



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Amgylchedd a Chynaliadwyedd **The Environment and Sustainability Committee**

Dydd Iau, 23 Ionawr 2014
Thursday, 23 January 2014

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Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Yr Arglwydd/Lord Elis-Thomas	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Russell George	Ceidwadwyr Cymreig Welsh Conservatives
Llyr Gruffydd	Plaid Cymru The Party of Wales
Mike Hedges	Llafur (yn dirprwyo ar ran Mick Antoniw) Labour (substituting for Mick Antoniw)
Julie James	Llafur Labour
Julie Morgan	Llafur Labour
William Powell	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Antoinette Sandbach	Ceidwadwyr Cymreig Welsh Conservatives
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Alun Davies	Aelod Cynulliad, Llafur (y Gweinidog Cyfoeth Naturiol a Bwyd) Assembly Member, Labour (Minister for Natural Resources and Food)
Prys Davies	Llywodraeth Cymru Welsh Government
Mike Harvey	Cyfarwyddwr, Meithrinfeydd Coedwig Maelor Cyf. Director, Maelor Forest Nurseries Ltd
Tim Jones	Cyfarwyddwr Gweithredol—Y Gogledd a'r Canolbarth, Cyfoeth Naturiol Cymru Executive Director—Operations North and Mid Wales, Natural Resources Wales
Jerry Langford	Cyfarwyddwr Cymru, Coed Cadw Director Wales, Woodland Trust
James Morris	Llywodraeth Cymru Welsh Government
Kath McNulty	Rheolwr Cenedlaethol Cymru, Confor National Manager for Wales, Confor
George McRobbie	Rheolwr Gyfarwyddwr, UPM Tillhill Managing Director, UPM Tillhill

Jeremy Parr	Pennaeth Rheoli Peryglon Gweithredol a Llifogydd, Cyfoeth Naturiol Cymru Head of Flood and Operational Risk Management, Natural Resources Wales
Andrew Slade	Cyfarwyddwr, Amaeth, Bwyd a'r Môr, Llywodraeth Cymru Director, Agriculture, Food and Marine, Welsh Government
Terri Thomas	Llywodraeth Cymru Welsh Government

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Alun Davidson	Clerc Clerc
Elfyn Henderson	Y Gwasanaeth Ymchwil Research Service
Catherine Hunt	Dirprwy Glerc Deputy Clerk

09:33

Dechreuodd y cyfarfod am 09:33.
The meeting began at 09:33.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions

[1] **Yr Arglwydd Elis Thomas:** *[Inaudible.]*—to two sessions this morning. The first relates to our inquiry into the whole question of sustainability and sustainable land management in Wales. We are giving particular attention this morning to the common agricultural policy and the Minister's statements. Before we turn to that, I pass on an apology from our colleague, Mick Antoniw, who is currently on European business, literally. We wish him well on his visit to Kiev in the Ukraine. We are very pleased that we have a Member who can visit as one who has direct links with that country. We welcome Mike Hedges as a substitute for him. We still do not have anyone to fill the vacancy left by Vaughan Gething, the Minister, but I do not see as being able to solve that particular situation for some time, perhaps. We will move on to our work.

09:35

**Diwygiadau i'r Polisi Amaethyddol Cyffredin: Tystiolaeth gan y Gweinidog
Adnoddau Naturiol a Bwyd
Reforms to the Common Agriculture Policy: Evidence from the Minister for
Natural Resources and Food**

[2] **Yr Arglwydd Elis-Thomas:** Minister, there has been a response to your statement before Christmas, particularly in relation to the 15% in pillar 1. Was that response a surprise to you or do you feel that the response been more proportionate, where your decision has been better understood and accepted by agricultural stakeholders and the rural community as a whole?

Weinidog, mae ymateb wedi bod i'ch cyhoeddiad cyn y Nadolig, yn arbennig ynglŷn â'r 15% ym mhiler 1. A oedd yr ymateb yn syndod i chi neu a ydych yn teimlo bod yr ymateb wedi bod yn un mwy cymesur, lle mae'ch penderfyniad chi yn cael ei ddeall a'i dderbyn yn well gan randdeiliaid amaethyddol a'r gymuned wledig yn gyffredinol?

[3] **Y Gweinidog Cyfoeth Naturiol a Bwyd (Alun Davies):** Diolch i chi, **The Minister for Natural Resources and Food (Alun Davies):** Thank you, Chair. Gadeirydd.

[4] I made my statement to the National Assembly last week, outlining my intentions as to how we would structure pillar 1 payments over the next seven years. There are a number of different components to that decision, and each one was dependent upon the other. You asked me whether I was surprised by the reaction to different elements of that, particularly the transfer issue. I think that I was probably surprised that there appears to have been very little comment at all on the structure of the payment system. We took a decision on the three land region model, as you are aware, and we took decisions on some of the indicative payment rates, certainly the payment ratios, as initial decisions on those issues. Looking across the country, that seems to have been quite well received. Certainly, looking at the written responses that we have had, they seem to be very measured, so I think that, probably, there is a recognition—certainly in the feedback that we are getting from different people—that that is broadly the right direction to take. I think that, partly because there has been very little comment on that particular issue, the comment is focused on the transfer issue rather than payment structures, which are, arguably, the more important decision.

[5] In terms of where we are on the 15%, pillar 1 is already modulated at 12%, so we are talking about a relatively marginal increase of 3%. We believe that these are very much ballpark figures in terms of looking forward. We believe that it could be around £9 million per year when the payment system settles in, but that is dependent on what payment claims are being made. So, we are looking at a figure that is not overly large in terms of a budget of £1.8 billion.

[6] However, it is critical for us to build up a rural development plan that is able to maintain investment in agricultural businesses over the future period. Looking at where the money from the RDP, pillar 1 and pillar 2, goes, the farming community has 100% of pillar 1 and 80% of pillar 2. It is important that we are able, within the rural development plan, to support and sustain investment, certainly in farming businesses, but also in the rural economy, within which farming is located. We all understand and know that farming is not isolated or insulated from the wider rural economy, and it is an extraordinarily important component of that economy. We need to be able to, first, invest in the future of agriculture and, secondly, in the wider economy. It is certainly important, from my perspective, that we are able to invest in a financial model for agricultural businesses that is viable, not only in the short term, but in the long term. If you look at some of the numbers that we have seen this week in terms of farm business incomes, but, perhaps more importantly, at some of the figures that we

produced before Christmas in terms of how those numbers are constructed, then you will see that, if we constantly and only and uniquely rely upon a payment system that is declining in value in absolute and in real terms, many farms in Wales will not be viable in the future. It is to avoid that and to create a financial model for agriculture in Wales, particularly the uplands, that is viable for the future that we have taken the decision to increase the size of the RDP, where possible, in order to make those investments.

[7] **Llyr Gruffydd:** Bore da. Hoffwn ddechrau drwy holi ynglŷn â rhai o'r ystadegau yn eich papur—a diolch i chi am y wybodaeth, gyda llaw. Rydych yn dweud bod toriad yn y gyllideb—*cash cut*—o 1.6% ym mhiler 1 o'i gymharu â 2013. Mae pobl wedi cysylltu â mi i ddweud nad yw hynny'n gywir oherwydd bod y ffigur hwnnw wedi cymharu cyllideb ôl-modiwlleiddio piler 1 2013 gyda chyllideb *pre-pillar transfer* 2019. Felly, mae'n anghyson, mewn gwirionedd. A allwch roi eglurder i ni ynglŷn â sut rydych wedi dod at y ffigur hwnnw, os gwelwch yn dda?

Llyr Gruffydd: Good morning. I would like to start by asking about some of the statistics in your paper—and thank you for the information, by the way. You say that there has been a cash cut to the budget of 1.6% in pillar 1 as compared with 2013. I have had people contacting me to say that that is not accurate, because that figure compares the post-modulation budget for pillar 1 in 2013 with the pre-pillar transfer for 2019. Therefore, it is inconsistent, in reality. Could you give us some clarity as to how you came to that figure, please?

[8] **Mr Slade:** The 1.6% cut that is referred to in the UK documentation relates to the figures at the end of the process in 2019. It is a cash figure, not a real-terms figure. So, although the cash cut to the budget across the EU in relation to the CAP is just under 2%, the real-terms cut is somewhere in the order of 13% by the end of that period.

[9] The comparisons are very difficult to do, because you have a different set of instruments applying in these new regulations. With modulation in the current programme, or under the most recent programme, the compulsory element is being deducted, effectively, at source by the Commission, but we have had an envelope of money come to us—or apparently come to us—in Wales and then the Commission takes money off that straight away, before it gets anywhere near the farmers. The transfer system will work in a different way. So, doing the like-for-like comparison is actually quite difficult.

[10] **Llyr Gruffydd:** So, you can confirm that you did appreciate that when you made your calculations, because transferring 15% again makes it a double-whammy, in a sense.

[11] **Alun Davies:** No, it means that the comparison between the two figures is a false comparison.

[12] **Mr Slade:** The 15% figure, which is the maximum allowed in the regulation, will yield the RDP somewhere in the order of between £240 million and £280 million in the lifetime of the programme. It depends a little on how many years go into the calculation. This is something that we are confirming with the Commission at the moment. That is a sizeable sum of money. However, in the context of some of the fluctuations in farm incomes from market and other factors, exchange rate volatility, input prices and so on, the 15% that we can put into the RDP is likely to provide substantially better value for money—that was the Minister's point—in trying to get the farming industry in Wales into a position for the future where it can withstand further cuts. We have had one cut under the CAP already, and we can expect further cuts in the future. So, a model based on pillar 1 subsidy in Wales for the future, on its own, is not going to be viable.

[13] **Llyr Gruffydd:** No, but that is a separate issue, in a sense, is it not? It is not what you do with the money, it is the fact that it is going from pillar 1 that I am trying to bottom

out here.

[14] **Mr Slade:** I understand that.

[15] **Llyr Gruffydd:** What I am getting at is that the real impact of the reduction in pillar 1 is going to be much higher than is being presented, shall I say, or at least being perceived, as you would probably say.

[16] **Alun Davies:** Pillar 1 will be affected by a number of different issues. We have the issues that we are discussing now of the differential comparisons between two different regulations. If we try to look at one and then the other in isolation, without understanding that you are looking at two different figures, then the comparison falls to pieces and it is a misleading comparison to make. So, I would always hesitate and try not to do that because the regulations are different and are applied in a different way.

[17] If you look at the impact in terms of what the farmers will find in their pockets, if you like, or in their bank accounts, in terms of pillar 1 over the next period, you will see that it will be affected by inflation. Inflation is falling at the moment, but we know that, in some aspects of agriculture, inflation is actually a bit higher than the background rate, so there is an erosion taking place there.

09:45

[18] In terms of the actual value of it, we know, for example, that exchange rates are volatile, and can change as well, so you could see quite significant changes in the actual value of pillar 1 over the future period that will be difficult to predict. We can make these assumptions today based on a range of different assumptions as to how pillar 1 will perform over the period, but as we will see, it is difficult today, with any sense of certainty, to say, 'In 2017 or 2018 or 2019, this will be the real value of pillar 1'. What we can understand are some of the long-term trends.

[19] I think that it is important to look at those long-term trends and also to understand the sort of political debate that is taking place within the European Union about how we use these funds. I think that there is a clear move away from a feeling that we should sustain agriculture through direct payments alone. I think that we have seen that through the 30% greening figure, as well as the movements that we have seen in the pillar 1 budget. There is a recognition that if we simply say that the tool by which we sustain agriculture in Wales is a pillar 1 payment that is being maximised at all times, then what we are doing is relying on a diminishing resource to support a sector that does not have a significantly viable financial model to sustain it. If we were to do that, we would be following a short-termist approach that could spell significant problems for agriculture in the medium term.

[20] **Llyr Gruffydd:** The Government itself says that the level of reduction to entitlement values will be approximately 23.4%. You are perfectly clear about that.

[21] **Mr Slade:** That is correct. That is a paper value, in effect, based on the previous ceiling, which applied before modulation was deducted by the Commission. So, the range of reductions in payment terms is likely to be in the order of 11% to 16%.

[22] **Julie Morgan:** I just wanted to ask a bit about the timetable that you are planning to bring in further details about the scheme—for example, payments to young farmers, the greening, the entitlements, the active farmer. What plan have you got for that? How are you going to do that?

[23] **Alun Davies:** We are in a period, Julie, at the moment when we are taking a number

of decisions, and we are trying to do that in a rational way to ensure that we are informing the farming community of the decisions that we are taking and then consulting at the same time. I announced by letter to the Chair of this committee the first component of that decision before Christmas. I did that because I was compelled to do so by financial regulations. I then made a formal statement to the National Assembly at the first opportunity in January, outlining the whole range of decisions that we took on pillar 1. I am making an announcement later today on the Glastir consultation. Next week, I will be publishing the Kevin Roberts report on resilience in upland agriculture, and I will be making an oral statement on that on Tuesday. On 13 February, I will be announcing the consultation on the new rural development plan, and we will be publishing that for consultation. Within that, we will be making further announcements on some of the tier 1 decisions that we have to take—the decisions that you have just described. We will be making announcements on those matters in the first part of next month.

[24] **Julie Morgan:** So on, for example, the young farmers scheme, when we will know more details?

[25] **Mr Slade:** It will depend, because we have not yet got the detailed implementing legislation from the Commission. The Minister will have to take some decisions in February, effectively on an in-principle basis pending the arrival of the legislation that supports that. But, in relation to things like the young farmers scheme and the levels of entitlement applied, that will be one of the next tier of decisions that the Minister will be looking at in February. We also have to look at the relationship between the programme of activity for new entrants and young farmers in pillar 1 and what we put into the rural development programme for the future and do so as part of the consultation in February.

[26] **Julie Morgan:** So, there is a lot more information to come out—

[27] **Alun Davies:** We are trying to measure—

[28] **Julie Morgan:** Yes, I can see that it is a difficult process to manage, is it not?

[29] **Alun Davies:** We are trying to measure it in a way so as not to overwhelm people with a single announcement on a number of different decisions, because I think that that would make life quite difficult for people. We are trying to do it in a structured way to enable consultation to take place and to enable people to understand the different decisions that we are taking, but to do it sufficiently quickly so as to enable people to understand the interrelationships as well. So, you will see that the resilience review report next week and the Glastir report this week will both lead into the RDP in February, and the RDP is, of course, linked to the pillar 1 payments as well. So, we are trying to do this in a very structured way to stimulate public debate while, at the same time, informing the farming community in a timely fashion.

[30] **William Powell:** Minister, one element that may have influenced the reaction of the industry, and particularly as voiced by the farming unions, was your decision to transfer the full 15%. It could go back to the decision you took around 18 months ago, I believe, when you were constituting the RDP advisory panel, which had very limited input directly from the industry itself. In particular, there was no representation, as I recall, from either National Farmers Union in Wales or the Farmers Union of Wales. What assurance can you give in the forthcoming period that there will be due account taken of the needs of the industry and the experience of working farmers in the form that the RDP will take in the next period?

