

Cyfoeth Naturiol Cymru / Natural Resources Wales

Written evidence to Environment and Sustainability committee – General principles of the Environment (Wales) Bill.

June 2015

SUMMARY

The creation of Natural Resources Wales (NRW) was the first step towards the integrated management of Wales' natural resources. We are developing Natural Resource Management (NRM) as the core approach to the delivery of all our responsibilities. Nevertheless, not all our functional legislation facilitates this way of working. We welcome the introduction of the Environment Bill as it represents the key second step on the journey towards integrated and sustainable management of natural resources. This Bill, along with the Wellbeing of Future Generations Act and the Planning Bill, places sustainable development at the heart of strategic decision making across Wales not just in NRW but across the wider public, private and third sector. **Everyone** will need to grasp the new ways of working set out in the Environment Bill if we are to find innovative solutions to the biggest challenges facing the natural resources of Wales.

The need for the legislation:

1. Our air, land, water, wildlife, plants and soil – our 'natural resources' – provide us with our basic needs, including food, energy, health and enjoyment. When cared for in the right way, they can help us to reduce flooding, improve air quality and supply material for construction. They also provide a home for some rare and beautiful wildlife and iconic landscapes, which improve our wellbeing and boost the economy via tourism.
2. But these natural resources are coming under increasing pressure – from climate change, from a growing population and from the need for energy production, amongst others.
3. Decades of work to understand, protect and improve our environment have taken us a long way.
4. Yet despite this, the continuing decline in biodiversity and the threats to the ability of our natural resources to continue to deliver benefits to society, poses a significant risk to the well-being of Wales. The evidence we present in our report *Snapshot of the State of Wales' Natural Resources* (Annex 1), underlines the **need for a step-change in the approach to natural resource management by all parts of the public, private and third sector in Wales.**
5. Much of the environmental legislation governing the work of NRW is functional and does not facilitate more integrated and flexible approaches to the management of our natural resources.
6. Part One of the Environment Bill builds on the best Welsh and international evidence base. We believe the provisions will facilitate a **flexible and adaptive** approach to secure the integrated and sustainable management of natural resources in Wales.

7. The definition of sustainable management of natural resources in Section 3 and the principles set out in Section 4 of the Bill are clearly aligned to the Ecosystem Approach principles defined by the UN in the Convention on Biological Diversity. We support the definition and principles.
8. Section 5 of the Bill refines our general purpose to align it to the definition of sustainable natural resource management and the principles. We are happy with the proposed changes, as the new purpose aligns much more closely with our long term vision for our organisation. Nevertheless, we recognise that the **new purpose will not change our underpinning functional legislation** but provides a more helpful framework to develop NRM ways of working.

Implementation

9. The management of our natural resources is a **shared responsibility** not just the concern of NRW.
10. At the moment public bodies and other organisations are focussing on their specific responsibilities or duties under the WFG Act and perceive that the proposals in the Environment Bill relate solely to NRW. Unless this gap in understanding is addressed, it is likely to create major challenges for implementation.
11. Under the WFG Act, the formation of Public Service Boards (PSBs) and inclusion of NRW as a core member provides an important opportunity to join up and integrate approaches to implementation.
12. However PSBs will not necessarily represent the interests of land managers (agriculture and forest/woodland), the business sector or environmental NGOs. Other arrangements may need to be developed to ensure these groups can participate effectively.
13. Area Statements could provide us with an opportunity to streamline the number of other plans that we and others produce.
14. Co-production and collaboration is central to how we propose to develop the State of Natural Resources Report and Area Statements. Annex 2 and 3 set out our propositions of how we want to work with others to produce them.
15. We are concerned that Section 15 of the Bill is too open ended and raises the expectation that NRW will provide information and lead on the implementation of area statements on behalf of other public bodies. Clarification is needed to set limits around the assistance that NRW could be asked to provide.

Financial Implications of the Bill

16. The provisions in the Environment Bill are central to our purpose of delivering an integrated approach to the sustainable management of natural resources in Wales. As the NRW business case demonstrates, efficiency savings will be realised in the longer term for us and our partners.
17. However, in the **short to medium term, implementation of the requirements in the Bill will require us to dedicate significant staff time to get through the initial increase in work.**
18. This investment is essential if we are to realise savings and efficiencies in the longer term. As we develop a better understanding of the likely costs we will discuss funding with Welsh Government.
19. Thereafter, NRM will be embedded across the organisation and will be at the heart of everything we do.

The Environment (Wales) Bill is a once-in-a-generation opportunity. Taking a joined up approach to managing our natural resources will help us to tackle old problems in new ways. To find better solutions to the challenges we face – and create a more successful, healthy and resilient Wales, now and in the future.

1. Introduction

1.1 Many of the proposals in the Bill are central to the role and remit of NRW. Our response is divided into eight sections in line with the Parts of the Bill. We have used the Committee's term of reference to structure our response. We have addressed questions two and three in our sections on 'Proposals' and 'Implementation'. Question four is addressed for each part, in paras 2.4, 3.2, 5.4, 6.2, 7.2 and 8.5 below. We do not think it is our role to address question five. We have provided more detail on the proposals on sustainable natural resource management, waste and flood risk management. The covering note cross references the different sections of this submission with the terms of reference and consultation questions defined by the Environment and Sustainability Committee.

2. Part one – Sustainable management of natural resources

2.1 The need for the legislation

2.1.1 Our air, land, water, wildlife, plants and soil – our 'natural resources' - provide us with our basic needs, including food, energy, health and enjoyment. When cared for in the right way, they can help us to reduce flooding, improve air quality and supply materials for construction. They also provide a home for some rare and beautiful wildlife and iconic landscapes we can enjoy and which boost the economy via tourism.

2.1.2 The scale of the challenges facing our natural resources in Wales is demonstrated in our report, *Snapshot of the State of Wales' Natural Resources* (Annex 1) which sets out the latest evidence from our monitoring of natural resources across Wales. Decades of work to understand, protect and improve our environment have taken us a long way. But these natural resources are coming under increasing pressure – from climate change, from a growing population and from the need for energy production.

