

# Evidence Briefing

## Climate Change, Environment & Infrastructure Committee Annual Scrutiny of Natural Resources Wales – January 2022

Update on briefing on key issues and progress made since December 2020.

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## **Introduction**

We are pleased to have been invited to give evidence to the new Climate Change, Environment and Infrastructure Committee. To supplement the detail of our annual report, we have outlined below some areas of work in order to update committee members on more recent activity.

## **Covid Response and Renewal**

Following the Welsh Government decision to move to Covid Alert Level 0 in August, we updated our recovery guidance to staff to allow some increased flexibility for inter-office travel and indoor meetings. We continue to update and follow our own Covid Functional Risk Assessment to minimise the ongoing and very real risk of infection. In line with Welsh Government's position, we continue to encourage all staff to work from home where they can.

Given the move to Level 0, we stood down the Strategic Incident Response, Recovery and Review Group, who oversaw our collective response to the pandemic from the outset. In doing so we reviewed any ongoing risks and issues that SIRRRG were managing and ensured they were transferred either to the relevant business as usual mechanisms or the Adfywio/Renewal programme which is considering our future new ways of working approach in light of Covid and to respond to the climate and nature emergencies. The Covid Tactical Response Group continues to meet regularly to ensure any new Covid-related issues are captured and addressed and we have also initiated an incident review, which will look at the effectiveness of our response over the duration of the pandemic and we are also assessing of the impact that Covid has had on the delivery of our functions over that time.

In October, we started the first of our hybrid working trials, focusing on Tŷ Cambria in Cardiff, Maes y Ffynnon in Bangor and our Crosshands offices. Following the initial trial, we will extend the trials to include more offices and staff and review our home / flexible working policies, with a view to formal changes later in 2022. The second phase of the hybrid trial has been delayed due to Welsh Government (WG) guidance issued in October which requires us to continue to work from home where possible and to delay any phased return to offices through the winter period. As a result, the hybrid trials and the planned move to 40% of occupancy has been delayed.

With the move to Alert Level 2 in December, NRW has taken a robust position in order to protect our staff and stakeholders to include the reinforcing of the Work From Home (WFH) message and we are doing all we can to support our staff to work in this way. We recognise that there may be situations where it is unsafe or unfeasible to work from home, and as a result of ongoing risk assessments we have implemented appropriate mitigations.

The Adfywio/Renewal Programme Board is progressing well and continues to take relevant decisions and undertake actions in place of the Strategic Incident Response, Recovery and Review Group. The Tactical Response Group continues to meet regularly to ensure any

new of Covid-related issues are captured and addressed. The Programme is developing strategies for the built and fleet estate as well as considering how we work with our staff and customers in the future.

We are preparing our baseline for Carbon and Financial costs in order to measure against targets to be determined on the publication of the space and travel strategies. Budget submissions are being prepared which will include the funding needed to progress the planning and prioritisation work and will also identify any potential invest to save requirements when considering disposal, acquisition or improvements of our built and fleet estate.

### **Green Recovery**

At the request of the previous Minister, NRW Chair Sir David Henshaw convened an independent Green Recovery Task and Finish Group in May 2020 to identify priorities for action for a green recovery with social justice as a guiding principle. The Group were also tasked to develop a shared plan to stabilise the environment third sector and brought together a broad range of strategic multi-agency partners to develop and support the implementation of collective priorities, framed around the recovery from the pandemic.

Key achievements have included:

- A Priorities for Action Report identified a range practical actions based on a 'call for ideas' with a total of £5.3m allocated, primarily through the WLGA to local authorities and a selection of smaller projects. The WLGA and LAs believe that the use of the Green Recovery funding to deliver priority themes has been extremely successful.
- The 'Green Recovery: Supporting the environmental sector in Wales' report was published, which focuses on the recommendations of research to inform the development of a plan to stabilise the environment third sector. Based on findings from this report, the Group helped to secure £900K of funding through the National Heritage Lottery Fund to support Sector Sustainability in a variety of areas, including support for organisational development such as Equality, Diversity and Inclusion training.
- The proposal for a National Nature Service (NNS) has also arisen from the outputs of the group. The NNS will be a Wales-wide system that mobilises people in support of nature recovery, acting as a platform that links people of all ages with opportunities for nature-based training, apprenticeships, employment, enterprise and volunteering.

The Group have now agreed to continue their work, with a commitment to build on the energy, momentum and collective power gained from the past year. The Chair has met with the Deputy Minister for Climate Change and he is in support of the group continuing. A

review of the Green Recovery Group structure will further maximise collaboration, increase communication and accelerate action and delivery. The Group will continue to be convened by NRW and directed by the membership. A 'Green Recovery: Welsh Environment Sector Group' is being formed to take forward the recommendations from the report which will be co-convened by NRW and WG but directed by the sector. The NNS continues to develop with broad stakeholder collaboration.

