owned by Mr Steve Hack – who is named in the Audit Report and is a

founding member of Carmarthenshire Energy Limited and also a director of the Seren companies which developed and operate the Salem wind turbine. This is the same man who “sold” the Salem scheme to Carmarthenshire Energy Limited on the strength of Government money. The Allt Cafan scheme is yet to go ahead.

- b) The Report also mentions that £14,000 of public money was given as a “preparatory grant” for the CELT 1 scheme at Llanarthne, but this never went ahead as it failed to gain planning consent at Appeal.

3. Diversion of funds from a “community” scheme to a non-community scheme

The planning application for CELT 1 painted it as a “community” scheme. However, Carmarthenshire Energy could not pledge that the turbine would directly benefit the host (and directly impacted) community at Llanarthne because its own society rules stated that funds raised from their Carmarthenshire schemes must provide benefits countywide. The planning application was refused at appeal.

In contrast, the CELT 2 planning application contained no documentation referring to it as a “community” scheme, nor as a project driven by any local residents. Yet this was the scheme which absorbed the Government funding that had been intended for a “community” scheme.

4. Community Benefit Funds – failure to involve the community

In common with many wind turbine schemes, the CELT 2 profits are supposed to create dividends for its shareholders (NB Shares were not given or confined to the local community, but were sold nationwide).

A Community Benefit Fund was also promised – although Planning Authorities are supposed to ignore this as a non-material planning issue. However – again, as we are finding with other wind schemes – the Fund has not been put in the hands of the local community or its democratically elected representatives. Instead, because of the way Carmarthenshire Energy Limited operates, it holds a “monopoly” over the administration of the fund and itself chooses who to help decide how it is spent.

The Audit Report mentions its use for “dry-stone walling”. The local community believes that this walling is part of the turbine scheme itself, re-establishing the boundary of the turbine site, and has therefore NOT provided benefit to the community, but only to the scheme’s financially involved landowner. In effect, it seems to have covered the costs of one of the planning requirements for the construction of the turbine.

5. Abuse of the term “community”

There is growing evidence that schemes – like CELT 1 – which are NOT community-led, community-driven or community supported are being labelled “community” by companies because they see this as a way of easing the path through planning – and

gaining fiscal advantages eg. grants, loans and a later Feed-in-Tariff cut-off date. This could be interpreted as fraud.

Moreover, they seem NOT to be returning the promised “benefits” to the communities into which they have been forced – and there is no mechanism to monitor or to enforce these “promises”.

6. Lack of regulation or oversight of community benefit funds

It is the Welsh Government which has encouraged developers to offer “community benefit funds” and communities have – understandably - believed that this means that they will receive significant sums of money. In many cases, this has reduced the volume of objections to planning applications for turbines.

However, there is no requirement for planning authorities to make fiscal evaluations of the robustness of such offers – indeed, they do not have the resource, capacity or expertise to do so - and there is no regulation over such “community benefit” or share schemes.

So we are not surprised to see that any funds are, at best, slow in coming forward, and at worst not materialising at all, as the Government has failed to make such offers enforceable.

No-one is taking on the responsibility of warning the public that no community fund, or indeed share dividend, may ever appear.

We hope that the Committee will take a close look at the “community benefit” issues listed in this letter, with the knowledge that the concerns that we have raised have been substantiated by the Auditor General’s findings. It is not simply a question of asking how – and when – the Audit recommendations are actioned. There are wider implications from the Audit Report, and not just for the community in Salem.

Yours sincerely

Caroline Hill

On behalf of Selina Carpenter, Andy Clifford and Karla Smith

Lesley Griffiths AM
Cabinet Secretary for Environment and Rural Affairs
Welsh Government

16 October 2017

Dear Lesley,

Natural Resources Policy for Wales

The Climate Change, Environment and Rural Affairs Committee held a stakeholder workshop on 4 October to discuss the Welsh Government's Natural Resources Policy ('NRP'). A list of those who attended is attached at Annex 1. This session was part of our follow up scrutiny of the Environment (Wales) Act 2016 ('the Act').