2.1.3 In 2010, Wales, alongside other administrations in the UK and Europe, failed to meet international biodiversity targets agreed under the UN Convention on Biological Diversity¹ and triggered a number of government led reviews in Wales², Westminster³ and Brussels⁴⁵. The policy and scientific consensus that emerged underlined the need for a more **integrated** approach to the management of natural resources, focussing much more explicitly on the **benefits** to society of **resilient ecosystems** and the need for flexible, **adaptive management**.

2.1.4 Much of the environmental legislation governing the work of NRW is functional and does not facilitate the integrated, flexible and adaptive approaches to the management of our natural resources identified as so important in the policy and scientific evidence. The proposals in the Environment Bill, along with the WFG Act, Planning Bill, and UK Marine and Coastal Access Act (2009) provide the legislative framework to drive adaptive management of our natural resources in Wales allowing us to look at the whole picture.

2.2 Proposals for Sustainable Management of Natural Resources

2.2.1 If we are to secure new solutions to old problems we must encourage innovation and creative problem solving by working with others. The Environment Bill along with the WFG Act and Planning Bill facilitates such an approach. We anticipate the need for additional

¹ 2010 Biodiversity Target: <https://www.cbd.int/2010-target/about.shtml>

² <http://www.assembly.wales/Laid%20Documents/CR-LD8384%20-%20Sustainability%20Committee%20Inquiry%20into%20biodiversity%20in%20Wales-31012011-208859/cr-ld8384-e-English.pdf>

³ <http://uknea.unep-wcmc.org/Resources/tabid/82/Default.aspx>

⁴ EC 2020 Biodiversity Strategy: <http://ec.europa.eu/environment/nature/biodiversity/comm2006/2020.htm>

⁵ EC Green infrastructure Strategy: http://ec.europa.eu/environment/nature/ecosystems/index_en.htm

legislation in the future as we gather more evidence and learn from the early implementation of Area Statements.

2.2.2 The definition of sustainable management of natural resources in S3(1) and S3(2) and the principles set out in Section 4 of the Bill are clearly aligned to the principles defined by the UN Convention on Biological Diversity. We support these proposals.

2.2.3 S5(2) of the Bill refines our general purpose to align it to the definition of sustainable natural resource management and the principles. We are happy with the proposed changes, as the purpose aligns much more closely with our long term vision for the organisation:

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

Nevertheless, it is important to recognise that the proposed change will not alter our underpinning functional legislation. The revised purpose serves an important role in clearly defining a framework in which we can develop NRM ways of working across the organisation and with other parts of the public, private and third sector in Wales.

2.2.4 We welcome the proposals in Section 6 of the Bill for a revised biodiversity duty for Public Bodies. Strengthening the current biodiversity duty is critically important because it will ensure that the wider public sector integrate the principles of sustainable management of natural resources and the resilience of ecosystems within their decision making processes. The improved accountability resulting from the introduction of tri-annual reporting on compliance with the duty will also address a gap identified in the 2010 Defra review of the biodiversity duty.

2.2.5 On the specific requirements in the Bill for the sustainable management of natural resources, we welcome the proposals in Section 8, 9 and 10 of the Bill which set out a flexible legislative framework to facilitate **adaptive management** of our natural resources:

1. The **State of Natural Resources Report (SoNaRR) will be developed by NRW** and will set out the current evidence base and the potential risks to the ability of natural resources to deliver long-term benefits for the wellbeing of Wales. Developed collaboratively, SoNaRR will help set the scene, will look ahead, and will prompt and be a catalyst for change. Our proposal for developing the first statutory SoNaRR is contained in Annex 2.
2. The **National Natural Resources Policy (NNRP) will be developed by Welsh Government** and will need to set the vision and “plan” for managing the issues and opportunities associated with Wales’ natural resources. We believe this document plays a critical role. It needs to be clear on:
 - a. priorities and outcomes **without** prescribing the activity or means of delivery;
 - b. tackling conflicts at the national level through the integration of policy;
 - c. alignment of funding mechanisms.

In practice, we believe that the NNRP will be critical to driving integration and efficiency, addressing the conflicts and strategic challenges around the use and management of natural resources at national and local levels. If this does not happen there is a risk that Area Statements will get bogged down, trying to resolve issues locally when they really need to be addressed nationally.

3. The **Area Statements developed by NRW** will facilitate local action and delivery of the national priorities using the NRM approach. Developed **collaboratively**, Area

Statements will be evidence based – drawing upon evidence at the catchment and landscape scale as well as more local information. It will drive action to the appropriate level of decision making. We will use them as vehicle to engage people, communities and stakeholders in decision making. It will also need to put in place systems to **monitor** activity and report on outcomes. In the last 18 months we have set up three NRM trials to test and develop practical approaches to the implementation of NRM across Wales, to inform future development of Area Statements. Our proposal for taking these forward is contained in Annex 3.

4. The **second SoNaRR** will then capture the evidence obtained from both local delivery (Area Statements) and the overall national picture.

2.2.6 The Area Statements will also help us understand any barriers to adopting a more integrated approach to the management of natural resources. For example, working with a particular group of people in a place may highlight that a specific piece of legislation is driving a way of working that has a negative impact on the environment. Using this evidence, NRW will review if our guidance or interpretation of the law is the cause of the problem. In this situation we would work with stakeholders to revise our guidance, in line with our commitment to adaptive management. If the under-pinning legislation is the source of the problem, then the provisions in S22(1c) and S23(3) of the Bill will allow us to put a case to Welsh Ministers to temporarily suspend the specific piece of legislation. If we secure Ministerial agreement, we expect to continually monitor and review progress and will report to Ministers with recommendations which either support a future case for legislative change or not. These provisions therefore allow for adaptive management and governance.

2.2.7 Co-production is one of the central principles of sustainable management of natural resources as reflected in Section 4c of the Bill. We are committed to working collaboratively with a wide range of stakeholders in order to better identify environmental problems and solutions. This is not always simple or straight forward and we welcome the provisions in Sections 12, 13 and 14 of the Bill to place a clear duty on the wider public sector to work with us to prepare SoNaRR and Area Statements. Although we recognise that we must support other parts of the public sector with the provision of information and evidence, we are concerned that Section 15 is too open ended, and raises the expectation that NRW will provide information and lead delivery of Area Statements for other public bodies.

