

## **HRLN 39 - Evidence from: Dŵr Cymru Welsh Water**

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Senedd Cymru | Welsh Parliament

**Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith | Climate Change, Environment, and Infrastructure Committee**

**Atal a gwrthdroi colli natur erbyn 2030 | Halting and reversing the loss of nature by 2030**

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Annwyl Llyr,

Thank you for the invitation to give evidence to the Senedd's Climate Change, Environment and Infrastructure Committee on halting and reversing the loss of nature by 2030. In advance of our oral evidence, we provide the following written submission and would be happy to address any further points Members may wish to raise at the evidence-gathering session on 3rd October 2024.

We face a biodiversity crisis in Wales, where our shared environment is under threat from habitat loss, fragmentation and over-exploitation. We support the Nature Emergency declared by the Senedd in 2021 and are committed to playing our part in the Welsh Government's Nature Recovery Action Plan to increase the health and resilience of the ecosystems on which we all depend.

As the largest water company in Wales, we are dependent on a healthy environment in order to sustain the services we provide to our customers and have a key role to play in safeguarding it. We therefore remain fully committed to protecting and enhancing biodiversity right across our operating area and to contributing meaningfully to the long-term health and resilience of Welsh eco-systems – whether through protecting habitats, continued collaborative efforts, clear action plans, and practical conservation measures.

Our commitment to protecting and enhancing biodiversity is evidenced by our clear vision to 2050 which puts the environment at the heart of everything we do. Our [Biodiversity Strategy](#) sets out our ambitions, objectives, and action plans to maintain and enhance biodiversity and ecological resilience across our operational assets and landholdings, within the fulfilment of our core duties. Our approach is to support the Welsh Government and Natural Resources Wales to address the biodiversity crisis we face in a way that is aligned with delivery of our functions. Our strategic objectives focus on the following areas:

1. Restore habitats and look after the protected sites in our ownership
2. Work in partnership with our regulators and stakeholders and promote research opportunities
3. Improve the management of invasive non-native species (INNS)
4. Develop and engage our colleagues as ambassadors and work better to understand our customers' expectations
5. Maintain and enhance biodiversity at our operational assets and landholdings

We are required under the Environment (Wales) Act to prepare and publish a report every three years to demonstrate that we have achieved our biodiversity duty. We have an enhanced duty whereby Section 6 requires public authorities (including water companies) to 'seek to' maintain and enhance biodiversity rather than just 'have regard' to its conservation. To meet that objective, we need to be proactive in understanding the potential impacts of our operations so that we can prepare and mitigate accordingly.

Our most recent report is entitled '[Doing the Right Thing for Nature 2022](#)' which sets out progress against the plans contained in the original 2020 '[Making Time for Nature](#)' plan. Some of our key activities to date include:

- **Investing to safeguard the environment:** We are investing significantly in our infrastructure and tailoring schemes to reduce phosphorous, which is the main driver of ecological failure, in our Special Area of Conservation rivers. Some examples include:
  - investing more than £9 million into helping bring four Welsh rivers into good condition — the Teifi, Cleddau, Tywi and Usk with an estimated 500 kilometres of river improved.
  - Investing an additional £60m specifically to reduce phosphorus in the five failing Special Area of Conservation (SAC) rivers in our operating area. Delivering this comprehensive programme of upgrades to our treatment works will remove 90% of our fair share of phosphorous by 2030.
  - investing over £4.5 million to conserve quaking bogs. Areas targeted will include Crymlyn Bog on the outskirts of Swansea as well as St David's in Pembrokeshire and on the Llŷn Peninsula. Not only will this project restore the peat land but also help preserve very rare species — including Britain's largest spider, the great fen raft spider at Crymlyn and the marsh fritillary butterfly in Pembrokeshire and Gwynedd.
- **Nature-based solutions:** these solutions offer one way of delivering wider benefits of investment, and providing 'best value' taking into account factors such as community wellbeing, greenhouse gas emissions, and biodiversity. We welcome the importance placed on nature-based solutions in the Welsh Government's SPS and in Ofwat's PR24 Final Methodology. We want to scale up the use of nature-based solutions over the next AMP periods. The environmental investment programme that is planned will have a far bigger beneficial impact for Wales if delivered primarily through nature-based solutions rather than through traditional 'grey' or 'concrete' solutions. We were early adopters of nature-based solutions in the water industry, notably in the case of the RainScape approach which was designed to slow down and mitigate the flows of storm water into the sewers in the Llanelli area, that were then overflowing into the Loughour Estuary.
- **Environment Fund:** We launched an Environment Fund that offers financial assistance to community and third-sector projects focused on enhancing biodiversity. The fund has had considerable success, having invested over £3m to date on a wide variety of projects to benefit species or habitats that are protected for nature conservation.