The NRP is a significant output arising from the Act and is intended to form a key part of the delivery of the sustainable management of natural resources. As such, we believed it was important to hear from stakeholders at an early stage, to seek initial views on the policy, to inform the process of implementation and to suggest improvements for the next iteration of the policy.

Purpose and alignment with the Environment (Wales) Act 2015

We sought stakeholders' views on the extent to which the policy aligns with its purpose as set out in the Act. Generally, stakeholders were concerned that the NRP is aspirational, with an absence of clear outcomes to achieve the sustainable management of natural resources. There is a lack of clarity about how those aspirations will be translated into actions.

Stakeholders believed that there should be greater clarity in the NRP of the Welsh Government's desired balance between economic, environmental, social and



cultural considerations. This would aid practitioners and decision-makers to implement the NRP appropriately.

1. Will you issue guidance on the balance between the economic, environmental, social and cultural considerations that should be the basis of the decision-making and implementation process?
2. How will you address stakeholders' concerns about the lack of clear objectives and measurable outcomes in the NRP?

Implementation of the NRP

Stakeholders believed that the NRP could be strengthened through the inclusion of a set of robust performance measures and targets. The absence of targets and indicators in this first iteration of the NRP was a missed opportunity. Targets should include, but not be limited to, biodiversity, afforestation, emissions reductions and renewable energy. Such targets would give a clear direction to practitioners which, unfortunately, is currently missing.

Given the lack of detail in it, stakeholders emphasised the need for further discussion and engagement with practitioners about implementation of the NRP.

Stakeholders emphasised the need for the Area Statements approach to be robust and rigorous if the NRP is to be effective. It is vital that NRW, local authorities and Public Services Boards have sufficient resources to implement Area Statements in a meaningful way. Otherwise, the NRP may not be realised fully.

Stakeholders commented on the importance of collaboration to deliver the NRP. However, they were concerned that the NRP does not appear to facilitate a collaborative approach. The policy was a missed opportunity for Welsh Government to demonstrate leadership by improving joint-working across government departments. It was felt that a framework would be useful to ensure a joined up approach and to drive increased collaboration.

Furthermore, stakeholders did not believe the NRP recognises the importance of collaboration across the private, public and third sectors. Indeed, they believed that there is an imbalance at the heart of the NRP, namely that it is the public sector that will be expected to deliver the NRP even though 80% of land in Wales is



in private ownership. This will clearly have implications for the outcomes that can be achieved by the NRP.

3. Will you clarify how you expect Area Statements to deliver the NRP in practice? Will you prepare and publish guidance for NRW setting out how you expect the NRP to inform the development of Area Statements?
4. How will you support and facilitate collaborative and partnership working to ensure delivery of the NRP?
5. Can you provide the Committee at the earliest opportunity with details about the measures and indicators you will use in the NRP evaluation framework? Will you consult stakeholders on the evaluation framework? When will the evaluation framework be published?

Alignment with domestic and international policies

Stakeholders raised several issues relating to a perceived lack of clarity about how the NRP other policies or Welsh legislation relating to natural resources fit together. They referred to the Well-being of Future Generations (Wales) Act, the Nature Recovery Plan, the Welsh National Marine Plan, Taking Wales Forward, and planning mechanisms such as those in Planning Policy Wales.

They believed it was necessary to have a clear, published, framework to clarify how these policies integrate with the NRP and to set out the NRP's status within that framework. Furthermore, clarity is needed about how the Welsh Government intends to bring all of these policies together to drive forward progress in this area. In particular, the Welsh Government should clarify how it ensures there is a balance in its decision making processes between economic development and nature recovery.

Stakeholders did not believe that there was a clear alignment between the NRP and the five ways of working in the Well-being of Future Generations (Wales) Act. Furthermore, a complete assessment of the use of natural resources in Wales



should include the use of resources provided by ecosystems elsewhere. Consideration of Wales's global footprint will be required to assess progress towards the Well-being goal; 'a globally responsible Wales.'