[31] **Alun Davies:** I think that that is quite a Byzantine description of some of those things. I am not sure that I have heard anybody else say that, but I am sure that you have read what you needed to into the record. However, in terms of where we are today, we held and I

held a whole series of different consultation events in the spring and in the autumn. You know, Bill, we had thousands of people attending those events across those six months of this year and we speak to people day in, day out. It is not just a formal structured relationship between Government and the two unions. That is just extraordinarily superficial in terms of its approach. You know, I spent hours and hours and hours introducing these decisions, and the context within which these decisions have to be taken, and talking to thousands of farmers—not just a couple of individuals, but thousands of people.

[32] We have had a very, very productive and positive dialogue, but it has not always led to complete consensus everywhere. However, if I had asked the unions, for example, ‘What do you think about the payment rates in pillar 1?’ we would not have had a response. We saw that from the consultation responses. So, we have to go much further than simply the structured formal communications. What we have tried to do in the time that I have been a Minister in this department has been to ensure that our conversations take place around kitchen tables, walking through fields, in village halls and community centres, up and down Wales, month after month. We have done that. I think that we have probably undertaken the most extensive conversation and dialogue with individual farmers that we have seen from this Government for many years.

[33] **William Powell:** I do not think, Minister, that anyone would seek to criticise you for the mileage that you have clocked up around this country seeking views, but sometimes there is a difference between listening and hearing. I certainly do recall and have heard repeatedly of disappointment on the part of the unions, which are, after all, the representative bodies of the industry in Wales, that they were not previously represented. I hope that those points will be taken up.

[34] **Alun Davies:** May I say to you that if we focus in on decisions that were taken 18 months ago and look backwards, we will never move forwards? Bill, I listen to what the unions say to me, I meet them on a regular basis and I hear what they say, but I will say to them as well that, if they want to influence me, they must show leadership. They must show leadership. I am not a client of the NFU or the FUW. I represent the taxpayer and the whole of the people of Wales in this job, and we have to govern for everyone in Wales. That means listening to what people have to say. I do not think that it helps our debate if we simply say that what I do and what I say is either dictated by, or a consequence of, some of the things that you are suggesting. I think that we have to go far further than that.

[35] **William Powell:** That is understood. In terms of the future, as you rightly put the emphasis on the future, clearly you have set your face against a pillar 1 scheme for areas of natural constraint; where is your thinking now in terms of the potential that pillar 2 could deliver meaningful support to those people across this country who are farming in particularly disadvantaged and difficult territory?

[36] **Alun Davies:** There was no support for an ANC scheme in pillar 1. If you read the consultation responses, you would see that. There was some support for an ANC scheme in pillar 2. You will see the Glastir consultation that is being announced today, and you will see the report from Kevin Roberts on resilience in upland agriculture next week. Those will lead to conversations about the rural development plan on 13 February. What I will say is this: we will be making available opportunities for those people who are farming in what we have described as less favoured areas to ensure that they are able to access additional support from the taxpayer as a part of other schemes. Glastir is an example. For example, a farm that is wholly moorland, for argument’s sake, and receives around €20 per hectare, was a part of Glastir Advanced, where they could see that payment rate move up to €70, €80 or €100 per hectare, would see significant investment taking place through Glastir. At the same time, what Kevin Roberts will be saying to us—I will give you, perhaps, a taste of what he will say—is that there needs to be a package of support available to upland farming that is not simply

based on filling in a SAPS, but is based on ensuring that we are investing in business practices that can promote efficiency, and that can deliver a viable financial model in the future. The research that I will be publishing at the end of the first quarter of this year—hopefully, before the Easter recess—will also describe how we can potentially create a market in the payment for ecosystem services. If we are able to do all of these different things, we are actually putting in place a series of structured interventions that will sustain agriculture in upland Wales, underpin successful sustainable land management in upland Wales, and will actually deliver all of our other ambitions for upland Wales. That is why, for me, a targeted package of support to achieve not only financial viability but a lot of other public objectives as well is more attractive than simply the pillar 1 system.

[37] **Antoinette Sandbach:** There was a meeting this week in my region of 250 farmers who were extremely upset about the 15% modulation, Minister, because they see it as you removing their ability, or taking funds away from them, which they could make on investment decisions in their farm to futureproof their farm businesses. Instead, in order to access that money, they will now have to apply with potentially very complicated application forms, with business plans. You refer to an appropriate business plan to access your pillar 2 support schemes in your evidence. Previously, with the money in their pockets, they could take that decision on how to invest it, how to diversify, or what they needed to do on their farm. So, they feel that that decision-making process has been removed and that their farms are being made less competitive compared with other areas of the UK, where modulation is far less. That comes on top of the removal of the Tir Mynydd scheme. I appreciate, Minister, that what you are—

10:00

[38] **Lord Elis-Thomas:** I do not think that this Minister is responsible for removing Tir Mynydd. I have a recollection as to who did that, and I must take part responsibility for it. So, if you could pick up those points, Minister, because we have to move on.

[39] **Alun Davies:** I would hope that all farms have a business plan anyway, Antoinette. As a Minister, I have a responsibility not simply to do what might be popular today to create a headline tomorrow, but to do the right thing—a difficult concept, possibly. I think that we need to do the right thing. That is my overriding ambition and objective—to do the right thing. It is not simply to please a meeting on Friday night, but to ensure the future of viable, sustainable agriculture in this country in the long term. No political party has suggested that we remove modulation, by the way; in the previous Assembly, when I was a member of this committee, there was no call to reduce or remove modulation from any organisation. We are increasing it by 3%, which is a marginal increase. When you look at the reality of the economics of upland agriculture in Wales, that 3% is not going to make the difference for an individual business. If you look at the differential between the performance of businesses with upland cattle and sheep, it is so great as to make the 3% irrelevant.

[40] The numbers that we published before Christmas showed that the top third best-performing upland cattle and sheep farms produced 42% more agricultural output than the sector average. That is an extraordinary number. The issue that we have is that a subsidy system does not support the most efficient, but masks the inefficiencies of the least efficient. We know that subsidy systems do that in every sector in every part of the economy; we understand that. It is not fair to agriculture to say that we are going to carry on with this system. We have been subsidising agriculture for 70 years, Antoinette, and we do not have a sustainable financial model.

[41] What, then, are the alternatives? To carry on doing what we have always done; that means that we will carry on getting what we have always got, which is not a viable model to sustain upland agriculture. Do we do something different? If you are saying to me that this

3% is going to make all this difference, I say to you ‘Look at the numbers—they are telling you something different’. I want to secure the future of upland agriculture in Wales, not just this year or next year, but into the far distant future. That means that we need a far more sophisticated and intelligent approach. It means that we do not make policy by press release. It means that we look hard at the data, the numbers and the business models, and then we invest in those business models. We invest in making those businesses more efficient. That is what this Government is doing.

[42] **Antoinette Sandbach:** I appreciate, Minister, that you accept that your pillar 2 schemes have failed to provide that kind of—

[43] **Alun Davies:** Where are you getting that from?

[44] **Antoinette Sandbach:** Effectively, what you are saying is that your pillar 2 schemes for over 10 years have not been able to sustain farm businesses and put them onto a sustainable—

[45] **Lord Elis-Thomas:** I do not think that it is possible to ask this Minister a question that goes back 10 years. He was an Assembly Member, but I do not think that he was Minister then.

[46] **Alun Davies:** I was not an Assembly Member then, Chair.

[47] **Antoinette Sandbach:** Chair, if I can just finish. So, you presumably looked at the reasons why pillar 2 schemes have been unsuccessful in the past to create the kind of resilience that you are talking about in the agriculture industry in Wales. Perhaps you could tell us what you see as some of the key factors that have resulted from the failure of pillar 2 schemes to put farms on a sustainable and resilient footing. Without looking at those factors now, how can you design a scheme that is going to work in the next CAP period?

[48] **Alun Davies:** I think that there is a difference between an assertion and a fact, Antoinette. You have made a series of assertions, and I do not think that you have sustained any of those assertions at all. Let me say this: the main schemes that we have funded through pillar 2—the agri-environment schemes—have been assessed in the last year, and those assessments have been published. I am sure that you have had the opportunity to read them. The published assessments, which were completely independent, did not sustain your argument. If you look at what we are seeking to do in terms of Farming Connect, you will see that that has also been assessed independently and has been seen to be the envy of farmers in other parts of the UK and of other administrations, which have sent officials to Wales to look at what we are doing and to learn lessons from Wales. If you look at the processing of marketing and grants, and at investments in the wider food chain and value chain, you will see that those are sustaining jobs and sustaining the creation of added value in rural Wales, up and down the country. To say that none of that has been a success is a ludicrous assertion.

[49] However, we need to do more than we are doing at the moment. I have not yet concluded my discussions with the Minister for Finance about the overall dimensions of what the RDP is going to look like. However, I want to be very clear in what we seek to achieve in the next RDP. I want us to be able to say that we will make significant investments in sustainable land management through Glastir. When you see the document that I am publishing today, you will see a very different document to that which I have published in the past on Glastir. You will see that it is far more directive, that it is far clearer in what it seeks to achieve, and that it opens up far more opportunities for people to be a part of that. I have not yet taken decisions on how we will structure all of these different things. When I made an announcement, as the Deputy Minister, on a spending floor of 60% in the next RDP, everybody interpreted the floor as a ceiling. However, what I was seeking to do was to ensure

that we have space in the new RDP and finance available to us to be able to invest in agricultural businesses and in their success. I would advise you to listen and speak to people about knowledge transfer—the farmers’ groups that have been established up and down Wales to share knowledge, to share experience, to share skills and to understand how farmers are improving their businesses. This is happening as we speak. We are seeing great successes as a consequence of that.

[50] I am sorry that this is taking some time, but I think that this is important. I also want to—

[51] **Antoinette Sandbach:** Could I—

[52] **Lord Elis-Thomas:** I am sorry, but we need to have more specific questions. I have one that I am going to ask in a moment, but first I will call Julie James, Russell and Llyr.

[53] **Julie James:** Minister, I would like to go back to what you were saying about the resilience of upland farms and agricultural businesses. How are we going to take into account businesses that are receiving significant income from non-traditional farming? For example, how will the active farmer test work if we are going to pay people for providing ecosystem services—you will not be at all surprised to find that I am very interested in that—or for other diversification projects as part of the resilience that you have been telling us about this morning?

[54] **Alun Davies:** This is one of the major conversations that we had during the period of reforming CAP—the discussions that we had in the run-up to last June. I will be considering this in the spring, following further work in February. We currently have an instrument from the Commission that is not quite a blunt instrument, but it is something that we can work with and develop. What we must not do is penalise people who are seeking to make their business a success by doing different things. Paying people for ecosystems services is a great example of that, or people who diversify into tourism and people who have partners who work for a local authority, for argument’s sake, and who have non-farm income. So, we need to look at a definition that achieves what we want to achieve, in that pillar 1 funding goes to active farmers—farmers who are farming the land—but it does not penalise people who are doing more than farming the land. As we move forward, we will see new financial models underpinning successful farms. We are going to see agri-food alongside agri-environment in a way that we probably have not seen, certainly not culturally, in the past. I think we have to promote that. That means that we reward people who take these risks and do not penalise them. That is the approach that I will be taking. If the committee wishes to have further conversations on the definition of ‘active farmer’, when the consultation is published, I will be more than happy to return to the committee to have that conversation.

[55] **Yr Arglwydd Elis-Thomas:** Mae gennyf un cwestiwn penodol ac yna cawn gwestiwn Russell. Yn y drafodaeth yn dilyn y penderfyniad a chyhoeddiad yr wythnos diwethaf ynglŷn â model o dri rhanbarth tir yn hytrach na model o bedwar rhanbarth, dadl rhai oedd y byddai pedwar categori tir yn adlewyrchu’r sefyllfa yn well. A eili di esbonio pam y gwnaed y penderfyniad hwnnw?
Lord Elis-Thomas: I have one specific question and then we will have Russell’s question. In the discussion that followed the decision and announcement last week regarding the choice of a three land region model rather than a four region model, some argued that four land categories would reflect the situation better. Can you explain why that decision was taken?

[56] **Alun Davies:** I was minded, when I launched the consultation, to have a payments system around two land models. I looked at the different options. I heard voices talking about the four regions, but that did not come back very strongly in the consultation. Certainly, in the

meetings that we held I did not find any support for that at all, quite honestly. I certainly do not remember anybody strongly arguing for that. You hear different resonances coming back at you in a debate, do you not? I do not think that I have been to a meeting anywhere, at any time, where somebody, usually from the back, has not stood up and complained about red tape. People do not ever describe what they mean by that, of course; they just rant about it. That is fine. That is fair enough. I do not like red tape as it happens, either, and we do not have the administrative facilities to administer over-complex systems. So I had a—I do not like to use the word ‘prejudice’, but I wanted to look for a streamlined, simple system that would deliver support in a way that farmers could appreciate and understand and would also be straightforward for us to administer as a Government. I was minded to go to a two-tier system rather than a three model system. However, I was persuaded to go for a three region payment system to smooth out the transition and some of the disruption that could have occurred under a two region model system. So, the reason I went for it was because I felt that it was a fair—I do not like to use the word ‘compromise’, because that implies that we were looking at the lowest common denominator, which we were not—model that delivered fairness and transparency to farmers but was also relatively simple, or simpler, to administer. Also, since you have trade entitlements in one region, if you have four regions you reduce the capacity to do that. There are unintended consequences to an overly complex system.

[57] **Russell George:** I have had representations made to me, particularly from the dairy industry, and their single farm payments. Concerns have been raised me that they are falling up to 19%.

[58] **Alun Davies:** Can you say that again?

[59] **Russell George:** Their single farm payment is falling by up to 19%.

[60] **Alun Davies:** Nineteen?

[61] **Russell George:** Yes, 19%. If that is incorrect, I would be grateful for clarification. Can you give details of what additional support you might be looking to put in place for that sector?

[62] **Alun Davies:** If those are individual issues, concerning individual people, clearly, you can write to me about those individual matters. In terms of the sector as a whole—I am attending, actually, a dairy taskforce meeting this afternoon—we are trying to drive forward investment in the industry as a whole. Dairy will be the sector that is most affected by a change in the system. When you look at the big picture as to how different payment systems affect different sectors, there would always have been a bigger impact on dairy as a consequence of a change to an area-based system. It was inevitable, in terms of how any area-based system would operate, that dairy would be the sector that was going to be most affected by it. We know this. We understand that. It is one of the reasons, among others, why we launched last year, or 18 months ago, a dairy taskforce, which was aimed at looking at the sector, at the industry, and at all of the elements of the supply chain.

10:15

[63] What we need to do—and I think you understand this in Montgomeryshire—is to ensure that we have a functioning dairy sector that delivers high-quality products to the market. At the moment, we have a good, robust dairy sector, which is producing as much product as it did five years ago, but with far fewer producers. So, it is far more efficient than it used to be. It is probably one of the most efficient parts of the industry. What I want to be able to do is to promote and invest in that efficiency to ensure that dairy survives not only the changes through the payment system here, but also the ending of quotas next year as well. So, there are a number of different challenges facing dairy, and the Government is working

closely with the sector, with the industry, to manage those changes.