2.2.8 We welcome Sections 16-21 that set out revised powers for entering into management agreements for the achievement of any of our functions. Our current powers are limited to nature conservation, landscape and recreation interests. We consider this change will complement the set of tools needed to manage natural resources adaptively. Some examples of how these may be applied include:

- Permitting flooding of land in order to complement or even reduce the need for hard flood defences.
- Management agreement with landowners to block up drains to restore peat bogs. Furthermore funding could be derived from water companies if a saving in water treatment costs for sediment removal was identified.
- Management agreement with a private woodland owner to manage their woodlands and sell timber, or to include sales of timber in NRW e-sales auctions i.e. act as a broker for private woodlands and timber purchasers.

These could potentially be considered forms of “payments for ecosystem services”.

2.3 Implementation

2.3.1 We are concerned that public bodies and businesses may not yet fully appreciate the importance of looking at the Environment Bill alongside the WFG Act, Planning Bill, and Marine and Coastal Access Act, and do not understand the linkages and flows of information between the “products” produced under each piece of legislation. At the moment organisations are focussing on their specific responsibilities or duties under the WFG Act and perceive that the proposals in the Environment Bill relate solely to NRW. Unless this gap in understanding is addressed now, it is likely to create major challenges for implementation. Of equal importance is the risk of duplication, missing major opportunities for streamlined and efficient sharing of information and evidence.

2.3.2 Under the WFG Act, the formation of PSBs and inclusion of NRW as a core member, provides an important opportunity to join up and integrate approaches to enable the implementation of provisions in the Environment Bill. We recognise the value of using the PSBs to foster a common understanding of the opportunities and benefits in a particular place. There will be opportunities to share evidence from both SoNaRR and the Area Statements to inform the preparation of needs assessments and well-being plans. However, it is important to recognise that PSBs will not necessarily represent the interests of land managers (agriculture and forest/woodland), the business sector or environmental NGOs. These are potentially significant gaps. It may therefore be necessary to develop other governance mechanisms linked to PSBs to facilitate decision making or in some cases, create separate processes.

2.3.3 Our approach to Area Statement will need to be flexible. It will vary according to the priorities identified in the National Natural Resources Policy, the type of resource at stake, the location and the stakeholders involved (see Annex 3). We will draw on the learning from catchment approaches to managing our water environment. Catchment approaches are evolving to consider landscape scale solutions as they address such difficult issues as diffuse pollution. We recognise that our underpinning environmental evidence will normally be at a catchment or a landscape scale. But we may need to translate this to different spatial scales to make it more meaningful and compelling for the people, communities and decision makers we need to work with in the spirit of the principles of sustainable natural resource management.

2.3.4 We recognise that the Area Statements could provide us with an opportunity to streamline the number of other plans that we and others produce. It means that issues which have traditionally been covered in a separate functional plan could be included in the Area Statement and no longer be produced separately. This will be a change for our staff as well as affected partners and stakeholders. Nevertheless, it is important to recognise that a number of plans that we produce are required under EU Directives with clearly defined requirements. Subsuming these within the Area Statements will require a longer time frame. The scope for including other plans within an Area Statement will also be very sensitive to the geographical scale and the timetable for their production. This will require careful negotiation with Welsh Government as well as other partners and stakeholders.

2.3.5 We believe the requirement in the Bill S10(6) for NRW to consider whether “another plan, strategy or similar document should be incorporated into the Area Statement” is appropriate, and should extend to plans and strategies beyond the jurisdiction of NRW. The drive to ensure integration can be aided further through the use of the S13 power to issue guidance to other public bodies, and the S14(2) power for NRW to request assistance. It may be simpler and stronger to have a duty on public bodies to consider for themselves where and how they could implement measures through their existing plans and programmes.

2.4 Financial implications of Part 1 – Sustainable Management of Natural Resources for NRW

2.4.1 Through the development of the Regulatory Impact Assessment (RIA) by Welsh Government in the summer and autumn of 2014, NRW staff have provided advice and evidence to inform the approach, assumptions and costs underpinning the Natural Resource Management aspects. We provided the best information available to us at the time. The RIA sets out four options for implementation of the Area Statements. We acknowledge that these were developed as illustrative examples and should not be seen as NRW's preferred approach. As we have refreshed our own NRM transformational programme, we have developed a better understanding of the scale of the changes we need to implement such as IT, staff training, new systems and process to develop Area Statements. These will undoubtedly incur additional costs which we are currently estimating.

2.4.2 As the NRW business case demonstrates, efficiency saving will be realised in the longer term for us and our partners. Nevertheless, in the short to medium term the Environment Bill will require us to invest staff time and money to realise savings and efficiencies in the longer term. Thereafter, NRM will be embedded across the organisation and will be at the heart of everything we do. As we develop a better understanding of the likely costs we will discuss funding with Welsh Government.

3. Part Two: Climate change

3.1 The need for the legislation

3.1.1 We believe the Part 2 provisions provide an appropriate framework for the development of climate change targets and carbon budgets for Wales. In early 2014 we recommended the consideration of statutory Welsh climate change targets. In the Ministerial briefing we stated that "Statutory emission reduction targets in Wales would raise their profile, but more importantly would be a clear signal across government departments and beyond of the imperative of ensuring they are met".

3.1.2 Statutory emission reduction targets foster long term and robust strategies, policies and investments by the public sector, business and industry to ensure their compliance with the targets. It provides a greater degree of certainty for business, acting as a clear signal of future intent that should provide confidence for expansion of the green economy.

3.1.3 Other devolved administrations that have climate change mitigation targets also have provisions for adaptation as well. The UK Act includes statutory requirement for a 5-yearly reviewed National Adaptation Plan for England and the Scottish Act makes requirement for Scottish Ministers to produce an adaptation programme, report on progress and update.

3.1.4 We recognise that Part 1 of the Environment Bill includes principles of 'manage adaptively' 'take account of the short, medium and long-term consequences', 'take account of the resilience of ecosystems' including 'the adaptability of ecosystems'. We also note that the NNRP must consider climate change mitigation and adaptation. It follows that the Area Statements will need to specifically address climate change. The WFG Act by implication also requires public bodies to consider long-term and preventative measures in the exercise of their duties under that Act. Together we acknowledge this constitutes a programme for adaptation.