Stakeholders also highlighted the potential impact of planning regulations in delivering changes which have an impact on the natural environment.

On the matter of international policies, it was suggested that the NRP's goals should be mapped against global targets such as the Sustainable Development Goals. This would enable an assessment of the contribution of the NRP to global targets. The NRP addresses the EU Biodiversity Strategy (EUBS) targets in several ways. It recognises the importance of protected sites (both terrestrial and marine) to enhance the resilience of ecosystems. This aligns with Target 1 of the EUBS. Green infrastructure, ecosystem services and habitat restoration align with Target 2 of the EUBS. References in the NRP to safeguarding soil quality links to Target 3 of the EUBS to increase the contribution of agriculture and forestry to maintaining and enhancing biodiversity. Finally, although arguably not as strong a link as those previously mentioned, Target 6 of the EUBS – global biodiversity loss – links to the NRP via resource efficiency and climate change.

In relation to the future of natural resource management policies, stakeholders recognised that there is a degree of uncertainty arising from the decision to exit the EU. The extent of the implications for existing policies and future policy-making in Wales is currently unclear. However, stakeholders believed that the Welsh Government should take this opportunity to set out its vision for the future and to clarify what its priorities in this policy area will be after the UK has exited the EU.

6. How have international policies and global targets informed the development of the NRP? Will you consider how the indicators and targets in the NRP's evaluation framework can work alongside international targets?
7. How will you address the call from stakeholders for the Welsh Government to set out a clear vision for the future policy direction for the sustainable



management of natural resources and clarify its priorities post-Brexit?

8. How does the NRP deliver the goals of the Well-being of Future Generations (Wales) Act 2015?
9. Do you intend to revise Planning Policy Wales in light of the NRP?

Use of evidence

Stakeholders expressed concern that there appears to be a disconnect between the NRP and SoNaRR. For example, it does not address the failings of resource management identified in SoNaRR. It was suggested that each Chapter should include references to the relevant SoNaRR findings, to clarify how they have informed particular sections of the NRP.

Data deficiencies in SoNaRR were also highlighted as a cause for concern and stakeholders emphasised the need to fill gaps in order to improve future policy development.

10. How will you address the comments by stakeholders about the need for the NRP to show more clearly how it has been informed by SoNaRR data?
11. How are you planning to address the deficiencies in the data in SoNaRR?

Timescales and engagement

Stakeholders commented on the consultation process that informed the development of the NRP. There was concern that a final draft of the NRP had not been seen by Public Service Boards before publication, given that their contribution is crucial to delivery. This caused further concern for some about the extent to which the Welsh Government intends to work with local government in implementing the NRP. Other stakeholders expressed disappointment that they had not been consulted on a draft of the NRP.



Stakeholders were also concerned that SoNaRR, the principal evidence base for the NRP, will be compiled every five years. There are risks that a lack of up-to-date evidence will mean that the Welsh Government is less likely to be able to respond quickly to risks to the state of natural resources, if necessary.

12. What are your plans for reviewing and amending the NRP?
13. Can you set out how the Welsh Government will engage with Public Service Boards in the implementation of the NRP?
14. Do you have any plans to assess the appropriateness of the timing and frequency of SoNaRR?

Thank you for considering these issues. The NRP offers an opportunity for Wales to be a leader in the sustainable management of natural resources, but only if those responsible for delivering it are clear on their roles and objectives and are resourced sufficiently for that purpose; and that progress is measured appropriately at each stage.

I would be grateful if you could respond to the Committee by 1 December 2017.

Yours sincerely,



Mike Hedges AM

Chair of Climate Change, Environment and Rural Affairs Committee



Building **better energy** together

WELCOME

Pack Page 107

Agenda Item 5.7



Nuclear New Build

Briefing on dredging of marine sediment from the seabed at Hinkley Point

Pete Bryant, Stephen Roast & Chris Fayers



Hinkley Point C

- **3.2 GW nuclear power plant.**
- **7% of the UK's electricity.**
- **Enough power for around 6 million homes.**
- **Avoids emission of 9 million tonnes of CO₂ a year.**
- **At least 25,000 job opportunities and 1000 apprenticeships during construction.**
- **900 full time jobs when operational.**



Pack Page 109



<http://www.instagram.com/hinkleypointc/>



Hinkley Point C Contracts in Wales



Neath: £140m

Welsh-made reinforcing steel

£140m contract with Express Reinforcements in Neath to supply 200,000 tonnes of Welsh-made reinforcing steel for the construction of the power station.