[64] **Russell George:** Is that projection of a 19% cut in their single farm payment a projection that you would agree with or disagree with?

[65] **Alun Davies:** I do not recognise the number.

[66] **Russell George:** Right. Okay. On the other issue, you mentioned a number of consultations—one today, and some more in February. The farming unions clearly have a mechanism for feeding into those consultations, but I am just wondering how you seek opinion from the industry, or farmers who are not in farming unions. You mentioned sitting around kitchen tables, which is good, but very often those meetings are organised by the farming unions, or they co-ordinate them. How do you consult with farmers who are not in unions?

[67] **Alun Davies:** We talk to the farming community day in, day out, Russell. You will be aware of the meetings that I held across Wales, which I referred to in answer to Bill Powell earlier. We have probably got the most extensive database of farmers in Wales of any organisation. We talk with and have a dialogue with the industry—both formally based with myself as the Minister and senior officials, but also through the farm liaison service, through talking to farmers, and through the divisional offices day in, day out. That is a dynamic relationship, which happens outside of formal consultation periods. We have feedback on a very regular basis on how different projects or programmes are being implemented. We listen to that feedback, and we make amendments to our programmes and the way we work on a very regular basis as a consequence of that feedback. The whole Working Smarter project and programme was designed to make life simpler for people, to remove unnecessary administrative burdens, and to ensure far more straightforward and simple communications. One of the great advantages that I think we will see as we move to an online system is that that sort of feedback is going to be a lot more immediate and a lot more individualised, if you like, as well, so that individual farmers can talk about how different things affect them. I am on farm almost every week. I was, I think, in your constituency last week—

[68] **Russell George:** You were, yes.

[69] **Alun Davies:**—talking to a farming family about how some of these changes will affect them.

[70] **Russell George:** I am just conscious that, sometimes, farmers who are not in unions are not able to get involved in consultations directly with you. This is my last question: you mentioned earlier that the farming unions need to show leadership. Do you believe that they are not showing leadership now? Is that your view?

[71] **Alun Davies:** The industry is going through a period of change and a period of reform, and we need sometimes to take difficult decisions—some of the decisions we are discussing today and have discussed in the past. The industry as a whole needs leaders who will take some of those difficult decisions and make the argument for them. If we constantly look at the lowest common denominator, at defending the status quo and opposing change, we will see an industry that is not dynamic, innovative or forward looking, but is ossified and fossilised. That is not an industry that will succeed in a more competitive market place in the future. I want the farming unions to be partners for change and partners for reform. What I cannot have is an industry led by a determination to maintain the status quo at almost any cost.

[72] **Russell George:** And that is what you believe the farming unions are seeking to do now.

[73] **Alun Davies:** I think we need to have a dialogue with the unions that focuses on the future and not on simply maintaining the status quo.

[74] **Yr Arglwydd Elis-Thomas:** Llyr Gruffydd, yna William Powell, Joyce Watson ac Antoinette Sandbach. **Lord Elis-Thomas:** Llyr Gruffydd, then William Powell, Joyce Watson and Antoinette Sandbach.

[75] **Llyr Gruffydd:** Diolch, Gadeirydd. Mae gennyf un cwestiwn ymarferol ynglŷn â rhostiroedd a'r ffin o 400m. Cwestiwn sydd wedi cael ei ofyn i fi, ac rwy'n siŵr ei fod wedi cael ei ofyn i chi yn barod, ond efallai y gallwch roi eglurder i ni, yw: a fyddwch yn dilyn y ffin yn union? Os yw'n rhedeg drwy ganol parcel o dir, sy'n rhannol i mewn a rhannol allan, a fydd y parcel cyfan yn cael ei gyfrif fel rhostir, neu ai dilyn y ffin fyddwch yn gwneud? **Llyr Gruffydd:** Thank you, Chair. I have one practical question about moorlands and the boundary of 400m. A question that I have been asked, and I am sure that you have also been asked it, but perhaps you can give us clarity, is: will you follow the boundary exactly? If it runs through a parcel of land, which is partly in and partly out, will the entire parcel be counted as moorland, or will you be following the boundary?

[76] **Alun Davies:** Tua 60%.

Alun Davies: Around 60%.

[77] **Llyr Gruffydd:** Sori, 60% o beth?

Llyr Gruffydd: Sorry, 60% of what?

[78] **Alun Davies:** Os mae 60% yn rhostir.

Alun Davies: If 60% is moorland.

[79] **Llyr Gruffydd:** Fe welaf i. Felly, os yw 60% o'r parcel o fewn y rhostir, fe fydd y cyfan yn cyfrif fel rhostir.

Llyr Gruffydd: I see. So, if 60% of the parcel is within the moorland, it will qualify entirely as moorland.

[80] **Alun Davies:** Ar hyn o bryd, rydym yn ystyried hynny. Nid ydym wedi gwneud y penderfyniad terfynol ar hynny. Mae'r ateb i hynny, wrth gwrs, yn ateb yn rhannol i'r hyn a ddywedodd Russell am sut rydym yn siarad â phobl ac yn gwranddo ar yr hyn yr ydym yn ei glywed. Pan wnes y cynigion yn y sioe fawr yn yr haf, roedd hi'n amlwg, ar gyfer un o'r cynigion am rhostir, o'r hyn yr oeddwn yn ei glywed, bod pobl yn teimlo'n anghyfforddus iawn am hynny. Felly, fe wnaethom newid hwnnw, wrth i'r ymgynghori mynd yn ei flaen, i ymateb i'r hyn yr oeddwn yn ei glywed. Felly, mae deialog. Rwy'n gobeithio ei fod yn ddeialog deinamig, lle yr ydym yn clywed yr hyn sy'n cael ei ddweud a, lle yr ydym yn gweld bod angen newid pethau, rydym yn mynd ati i wneud hynny.

Alun Davies: At present, we are considering that. We have not taken a final decision on that. The response to that, of course, is also a response in part to what Russell said about how we talk to people and listen to what we hear from them. When I put the proposals forward in the Royal Welsh Show in the summer, it was clear, for one of the proposals for moorlands, from what we heard, that people felt very uncomfortable about that. So, we changed that, as the consultation went on, in response to what we heard from people. There is a dialogue going on. I hope that it is a dynamic dialogue, where we hear what is being said and, where we see that there is a need to change things, we go about making those changes.

[81] **Llyr Gruffydd:** Diolch am yr eglurder. I ddod yn ôl at y lefel o fodiwleiddio, dywedoch yn gynharach mai dim ond rhyw 3% o wahaniaeth sydd mewn

Llyr Gruffydd: Thank you for that clarity. To go back to the level of modulation, you said earlier that it is only a 3% difference. However, in reality, as Andrew Slade said

gwirionedd. Fodd bynnag, mewn gwirionedd, fel y dywedodd Andrew Slade yn gynharach, mae modiwlleiddio gorfodol yn digwydd. Mae'n digwydd nawr. Mae *transfer* yn digwydd cyn bod yr arian yn cyrraedd ffermwyr Cymru. Felly, mae dweud mai 3% o wahaniaeth sydd braidd yn annheg, efallai, oherwydd y mae 15% yn ychwanegol at y 12% sydd wedi mynd yn barod. I fi mae hynny'n nodweddu—ac yr ydych wedi dweud hynny'n gyson ar y radio dros yr wythnos diwethaf—y modd y mae'r Llywodraeth wedi cyflwyno'r wybodaeth hon. Mae'n faes dyrys, wrth gwrs, ond mae rhywun yn teimlo nad ydych yn helpu'ch hunain weithiau. A ydych yn deall pam fod ffermwyr yn teimlo'n rhwystredig? Maent yn cymryd yr ergyd o 12% y mae modiwlleiddio gorfodol wedi mynd ag ef, cyn eich bod yn dweud bod 15% ar ben hynny, ac yna rydych yn mynd o stiwdio i stiwdio yn dweud mai dim ond 3% o wahaniaeth ydyw.

earlier, compulsory modulation usually happens. It is happening now. The transfer happens before the funds are received by farmers in Wales. Therefore, to say that the difference is 3% is rather unfair, perhaps, because it is 15% in addition to the 12% that has already gone. To me that characterises—and you have said that consistently on the radio over the past week—the way the Government has presented this information. It is a complex situation, of course, but one feels that you do not help yourselves sometimes. Do you understand why farmers feel frustrated? They take that impact of the 12% that compulsory modulation takes, before you say that there is 15% on top of that, and then you go from studio to studio saying that it is only a 3% difference.

[82] **Alun Davies:** Wel, rwy'n sôn am y realiti, wrth gwrs.

Alun Davies: Well, I am talking about the reality, of course.

[83] I understand, and anybody would understand, the frustrations if you see that happen. However, Llyr, we are again trying to compare two different payment systems. I accept that we all try to do that, but I am sure that you accept that there are also difficulties in doing so. So, I do not think that you are making an entirely fair comparison there. We have to—. I think that there is great value in doing the right thing and doing what you think, or what one thinks, is right for the future. You know, and I know, that it would have been the easiest thing in the world for me to have said, 'We will maintain modulation or transfer at 12%', or even reduce it by 10%, to wave a flag and get a few headlines. That would have been the easiest thing in the world to do. However, that would have been the wrong thing to do. It would have been the wrong thing to do: it would have been the short term winning out against the long term, and a headline today against the long-term future of tomorrow. What I am absolutely determined to do—I am absolutely determined—is to do my best to sustain and support this industry, not only for today but into the far future.

[84] When I was in Washington and Toronto at the beginning of this year, arguing the case for Welsh producers, Welsh lamb, Welsh beef and access to those markets, what they wanted to know was our ability to supply a consistent high-quality product, not only this year or next year, but the year after and in five and 10 years' time. I can only give those people that assurance if I am working hard here in Wales to deliver the sort of financial model that will ensure that producers are viable in five and 10 years' time. That is why I understand and can see the frustrations. I would probably, if I was in somebody else's place, say very similar things. I can understand that completely. However, to do the wrong thing just to win short-term headlines would be to undermine the future viability of upland agriculture in Wales in particular and would not enable us to take the sorts of decisions in investment that we need to take to ensure that viability in the long term. That is why I have taken that decision.

[85] **Llyr Gruffydd:** Rwyf am groesawu rhywbeth y mae'r Gweinidog wedi'i ddweud, er mwyn i mi gael bod yn gytbwys. Fe

Llyr Gruffydd: I want to welcome something that the Minister has said, just so that I am balanced. You said in the Chamber

ddywedoch yn y Siambr yr wythnos diwethaf y byddai 80% o'r arian sydd ar gael ym mhiler 2 ar gael i'r rhai sy'n derbyn pres o biler 1. A allwch chi ymhelaethu ynglŷn â sut fyddwch chi'n sicrhau eich bod yn cyrraedd y ffigur hwnnw? Mae'r ymrwymiad hwnnw yn un i'w groesawu, beth bynnag rydych chi'n ei feddwl am bethau eraill.

last week that 80% of the funds that are available in pillar 2 would be available to those who receive funds from pillar 1. Can you expand on how you will ensure that that figure is reached? That commitment is one to be welcomed, whatever you think about other things.

[86] **Alun Davies:** That reflects the current reality. We will be consulting on the new RDP next month. You get your 80% figure if you take Glastir numbers together with Farming Connect and other investments. That is where you get the number from.

[87] **Llyr Gruffydd:** Felly, bydd 80% o'r gyllideb honno'n dod nôl i ffermwyr trwy Glastir a *Farming Connect*.

Llyr Gruffydd: So, 80% of that budget will come back to farmers through Glastir and Farming Connect, will it?

[88] **Ms Thomas:** I will explain briefly. Currently, Glastir is around 75% to 80% of the RDP. You then have another 5% or 10% that goes into Farming Connect, which is exclusively for farming businesses, and foresters to an extent. In the current round, therefore, you get your 80% or 85%, which goes to those claimants who have pillar 1 already. The likelihood—although we have to consult on the next RDP—is that a floor of 60% for agri-environment will be for farming businesses. We are looking at the future delivery around knowledge transfer support and things like that, so you have another percentage that will come from the successor of Farming Connect. From the work that Peter Davies has done with the advisory group and the work that we have done with the CAP high-level group that the unions are members of, we have also been looking at on-farm investments. So, it is a reasonable assertion that we will be in the ballpark of 80% going to pillar 1 claimants for the future as well.

[89] **Llyr Gruffydd:** Nid yw hynny'n ddim gwahanol i'r hyn sy'n digwydd nawr.

Llyr Gruffydd: That is no different from what is happening now.

[90] **Ms Thomas:** No.

[91] **Alun Davies:** It is possible that the balance of how that 80% is calculated will change. What I want to do—this is an important point, Chair—is to ensure that we have a balanced RDP that is able to achieve our sustainable land management ambitions and is able to invest in the agricultural industry for the future of individual business. You cannot have a strong industry unless it is based and rooted in strong individual businesses. That is what we want to achieve. Then, we are able to invest in things such as small-scale renewables. The Chair's constituency is a great example of that happening in reality. We want to invest in community, farm-based renewables. I want to create a fund to enable us to do that. I want us to be able to continue to invest in the wider added-value food chain. Russell was talking about the dairy industry; it is absolutely essential, if we are going to have a successful dairy industry, that we make those investments. I want to maintain the place of leader groups and community-led regeneration. Talgarth Mill, which Bill Powell is familiar with, is an example of how we do that. I want to be able to continue to make some of these investments and have a sufficiently large RDP that will help invest in the communities and the economy of rural Wales. When we talk to people across the country, I do not think that there is any disagreement with that. I think what we need to be able to do is to ensure that we have the different components in place that will achieve all those different ambitions.

10:30

[92] **William Powell:** Minister, thank you very much for referring briefly to the Talgarth Mill scheme, because that has, at its origins, a very modest RDP scheme, as you are aware, that was piloted by the Severn Wye Energy Agency. Without that initial success, we would not have all the transformational things that have flowed from it. That is useful to put on the record. However, one thing I am interested in is what lessons have been learned from the wider delivery of the previous RDP in terms of efficiency and the nature of the partnerships, and what account you will be taking in the time to come of the potential impact of local government reorganisation, because local government is an important component in the delivery and assessment of these projects. I would ask you to reassure us that you will maintain a dialogue with your Cabinet colleagues on this particular aspect of things because it is actually a really important delivery mechanism for the RDP.

[93] **Alun Davies:** You are a very bad man if you are trying to tempt me into indiscretion on the Williams report. [*Laughter.*] That is a temptation I will resist this morning, with your consent.

[94] We met last week in Talgarth again, talking to the Wye and Usk Foundation. The investments that we want to make are to support people like that, to support the fishing industry, for example, which I believe can achieve far more in economic terms in Wales. I want to be able to make those investments in the wider rural economy to enable us to sustain an enriched economy in rural Wales. If you look at the high moors, we have seen all too often the great economic potential of those moors not realised. I want to have a conversation with people about how we realise the economic potential of some of those areas and maximise it. I want to see us being ambitious about what we want to achieve in terms of blanket bogs and other great potential ambitions for Wales.