3.1.5 However in the absence of a specific National Adaptation Programme, Welsh Ministers may wish to consider whether by integrating programmes for adaptation into these functions, all sectors are covered. Careful monitoring will need to take place to assess

whether there may be gaps. If any gaps emerge appropriate mechanisms should be put in place to address those gaps.

3.2 Financial implications of Part 2 for NRW – Climate Change

3.2.1 We will inevitably be drawn into activities in relation to Part 2 of the Bill in several ways, for example, providing information and advice in the setting, monitoring and achievement of targets. This would be consistent with our current roles and functions.

3.2.2 In our remit letter for 2015-16 Welsh Government has provided us with £825,000 specifically to examine how we might become a “carbon positive” organisation. In undertaking this work, we expect to gain a better understanding of the financial implications for NRW.

4. Part Three: Charges for Carrier Bags

4.1 We are supportive of the additional powers for Welsh Ministers to charge for other carrier bags. We believe this change will further support the incentive for reuse, thus safeguarding valuable resources. Reducing the number of bio-degradable carrier bags in use across Wales will, over time, reduce the number littering our rivers, beaches and marine environments and inadvertently entering the food chain. This measure provides a useful mechanism to establish and raise awareness of the behaviour change necessary to deliver Welsh Government ambition for zero waste.

4.2 We would support a policy preference for environmental good causes to benefit from the proceeds of the carrier bag charges. We recognise a possible role for NRW to work with environmental charities to help inform how such monies could be put to best use to maximise the benefits for the environment and people of Wales.

4.3 There are no cost implications on NRW of this Part.

5 Part Four: Collection and Disposal of Waste

5.1 The need for the legislation

5.1.1 We believe the proposals will assist delivery of Towards Zero Waste policy objectives and increase the quantity and quality of recyclates, supporting the establishment of a circular economy in Wales.

5.1.2 The focus of many of the policy and legislative drivers to date has been on municipal waste. This has been very successful, with Local Authorities collectively achieving 54% recycling rate last year. However, household waste accounts for just 16% of the overall waste produced in Wales. The vast majority of waste is generated by the industrial, commercial, construction and demolition sectors. The proposals will apply to all waste streams and hence has implications for all sectors.

5.1.3 The existing separate collection regulations are limited in effectiveness as they only place a requirement on waste collection operators, including private companies, social enterprises and local authorities, to provide their customers with separate collections for paper, metal, plastic and glass. There is no direct responsibility for the producer to participate.

5.1.4 Any change to waste legislation must take care to avoid any perverse environmental or economic outcomes. Such issues could result, in part, from the lack of suitable treatment /reprocessing facilities within Wales and further afield. Whilst we strongly support the principles of waste recovery and the obvious benefits to the economy and environment of Wales from the appropriate recycling of wastes as a resource, this can only be in the context of wastes being managed appropriately, with necessary environmental safeguards.

5.2 Proposals for separate collection and disposal of waste

5.2.1 We believe the proposals in Section 66 to require non-domestic premises to put their waste out for collection, will provide a clearer and more enforceable framework.

5.2.2 We support the proposals for materials, such as food waste, to be collected separately. This will divert these materials from disposal at landfill or incineration, enabling a useful resource to be captured and recovered/recycled. Any proposed changes would require detailed modelling and the benefits of international experience where available, to ensure that all potential outcomes - positive and negative - are identified to avoid perverse consequences.

5.2.3 The inclusion of wider powers to ban some recyclable waste from incineration set out in Section 68 is sensible and working in conjunction with proposed landfill bans, would provide a useful additional driver to ensure resources are not wasted. This will also provide flexibility for the Welsh Government to modify the legislative regime in support of future policy objectives. The consequence of any future proposed changes would need to be fully considered (as in this case) before introduction.

5.2.4 In addition, when considering Local Authority Recovery Targets, Landfill Allowances Scheme and landfill tax, it is not yet clear that further regulatory interventions are necessary. We would like to see further voluntary measures to increase participation in recycling (for businesses) and by the waste industry considered alongside proposals for regulation and enforcement. These measures aim to change behaviour and so there is also a need for education to effect behaviour change, by Welsh Government, waste service providers (private sector and Local Authorities), and other appropriate bodies including NRW.

5.3 Implementation

5.3.1 We will continue to work with Welsh Government to provide technical information and to advise on the practical implications of the proposed changes. It is likely that the provisions will require NRW to produce advice, guidance and training for our staff as well as for our customers. Some permits and compliance assessment tools will need to be varied to take account of the additional requirements. These new duties will also require additional inspection of waste producers.

5.3.2 To ensure that the implementation of these requirements are effective it is important that Welsh Government provide adequate funding to the regulator to enable an appropriate compliance and enforcement regime.

5.3.3 Whilst we support the proposal in Section 67 to ban food waste from disposal at sewer, we do not believe NRW is the most appropriate body to regulate. We would have limited interaction with the businesses affected by this requirement; sewerage undertakers or Local Authority food hygiene inspectors may be better placed to regulate this.

5.3.4 Some small businesses may have limited space for separate recycling bins for all the waste streams. Also, if only small quantities of some waste categories are produced, small businesses may have difficulty obtaining a waste contractor at an economic rate. Early

feedback from companies surveyed as part of the 2012 waste arisings survey has indicated that companies are already recycling and segregating where it is economic to do so, whereas small businesses find this more challenging. There may be opportunities to innovate. For example, drawing on initiatives from Europe where street-level recycling schemes operate for small businesses. Collection system providers could also adapt their service with encouragement from Welsh Government, prompting the markets to respond and adapt to these changes so that this material is appropriately managed and recycled and recovered in a timely fashion, avoiding unnecessary stockpiling of material.

5.3.5 We are happy to work with Welsh Government and the Waste and Resources Action Programme to consider how we can aid waste producers, particularly small businesses, and to ensure that waste management service providers understand the new requirements and adapt their waste management practises.

5.3.6 Within our offices and facilities we want to help the move towards a circular economy in Wales, though our own actions in relation to our own use of resources. We already actively manage our waste aiming to minimise waste at source and ensuring any waste we do produce is stored securely, segregated and transferred for recycling. We are happy to share the experience we have had with others.