Pembroke

10,000 tonnes seawall rock

Already been delivered by ship from Pembroke, for the site's new 13.5 metres high seawall.

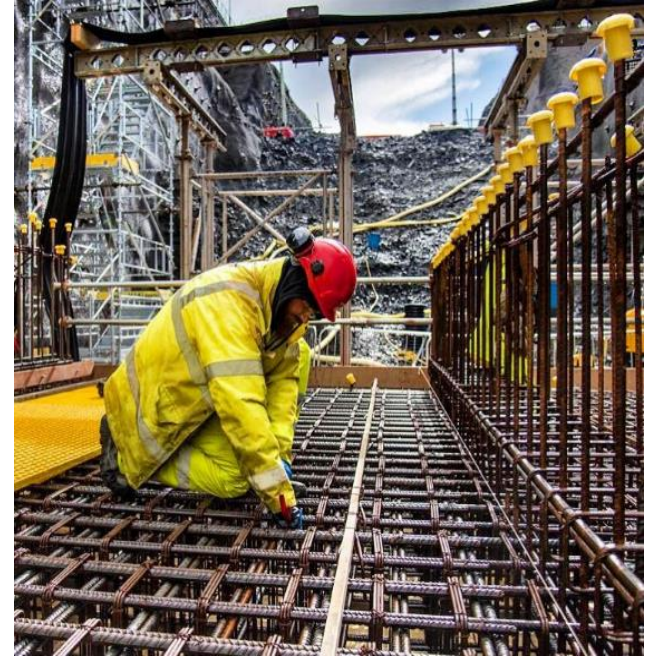
Port Talbot: £20m

300,000 tonnes of material

Port Talbot steel works: ground granulated blast-furnace slag used in the large silo on site; provided by Hanson - 300,000 tonnes of material with initial order value of £20m.

Newport: £50,000

Several companies totalling £50,000 contract values.



Monmouth: £25,000

Contract with Siltbusters for water treatment.

**Around 150 HPC staff
resident in Wales**

Key facts

- **We will be dredging sediment from the seabed ahead of the drilling of six vertical shafts for the Hinkley Point C cooling water system.**
- **The sediment poses no risk to human health or the environment.**
- **The levels of radioactivity in the sediment are so low they equate to ‘not radioactive’ under UK law.**
- **Of this ‘low’ amount the vast majority is from natural sources. The remaining artificial sources are typical of sediment found in the Bristol Channel.**
- **Testing has been carried out to highly conservative international standards working with Natural Resources Wales.**
- **Further tests approved by NRW over summer 2017 reconfirmed the original findings.**