[95] However, let me say that we are still delivering the current RDP, of course, so we are not in a position to provide you with the assessment that perhaps you would seek. We will be delivering it for a significant period to come as well. However, we are clearly learning lessons as we move along. If you have read Peter Davies's report on the new RDP, I hope that you will see that he draws a considerable number of lessons from the present and projects those into the future. Certainly, that is what I want to do. I would invite the committee, if you have comments to make on how we approach the new RDP, to have that conversation when the consultation is published in the middle of February.

[96] **William Powell:** Diolch yn fawr.

[97] **Lord Elis-Thomas:** We turn to Antoinette, finally.

[98] **Antoinette Sandbach:** Thanks, Chair. Minister, I am sure that people would welcome simplification in the new RDP in terms of trying to access grants and things. I noticed in your paper that you talk about flexible investment schemes providing grants and, potentially, loans and other financial instruments for agriculture, forestry and diversification. Are you anticipating that that will be delivered by Welsh Government centrally or is that going to be delivered in another way?

[99] **Mr Slade:** We are looking at a range of options at the moment, and some of that will be set out in a bit more detail in the consultation next month. This is an exercise that runs not only in relation to the Minister's portfolio but across all of the new ESI funds, so it includes the structural funds and, in due course, although it is a scheme at UK level, the maritime and fisheries fund. The aim has been to try to maximise the flexibility provided by those new regulations across the funds. Part of that is financial instruments, and we are looking at new potential financial instruments—loans, loan guarantees and other things of that sort—in concert with our colleagues across the rest of Welsh Government under the ESI banner. We can already identify, as you will see in the consultation, a number of areas where we think we

can make particular headway. Whether it is the Welsh Government delivering this or another party with whom we have worked in the past or, indeed, a new provider is still something we are working on.

[100] **Alun Davies:** To follow on from Andrew's point, we are launching the consultation on the RDP on 13 February. That will need to be completed by mid April, which is a somewhat shorter period than I would have anticipated or wished for, but we need to fit into the overall timescale that Andrew was outlining there for the ESI funds and the UK partnership agreement. So, there are reasons out of our control as to why the consultation is taking place like that, so I would invite the committee, if it is so minded, to consider those matters in due course.

[101] **Yr Arglwydd Elis-Thomas:** Diolch yn fawr. Fel mae'n digwydd, byddai hynny'n cyd-daro gyda'r ymchwiliad mwy hirdymor yr ydym yn ei wneud ynglŷn â gwynwch amaethyddiaeth a gweithgaredd ar dir gwledig yn gyffredinol.

Lord Elis-Thomas: Thank you very much. As it happens, that would coincide with our more long-term inquiry into the resilience of agriculture and rural land activity more generally.

[102] Fe gymerwn doriad yn awr, cyn dod yn ôl i drafod llifogydd. Diolch yn fawr iawn i chi.

We will take a break now and then come back to discuss flooding. Thank you very much.

*Gohiriwyd y cyfarfod rhwng 10:35 a 10:49.
The meeting adjourned between 10:35 and 10:49.*

**Ymateb i'r Llifogydd a'r Difrod Stormydd Diweddar: Tystiolaeth gan y
Gweinidog Adnoddau Naturiol a Bwyd
Response to Recent Flooding and Storm Damage: Evidence from the Minister
for Natural Resources and Food**

[103] **Yr Arglwydd Elis-Thomas:** Diolch yn fawr, Weinidog, am gytuno i gynnal y sesiwn hon yn ogystal y bore yma. Croeso i Prys Davies a James Morris.

Lord Elis-Thomas: Thank you very much, Minister, for agreeing to hold this session also this morning. Welcome to Prys Davies and James Morris.

[104] Weinidog, i ba raddau y mae gennym y capasiti yn Llywodraeth Cymru, Cyfoeth Naturiol Cymru a llywodraeth leol yng Nghymru i ddelio â'r math o ddigwyddiad a gawsom bythefnos yn ôl pe bai'n digwydd eto?

Minister, to what extent do we have the capacity within the Welsh Government, Natural Resources Wales and local government in Wales to deal with the kind of event that we had a fortnight ago if it were to happen again?

[105] **Y Gweinidog Cyfoeth Naturiol a Bwyd (Alun Davies):** Mae gennym y capasiti i ymateb, rheoli a delio gyda'r digwyddiadau rydym wedi eu gweld a chyda digwyddiadau eraill o'r un fath y gallai ddigwydd yn y dyfodol. Un peth rwy'n awyddus i bwysleisio yw bod y ffordd y bu i Lywodraeth Cymru ymateb i'r hyn a ddigwyddodd ym mis Rhagfyr a mis Ionawr yn adlewyrchu ein cred bod y newid yn yr hinsawdd yn mynd i achosi mwy o *episodes*

The Minister for Natural Resources and Food (Alun Davies): We have the capacity to respond, manage and deal with the events that we have seen and with other similar events that could take place in future. One thing that I am eager to emphasise is that the way in which the Welsh Government responded to what happened in December and January reflects our belief that climate change will cause an increasing number of episodes of bad weather, as we have seen

o dywydd garw, fel rydym wedi gweld yn ddiweddar ac fel rydym wedi gweld yn y gorffennol hefyd, nid dim ond yn ystod y ddeufis diwethaf. Felly, mae'n bwysig ein bod yn paratoi er mwyn ymateb i'r digwyddiadau hyn pan fydd angen.

[106] Fy asesiad i o'r ffordd y bu inni ymateb i'r ddau ddigwyddiad diwethaf—ym mis Rhagfyr a mis Ionawr—oedd bod NRW wedi ymateb yn arbennig o dda, o gofio bod y sefydliad dal yn ei flwyddyn gyntaf. Roedd y ffordd yr oedd yn gallu symud adnoddau o gwmpas yn adlewyrchu ein gobaith ein bod yn creu sefydliad mwy gyda mwy o hyblygrwydd, gyda thimau mwy cymysg sydd â sgiliau gwahanol sy'n eu galluogi i ymateb mewn ffordd well nag oedd yn bosibl yn y gorffennol. Felly, credaf fod NRW wedi ymateb yn arbennig o dda yn ystod y misoedd diwethaf.

[107] Rydym yn gwybod hefyd bod yr *emergency services*, lle bynnag ydynt, wedi ymateb yn yr un ffordd. Rydym yn dibynnu arnynt. Rydym yn dibynnu ar y gwasanaethau argyfwng drwy'r amser fel cymunedau. Pan siaradais â'r heddlu yn Rhyl a chyda phobl yn Aberystwyth yn ystod y ddeufis diwethaf, roeddwn yn gweld y gwaith yr oeddent wedi ei wneud. Credaf fod pob un ohonom yn gwerthfawrogi hynny.

[108] Gyda llywodraeth leol, rwyf wedi bod yn hynod *impressed* gyda'r ffordd y mae Ceredigion, er enghraifft, wedi ymateb i'r hyn a ddigwyddodd yn Aberystwyth a hefyd y ffordd y mae sir Ddinbych wedi ymateb. Rwyf wedi cael sgysiau hir gyda chynghorwyr dros y misoedd diwethaf, fel y mae'r pwyllgor yn ymwybodol, ond rwyf hefyd yn credu bod sir Ddinbych wedi ymateb mewn ffordd arbennig o dda o ran y ffordd y bu iddi reoli'r sefyllfa yn Rhyl ym mis Rhagfyr, yn adeiladu ar ei phrofiad a dysgu gwersi o'r gorffennol. Felly, mae rhannau gwahanol o'r Llywodraeth a'r gwasanaethau argyfwng wedi ymateb yn dda, a chredaf fod gennym y capasiti yng Nghymru i ddelio gyda sefyllfaedd fel hyn.

[109] **Russell George:** How much is the Government spending on flood defences and on flooding over the course of this Government's lifetime?

[110] **Alun Davies:** A sum of £240 million is being spent directly by the Welsh

recently and as we have also seen in the past, not only over the last two months. Therefore, it is important that we prepare in order to respond to these events when necessary.

My assessment of the way in which we have responded to the last two events—in December and January—was that NRW responded incredibly well, bearing in mind that the organisation is still in its first year. The way in which it was able to move resources reflects our aspiration of establishing a larger organisation that has greater flexibility, and has more mixed teams that have a range of different skills that allows them to respond far better than was possible in the past. Therefore, I believe that NRW has responded extremely well over the last few months.

We also know that the emergency services, wherever they may be, responded in the same way. We depend on them. We depend on the emergency services all the time as communities. When I have spoken to the police in Rhyl and with people in Aberystwyth over the last two months, I have been able to see the work that they had done. I believe that we all appreciate that.

With local government, I have been extremely impressed with the way in which Ceredigion, for example, has responded to what happened in Aberystwyth and the way in which Denbighshire responded to flooding. I have had long conversations with councillors over the last few months, as the committee will be aware, but I also believe that Denbighshire has responded in a particularly effective way with regard to the way in which it managed the situation in Rhyl in December, built on its experience and learned lessons from the past. Therefore, various parts of Government and the emergency services responded well, and I believe that we have the capacity in Wales to deal with these situations.

Government, and we also have access to an additional £60 million from the European regional development fund, although the timescales are not entirely the same. This is why I tend to use the figure of £240 million rather than £300 million.

[111] **Russell George:** So, was that figure £238 million before your announcement on Tuesday?

[112] **Alun Davies:** No, it was £240 million.

[113] **Russell George:** So, the extra £2 million is in the £240 million?

[114] **Alun Davies:** Yes. May I explain where it comes from?

[115] **Russell George:** Yes.

[116] **Alun Davies:** We are coming to the end of the current financial year—I will ask Prys to come in if I get this wrong—and the £2 million is not meant to be a total payment of support for the totality of the damage and the totality of the impact of the recent storms. It is money that is being made available in the current financial year to make immediate emergency repairs where those are required. We have found, through some flexibility and some reprioritisation, that we are able to make those funds available from our existing flood-management budget.

[117] **Russell George:** It sounds like the £2 million that you announced on Tuesday is not extra money coming into the budget. Is that what you said?

[118] **Alun Davies:** No, I have never said that. I have never said that it is extra money. If you read the written statement that I issued on 21 January, you will see that it says this:

[119] ‘I have reviewed my Flood and Coastal Erosion Risk Management budgets and will be making £2 million available this financial year’.

[120] I hope that it is quite clear from that written statement that the £2 million comes from existing budgets. Neither I nor any of my officials have ever said that it is an additional £2 million. What we are saying is that £2 million is being made available to local authorities to provide them with the support that they need to make emergency repairs following the storms that we have seen over the last two months.

[121] **Russell George:** You mentioned that it was a reprioritisation within your budget. So, where has that £2 million come from? Will there be any effect of that £2 million in another area of your portfolio?

[122] **Mr Davies:** What we constantly have to do with the flood budget is assess the applications that we get in from local authorities in order to deem which are of the highest priority in terms of risk. The main method of assessing risk is to assess whether there is a risk to life or property. So, when we have a flood incident, like the coastal flooding incidents in January and in December, then, clearly, if those have impacted on existing flood defences and present a greater threat to those communities, or to life and properties in those areas, we have to reprioritise and take account of that higher risk. Other potential projects might fall down the table and go into the next financial year for consideration. So, we are talking about looking at what we need to do immediately to respond to the immediate events and then other potential applications will be considered, probably in the next financial year.

[123] **Russell George:** So, what is being reprioritised? What is being pushed down the priority list to allow for this extra £2 million for priorities that are higher up the list?

[124] **Mr Davies:** I will have to come back to you with something in writing that sets out the kinds of applications that we are getting in and what might have been pushed back. In looking at what we wanted to fund this financial year and what might be pushed back, we wanted to make sure that certain things did go ahead, for instance the investments that we are planning to make in Borth phase 2, in west Rhyl and in other areas, so that existing and planned coastal defence investments did proceed. There are other things that we deemed were of a lower priority, because our assessment was that the most important thing was to ensure that damaged defences were repaired as quickly as possible. That is partly because we also have incoming high tides for the next few months, so we need to ensure that local authorities are in a position to respond effectively to these.

[125] These are also higher priorities for local authorities themselves. Our discussions about priorities are not just happening up in Cathays park; they are informed by what local authorities think that they need to do at a local level. They are clearly identifying that in the cases of Ceredigion, Conway and Denbighshire, the main and immediate thing that they need to invest in is the reparation of defences damaged by the storms.

[126] **Russell George:** Your offer of writing, if the Minister is happy, to the committee on that reprioritised list would be helpful.

[127] **Alun Davies:** We will write to the committee on those matters. May I just answer a question that I did not answer in Plenary yesterday? Darren Millar asked about the Old Colwyn investment; that will go ahead. I did not get around to replying to him in my reply to the debate, but I can confirm that to the committee.

[128] May I say, Russell, that these are dynamic budgets that are managed? If we are reaching this part of a financial year, for example, and if it is clear that a local authority, for argument's sake, is not going to spend all of the funds made available to it for a particular scheme, then we will always seek to reprioritise. So, we are talking about a reprioritisation now, which is taking place as a consequence of the damage to our coastal defences, as a consequence of the storms in recent months, but we would be constantly looking at reprioritisation, even in a normal year, when we had not had these episodes.

[129] **Russell George:** In terms of that extra £2 million that has been reprioritised, from what you are saying, it sounds like that is available for county councils to access. Is that right?

11:00

[130] **Alun Davies:** It is based on the applications that we have had from local authorities. For example, it might be useful for me discuss how we approached this. After the storms in December, it was clear that there was some damage to some defences in some places. I felt uncomfortable, and I felt that I needed to be assured that our coastal defence system was working well and was sufficiently robust to withstand some of these storms. I asked NRW to review some of these coastal defences, and you will be aware of the oral statement that I made at that time. After the storms at the beginning of this month, which were far more extensive across the Welsh coastline, I was concerned that we needed to be assured that defences across Wales were sufficiently robust and in place to protect coastal communities. So, I asked NRW to provide me, by the end of next week, with an assessment of coastal defences in Wales. That is going to happen, and I will publish that report when I receive it.

[131] In terms of where we are going now, we are going to talk to local authorities about their needs. We spoke to all local authorities affected by the storm damage within five days or a week of those storms happening, and asked for their assessments. Those assessments will happen at a different time according to the level of damage that has taken place. The moneys

that we have made available are being made available to local authorities upon their request—and, in fact, to NRW as well. So, we are looking at making moneys available to local authorities based on their assessments.

[132] **Russell George:** So, if I understand this right, there is a pot within the £240 million that is available for local county councils to apply for—

[133] **Alun Davies:** It will be done through that mechanism.

[134] **Russell George:** So, an extra £2 million has been put into that particular area. Is that right?

[135] **Alun Davies:** The Welsh Government does not have its own coastal defence system. We operate through NRW and local authorities. So, the £240 million and the £60 million from the ERDF will, in its entirety, be used to fund NRW and local authorities' coastal defence systems.

[136] **Russell George:** Okay, thank you.