5.4 Financial Implications of Part 4 Collection and disposal of waste for NRW

5.4.1 We have worked with Welsh Government in their development of the indicative regulatory impact assessment to consider the implications of the waste provisions on NRW. We are happy that the indicative costs presented provide a reasonable reflection of the costs we may incur implementing these new regulatory duties. The provisions included in the Bill will allow Welsh Government to develop regulations. Additional information related to the implementation of these regulations will also be available. We understand that the regulations will be subject to a further RIA. This process will refine the cost estimates and provide us with greater certainty on the likely costs we will incur.

6 Part Five: Fisheries for shellfish

6.1 Need for the legislation

6.1.1 We believe the changes proposed in the Bill will help to enhance the management and protection of marine protected areas and the wider marine environment.

6.1.2 Currently the Sea Fisheries (Shellfish) Act 1967 grants the Minister the powers to issue a certificate to the grantee of a Several or Regulating Order to cease activities within the prescribed area in which their rights are exercisable, only if they are not properly cultivating the ground. The new proposals will strengthen and widen the Minister's ability to intervene in the operation of a Several or Regulating Order if it is perceived the grantee's activities or external circumstances such as impacts from non-native species are causing environmental harm by the issuing of a Site Protection Notice.

6.2 Financial implications of Part five for NRW – fisheries for shellfish

6.2.1 There are minimal cost implications on NRW of this Part. NRW may be required to provide evidence to help determine whether environmental harm would occur.

7 Part Six: Marine Licensing

7.1 Need for the legislation - Marine Licensing

7.1.1 We agree that having a wider suite of charging powers will allow NRW to achieve greater cost recovery in undertaking its delegated functions under the Marine Licensing regime. This will enable NRW to continue to offer services such as more thorough pre-application advice, which will benefit both the applicant and NRW's licence determination process. In summary, it will allow NRW to provide a marine licensing regime that has fairer charges and is fit for purpose. We are part of a Welsh Government Working Group developing the approach to implementation working with marine stakeholders across Wales.

7.2 Financial implications of Part six for NRW – Marine Licensing

7.2.1 The powers will enable cost recovery therefore having a positive financial impact on NRW.

8 Part Seven: Miscellaneous

8.1 Need for the legislation - Flood risk management committee

8.1.1 We believe that it is appropriate to disband the current FRMW committee and replace it with a new committee that advises at a Wales wide basis on the whole of the flood risk management agenda. NRW is one of 28 statutory flood and coastal risk management authorities and our current committee's remit is limited to the activities of NRW on managing river and coastal flood risk. The management of local sources of flooding such as surface water and coastal erosion is led by Local Authorities in partnership with water and sewerage companies. A wide range of infrastructure operators and resilience partners play key roles. Therefore it is sensible to have a committee, led by and responsible to Welsh Ministers, with the remit to look at the complete picture, to ensure investment is targeted and action delivered in the most efficient and effective way.

8.1.2 We believe it is very important for the new committee to be a key conduit for advising on the strategic direction for flood risk management. This includes advising on the shaping and implementation of WG's national Flood and Coastal Erosion Risk Management Strategy, discussing the resolution of barriers to effective flood risk management and sharing of good practice approaches.

8.2 Need for the legislation - S83. Repeal of requirements to publish in local newspapers etc.

8.2.1 We welcome the repeal of what is now an outdated form of communication. It will enable NRW to offer a more bespoke and effective approach to how it consults local communities on proposals relating to its management of Internal Drainage Districts (IDDs), such as boundary revisions, the raising and allocation of drainage rates etc.

8.3 Need for the legislation - S84. Power to make provision for appeals against special levies

8.3.1 We welcome the addition of this appeal mechanism to the Welsh Ministers regarding the special levies charged to Local Authorities by NRW.

8.3.2 Following the transfer of functions of the Welsh Internal Drainage Boards, NRW now sets these levies, along with land owner rates, to recover costs incurred from the exercise of

functions relating to land drainage within our IDD's. Therefore we recognise the need to create an alternative mechanism for Local Authorities for arbitration on NRW's IDD levy setting.

8.4 Need for the legislation - S85. Power of entry: compliance with order for cleansing ditches etc.

8.4.1 We welcome the intention to clarify that agents authorised by the Welsh Government have the right of entry to land to enable investigation of alleged non-compliance with an ALT Order in cases where access is refused by a party to that Order. There was previously no mechanism to allow for entry to land to enable investigation

8.5 Financial Implications of Part 7. Miscellaneous – Flood Risk Management for NRW

8.5.1 The typical annual costs for the running of NRW's current committee are circa £21,000. As the new committee's remit and function will be to advise the Welsh Government, with its Chair responsible to Welsh Ministers and secretariat provided by WG, it will be appropriate for NRW's flood Grant-In-Aid to reduce by that amount.

8.5.2 NRW estimates it costs £40,000 in staff time preparing papers and attending its current committee meetings. A significant proportion of that work involves monitoring and reporting project and financial progress on its annual flood risk management capital and revenue programme. The Bill's proposals for the scrutiny of that work to come under the remit of NRW's Board means this work will continue at current levels, but reporting to a different body. NRW is expected to play a key role in the Welsh Government's new committee, due to our all-Wales remit to collate and supply data on flood risk management implementation on a strategic and operational basis. As such, we see the Bill's proposed changes to NRW's roles as cost neutral in terms of NRW's future governance requirements and input to the new committee.

9 Part 8: General

9.1 We have no comments or observations on this section.

10 Schedules

10.1 We acknowledge the inclusion of Schedule 2 Para 8 – which makes an amendment to WFG Act so that it refers to the potential role of Area Statements as an importance evidence base to support the well-being needs assessment.

10.2 There is a key opportunity here for the Environment Bill to help provide further clarity around the links to the land-use planning, and marine planning systems in line with our comments in para. 2.3.1 above. For example, we would suggest a similar amendment to the S3. Planning (Wales) Act to ensure that s60 (5) of the Planning and Compulsory Purchase Act (2004) (PCPA) includes reference to the NNRP.

10.3 A similar clause could be inserted at Section 6, in PCPA - 60I (6) referring to Area Statements.

10.4 Consideration should be given to inserting a paragraph in Schedule 6 (3) of the Marine and Coastal Access Act (2009) "Marine plans to be compatible with certain other plans" to draw reference to the National Natural Resources Policy.

Annex 1 - [A Snapshot of the State of Wales' Natural Resources](#)

In this report we set out current evidence on the state of our natural resources in Wales.