- **Innovative Projects:** We are committed to delivering innovative schemes like using "Agri Sound" which monitors the presence of pollinators (bees, butterflies, etc.) and captures data to enhance pollinator activity, as well as our wetland developments that naturally treat water while creating habitats for wildlife.

Almost all our biodiversity work over the last 10 years has been in partnership with a public body such as Natural Resources Wales (NRW), or an environmental trust like RSPB. We will build on these partnerships to progress improvements to both aquatic and terrestrial environments in the fulfilment of our functions as evidenced by the LIFE Dee River project. This is a £6.8m project funded through multiple stakeholders, including Welsh Water, to transform the River Dee and its catchment by restoring the river and its surroundings back to their natural state. The Dee is the largest river in North Wales and is a highly regulated river as well as being designated as a Special Area of Conservation (SAC).

The project which started in 2019 and is due to complete in December 2024 will look to remove the constraints to fish migration and improve wider ecological connectivity, restore or improve physical features along river banks, improve agricultural and forestry land management practices to reduce the input of nutrients and sediment entering the SAC, as well as establish and build long-term positive relationships with key stakeholders during and beyond the life of the project. The project will also initiate conservation management for the critically-endangered freshwater pearl mussel. Key progress made as part of this project includes:

- 15,000 trees planted alongside the river
- 730 metres of natural bank stabilisation
- 4,250 tonnes of gravel introduced into the river
- 36 kilometres of fencing erected to create riverside corridors
- 1,000 tonnes of boulders reintroduced into the river
- 7 barriers removed or adapted to help fish migration

As a responsible business operating on behalf of the people of Wales, we continue to reduce our environmental footprint, whether in relation to nutrients in rivers, carbon emissions, or the impact on biodiversity of our capital programmes. We are seeking wherever possible to take a joined-up approach and work with partners and stakeholders to drive solutions where we use all available resources together most effectively for environmental and biodiversity benefit.

***The effectiveness of current policies / funds / statutory duties in halting and reversing the loss of nature by 2030***

The effectiveness of current policies, funds, and statutory duties in halting and reversing the loss of nature by 2030 can sometimes be impacted by differing approaches being adopted amongst regulators. For instance, differences between peatland management and forestry practices illustrate

how the lack of alignment can hamper conservation efforts. A consistent and detailed set of action plans are crucial to guide all stakeholders in a unified direction, ensuring that each party understands and follows a common strategy to achieve shared environmental goals.

A further example highlighting the need for a consistent approach to policy relates to the divergence between UK Government and Welsh Government policy in tackling river water quality. In Wales, in line with Welsh Government policy, the focus is on tackling storm overflows causing environmental harm first, as opposed to reducing spill frequency, as in England. This allows us to go further and faster, with the resources we have, to improve river and coastal water quality in Wales. Tackling spill frequency alone is unlikely to achieve this as it could mean focusing on storm overflows that operate frequently but aren't necessarily causing harm to the environment. This is because not all discharges equate to pollution incidents or cause harm, as discharges should contain mostly rainwater, meaning any sewage contained is highly diluted.

We support the approach taken by Welsh Government and NRW to develop a comprehensive plan to address all the constituent elements of this key environmental issue, and we will contribute appropriately to the agreed approach.

#### ***Progress towards Implementing the Biodiversity Deep Dive Recommendations***

As a key stakeholder committed to environmental protection, we wish to highlight some areas where we believe further clarity and collaborative working could ensure successful outcomes following the Biodiversity Deep Dive Recommendations.