[137] **Joyce Watson:** The first thing that I would like to put on record is the great thanks that the people would want me to express to the council workers in Pembrokeshire, Carmarthenshire, Ceredigion and Gwynedd, which happen to be the authorities that I cover. They were there immediately working across what would have been their holiday. That said, you talked, Minister, about trying to assure people that they would be safe in their homes, and that we are doing as much as we possibly can to alleviate flooding. I accept all of that. We have the second highest tide of the year coming in on 1 and 2 February, which is next weekend, and it is over 7.5m—7.8m, actually. That in itself puts properties immediately at risk in the current climate, with all the rain that is coming this weekend, and the current saturation levels. Knowing that, and given that Floodline Warnings Direct will be issuing any relevant warnings, are you doing all that you can through any bodies that deliver on the ground? That is my first question, and then I would like to ask some questions after that.

[138] **Alun Davies:** Thank you for that, Joyce. In terms of where we are, local resilience fora led by local authorities already have plans in place to deal with these forecasts. One of the things that we have found in the two recent episodes is the accuracy of the forecasts. Our ability to respond to all of these different episodes has been underpinned by very accurate forecasting, and that is the linchpin to being able to prepare for these episodes.

[139] Local resilience fora are in place. Local flood management plans are in place—many of those are managed by local authorities and NRW. I have absolute confidence in the work that NRW has done and in the work that local authorities are undertaking to feel that we are able to provide the reassurance that you seek, and that the plans that are in place are sufficiently robust to keep people and communities safe. In terms of understanding the impact of the sorts of tides and storms that you describe, it is, of course, the role of NRW to provide these warnings based on the forecasts that we receive. At the moment, my view is that the forecasts are accurate and robust and that NRW can act on the basis of those forecasts.

[140] **Joyce Watson:** I absolutely agree with you. I went down to see that system in operation last Monday and to test exactly that—had the forecasts been right?—hence my knowledge of what is going to happen on 1 and 2 February. That said, there are, of course, two types of flooding. What we saw on 3 January was mostly coastal flooding, brought about by a combination of things that we do not need to repeat. There is, of course, the second type of flooding that happens along the riverbanks and, when they burst, the damage that that causes. It is more likely if we have continued rain with those high tides and no wind that it will be the second type of flooding that we will be looking at potentially in a week's time. So,

while I understand the budgetary requirements of the coastal areas that have been hit being addressed immediately, could I have assurances that there is sufficient funding left to deal with what is probably the most frequent type of flooding, which is flooding from the tidal rivers of Wales, particularly in Mid and West Wales?

[141] **Alun Davies:** Yes, I can give you that assurance. NRW and local authorities are prepared for these different outcomes as a consequence of storm conditions. In January, Natural Resources Wales issued over 23,000 alerts to residents through the Floodline Warnings Direct system, informing potentially affected areas, and evacuations took place where necessary. We know that NRW issued six severe flood warnings and 54 flood warning on 3 January alone. I believe that the investments that we are making are keeping people safe and will continue to keep people safe. In total, our investment in flood and coastal erosion has increased by over 40% in real terms—and this excludes European funding—in the period 2007-13. That investment equates to an increase of over 16% in real terms between 2011-13. So, we are increasing the budgets for investment in flood and coastal defences. I will also say as a departmental Minister that, within my portfolio, I am protecting the budget for flood defences.

[142] **Joyce Watson:** This is my final question. We all know that the railway line acts very often as a flood defence. Again, as somebody who has got most of that, I have had lots of conversations with Network Rail because there are significant issues further north now that they have done some of the west. My question to you, Minister, is: have you had conversations with Network Rail, and are you able to say anything about those?

[143] **Alun Davies:** The Minister for transport has led on issues with Network Rail. She and her officials have been dealing directly with Network Rail over the last period. May I say this in response to issues around railways and roads, as we saw the impact on roads as well in Pembrokeshire? We do need to take a far-sighted view on the positioning and protection of key infrastructure. When I was a member of this committee, we visited Gloucester to learn some of the lessons from the flooding there. One of the issues that were brought to our attention was, for example, the placing of electricity substations, which was a crucial issue in that community during its floods at that time. It was brought home to me when I was in Rhyl in December, where there was an electricity substation placed between a primary and secondary flood defence system. To me, we need to be working—you talk about the railways, Joyce, and I agree with what you say about that—with utilities and other infrastructure providers to ensure that our key infrastructure requirements are located in areas that are not subject to significant flood risk and that those key infrastructure elements are protected. This is so that when we are suffering and dealing with an episode such as Rhyl, or what we saw at the beginning of this month, the key infrastructure is safe and protected and services can continue to be provided to the people affected. In terms of risk, that is one of the issues that I will want to seek to manage as we move forward.

[144] **Lord Elis-Thomas:** William Powell, Mike Hedges and then Llyr.

[145] **William Powell:** Minister, I would like to return to the subject of funding, in relation to flood defence, but also in relation to making good the damage that has occurred in recent weeks. There have been different views taken as to the eligibility that applies in terms of access to the European Union solidarity fund. I know that Mark Williams, the MP for Ceredigion, our colleague Elin Jones and the whole group of Liberal Democrat MEPs in the European Parliament have maintained that we should be seeking to make an application to that fund. What is your current assessment of our eligibility, and the prospects of going forward with a successful bid?

[146] **Alun Davies:** I have received a number of items of correspondence, all accompanied by a press release, on these matters over the last few weeks. Let me say this: clearly, the

Welsh Government is alive to the different potentials. I agree with the point that you made in Plenary yesterday about the European Investment Bank as well, as it happens. We are clearly alive to all of these different options for different funding rates. We met the EIB quite recently to discuss exactly the issue of investment in flood defences and other infrastructure projects. At the moment, I am considering the assessments that we have received. In terms of an application for funding to either the United Kingdom Government or the European Commission, it would be based not simply on the emergency repairs that we need to undertake to make safe defences that have been affected by recent storms, but also on looking at the overall damage to the fabric of the community, the economic impact of that damage and the investment that is billed to take place to repair that damage and to ensure that we have sufficiently robust defences in place in the future to ensure that we are not put in this position again. We are making those assessments at the moment, and I will give an undertaking to inform Members when those assessments are complete and when we are in a position to move forward with any potential applications. I understand the 10-week issue. We know about this; it is not something that we discovered a week ago. We understand the timetables. We understand the deadlines. We understand the imperative to move quickly on this. However, we also understand the need to be accurate and the need to provide the full information for whatever source of funding for which we seek to apply.

[147] **William Powell:** Minister, I believe that you recently opened the latest phase of the sustainable drainage scheme in Llanelli, which has been promoted by Dŵr Cymru. I visited that scheme, and I know that my colleague Joyce Watson has also done so. Given that that has been delivered by Dŵr Cymru in partnership with other agencies, I would also urge you to consider building in the potential for that type of model to be taken forward elsewhere in Wales in any EIB consideration, because it would very much be of benefit to many flood-risk communities. Is there potential to take that forward? I know that EIB, across the whole of the UK, has been very active in working with water companies, utilities, and so on.

11:15

[148] **Alun Davies:** You are absolutely right, Bill. I enjoyed the visit to Llanelli with yourselves, and the point that Joyce made in her earlier question, about fluvial flooding, reinforces this point. We can build great big concrete defences. We can do that. But I suspect that one of the ways in which we will manage water in the future will be to ensure—and I think that Joyce put forward an LCO, as it was in those days, in the previous Assembly, on these matters—

[149] **Lord Elis-Thomas:** Do not cause me grief by reminding me of that inadequacy in legislative process.

[150] **Alun Davies:** It is not something that we wish to discuss before lunch.

[151] We will need to manage the RainScape project, which we discussed in Llanelli. I hope that we will be able to do that using soft means, if you like, by ensuring that we have green spaces in towns and cities and urban areas that are able to soak up water, rather than it simply creating surface-water flooding. Then—and this is one of the key things that I think we need to get right in the next RDP—we need sustainable management of water in the uplands and in catchments. If we can restore blanket bogs, for example, in Wales, if we can ensure that we do not just meet the demands of the water directive, but exceed them, in terms of water management in catchments and the uplands, then we would probably be doing more to alleviate the need for enormous expenditure in terms of hard defences lower down the water course. So, I think that we need to take an intelligent and far-sighted view of water management. There is always going to be a place for building significant defences to protect infrastructure, people and communities, but my view is that we will achieve far more if we are able to manage water in the uplands in a more sustainable fashion, and we will also then

be achieving against a lot of our biodiversity and economic ambitions as well. So, I absolutely agree with the points that you make there.

[152] **Lord Elis-Thomas:** Mike Hedges, Llyr, Julie James, Antoinette Sandbach, and then we are done.

[153] **Mike Hedges:** Diolch, Gadeirydd. I speak as a former member of the south-west Wales flood defence committee, where we kept having requests for flood defence following development in known flood-risk areas, which was a problem. Is the Minister aware of the success of the work done on the river Tawe in Swansea—in Swansea East, actually—where the floodplain flooded during a large flood, producing a very large lake, but no other flooding occurred following the work that was done last year? Is the Minister aware of it, and is the Minister interested in visiting?

[154] **Alun Davies:** I am always interested in visiting Swansea East.

[155] **Julie James:** I would just like to point out that it is the boundary.

[156] **Alun Davies:** It is the boundary—so Swansea West, too. It is a beautiful city and I do not spend enough time there. Yes, I am aware of it. I am also aware of some of the planning issues that we had around the enterprise park in Swansea. It is one of the issues that we need to discuss and debate as a society, because it is very easy for politicians to put in place policies about planning and managing development on floodplains, but of course that affects towns and communities in different places. I do not think we have always been very successful in explaining the rationale behind some of those decisions, and we do need to have a more dynamic dialogue with communities and people to ensure that, when decisions are taken about managing flood risk, people understand why those decisions are taken in that way.

[157] **Yr Arglwydd Elis-Thomas:** A gaf i ddilyn hynny? Un o'r pethau sydd wedi bod o ddi-ddordeb mawr i fi, fel un a fagwyd mewn dyffryn lle yr oedd gorlifo yn beth arferol—yn Nyffryn Conwy—yw ymwybyddiaeth gyhoeddus, a'r modd y mae newid wedi digwydd mewn ymwybyddiaeth gyhoeddus, yn enwedig ar y glannau, ynglŷn â'r hyn sy'n bosibl ac yn debygol o ddigwydd yn y dyfodol. A yw'r Gweinidog yn fodlon bod y cydgysylltiad rhwng y gwahanol strategaethau cenedlaethol a'r cynlluniau strategol lleol ynglŷn â risg llifogydd, a hefyd yr ail gyfnod o gynlluniau traethlin, yn effeithiol, a bod pobl yn deall y gwahanol opsiynau sy'n cael eu cynnig ym mhob sefyllfa?

Lord Elis-Thomas: May I follow up on that? One of the things that interest me, as someone who was brought up in a valley where flooding was something that happened regularly—the Conwy valley—is public awareness, and the change that has occurred in public awareness, especially in coastal areas, regarding what is possible and what is likely to happen in future. Is the Minister content that the co-ordination between the different national strategies and the local strategic plans in relation to flood risk, and also the second stage of shoreline planning, is effective, and that people understand the different options that are available in every situation?

[158] **Alun Davies:** I hope that I am. I suspect that there is more that we could do to ensure a more cohesive and joined-up approach to some of these matters. One of the issues that I would like to discuss and have a public debate about is shoreline management. There are issues that we discussed in the debate yesterday. I sometimes feel that we do not take sufficient account of the changes that nature is making and will make in natural processes. We have, at the moment, a policy in place that we will, simply, protect the shoreline. In the Chair's constituency, of course, there are some issues in Llanbedr that we are dealing with at the moment.

[159] **Lord Elis-Thomas:** You should try the Aberdovey golf course.

[160] **Alun Davies:** Absolutely. Without referencing that individual example or other individual places, in general, this might be a time when we revisit some of these debates about how we manage the shoreline. We know that some of our wetlands are under enormous pressure, because we see encroaching sea levels. We have built walls to protect the land and we are losing an intertidal environment and habitat. That is happening across the Welsh shoreline—north, south and west. That is probably the consequence of policy rather than a policy objective. It may well be that, in the future, we would want to say that we would take a more dynamic view of these natural processes and that, where there are areas where we are clearly seeing the sea encroaching on land, we will not simply build a wall but manage that process to protect communities. I am not saying that we should walk away from communities, but that we manage them in a more dynamic way than simply building great big concrete walls along the whole of the Welsh coast, which I think is neither affordable nor realistic.

[161] **Llyr Gruffydd:** Or even build great big motorways, but that is another debate. [*Laughter.*]

[162] Rwyf wedi codi o'r blaen gyda chi'r angen, efallai, i ystyried y broblem o orlifo ar dir amaethyddol. Gwn fod yr undebau amaethyddol wedi codi hyn gyda chi. Mae'n gwbl rhesymol a derbyniol, wrth gwrs, bod unrhyw risg i fywyd ac eiddo yn cael blaenoriaeth yn eich cyllideb, ond nid wyf yn meddwl bod angen llawer iawn o gyllideb i edrych a oes modd rhoi rhagor o hawliau neu ganiatadau i ffermwyr ddelio â rhai o'r materion sy'n arwain at lifogydd ar eu tir. Rwyf wedi ymweld â nifer o ffermydd yn nyffryn Clwyd, er enghraifft, lle mae rhannau o'u tir o dan ddŵr am sawl mis o'r flwyddyn. Pan rydym yn sôn, fel yn y drafodaeth flaenorol, ynglŷn â'r angen i greu busnesau mwy gwydn, mwy *resilient*, dyna yn amlwg un o'r materion sydd angen mynd i'r afael ag ef. Felly, byddai diddordeb gennyf glywed pa syniadau sydd gennych ynglŷn â'r posibilrwydd o roi mwy o rym, mewn gwirionedd, i ffermwyr o fewn y cyngor a'r arweiniad iawn yn ecolegol ac yn amgylcheddol, i fynd i'r afael â rhai o'r problemau hyn.

I have previously raised with you the need, perhaps, to consider the problem of flooding on agricultural land. I know that the farming unions have raised this with you. It is completely reasonable and acceptable, of course, that any risk to life and property has priority in your budget, but I do not think that there is a need for a big budget to look at whether more rights and consents can be given to farmers to deal with some of the issues that lead to flooding on their land. I have visited many farms in the Clwyd valley, for instance, that have parts of their land under water for several months of the year. When we talk, as in the previous discussion, about the need to try to create more robust, more resilient, businesses, that is clearly one of the issues that needs to be addressed. Therefore, I would be interested to hear what ideas you have about the possibility of giving more power, in reality, to farmers, as part of the right ecological and environmental advice and leadership, to address some of these problems.