Annex 2 - Proposition for the development of State of Natural Resources Reporting (SoNaRR)

Purpose

The purpose of this document is to set out Natural Resources Wales' (NRW) proposition for the development of the State of Natural Resource Report (SoNaRR) and the principles and approach we will adopt to deliver it. It describes our ambition to move from our current functionally aligned data and evidence, to a fully integrated approach – one that enables us to understand the opportunities and threats in ensuring resilient ecosystems and the sustainable management of natural resources in Wales. It will also allow us to understand the global context of natural resource management in Wales.

Background

The objective of the sustainable management of natural resources is to maintain and enhance the resilience of ecosystems and the benefits they provide, and in so doing, meet the needs of present generations of people without compromising the ability of future generations to meet their own needs.

The sustainable management of natural resources depends on having appropriate information available to support decision making at all stages, from policy development to implementation of action plans.

SoNaRR will provide a credible, evidence base for policy on how natural resources are managed and sustainably used to secure their long term capacity to deliver benefits. It will make available the information needed for Welsh Ministers to set priorities for action at the national level.

NRW will have a statutory duty to prepare and publish SoNaRR including its assessment of the extent to which sustainable management of natural resources is being achieved. The first SoNaRR will be published in accordance with the legislative timeframe provided in the Environment Bill.

Principles

SoNaRR will:

Set the scene by–

- Improving knowledge of the state of natural resources in Wales and the pressures on them.
- Helping us to better understand our dependence on natural resources, ecosystems and the services and benefits they provide.
- Assessing trends in the condition of our natural resources.
- Illustrating the condition and trends spatially at a known level of confidence.

Look ahead to–

- Identify the opportunities and improve understanding of the challenges, including gaps in evidence, for sustainable natural resource management.
- Help us to respond to the opportunities and challenges through scenario planning and option assessment.

Prompt change through-

- Clearly stating what the priority issues are for natural resources in Wales
- Providing decision-makers with timely information that they can use to learn from successes and failures
- Providing a seamless link between local and national data that truly informs and guides the whole community on how we care for the natural resources of Wales.
- Presenting open, accessible, easily understood information, relevant for all parts of society with responsibility for the sustainable management of natural resources in Wales.
- Recognising the role of independent oversight.

Catalyst for change

SoNaRR will:

- Inform the programme for Government, the National Natural Resource Policy (NNRP), and the National wellbeing goals.
- Inform Area Statements, which will provide the operational interpretation of the NNRP. Area Statements will translate the high level strategic priorities while taking account of local need, opportunities and pressures, leading to clearly identifiable local actions.
- Inform continuous response and adaption, or replacement of policies, strategies, programmes, plans, actions and investment decisions so that goals are realistic and natural resource management outcomes are continuously improved.
- Provide a common baseline of evidence to be used throughout Wales to inform decisions made by a range of stakeholders across society such as: businesses, social groups, the third sector and communities.
- Help members of society understand how their actions impact upon the natural resources of Wales and the benefits that they provide so even individuals can identify and prioritise the opportunities where they can make a real difference to shape the future for Wales.

Challenges

Natural Resource Management -

- Natural systems are very complex, highly variable and therefore unpredictable.
- The condition of natural resources is often slow to respond to management actions, taking many years to reverse negative trends.
- Interventions operate at different, spatial, temporal and institutional scales, with many organisations contributing.

Evidence and data -

- Currently our evidence and data relates to specific duties and responsibilities, largely to report to European Directives and therefore does not cover all relevant natural resources in Wales.

- Currently our evidence and data and the way we present it does not provide a full picture of Wales' ecosystems and the social and economic benefits we gain from them.

Approach to preparing SoNaRR

Collaboration:

- Developing collaborative partnerships across sectors and building robust mechanisms that facilitate the acquisition, management and sharing of data on natural resources and their benefits.
- Using an engagement plan to achieve an inclusive approach

Co-production:

- Build a consensus about the state of natural resources and the need for action from a range of stakeholders
- Develop a common analytical framework
- Public bodies will have a duty under the Environment Bill to provide information and assistance to NRW to produce SoNaRR, if requested.
- Work with stakeholders and partners to present the appropriate evidence and data in a relevant format for decision-making at various levels across society.

Evidence:

- Use the best available existing data, from NRW and other organisations.
- Recognise the gaps in our data.
- Take account of the various framework directives and the move in Europe to join data up in a better way, particularly through the EEA State and Outlook Report
- As new evidence comes to light, SoNaRR will be updated at the end of the year before each Assembly election, to allow every new Welsh Government to use the most up to date information.

The Journey

We are at the start of a journey on a route to integration, transforming the way we present and use our data and evidence over time. To manage this progression, there will be a staged approach to the development of SoNaRR.

Where we are now – what will the first statutory SoNaRR look like?

The first statutory SoNaRR will be prepared in 2016. It will present a clear statement on the state and trends of natural resources in Wales, based on the most up to date information in existing data sets. It will identify the gaps in data, which may need to be resolved through future evidence capture programmes. It will highlight the current, biggest pressures on natural resources in Wales. The first SoNaRR will be a report published on NRW's website.

Where we want to be in the longer term:

Our aim in the long term is to provide reports that will detail the changes in the state of natural resources over time. We will describe the outcome of work we and others have carried out to manage the environment in an integrated way, to ensure our ecosystems are resilient and that our natural resources are used wisely. It is expected the challenges facing Wales will evolve over time and the SoNaRR will provide the information to enable adaptation for this. Key action points and potential areas for change will be highlighted.

We will improve the way we present the evidence and data so that we clearly demonstrate the links between resources, benefits, opportunities, threats and actions. We will learn and adopt good practice identified through a review of approaches adopted by other countries and by the European Environment Agency.

We will develop SoNaRR so that in the future it is an accessible, recognised tool for a wider range of users, not only to assist in decision making at a range of scales but for communication and education about the sustainable management of the natural resources of Wales.

It is our aim to set-up a website to enable updates and introduce an interactive element to the reporting. It is hoped the website will, in time, become more interactive and allow automated updates of data from a range of sources, including the public, to give a real-time view of the current state of natural resources in Wales between the statutory reports.

Who will we need to work with?