We would welcome more additional advice following the Biodiversity Deep Dive recommendations. It is essential in this shared challenge for stakeholders like Dŵr Cymru Welsh Water to have a comprehensive understanding of the goals, expectations and clear plan in order to align our efforts more effectively and work cohesively towards common goals. A workshop for stakeholders to enable the sharing of best practice, encourage collaborative opportunities, and discussions on how to practically implement the outcomes of the Biodiversity Deep Dive would help embed a 'Team Wales' approach.

We remain committed to contributing to Wales's biodiversity goals through the PR24 forum. However, with greater collaboration, we believe significantly more progress can be made towards protecting and enhancing the natural environment in Wales and lead to better environmental outcomes.

#### ***Current Arrangements for Monitoring Biodiversity***

Effective and consistent biodiversity monitoring to ensure the protection and enhancement of our natural ecosystems is vital. Looking ahead, as part of our Business Plan for 2025-2030, we have plans to further monitor biodiversity. We intend to use a biodiversity metric that will enable us to monitor certain sites effectively. However, we believe that a broader, overarching assessment framework is needed—one that encompasses all relevant stakeholders and allows for meaningful comparisons across different sites and regions. This would facilitate a more comprehensive understanding of

biodiversity trends and support more coordinated conservation efforts of Wales's natural environment.

We also see potential in leveraging new technology and ideas to help collect data more effectively and enhance our biodiversity monitoring capabilities. Integrating this could improve the accuracy and reliability of our assessments, leading to better-informed decisions and more effective conservation strategies.

### ***New Approaches Needed to Halt and Reverse the Loss of Nature by 2030***

We are committed to playing our part to halting and reversing the loss of nature. However, there are several key areas that must be considered:

Firstly, a cohesive 'Team Wales' approach is crucial for maximizing the impact of conservation efforts. To facilitate this, there is a need for a dedicated role or function specifically designed to bring together various stakeholders, including businesses, government bodies, and community groups. This role should focus on fostering collaboration, identifying synergies, and coordinating joint efforts to achieve shared environmental goals.

Awareness and education are fundamental components of any effective strategy. It is important that educational initiatives begin at home and involve all sectors. At Welsh Water, we are proud of our education offer that has biodiversity and climate change at its heart. Our programme has reached 780,000 pupils since the programme began in 1998.

Support for accelerating the use of nature-based solutions (NBS) is vital as a new approach needed to halt and reverse the loss of nature. Integrating NBS into infrastructure projects as standard can enhance our environmental resilience and ensure that these approaches become a regular part of our development practices.

While 2030 is a crucial milestone in the fight against environmental degradation, many conservation objectives will require more time to achieve, sustainable, impactful efforts. Awareness of different funding cycles among companies and organisations can facilitate better coordination and resource allocation. Aligning funding mechanisms and schedules will help bring stakeholders together and support more effective implementation of biodiversity initiatives.

### **Summary**

We would welcome a visit by the Committee to one of our latest Nature-Based Solution (NBS) in New Inn, near Pontypool, that treats discharges from a SO before releasing it to the Afon Lwyd. The £13m investment will achieve a 'No Impact' outcome and the solution consists of storm discharges first passing through a new mechanical screen after which flows gravitate first through a series of aerated reed beds and then through constructed wetlands to provide natural treatment before releasing to the river. This will deliver a wetland habitat for aquatic life, enhanced biodiversity, new woodland areas and improved public amenity through footpaths and natural play spaces.

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Dŵr Cymru Welsh Water supports a collaborative, well-resourced, and clearly structured approach to halting and reversing nature loss. We urge the adoption of a 'Team Wales' approach, enhanced educational efforts, realistic action plans, integration of nature-based solutions, practical targets, and better alignment of funding cycles to achieve these important objectives.

Thank you for giving this matter your consideration. We hope that this has been helpful, and we look forward to the opportunity to discuss this further in the oral evidence session in October.

Yours sincerely



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**Dŵr Cymru Welsh Water**