[163] **Alun Davies:** Rwy'n hapus iawn i gael y drafodaeth honno; rwyf wedi cael y sgwrs hon gyda Russell George ynglŷn â llifogydd ym Maldwyn yn ystod y blynyddoedd diwethaf. Yn amlwg, rwy'n ymwybodol o'r sefyllfa. Nid wyf eisiau ehangu'r adolygiad rwy'n ei gynnal ar hyn o bryd. Gwnes hynny ar sail y perygl a welais ym mis Rhagfyr a mis Ionawr. Credaf fod yn rhaid inni sicrhau bod y *defences* sydd

Alun Davies: I am very happy to have that discussion; I have had this discussion with Russell George about flooding in Montgomeryshire over the last few years. Obviously, I am aware of the situation. I do not want to expand the review that I am undertaking at the moment. I did that on the basis of the danger that I saw in December and January. I think that we have to ensure that the defences that we have on the coast

gennym ar yr arfordir yn ddiogel a'u bod yn cael eu cynnal. Credaf fod hynny'n bwysig. Nid wyf eisiau i unrhyw beth dorri ar draws hynny. Os ydym yn dechrau ehangu'r adolygiad rydym hefyd yn ehangu'r amserlen. Rwyf eisiau symud yn glou ar hyn. Nid wyf eisiau gwneud hynny.

[164] **Llyr Gruffydd:** Nid oeddwn yn gofyn ichi wneud hynny. Roeddwn yn gofyn ichi edrych ar y mater yn ehangach.

[165] **Alun Davies:** Wnaethoch chi sôn am undebau ffermwyr a dyna beth roedden nhw'n gofyn i mi ei wneud. Nid wyf eisiau gwneud hynny. Er hyn, o ran ystyried afonydd a thir amaethyddol, mae Cyfoeth Naturiol Cymru wedi cynnal adolygiad o'r polisi yn ystod y flwyddyn ddiwethaf. Felly, mae wedi bod yn trafod hyn yn ddiweddar iawn. Rwy'n fodlon parhau â'r drafodaeth a pharhau i drafod sut y gallwn ddelio â'r fath lifogydd rydych wedi'u disgrifio. Rwy'n cytuno'n llwyr gyda'r dadansoddiad o impact hynny ar dir amaethyddol a busnesau amaethyddol. Rwy'n fodlon iawn cynnal y drafodaeth. Un peth y byddwn yn ei ddweud yw bod hyn wedi digwydd yn barod yn ystod y flwyddyn ddiwethaf.

[166] **Llyr Gruffydd:** Mae cynnal trafodaeth yn un peth, ond gweithredu sydd angen. Pryd ydych chi'n rhagweld y byddwch mewn sefyllfa lle rydych wedi trafod digon i ddod i benderfyniad ynglŷn â gwneud rhywbeth? Rydym yn gweld cynlluniau peilot—

[167] **Alun Davies:** O beth rwy'n cofio, nid oedd llawer o ymatebion i'r ymgynghoriad. Gall NRW drafod hyn gyda chi y prynhawn yma. Rwy'n credu mai dim ond pedwar ymateb a gafwyd i'r ymgynghoriad. Felly, rwy'n credu bod eisiau symud y drafodaeth hon ymlaen, fel rydych wedi awgrymu. Ar hyn o bryd, nid wyf yn teimlo'n hyderus bod gennyf y ffeithiau sydd eu hangen arnaf i wneud penderfyniad. Nes fy mod i'n cael cyngor gan NRW a nes bod pobl yn cymryd rhan mewn trafodaeth—ac nid dim ond yn gwneud datganiad i'r wasg—nid wyf yn credu y byddwn yn symud yn gyflymach. Fodd bynnag, mae angen inni edrych ar sut rydym yn delio â'r arfordir; roedd hynny'n gwbl bwysig yn dilyn y

are secure and are maintained. I think that that is important. I do not want anything to take away from that. If we start to expand the review then we also extend the timetable. I want to move quickly on this. I do not want to do that.

Llyr Gruffydd: I was not asking you to do that. I was asking you to look at the wider issue.

Alun Davies: You talked about farming unions and that is what they were asking me to do. I do not want to do that. However, when it comes to rivers and agricultural land, Natural Resources Wales has undertaken a review of the policy during the last year. Therefore, it has been discussing this very recently. I am content to continue with that discussion and continue to discuss how we can deal with the kind of floods that you have described. I agree entirely with your interpretation of the impact of that on agricultural land and on agricultural businesses. I am very content to hold those discussions. The only thing that I would say is that this has happened already over the past year.

Llyr Gruffydd: Holding discussions is one thing, but action is what is needed. When do you predict you will be in a position where you have had sufficient discussions to come to a decision about doing something? We have seen pilot schemes—

Alun Davies: From my recollection, there were not many responses to the consultation, but NRW can discuss that with you this afternoon. I think that it only received four responses to the consultation. So, I think that we need to move this discussion forward, as you have suggested. I do not feel confident at present that I have the facts to allow me to make a decision. Until I get the advice from NRW and until people take part in a discussion—and not just issue a press release—I do not think that we are going to move faster on this. However, we do need to look at how we deal with the coast; this was entirely clear following the situation in Aberystwyth and Ceredigion last year. So, I think that there is urgency to this discussion

llifogydd yn Aberystwyth a gogledd Ceredigion y llynedd. Felly, rwy'n credu bod brys i'r drafodaeth hon ac rwy'n hapus iawn i barhau i ystyried, unwaith y mae NRW yn dod yn ôl ataf gyda chanlyniadau'r ymgynghoriad.

and I am very content to continue to consider, once NRW comes back to me with the results of its consultation.

[168] **Llyr Gruffydd:** Byddwn yn ddiolchgar pe baech yn gallu cyfleu'r neges honno i Cyfoeth Naturiol Cymru, er mwyn sicrhau bod yr ymateb yn digwydd mor fuan ag y bo modd.

Llyr Gruffydd: I would be grateful if you could convey that message to Natural Resources Wales, to ensure that that response is forthcoming as soon as possible.

[169] **Alun Davies:** Rwy'n credu y bydd ei gynrychiolwyr o flaen y pwyllgor y prynhawn yma.

Alun Davies: I think that its representatives are appearing before the committee this afternoon.

[170] **Yr Arglwydd Elis-Thomas:** Ydynt, wir.

Lord Elis-Thomas: Yes, they are.

[171] **Llyr Gruffydd:** Maent yn dueddol o wrando mwy ar Weinidog nag ar aelod o'r meinciau cefn.

Llyr Gruffydd: They tend to listen more to the Minister than to a backbench Member.

[172] **Yr Arglwydd Elis-Thomas:** Nid yw hynny'n wir o gwbl. Maent yn gwrando ar y pwyllgor hwn bob amser.

Lord Elis-Thomas: That is not true at all. They listen to this committee at all times.

[173] **Julie James:** I want to ask two completely different questions. I will start with the first. I was very interested in what you were saying about managed coastlines and I know that the shoreline management plans have a set of criteria for what sort of coastline you have. One of the things that I think is missing from that, though, is any contribution from private sector organisations that might be interested in tourist destinations, for example. I know that single examples are invidious, but I will make the example and you can do with it what you like. Take Abereiddy down in Pembrokeshire, which is one of my very favourite places in the world. They had a car park on the beach, but, though I have not been there since, I understand that that has largely disappeared in the storms. There will be a big debate about whether that is a good or a bad thing, as there is a salt marsh just behind it, and all the rest of the debate that you outlined for us. However, for the last two years, the Red Bull cliff diving championships have been held there. This year, it is not going there. In fact, it is very unusual for it to go to the same place twice running, which shows you how popular it is. However, it is clearly thinking of coming back there at some point. I wonder whether, in that instance, it might be worth talking to multi-million pound industries about other moneys for a venue that has been very important to them in the past. I accept that there would have to be a big consultation about what exactly was done there. I understand that the car park itself is controversial and all the rest of it. The point that I am trying to make is this: for major tourist destinations of that sort, where there is not an indigenous community still living in the area, but where there is a massive tourist draw, we might want to have some flexibility about how we manage them.

[174] **Alun Davies:** Absolutely. I am familiar with the area that the Member describes and I would like to become more familiar with these parts of the country. The shoreline management plans that you describe should establish a basis for that discussion to take place with both business and local communities, because they provide the information upon which that conversation can take place. We talk about the economic value of our shoreline; I think

that the coast path and other interventions that we have made have demonstrated the value of that in all sorts of different and positive ways. The environments and the habitats that exist along our shorelines are hugely important; you talk about the salt marsh example, but all intertidal areas have extraordinarily important habitats. We are losing those habitats, partly because of our own policies of protection and incremental encroachment creating a loss—a pinch point, if you like—but also because we are not seeking to create additional habitats through some of our coastal and shoreline management plans. We have to do this; we have to have this debate.

11:30

[175] I hope that the shoreline management plans that we will be publishing—I think, later this year—will be able to establish the parameters for that debate to take place. Julie, for me, I would anticipate every part of our community taking an active part in that debate. That includes business and the private sector as well as local people, community groups, local authorities and elsewhere. Therefore, I would very much welcome that debate and that opportunity. I think that these places and habitats have an intrinsic value—a value in themselves. Sometimes, we try to put a price on everything; that is sometimes the wrong thing to do. These places are valuable places and we need to protect, enhance and manage them for future generations.

[176] **Julie James:** I am very delighted to hear you say that, as it concurs exactly with what I think. I just want to make one last point, which is not a question, I am afraid, but there are also important cultural and heritage issues for coastlines where you have ancient monuments that are also threatened by the sea and so on, and Abereddy fits the bill on habitat and cultural issues. That is just one example among many in Wales.

[177] The second point that I wanted to make was about planning. One thing that has struck me over the years that I have been working with planning is that people do not understand probability. We have guidance in our planning that says that this floodplain is a one in 500 floodplain; nobody has any idea what that means. They think that it means that it will not flood for 500 years. They are absolutely astonished when they find that it floods every year, in fact. I would urge the Minister to have a look, along with planning colleagues, at writing it in a language that ordinary people understand, such as, 'If you build a house here, you will be flooded every year'.

[178] **Alun Davies:** I certainly understand that language. [*Laughter.*]

[179] **Julie James:** The point is that it is not written in that language; it really is not. It is written in language that does not mean very much to very many people unless they have an advanced mathematics degree. So, there is quite a lot of pressure to build in those areas from people who really do not understand that it is going to be subject to quite frequent flooding. That was my last point. I would urge you to have that conversation, especially in the light of the new planning Bill, so that the technical advice notes and so on can be written in a language that means something to the people who are looking to buy houses in those areas.

[180] **Alun Davies:** I absolutely agree with you. In terms of public communications from public bodies, all of us sometimes communicate in jargon that we understand and that we are comfortable with, and we do not speak clearly as a consequence of that. Going back to an earlier conversation, that is actually what we are trying to achieve through the working smarter initiatives. I would not wish to comment on planning matters—they are matters for Carl—but in terms of managing local flood risk in different places, I would expect those communications to be crystal clear to enable people to understand the risk, how to manage that risk and how to manage responses to episodes of weather that create flooding events. So, I certainly agree with you on the communications aspect of that.

[181] **Antoinette Sandbach:** To pick up on that point, I think that the Flood Re scheme that is being looked at will not actually cover new housing built on floodplains, so, I would urge you on that. If there are new consents on floodplains, people will not be able to access insurance. That is my understanding.

[182] **Alun Davies:** The Flood Re scheme that has been introduced by the UK Government through the current Water Bill is based on negotiation with insurance industries. It will not provide support post 2009, because that was the cut-off point after which local authorities should not have been providing planning permissions for building in those areas.

[183] **Antoinette Sandbach:** I think that that is an important message to put out, because people buying properties might not realise that they will not be covered. I wanted to come back to the—

[184] **Alun Davies:** I am sorry; that is an important point for local authorities, which should be not granting planning permission for those places in the first place.

[185] **Antoinette Sandbach:** I agree and perhaps that is a discussion for another time. You spoke about the shoreline management plans being published later this year. The programme for government update said that the local flood risk management strategies were on schedule for completion by summer 2013; that was over six months ago. Can you tell us what has happened with those local flood risk management strategies? Have they been completed and are they now published? Are the shoreline plans—? As I understand it, all second generation shoreline management plans are awaiting approval, so presumably, you have them. Have you now approved them and looked at them? If not, why not?

[186] **Alun Davies:** There are two elements to that question. First, on the local flood risk management strategies, we are, of course, dependent on local authorities to provide those to us. To date, we have had 13 of those strategies back in. Some had to be sent back, I am afraid, because we did not believe that they were of sufficient quality. Sorry, 13 have been approved; we are awaiting eight final plans, which need to be completed. There has been an element of some of those not being of sufficient quality, and we asked local authorities to look again at those. We have approved 13 of them, however, and I am hoping that the final eight will be approved as soon as possible. We are providing additional funding to local authorities to enable them to move more quickly on that.

[187] On the shoreline management plans, there are four covering Wales and the adjoining areas. Officials are dealing with those at the moment. We are completing some of the environmental assessments that are required. I would expect to be able to agree and publish those later this year—is that right?

[188] **Mr Davies:** Absolutely.

[189] **Antoinette Sandbach:** Thank you for that. One of the matters I raised in the debate yesterday, Minister, was the potential for the emergency financial assistance scheme to be activated in respect of local councils. It was something that I asked you to address. I appreciate that it is the Minister for local government who would principally deal with that scheme, but are you liaising with the UK Minister for local government and communities? The Bellwin scheme has been activated in England and £6.7 million of funding was announced under that—well £6.7 million of assistance was announced. I wonder whether you are thinking of bringing forward the spending on flood defences in your financial budget. We are nearing the end of the financial year—obviously, we are not quite there yet—but is there any way that you can bring forward funding so that councils who are dealing with issues now can use funding from next year's budget?

[190] **Alun Davies:** The emergency financial assistance scheme is not activated by Government but by local authorities making an application to Government. We have been in active conversation with local authorities that are currently considering making applications to that fund for help and support. The £2 million I announced this week is different from that. That is for emergency repairs to defence systems. That is outside of the range of that. That is coming directly from my budget and going directly to NRW and local authorities to pay for those repairs.

[191] In terms of the financial scheme funding, that will be for the additional costs borne by local authorities as a consequence of these weather episodes. Those applications will be made to the Minister for local government and she will respond to them. I can say to the committee that we talk regularly about these matters. Before I visited Aberystwyth on the Sunday after the storm on the Friday, I spoke to Lesley on the Saturday evening. I spoke to her again on the Sunday morning and again after I left Aberystwyth on the Sunday evening. We talk regularly about these matters. I also spoke to Carl Sargeant about regeneration and the potential for a Government approach to these matters that goes beyond individual portfolios. Clearly, my portfolio is responsible for defences, but it is not responsible, for example, for proms. The prom in Aberystwyth is not a flood or coastal defence system; it is a promenade. The conversation I had with Ceredigion when I was there on that Sunday was that we needed to make repairs immediately, before Easter, so that tourism is not affected and businesses can get back on their feet.

[192] We need to do the emergency repairs immediately, but then we need to make it right for the rest of the season and the rest of this year in the medium term. Then, a key thing that we need to do, and one of the things I want my review to feed in to, is that it is clear—and many of us have spent happy years in that wonderful town by the sea—that the prom needs to be repaired not simply like for like but in such a way as to provide additional protection for the town. That is going to mean significant investment. Ceredigion is already working with NRW to look at the project on that, and was doing so before the storms in January. I hope that it will take that forward now with an element of urgency, and I would certainly want to look very positively at any applications for funding that would come as a consequence of that review. However, we all accept, and I think all of us who were profoundly shocked and moved by what we saw on that Sunday morning—what I saw on that Sunday morning—are clear in our own minds that we cannot simply rebuild the Victorian promenade in the way it was, and we need additional support there.