Customer	Action or Change
Welsh Government Officials	<ul style="list-style-type: none"> Use the evidence and information to help challenge policy and legislative “barriers”; identify new legislation; review, modify and improve policy and deliver integrated sustainable management of natural resources.
Ministers and Politicians	<ul style="list-style-type: none"> To influence political, policy priorities and embed environmental measures into manifestos and the Programme for Government
UK Government, Treasury, Departments and Agencies	<ul style="list-style-type: none"> To understand how the actions of others impact on Wales; to value the contribution of Wales and to provide more money for environmental issues in Wales.
Public Sector Bodies	<ul style="list-style-type: none"> To better understand the dependencies on and benefits of ecosystem services, to enable more sustainable decisions based on environmental as well as socio-economic data; to deliver better informed local plans and planning and deliver their contributions to environmental outcomes.
Public Service Boards	<ul style="list-style-type: none"> To inform the wellbeing needs assessment; to set wellbeing objectives and inform the Public Service Board plans.
Welsh Business including utilities	<ul style="list-style-type: none"> To understand where they need to challenge and change their activities or identify opportunities for investment in actions that can contribute to the sustainable management of natural resources of Wales and beyond; help identify and drive opportunities to address market failures through sustainable management and operations.
Land Managers / Owners	<ul style="list-style-type: none"> To understand they have a role to play to enact change across sectors and that they can save money through managing land sustainably.
NRW	<ul style="list-style-type: none"> To inform management decision that focus on and prioritise development and investment in strategies, plans, delivery programmes and actions to deliver natural resource management outcomes.
Future Generations	<ul style="list-style-type: none"> To make recommendations for delivery of integrated

Commissioner	public services (Well-Being goals) and to inform recommendations to public bodies and to inform the future generations report.
General public Anyone in position to effect change (environment, economic and social outcomes)	<ul style="list-style-type: none"> To understand: the wide range of benefits and opportunities that resilient ecosystems provide; the big picture problems and how they relate to the issues and priorities in their community; how their actions impact on the state of natural resources and empower them to get involved and take personal responsibility to do something about it; where a change in their behaviour or their activity can play a part.
NGOs and Third sector organisations	<ul style="list-style-type: none"> Help them identify where and how they can contribute; to prioritise and identify opportunities where their actions can make a real difference and where they need to work together or develop new integrated ways of working; identify additional evidence they can provide or collect to improve the evidence base for sustainable management of natural resources; influence the political and policy landscape in Wales.
Media	<ul style="list-style-type: none"> Using the right information to get the right messages across that the environment is good for people
Children / young people	<ul style="list-style-type: none"> Data and information to be used to engage, inform and educate so they can identify how their actions impact on state of natural resources and to engender enthusiasm to get involved.
Community councils	<ul style="list-style-type: none"> To understand where and how they can deliver on the national priorities for sustainable management of natural resources as they address the issues and priorities in their local community.
Wales Audit Office	<ul style="list-style-type: none"> To inform audit of NRW
Academia and Research Institutes	<ul style="list-style-type: none"> To identify where they can provide evidence and fill gaps in data, provide advice and share knowledge and expertise.

Annex 3: Proposition for developing Area Statements

Purpose

The purpose of this document is to set out Natural Resources Wales' (NRW) vision for the development and implementation of Area Statements, and the principles and approach we will adopt.

Area Statements will be a key to driving decision-making in a local place, helping to integrate delivery and build more resilient ecosystems. This document describes the elements we need to consider to achieve this aspiration, drawing upon the strategic priorities and opportunities set out in the proposed National Natural Resources Policy (NNRP) produced by WG after publication of the first statutory SoNaRR.

Background

The objective of the sustainable management of natural resources is *to maintain and enhance the resilience of ecosystems and the benefits they provide, and in so doing, meet the needs of present generations of people without compromising the ability of future generations to meet their needs.*

The Environment (Wales) Bill sets the framework within which Area Statements sit. Driving forward meaningful change will depend on discussing and agreeing upon the ability of our natural resources to continue to deliver long-term benefits for the wellbeing of people and communities in Wales. This will need to draw conclusions on prioritised and targeted actions at the appropriate scale of intervention, and use evidence to support decision-making at all levels.

NRW will have a statutory duty to prepare, publish and implement Area Statements and to keep them under review. However, the sustainable management of natural resources is a shared responsibility and we are committed to working in collaboration with others from the outset in developing our approach.

The first Area Statements will be published after the publication of the NNRP, in accordance with the legislative timeframe provided in the Environment (Wales) Bill. In preparing Area Statements we will be mindful of the evidence needs of other planning processes, such as needs assessments under the Wellbeing of Future Generations Act, and land use plans (both Strategic and Local Development Plans).

Our Principles

Area Statements will:

1. Capture the evidence base

- Draw together the evidence we hold about that place to describe the key natural resources and the benefits they are currently providing.
- Describe how the natural resources in that place support the well-being goals.
- Identify the issues and opportunities in the area
- Identify any gaps in our evidence and work with other public bodies and partners to share information

2. Look ahead

- Consider potential threats and risks to wellbeing posed through likely future trends, scenarios and unpredictable events.

- Working with local stakeholders and partners think about the challenges this poses to current decision-making and opportunities that natural resource management provides to address these risks and threats.

3. Prompt change and innovation

- Provide decision-makers with timely information that they can use, learning from successes and failures of the past.
- Provide a link between local and national data that informs and guides the whole community on how we care for the natural resources of Wales.
- Recognise the role of different sectors, exploring their different perspective on issues and opportunities
- Develop innovative solutions to tackling environmental issues that deal with trade-offs and deliver multiple benefits.

4. Drive delivery

- Translate the high level strategic priorities while taking account of local need, opportunities, risks and pressures, leading to clearly identifiable local actions.
- Inform the priority for NRW's operational work at a local level, and be clear about the contributions that others can make.
- Provide a common baseline of evidence to be used throughout the wider public sector as well as informing decisions made by a range of stakeholders such as: businesses, social groups, charities and communities.
- Feed evidence back up to the National level, on the ongoing challenges, opportunities and priorities for the sustainable management of natural resources from the local perspective.

Challenges

- Managing expectations on the speed of change, as well as capacity and capability of NRW to lead – this must be a shared approach.
- Getting the key stakeholders on board and influencing decision-makers at the right scale and at the right times.
- Ensuring that national incentives and funding programmes align to meet the priorities identified through the development of Area Statements.