### **Baseline Exercise**

Following the election in May 2021, the new Welsh Government has been clear about its ambitions in terms of tackling the climate and nature emergencies and placing these at the heart of the Government's Programme for Government. These ambitions are set against a highly-challenging funding environment, with a decade-long austerity agenda placing significant pressures on the Welsh Government's budgets and those of the wider Welsh public sector.

We are undertaking a comprehensive baseline review of our activities and are continuing to work closely with the Minister and her officials to consider approaches to prioritisation in light of different budget scenarios. Recognising both the Government's ambitions as well as the ongoing budgetary pressures, NRW committed to documenting the services we provide, the outcomes supported, and the resources committed to delivery. Our purpose in undertaking this baseline exercise is to establish a common understanding of the current position which will ensure that:

- resources are aligned to defined priorities and outcomes
- resources are used in the most effective and efficient way, driving value for money.

Following this baseline work, we will receive a Term of Government letter from the Minister in which she will set out her priorities to allow NRW to plan to deliver key Welsh Government priorities.

### **COP 26 & COP Cymru**

Our CEO Clare Pillman was invited to a number of sessions at COP26 and before travelling to Scotland, attended a TEDx event in Theatr Clwyd which showcased the thoughts and ideas of young people as to how to combat the climate crisis. This provided unique and valuable insight ahead of events at COP26, where she chaired a panel on Distributed Leadership which included the First Minister, Lord Deben, Dr Anna Bullen from the CAT Centre, and youth activist Poppy Sewell-Evans.

Key NRW staff also attended COP26 and led the delivery of the Inter-agency Climate Change Group exhibition stand which included stand design, case study development and website design. We also facilitated and participated in a BBC Network live broadcast from Pen Y Cymoedd wind farm during COP26 to highlight the Habitat Management Plan.

We also worked closely with Welsh Government on the planning for COP Cymru events, participating in the regional green zone roadshows in the run up to Wales Climate Week later in late November. Colleagues from across NRW took an active role in the delivery of thought-provoking sessions throughout the Week, each focussed on stimulating important discussions around how the people of Wales must all work together to shape a climate and nature positive future.

Following her visit to Glasgow, Clare Pillman joined Julie James MS, the Minister for Climate Change, Lord Deben, Chairman of the Climate Change Committee and Sophie Howe, Future Generations Commissioner at the opening session of the week to discuss the different levels of leadership required to tackle the climate emergency in Wales.

NRW also led a panel discussion on flood risk management and climate change mitigation, and another on the role nature has to play in climate resilience with a focus on Wales' National Peatland Action Plan. We also took part in a session on the impacts of climate change on the sea and its ecosystems.

### **Winter Preparedness**

We are prepared for responding to winter storms but, as for all organisations involved, responding to the increasing frequency and severity of flooding is very challenging. We operate a 24/7/365 incident service, but the effectiveness of our response depends on the geographical extent, the severity and the duration of flooding or environmental incidents, plus the frequency (e.g. many storm events back-to-back has a cumulative impact as does the longevity or complexity of an environmental incident).

We will always do our best, and our experience is that our staff do step up when required enabling us to cope with many scenarios - but the reality is no organisation can truly cope with all scenarios, and not all flooding can be prevented every time. As needed, we will prioritise activities during significant events, focusing on issuing flood warnings, operating our critical assets and communicating with partners and the public on the priority tasks, alongside ensuring the well-being, health and safety of our staff.

We have skilled and dedicated staff, many with substantial experience, and established systems and processes in place to respond to flooding events, with emphasis on our key roles for issuing flood warnings, our operational activities and the multi-partner response. There are some challenges in recruiting staff to new or vacant posts due to the currently very competitive market and shortage of skills across the sector, resulting in capacity issues for us and so we launched a high profile recruitment campaign in November this year to focus on this activity.

We have made improvements to our incident management activities, with many linked to the Flood Review. However, many actions in the Flood Review are more complex with interdependencies, and we identified in the Flood Review that delivery for these will be over

the longer term. We are progressing these, within the resources available. Our capital programme delivery is also going well, with several key schemes on site, and projects for new flood schemes and improvements to existing defences under development.

### **Trail hunting on Welsh Government Woodland Estate (WGWE)**

The trial of Mark Hankinson, a director of the Master of Foxhounds Association, MFHA, concluded at Westminster magistrates court with Mr Hankinson being found guilty of encouraging or assisting others to commit a crime under The Hunting Act (2004). Pending the outcome of the trial, we suspended all trail hunting and access permissions for trail hunts on the NRW estate, including the WGWE.