[193] **Antoinette Sandbach:** Minister, that leads me neatly on to my final question, if I may, Chair, which is about infrastructure and, in particular, the railway line that runs across north Wales, which, as you know was quite badly hit on both occasions. Now, damage to that railway line causes crucial interference with business and the economy and clearly has a major, major impact, on the whole of the north Wales region in particular. I wonder whether you can tell us what you are doing to work with Arriva Trains to address that issue, because it knocks out public transport, effectively, along that route if any part of the line is damaged.

[194] **Alun Davies:** Network Rail, of course, is responding to us as part of a review—alongside other utility businesses—that I have asked NRW to undertake. So, we will be hearing back from it—it is Network Rail that is responsible for infrastructure, of course—

[195] **Antoinette Sandbach:** Sorry, yes.

[196] **Alun Davies:** So, in due course, we will be continuing a conversation with it. I am aware of these issues. When I was a Deputy Minister, I took a decision on the availability of European funding to support and sustain investment in flood defences, and I was very, very clear on that. Going back to a statement I made on 9 May two years ago, I think, I was very

clear that we will need to make continued significant and substantial investment in flood defences to support economic growth, economic activity and key infrastructure projects. That is a commitment I made then as a Deputy Minister. That commitment to protect infrastructure is one that I will continue to pursue as a Minister in this portfolio.

[197] **Lord Elis-Thomas:** There is an issue here, of course, of integration between NRW responsibilities and Network Rail responsibilities and local authority responsibilities. That is an issue on the Cambrian line, but we will not pursue that now.

[198] **Alun Davies:** There is, of course, a forum in north Wales dealing with some of those issues, and Network Rail, of course, does have responsibilities to protect its own infrastructure.

[199] **Lord Elis-Thomas:** Julie Morgan, finally.

[200] **Julie Morgan:** Most of my question has been covered, actually, but the one final thing is that, in your responses and in all of the discussion we have had, this issue of communication has emerged as absolutely clear. In the longer term plans, we are going to have to explain to people why we are not always able to build concrete barriers and that we have to look after the uplands and those sorts of debates. It is absolutely crucial that there is this meaningful discussion with the public, and I just wondered whether you had anything, finally, that you could say about how we can carry out this conversation, and how we can talk about these very important issues, which are very difficult to explain.

[201] **Alun Davies:** I think that there is great value, and underrated value, in speaking English or Welsh and not speaking in a form of jargon that just turns people off. We have to have a clear dialogue with people. We have to listen to what people say and we have to communicate the risks associated with development in particular areas and some of the linkages. I actually think that the coverage we have seen in the media of some of these events will, perversely, enable that conversation to take place in a way that probably would not have been possible otherwise.

11:45

[202] I also think that the public understands the impacts that it is seeing of climate change—the changes in weather patterns. This is the sort of thing that people will appreciate. Sometimes climate change is seen to be an enormous global thing, happening somewhere else, or as too big for us to cope with, but we are seeing impacts in towns, villages and communities up and down Wales, whether it is snow in May affecting the farming community or storms in January affecting the coastal community, or some of the terrible fluvial flooding we have seen in the summer months when we least expect it. We need to bring this together, I think, in a more persuasive narrative, possibly, to describe how all these things are linked, and then create that conversation with people where we can say, ‘This is happening on a global scale, and this is the impact that it will have on your town, on your street, on your home, on your family, on your business, on your school, on your hospital’. If we can translate, if you like, the big global issues into local impacts, then perhaps we will be able to have that conversation with people. I will finish on this point, Chair: the local flood plans that NRW has been pursuing and developing have tried to be based on exactly those things, and making people aware of the impact of these big events on their communities. I think NRW has done a tremendous job in developing that conversation.

[203] **Yr Arglwydd Elis-Thomas:** **Lord Elis-Thomas:** I thank the Minister and his officials for the hour and more of time that we have had on this subject today. I hope that we as a committee, and he and his

fel pwyllgor, a'r Gweinidog a'i swyddogion, officials, have played our part in wedi gwneud ein rhan i gyfathrebu'r communicating these issues more clearly. materion hyn yn gliriach. Diolch yn fawr. Thank you.

[204] We will just take a couple of minutes while we turn around.

*Gohiriwyd y cyfarfod rhwng 11:47 ac 11:52.
The meeting adjourned between 11:47 and 11:52.*

Rheoli Tir yn Gynaliadwy: Tystiolaeth gan y Diwydiant Coedwigaeth Sustainable Land Management: Evidence from the Forestry Industry

[205] **Yr Arglwydd Elis-Thomas:** Bore da a diolch yn fawr i'r tystion ar gyfer y sesiwn hon. Mae hon yn rhan allweddol o'n hymchwiliad ni i reoli tir yn gynaliadwy ac mae cysylltiad amlwg rhwng hynny a'r materion yr ydym wedi bod yn eu trafod yn flaenorol heddiw ynglŷn â llifogydd ac ynglŷn â'r polisi amaethyddol cyffredin a gwaith Glastir. A gaf i gychwyn drwy ofyn i bob un ohonoch, os ydych yn teimlo yn hapus i wneud hyn, i roi crynodeb neu ateb cryno i ni ynglŷn â'r cyfraniad yr ydych chi'n credu y gall coedwigaeth a'r sector coedwigaeth yn gyffredinol ei wneud i ddatblygu tir yn gynaliadwy, yn ôl eich diffiniad chi neu ein diffiniad ni o hynny?

Lord Elis-Thomas: Good morning and thank you to the witnesses for this session. This is a key part of our inquiry into sustainable land management and there is a clear link between that and the matters that we have been discussing previously this morning in relation to flooding and also in relation to the common agriculture policy and the work on Glastir. May I begin by asking all of you, if you feel happy to do so, to give us a brief summary of the contribution that you believe that forestry and the forestry sector can make to developing land sustainably, according to your definition or our definition of that?

[206] Who would like to start on that one? Would you like to, Jerry? No, I see that Kath will start.

[207] **Ms McNulty:** Thanks, Dafydd. I will start by saying that the natural state of Wales's countryside would be woodland if there was no farming and activity to get rid of trees. Wales's forest cover is about 14.5%. It is increasing slowly, but very slowly. The European average is 37%, so we could do a lot of woodland planting before we get anywhere near the European average of forest cover. Trees grow extremely well in this country, and they provide all sorts of benefits. At the moment, we are particularly concerned about the flooding that has been going on and, certainly, trees absorb water very effectively. They can also slow down water that is flowing down towards the lowland and alleviate some of that flooding. They store carbon. They store carbon in the roots, when they are growing—extremely well—and in the finished product, if we harvest those trees. However, for us to be able to harvest those trees, we need to invest our money in trees that will grow sufficiently well to provide that timber at the end.

[208] Wales is particularly good at growing conifer. We also need broadleaves, but we need to get the balance right, and I would suggest, going forward, that we need a 60:40 mixture of commercial conifers versus broadleaves. The reason for that is that, at the moment, we have approximately 90,000 ha of broadleaf woodlands that are unmanaged, and, if you look at the 'State of Nature' report, you will see that it suggests quite clearly that broadleaf woodlands, although beneficial for biodiversity, are only so if you manage them. I will stop at that point and let one of my colleagues speak.

[209] **Mr Langford:** Perhaps I could highlight a couple of examples from the tree and

woodland sector that illustrate sustainable land management. First, I will talk about the Forestry Stewardship Council certification. This is a practical demonstration of an independently defined and independently audited standard for sustainable management. The Woodland Trust estate is certified under that standard, as is the Welsh Government's estate. I am always a bit surprised that the Welsh Government and, now, NRW, do not make more of that as an illustration of what sustainable land management can mean.

[210] The other example that I would give is the Pontbren project, and I trust that you have all received a copy of the report. It really is an example of sustainable development. It delivers against all three pillars of sustainability. There is a social element; it is 10 farming families working together, supporting the local economy through the services they buy. They were driven and inspired by the need to produce certain farm management improvements, which they use trees to do. It delivers on wildlife conservation as well, although that was not its driving purpose. The wildlife benefits emerged from what they have done. So, once again, it is an excellent example of sustainable land management. Certainly, our principal ask at the moment is for a rural development plan that will support much more of that sort of management on farm land.

[211] The other area that, at the moment, has very good potential is the management of land at catchment scale to address water quality and flooding issues. I am very pleased to see the establishment of the 14 catchment workshops across Wales. There is a great opportunity there. Decisions on land management and water management are inextricably linked, and this is an opportunity to really put sustainable land management into practice.

[212] **Mr Harvey:** I would like to add something to the sustainable environmental factors for forestry that have been mentioned, which has been recognised in the Welsh Government's forestry policy, and that is reducing the ecological footprint—more home-produced timber being used as opposed to imports. The UK is one of the largest net importers of timber in the world. Secondly, there is the Read report, its development and the mitigation of climate change. It has been clearly stated in that report that the most effective means of using forestry for combating climate change is by not only sequestering carbon, but substituting wood materials for those that use high consumptions of energy. Those are two very important reasons why Wales should be utilising its potential in growing more productive woodlands.

[213] **Mr McRobbie:** To add to that—and much has been covered—forestry provides the best economic output of any extensive land use in marginal land. Indeed, it generally will produce a significantly better economic output than hill farming. Therefore, the reliance on public subsidy in what is likely to be an extended period of, shall we say, 'tension' in public finances is important. The opportunity within Wales is the best in Britain. That is the irony that I find: the nation with the best opportunity for economic woodlands in the UK does not demonstrate a good commitment to the full sustainable development of forestry in that the economic aspect is largely overlooked in policy drivers.

[214] **Lord Elis-Thomas:** I am tempted now, because of my great love of the forests in which I have lived all of my life in my part of the world, to ask why that is the case. Why is it not perceived that this is a vital part of sustainability in public policy?

12:00

[215] **Mr McRobbie:** I can address the perception issue. The importance of forestry and the opportunities are stated in Welsh strategy and at policy level. However, when it comes to the drivers of that policy, there are failures in terms of putting good mechanisms in place that provide the right incentive level to get the outcomes that the Welsh Government is looking for. Equally important is the demonstration through behaviour that is picked up by those looking to invest in what is a very long-term investment in forestry. You are looking for

alternative sources of investment in the countryside. Investors have to see some reasonable prospect of return before they can put money into a long-term investment. What landowners look for is not just the right economic climate, but the right political climate and the right political will. Glastir is—I am trying to put this politely—

[216] **Lord Elis-Thomas:** You do not have to be polite in this committee. [*Laughter.*] The Minister responsible for Glastir has just been here talking about greater flexibility in Glastir.

[217] **Mr McRobbie:** Glastir fails at almost every level. Examples would be the woodland creation map, which gives a very negative view of the intention to encourage more investment and more woodland creation. On the one hand, we have a policy with a very ambitious target, so it is perhaps not surprising that it is unlikely to be achieved. However, when you look at the elements that go to drive that policy, the map is a very obvious statement of intent. Basically, it says to the investor that there are very few areas where we want to see forestry. The grant rates and the lack of a woodland creation scheme for 12 months while we go through the hiatus driven by the CAP, which I accept, means that Wales has been very slow to react to that hiatus and provide some comfort to those of us who have to sustain employment over that period that something will be done.

[218] **Ms McNulty:** Confor produced a document last year—and I have a few copies if anyone is interested—and, basically, the Centre for Economics and Business Research report from 2006 identified that 18,500 jobs are linked to forestry in Wales. We looked at applying existing policies to see what extra employment opportunities we could have around woodland, particularly in the development of the wood fuel industry where you are producing timber that can be used for heating, and you are alleviating some of those problems associated with fuel poverty. We are looking at 443 jobs there. Increased processing of timber—saw milling—and using that timber in long-term durable product, means that we are looking at an extra 400 jobs.

[219] New planting is the big one, is it not? We have a target of 100,000 ha, which we can achieve. However, the job creation potential is not that big. Purely relating to the new planting, it is 145 jobs. Finally, with regard to increasing the management of our under-managed woodlands, we are talking about 352 jobs. This is using existing policies.

[220] **Antoinette Sandbach:** One of you referred to the ‘State of Nature’ report. There seems to be a perception that Sitka spruce planting has low nature value. I appreciate that there are academic studies that contradict that assertion, but do you feel that that has been one of the brakes on the willingness of Welsh Government to look at commercial forestry, rather than at broadleaf?

[221] **Mr Harvey:** There has been a misconception. I note in my paper that one of the blockers to the development of the uplands—to stress something important that people do not tend to recognise—is the fact that the United Nations recognises that you should not be planting for wood crops on good agricultural land; you should be planting on neglected or poor agricultural land. In Wales, that is in the uplands. In that regard, there is a big block against bodies such as the Royal Society for the Protection of Birds for reasons which we believe go back 20 or 30 years, when it strongly objected to forestry. I referred in my paper to a study done by the RSPB, where it seemed to have come to a conclusion and then gone to the dataset, but that dataset was pre-certification. Certification practices would not allow the bad management and the bad planting that took place 30 years ago. That is not being recognised. This study from 2003, ‘Biodiversity in Britain’s Planted Forests’, clearly shows that commercial woodlands do a lot for biodiversity. Sadly, it is not being recognised that over the past 30 years conifer forestry planting in England and Wales has actually decreased over the time that we have had decreased levels of biodiversity. The science is clearly showing that certified forestry can do a lot to biodiversity. It is not just a question of sustainably managing

what we have; multipurpose forestry under certification will add to biodiversity and will enrich the land. I am a fan of George Monbiot, when he talks about the ‘sheep-scraped misery’ of the Welsh uplands—you know, it is an unsustainable model. We cherish that landscape—it is beautiful; I love it— but for biodiversity we should be looking to enrich it. Forestry is such an avenue. Go with the science.

[222] **Mr Langford:** If I may add to that? I have been involved in a fairly tortuous year-long process of negotiating with fellow non-governmental organisations, through Wales Environment Link, including the Wildlife Trusts and the RSPB. The Woodland Trust does not entirely share the same position as the RSPB—we are somewhere midway between the RSPB and the forestry sector. So, I cannot entirely speak for all of them. I think that there are significant environmental sensitivities around what was there before the plantations were created and the irreplaceable habitat that has been lost or degraded. There is an issue there that needs to be acknowledged. I think that Mike is possibly right in that the battle that is still being fought is the battle of the 1960s and 1970s and things should have moved on. I think that it would be very helpful to have a very clear commitment to more diverse plantation creation, more environmentally sensitive plantation creation, the inclusion and recognition of the importance of other habitats—not just broadleaf woodland—and to addressing some of the issues to do with water quality and flood risk that are associated with plantation management. I think that there is an opportunity to come together, but that needs a lot of work between the sectors.