Our approach to preparing Area Statements

We are at the start of a journey, and we are committed to working and learning from others as we develop the approach.

Area Statements and scale:

- **Collaboration** - We will need to engage with stakeholders to help us decide on the right scale at which Area Statements should be developed.
- **Good practice** - We will draw on learning in Wales and the UK from catchment approaches to managing the water environment, as these have already begun to consider landscape scale solutions to tackle difficult issues such as diffuse pollution.
- **Form follows function** - It is important that we retain flexibility to focus on the appropriate scale for addressing the priorities identified in the National Natural Resource Management Policy.
- **Adapting our evidence** - We recognise that the underpinning environmental evidence used to prepare Area Statements will often be at a catchment or a

landscape scale as this reflects the monitoring data we hold. But we accept we will need to translate this to different spatial scales to make it more meaningful and compelling for the people, communities and decision makers who we need to work with when implementing NRM.

Learning from the trials:

Drawing on the learning from our three area trials we will need to consider:

- Who we need to work with and who we are trying to influence.
- How ecosystems function in complex ways – ensure that interventions at the right scale provide the maximum benefits to environment, cultural, social and economic considerations. This will very much depend on the particular issues or opportunities being considered.
- Reflect places that are relevant and meaningful to people – the relationship between people and the land and sea will be crucial to building understanding, trust, and valuing the benefits.
- Consider the resources available to both NRW and key stakeholders to deliver Area Statements in an efficient and effective manner.

Once areas have been agreed, we will:

- Identify key stakeholders and establish an engagement plan to help us achieve an inclusive, deliberative approach
- Undertake a review of existing plans, programmes and strategies – to identify current actions and opportunities for integration
- Use the best available existing data and evidence, including that held by other organisations. Recognise the gaps in our data and where other sources of evidence can help address those, including stakeholder opinion and local knowledge.
- Produce, with others, an assessment of the options for addressing the relevant key priorities and opportunities identified in the National natural resources policy, working with public service boards to include local well-being needs, and shape well-being plans.
- Co-produce a document that prioritises actions and opportunities that delivers within this context

We envisage that the final document will be clear on the priority actions, risks to, and opportunities for enhancing natural resources, the resilience of ecosystems, and securing their long-term benefits, as well as who needs to be involved in their management.

We will continue to work with others to ensure this information is provided in a format that is best suited to its purpose.

Who will we need to work with?

Customer	Action or Change
WG Officials	<ul style="list-style-type: none"> • Use Area Statements to refine Wales' priorities / context • Inform policy from learning about local issues. Support the process • Consider changes to policy if necessary • Reflect who national issues manifest themselves at a local scale to inform policy implementation options (in second cycle) • Produce a policy framework that enables delivery – align incentives
NRW	<ul style="list-style-type: none"> • Facilitate the process • Inform decision making, priority setting and resource allocation, drawing on both NRW's & partners knowledge • Reflect the local context to enable integrated action • Look for multiple benefits in all work areas • Drive alignment of other plans with NNRP and AS • See the big picture – manage and regulate for priorities that drive resilience and wellbeing rather than one or two narrow environmental outcomes • Bring experience and skills to the table • Deliver the outcomes – both ourselves and with others
NRW Board Members	<ul style="list-style-type: none"> • Help to act as ambassadors of the area statements – build relationships with business and other sectors
Public Service Boards	<ul style="list-style-type: none"> • To inform the wellbeing needs assessment and to set wellbeing objectives within PSB plan • Influence public service delivery plans and our plans (two way)
Local Planning Authorities	<ul style="list-style-type: none"> • Help them to set out the constraints and opportunities for land use planning (and the acceptable conditions for development – i.e. well designed) • Influence planning decisions
Local Authorities	<ul style="list-style-type: none"> • Help them to work more collaboratively and provide the evidence needed to consider the multiple benefits • To influence local authorities to deliver more with the natural resources within their control. Refer to area statements in their own plans. Recognise the long-term financial benefits of better natural resource management.
Land Managers / Owners – reflecting the differences (e.g. agriculture, forestry)	<ul style="list-style-type: none"> • Understanding they have a key role to play, work with their interests at the heart of the sustainable management of natural resources • Change land management to move towards better ecosystem resilience, economic and social resilience too, in a way that continues to support agriculture and forestry.
Business, industry, utilities	<ul style="list-style-type: none"> • To identify opportunities to support and develop

companies and renewable energy sectors	<p>green local economy, value added, closed loops.</p> <ul style="list-style-type: none"> • Being specific about opportunities and constraints
Health Sector / Health Boards	<ul style="list-style-type: none"> • Help target interventions to pool resources and maximise mental and physical health benefits. • Actively use the environment as a resource for improving well-being – for example, to consider outdoor spaces as part of exercise referral process. Recognise the benefits of good quality green space to health and wellbeing.
Local Communities (being clear about who we mean in each case)	<ul style="list-style-type: none"> • Get a better understanding of their place and what makes it tick • Gain buy in and support & understand trade offs – demonstrate that they have a stake and interest • Reflect their needs, what they consider important and inspire engagement / desire to get involved • Influence them to recognise the benefits of a better managed environment, and inspire them to get involved • Help communities to achieve wellbeing through appropriate sustainable use of local natural resources
NGOs Third sector organisations	<ul style="list-style-type: none"> • Identify opportunities where their actions can make a real difference, help them prioritise • Raise awareness of local issues and opportunities • Be involved in the process, in delivery, and bring in expertise and experience • Focus attention and resources where it will have most benefit • Influence work programmes and direct effort towards the local priorities and issues. Encourage them to look for multiple benefits & recognise the need for trade offs.
Recreation users	<ul style="list-style-type: none"> • Help understand resources available to them. • Help to better manage conflicts between users
Local education authority / higher education / outdoor education providers	<ul style="list-style-type: none"> • To provide the place based context for environmental education • To help understand the interactions between local environment, social and economic factors – e.g. where money is unnecessarily leaking from the local economy – to drive behaviour change
Academic and Research institutions	<ul style="list-style-type: none"> • To help target gaps in knowledge
Funders	<ul style="list-style-type: none"> • Influence future investment