We had a Master Agreement for seeking permissions for trail hunting over the NRW estate with the Hunting Office's governing body, the Masters of Foxhounds Association (MFHA), which expired on 30th September 2021. Without an agreement with the MFHA there is no longer a framework for individual hunts to carry out trail hunting on the estate.

The issue was discussed by NRW's board on 18 November, who decided that the outcome of the court case against a senior leader of the MFHA has resulted in a loss of confidence in that organisation's ability to ensure its activities are carried out within the law and the terms of its agreement. As all trail hunting on the Welsh Government Woodland Estate was managed under this agreement, we have decided to end the activity on the estate with immediate effect.

To assure ourselves that trail hunting on our estate was not being used as a cover for illegal activity, we would have to invest in the skills and resources that we currently do not have in order to police it properly. Given what has historically been a minor use of the land we manage, it was decided that this does not represent good use of NRW's resources.

### **Water Quality**

Our rivers are one of our most important natural resources – they provide water to drink, homes for wildlife and sustain livelihoods. But the pressures upon them are great. Climate change, declining biodiversity and the way we all live today are all real challenges to the health of our rivers. It is clear that we all have a role in improving the conditions of rivers across Wales. Improving the health of our rivers is the long-term aim and it is not an issue for one sector alone. Collectively, we need to develop long term, catchment-scale solutions to addressing the issues of nutrients in our rivers. This includes establishing practical nature-based solutions such as river restoration programmes that can both improve water quality and habitat but also reduce nutrient inputs.

In January 2021 we published a report in which we presented our compliance assessment for phosphorus in river SACs against revised targets. There are nine river SACs in Wales – the Cleddau, Eden, Gwyrfai, Teifi, Tywi, Glaslyn, Dee, Usk and Wye. The evidence review showed that over 60% of SAC water bodies were failing standards for phosphorus. The river with the highest level of phosphate failures was the Usk with 88% of its water bodies

failing their target. Over 60% of river sections on the Wye and Cleddau failed their targets. The lower Teifi and parts of the Dee also failed to reach the standards.

The Court of Justice of the European Union (CJEU) judgment on the 'Dutch Nitrogen' cases affects the assessment of plans and projects under the Habitats Regulations. As a result of the decision the scope for authorising new development that will lead to additional nutrient loading is likely to be limited where the conservation status of the SAC is unfavourable due to nutrient standards being exceeded. A recent Phosphate Impact Statement produced by the Local and National Park Authorities cited 9,763 housing units and an anticipated 1725 affordable units affected by the SAC phosphates issue.

In response, a project has been set up within NRW to establish new policy and positions, and deliver advice, tools, procedures to ensure our permitting and regulatory functions have no detriment to SAC Water Quality. It also aims to fully understand water quality compliance issues and targets across all nine riverine SACs, and establish longer term responsibilities for water quality evidence gathering in riverine SACs and cyclical compliance assessments.

Current priorities include developing guidance on nutrient neutrality and use of calculators, updating the planning advice for Local Planning Authorities and investigation of options for reviewing existing permits. We are also working on the assessment of the other water quality attributes, developing position statements on potential solutions and awaiting legal advice on any implications of the Dutch cases rulings for other SACs, e.g. marine sites. There is ongoing work on our future approach to permitting small discharges in the failing SAC catchments.

Welsh Government has established an oversight group which includes representatives from across the relevant policy departments as well as key external stakeholders to provide a focus for a multi sectoral response to the current situation on the SAC rivers, as well as the Planning sub-group. We will also be part of the Nutrient Management Boards (NMB) when set up for the failing rivers, with the River Wye NMB already established.

As you will have seen from Sir David's recent letter to the Committee on sewage discharges, we have been working with Dwr Cymru and Hafren Dyfrdwy for a number of years on a programme of investigations where sewage works have been deemed to be non-compliant against their permit. We take the issue of storm overflows and unpermitted assets very seriously and have issued enforcement notices where we feel action is not progressing as required. These challenges sit within the context of wider water quality matters and other pathways for nutrients and other materials to enter the water courses. As noted, we are working hard with other partners to prioritise and address these matters.

### **Board Recruitment**

In September this year, the Minister for Climate Change made three appointments to the NRW board. We are delighted that Professor Calvin Jones, Mark McKenna and Paul

Griffiths have joined us, and they are already bringing a wealth of experience and expertise to our board committees and discussions. These appointments are for one year and, as we will have two further vacancies next autumn, we are currently working with Welsh Government to support the recruitment process for when these roles come to the end of their terms.

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