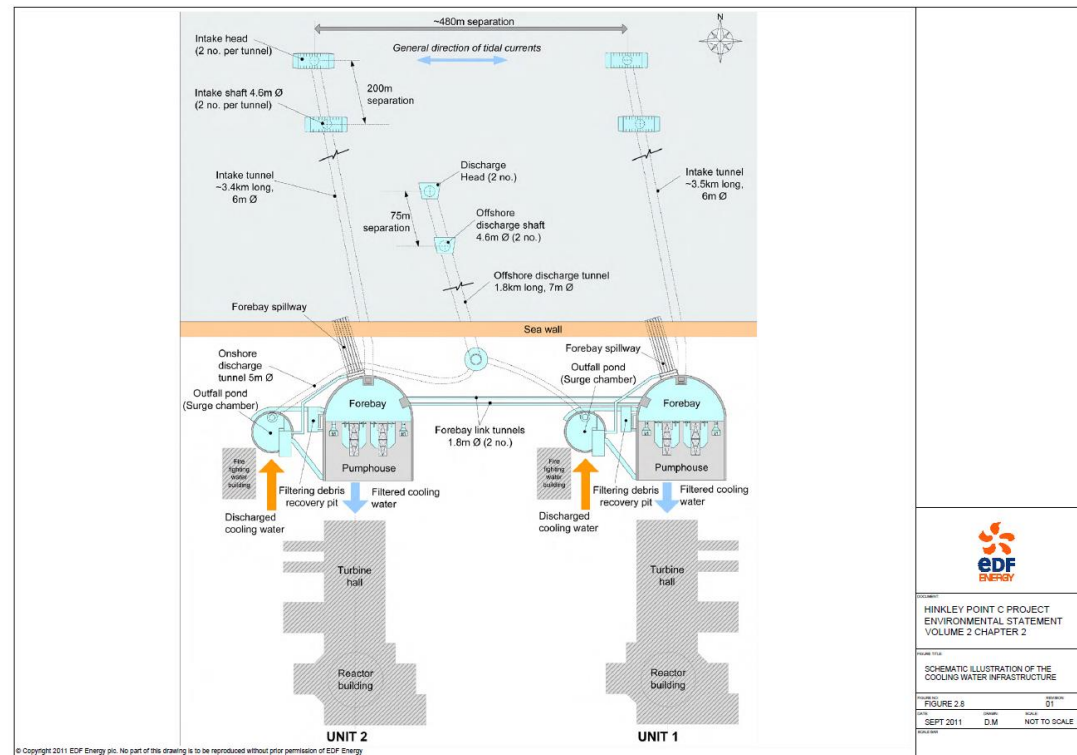
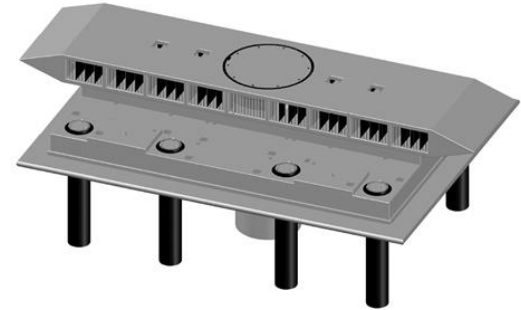
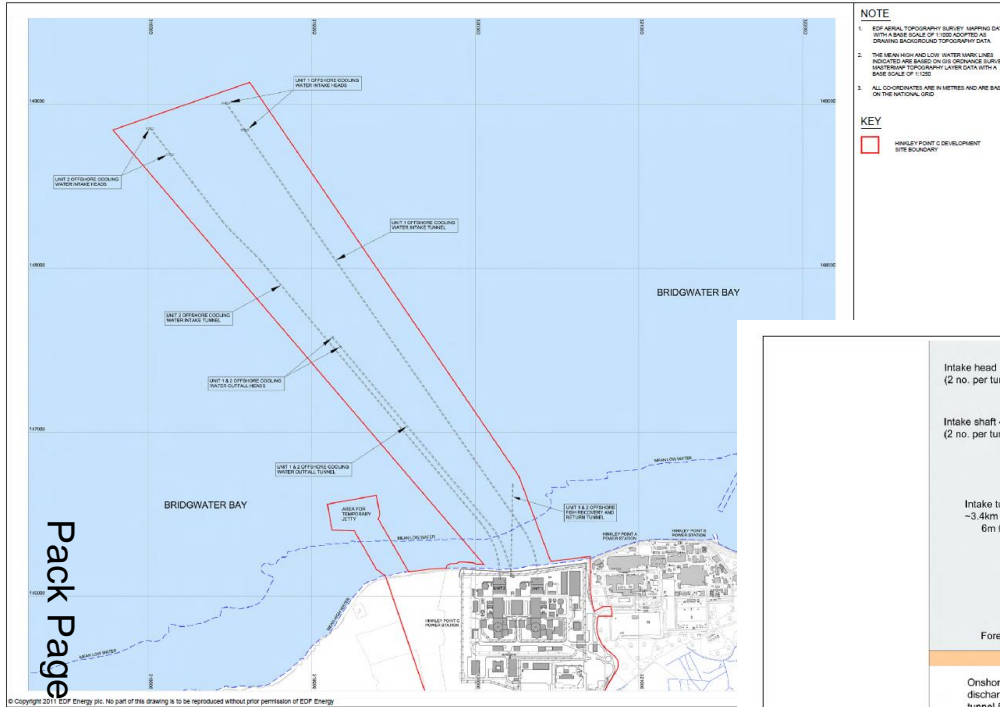
Why are we dredging marine sediment?

- We will be dredging sediment from the seabed off the Hinkley Point C site ahead of **the drilling of six vertical shafts for the cooling water system** for the new nuclear power station.

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- The cooling water system is a significant piece of infrastructure, which involves tunnelling more than 3km out into the Bristol Channel.
- The maximum amount of material that will be dredged is 200,000m³. The dredged sediment will be placed into barges and transported to the Cardiff Grounds where it will be deposited.

Why are we dredging marine sediment? (contd.)



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Timeline and Consenting Process

- **Application made to Marine Consenting Unit** **August 2012**
 - Application advertised for public consultation* **September 2012**
 - Response to Eluned Parrott during consultation* **October 2012**
 - MCU commissions CEFAS to analyse sediments* **March 2013**
- **NRW takes responsibility for Marine Licencing** **April 2013**
- **CEFAS reports material suitable for disposal** **April 2013**
- **Licence issued by NRW** **July 2014**
 - Monitoring plan for recent samples submitted* **October 2016**
 - Monitoring plan approved by NRW* **November 2016**
- **New samples acquired May 2017; analysis reported** **September 2017**

Testing the sediment

- In 2009 CEFAS obtained sediment samples at depths up to 4.8 m to support the HPC Planning Application. No artificial radioactivity was observed below 2 m. The analysis of the core samples do not impact the outcome of the 2013 and 2017 CEFAS reports discussed below.
- In 2013, Natural Resources Wales commissioned an independent analysis by CEFAS to determine the radioactive characteristics of the sediment to assess the licence application. EDF commissioned CEFAS to undertake a recent analysis in 2017 as required, and approved, by NRW.
- 17 sediment samples were taken in 2013 and a further 12 were taken in May 2017.
- Majority of the radioactivity within the samples are naturally occurring in origin (~ 80 - 85%). The remaining artificial radioactivity is typical of muddy sediments in the Bristol Channel.
- The levels of radioactivity in the sediment are so low they equate to 'not radioactive' for the purposes of environmental legislation.

Radiation Dose in Context



**10,000 x less than
a pilot's annual
dose**

**Eating
20 bananas
per year**



**750 x less than the
average Radon
dose in
Pembrokeshire**

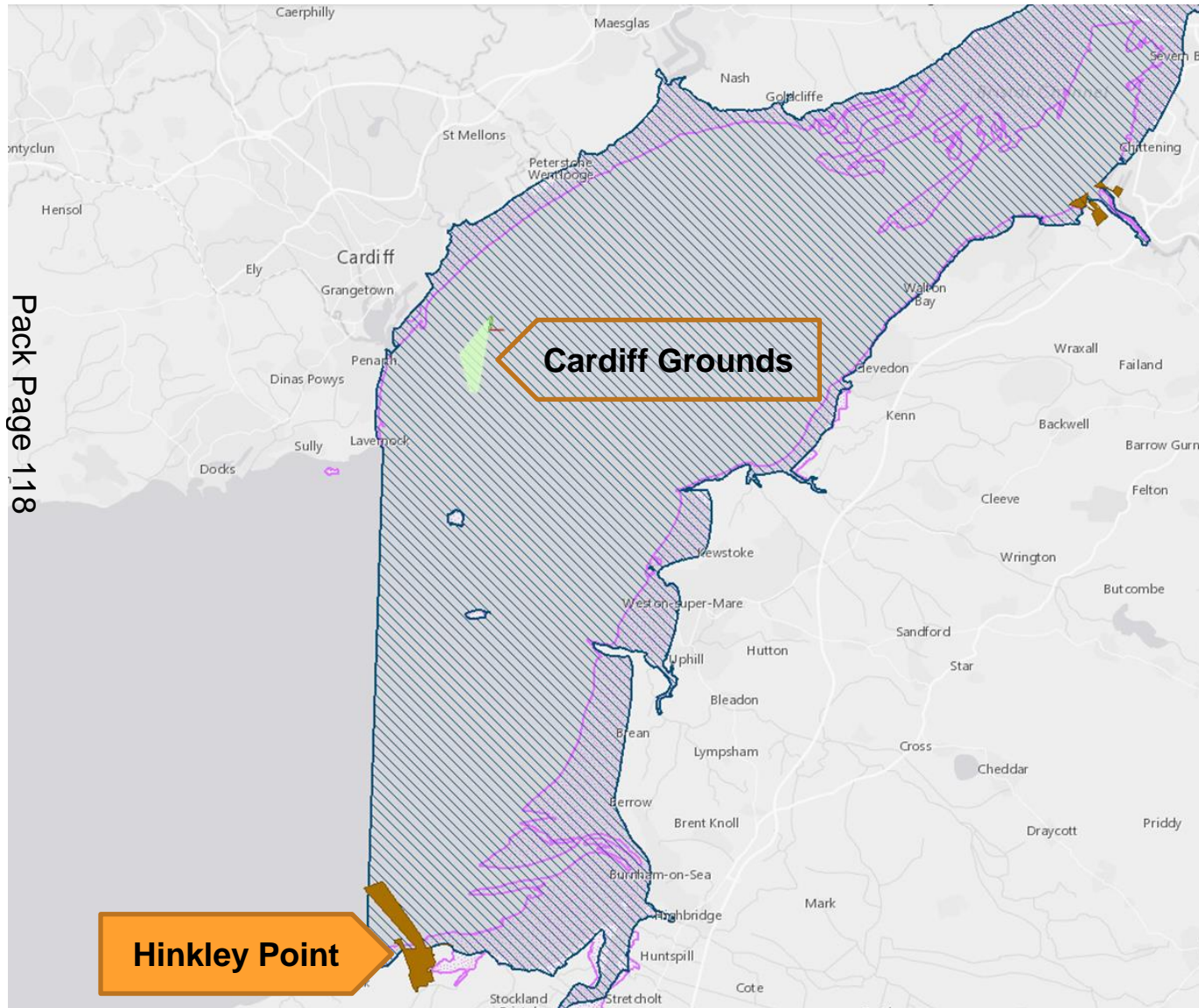


- In order to assess the impact of the dredging a highly conservative, internationally recognised (IAEA) assessment methodology was used.
- The majority of the radiological dose (> 80%) comes from the naturally occurring radioactive material.
- These are below the limits requiring a more detailed assessment.

Why was Cardiff Grounds chosen?

- The lower reaches of the Severn Estuary (including the area where we intend to be dredging) constitute a **highly protected conservation area** (the Severn Estuary European Marine Site). To preserve the local ecology we are required to keep the sediment within this Special Area of Conservation.
- Cardiff Grounds is a licensed disposal site which receives between 400,000 and 1,500,000m³ material per year. Because of this, and its location within the Special Area of Conservation, this is the only practical location for the depositing of this material.

Why was Cardiff Grounds chosen? (contd.)



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Hinkley Point

In summary

- **We will be dredging sediment from the seabed ahead of the drilling of six vertical shafts for the Hinkley Point C cooling water system.**
- **The sediment poses no risk to human health or the environment.**
- **The levels of radioactivity in the sediment are so low they equate to ‘not radioactive’ under UK law.**
- **Of this ‘low’ amount the vast majority is from natural sources. The remaining artificial sources (industry) are typical of sediment found in the Bristol Channel.**
- **Testing has been carried out to highly conservative international standards working with Natural Resources Wales.**
- **Further tests approved by NRW over summer 2017 reconfirmed the original findings.**

THANK YOU