[223] **Mr McRobbie:** May I add something? I think that one of the factors is that there is a lack of understanding or appreciation that, while the opportunities for forestry are really good, the choices we have are relatively limited when it comes to providing a good economic output. There is room for all forms of forestry in Wales, but the passion that the forest industry has for Sitka spruce is not driven by a love of that one species alone, but by the lack of alternatives. Sadly, we are seeing one of our other major conifers being wiped off the face of Wales. So, we do have a real situation where we would like to see less dependence on Sitka spruce, in terms of climate change and so on, but we have to have real alternatives. Diversifying to other species, which are less suited to the site and less robust, does not make for more resilience. One of the cautions that I would give this committee is that diversification by nature tends to imply more robustness and better resilience, but if you are diversifying to species that are less well suited to the site and are less healthy in those soils and those environments, then you are doing the opposite. We need to take great care that we take rigorous decisions on species choice and what the forests of Wales should look like and not deal with it at a superficial level.

[224] **Antoinette Sandbach:** The second thing that I wanted to follow up on is on management issues, particularly managing both broadleaf and Sitka spruce planting. There is a period of time during which thinning needs to take place. There is no support available for management at the moment, as I understand it. So, where do you think that support should come from? I have an example in my own region of somebody who is trying to manage currently unmanaged woodland and he is finding it extremely difficult to get any support from anywhere. Where would you like to see that support coming from? Would it be from a unique scheme or from within Glastir? How would you like that support to manifest itself, if you see what I mean? Alternatively, would you say that we should have something like Better Woodlands for Wales, which was the old scheme, but include a management element in it?

[225] **Mr McRobbie:** We would certainly prefer to see a single scheme that the grants sit within. It makes it difficult for applicants—particularly difficult for non-professional applicants or the smaller farmer who may be doing his own application. Applicants are hugely disadvantaged by complex schemes. You make it more complicated if you slice and dice it, so having a single-scheme framework would be my plea. We have limited public resources and while I am a great proponent of the further expansion of forests, there is little point in putting

money towards creating additional forest area if, overall, it is not going to be well managed and the benefits are not going to be fully delivered from it. So, rather than arguing against myself, I would rather see resources diverted from elsewhere, but not necessarily from elsewhere within the forestry element of the pillar 2 funding, because, as I have said before, forestry, generally, is a relatively low-maintenance activity in terms of public support. With the right mix of species, productive woodlands are the lowest of all in terms of maintenance. The only reason that we need public subsidy in forestry, for a very hard-line commercial forest, is because of land prices, which are inflated, principally by agricultural subsidy.

[226] **Mr Langford:** I would endorse one preferably relatively simple scheme. I was at a meeting yesterday of the woodland sub-group of the Wales biodiversity partnership and there was a fairly universally supported call for a scheme that requires just a simple woodland management plan. This is not a return to Better Woodlands for Wales and the extremely complex planning that that involved or to the current Glastir woodland management arrangements, which involve, again, an extremely restrictive list of options that do not have the flexibility. So, yes, I would endorse one scheme, but a flexible scheme, and simple management planning.

[227] **Lord Elis-Thomas:** So, you would be interested if I could persuade colleagues on this committee to propose such a scheme? I see that you would.

[228] **Julie Morgan:** I was interested in Mike's opening remarks—I think they were his—about the amount of timber that is imported into the UK and the need for more home-grown timber for use. Do you have those kinds of statistics that you could share with us? Obviously, importing it could be environmentally—

[229] **Mr Harvey:** Kath has the statistics here.

[230] **Ms McNulty:** Traditionally, it was around 20%, but we have increased UK-grown timber to 41%. So, over two or three years we have gone from 20% of the market share to 41%. That is considerably to do with the low pound; it makes imports very expensive. However, I would say that we could do better than that. At the moment the construction sector is depressed, but as that picks up, and as timber-framing becomes more fashionable or is considered to be the right way to go, we can grow our market share. I would be optimistic that 50% of the timber used in this country would be home grown.

[231] **Mr Harvey:** Those figures are for sawn timber.

[232] **Ms McNulty:** Yes, sawn timber.

[233] **Mr McRobbie:** I want to add a little bit of a health warning to that. The increased share of the market that we have taken has certainly been assisted by the exchange rate and absolutely assisted by what is now a world-class industry in terms of sawmilling and other timber products in Wales and the rest of the UK. However, demand has dropped, so what has happened is that, as part of the recession, the overall demand for wood and wood products has dropped and the domestic share of that market has increased. However, that demonstrates the vitality and potential to expand that industry. We are unique in Europe, with such a big domestic market on our doorstep. We do not have to worry about exporting timber products and our exports; we have a huge market sitting on our doorstep.

12:15

[234] **Julie Morgan:** Is there anything that you would suggest could be done to help boost this figure?

[235] **Mr Harvey:** Yes. I think that there is interesting work being done by the Welsh forest business partnership. It has been encouraging specifiers of timber to be more realistic, so that more use can be made of the timber resource in Wales. For instance, it thinks that a lot of the unmanaged broadleaf plantations could possibly be utilised if there was greater flexibility in terms of specifications. The specification is often set far too high—higher than necessary—which then encourages the importing of timber. The Welsh forest business partnership has done quite a bit of work demonstrating that Welsh forest could be used for construction purposes.

[236] I believe that NRW is looking at encouraging more timber-framed housing and encouraging the use of Welsh timber, which would help from a marketing point of view. Overall, the problem that exists in Wales is that there is a malaise at the moment, because the amount of forestry—what I would call ‘forestry’ in terms of productive woodland—for timber has reduced over the past few years, which is not attracting new investment. We have existing players who are taking advantage of a short-term surplus, but when you are looking at the 25 to 30-year horizon, you will see that there will be quite a tremendous drop off in terms of the timber supply, because planting has not been maintained. As a consequence of that, you will not get the investment, because you are looking at quite a long use of resource to get the payback period. Our concern is that existing processors will see this drop off in terms of timber supplies and might make decisions now about where they are going to reinvest, or put their new investments, and that might not continue to be in Wales. That is a real risk, because that resource is diminishing, sadly.

[237] **Ms McNulty:** Julie, if I could just add to that, for every home that we build out of timber frame, rather than bricks and blocks, we save 4 tonnes of carbon dioxide, which is about the equivalent of driving 14,000 miles. One thing that the Environment and Sustainability Committee could do is push forward that agenda to build sustainable homes using locally produced timber.

[238] **Julie Morgan:** Thank you. That is good to know.

[239] **Mr McRobbie:** May I add a comment on sustainable building, or building sustainable homes? That indirectly produces a big incentive to use more timber. The higher the insulation standard and the higher the energy efficiency standard of a building, the more attractive wood is within that construction. That is because of the way that the engineering works. If you need to create a larger cavity for more insulation, that puts things strongly in favour of timber frame.

[240] **William Powell:** A number of people have made representations to me about the impacts that are felt in the industry of some of the current trends that are driven by tree disease and the level of clear felling that is under way and has been happening now for some time. There have been suggestions that there might be a significant impact from renewable energy projects, and the felling associated with those—I am thinking about Brechfa forest east and west and other settings. Is there any substance to the concern regarding the renewable energy schemes and the loss of forestry land associated with that? I wonder whether you could update the committee about the current effect of what could potentially be a glut of timber coming from all of this clear felling, and whether action needs to be taken to address that, given what Mr McRobbie said about the long-term nature of the industry.

[241] **Mr McRobbie:** I can certainly answer in terms of the renewable energy sector, first of all. We have gone through a period of concern, principally around the very large-scale power plants. My strong belief is that that was misguided, in the sense that the big plants are so large that they become dependent on imports and, therefore, the negative domestic impact that they would certainly have had, in practice, does not accrue. These plants, before they can get the funding, have to be able to demonstrate that they have got sources of supply, and these

sources of supply, for reasons that I do not fully understand, come from the other side of the world. So, we are looking at coastal-based large plants that are importing timber as being the viable ones. The smaller units are very positive, particularly combined heat and power, for the forest industry, in that they provide value for the smaller and less valuable part of the tree. It is vital that we maximise the financial return that we can get from the whole crop. Disappointingly, there are going to be, for some time, technical difficulties in making good use of forest residues, because the needles create technical problems in boilers, which was an area where we thought that additional recovery could be made.

[242] On the second point, forgive me, I have forgotten—

[243] **William Powell:** It was on the effects of disease and the sheer scale of the clear felling that is necessary to address the current disease.

[244] **Mr Harvey:** We understand that Phytophthora, which is the disease that you are talking about, in larch is going to, eventually, I think by 2018, mean that there is going to be very little larch left in the UK. That is about 22,000-plus ha of woodland in Wales. In the marketing of that timber, there has been a recent development. It has been made difficult for biomass users to use it because of licensing arrangements. For example, if a hospital is an end user of biomass, to handle this diseased larch it would need a certificate. It is so cumbersome and complicated that the end users do not do that. However, I understand that the health bodies responsible for it in the UK are looking at those licensing arrangements, because it is silly—the sooner that we get the larch down and use it, the better, in terms of controlling the disease.

[245] **William Powell:** Do you have any concerns around sourcing adequate stocks of healthy alternative tree species to take the place of larch?

[246] **Mr Harvey:** Yes. One of the things that we have noticed in growing trees and in tree health is that, with climate change, there has been a south-east to north-west drift of pests and diseases, which are increasingly reducing the amount of alternatives that are open to tree growers. Oak is affected now, as you probably know, by oak processionary moth and, in fact, was the first victim to *P. ramorum* in the south-west of England. Grey squirrels are obliterating many alternative species. We were talking about which broadleaves could be planted in the uplands. If you look at sycamore, which is not native, you will see that it is beautiful timber, but cannot be used. Ash was a lovely alternative that, again, we have lost due to disease coming in from the east. So, it is a big concern that diseases are restricting the use of alternative species.

[247] On how to react to that, as an industry, we are telling the forest and plantation owners, ‘Please be aware of where your trees have come from’. The biggest biosecurity risk is planting a tree in a forest. If that tree is imported, that is a huge biosecurity risk. I understand that legislating against imports is not feasible, so it depends on the awareness and education of landowners to be careful about where their trees come from.

[248] **Ms McNulty:** William, may I add to those points? In some ways, within the core areas—when I talk about a core area, I mean the area of the valleys where the disease has moved so fast that the Forestry Commission, now Natural Resources Wales, has not been able to keep up with the felling—we have found that, once the disease has been through, the trees can be left standing a little bit longer. What we are trying to do is to avoid that glut, avoid having a huge peak in supply, and I think that we can achieve that. My concern is the longer term.

[249] We have the whole of the valleys being cleared of larch, which was the main species in the valleys, and the issue is what we plant instead. The risk, not for now so much, but in

future, is that, looking into my crystal ball, I would say that we will need more timber; we will need domestic timber, whether it is for furniture made out of wood produced in the UK or for heat in future in the valleys. The risk is that we end up with tree species planted that will not generate what we will need in future. Grey squirrels are an absolute menace when it comes to broadleaves, and if we just plant broadleaves in those valleys, all we will have is shrubby bushes. Basically, we will have very well fed grey squirrels, but not a lot of timber. That is my concern for the long term—I am talking about 30 or 40 years.

[250] **Mr Harvey:** I would endorse what Kath has said here. The WWF projection is for an enormous increase across the world population in the use of wood. Our reliance on imports should worry us. We can do quite substantially more to substitute imports with home production than we are doing.

[251] **Mr Langford:** May I just add that it is a very important issue? It needs a carefully considered response plan and we also feel that there is a measure of urgency to get on and replant, rather than the danger of sites being left for several years. This is particularly true from a conservation perspective for ancient woodland sites, which some of this larch is on. We need to see those going back to wooded conditions as quickly as possible. However, we also think that there is more potential in the range of native species in this country. There are some species, such as small-leaved limes, which are very little used, that could be used a lot more and which do have some timber potential as a replacement for ash. So, do not think that we necessarily have to automatically look overseas for all the answers; there are some answers within our own group of native species. There are more things that we could use, but there is a propagation challenge. The Woodland Trust will do what it can. We are growing on contracts with nurseries to try to build up the stock of trees available.

[252] **William Powell:** Okay. I am grateful. Thank you very much.

[253] **Lord Elis-Thomas:** Thank you very much. If there are no more questions from colleagues, I have one to finish off with. We are very grateful to you for giving us such challenging evidence, and such imaginative evidence, certainly from my point of view. However, we did mention Natural Resources Wales as part of our discussion, so, given that we have discussed with some of you before your fears about this organisation, what do you think of it so far?

[254] **Mr McRobbie:** I am not very impressed, I am afraid. I accept that it is early days and it is a major reorganisation—it was one of my personal fears that major reorganisations cause huge disruption. However, in particular, I see a lack of engagement with what I would call practitioners—those who are actually customers of NRW from the forestry front—to give some input to designing elements of Glastir or whatever. We can give a customer's viewpoint, and, so far, there is almost no evidence that I see that NRW recognises that as an important input. So, there is no engagement with practitioners.

[255] **Lord Elis-Thomas:** Not even with Mr Legge-Bourke of Glanusk on the board. [*Laughter.*]

[256] **Mr McRobbie:** I am not referring to board level. I am referring to this at—.

[257] Seriously, the issue for me is with the detail because you have good policies in Wales, but it is the drivers and the instruments of policy that are failing. At the end of the day, it does not matter how good your policies are; if you do not put the effort into the detail, into the drivers, you will get a different outcome. You will get an unexpected outcome or no outcome.

[258] **Lord Elis-Thomas:** Would anybody else like to comment?

12:30

[259] **Mr Harvey:** Having been engaged with NRW, I am quite impressed with some of the individuals who have come from elsewhere or from the Environment Agency. They seem to have a lot more, if you will excuse the expression, ‘oomph’ in them than the previous incumbents of FCW. They seem to be much more concerned about getting things done, which is quite encouraging. I am still dismayed that there is nobody representing forestry at board level. In my view, Harry Legge-Bourke does not represent forestry; I am sorry. It is just those comments, really.

[260] **Lord Elis-Thomas:** Thank you. Jerry?

[261] **Mr Langford:** As, it sounds like, one of the relatively few organisations that welcomed the creation of NRW, appreciating that it has a very difficult job and it is early days, we still believe that it was a necessary step to try to get the agencies together to deliver sustainable management. We still wish them well and have seen some encouraging developments, for example, in the river catchment basin approach. The mixing up of individuals is producing some welcome new thinking.

[262] **Lord Elis-Thomas:** Thank you for that balanced view. I suppose that I should not have bowled you that one without warning. [*Laughter.*] Thank you very much. Diolch yn fawr i chi.

*Gohiriwyd y cyfarfod rhwng 12:31 a 13:18.
The meeting adjourned between 12:31 and 13:18.*

**Ymateb i'r Llifogydd a'r Difrod Stormydd Diweddar: Tystiolaeth gan Gyfoeth
Naturiol Cymru
Response to Recent Flooding and Storm Damage: Evidence from Natural
Resources Wales**

[263] **Yr Arglwydd Elis-Thomas:** Prynawn da. Croeso, Tim a Jeremy, i'r pwyllgor. Mae hwn yn gyfle i ni edrych ar yr argyfyngau yn dilyn y stormydd sydd wedi digwydd yn ystod y ddau fis diwethaf ac ymateb Cyfoeth Naturiol Cymru, fel corff cymharol newydd, i'r sefyllfa. Mae'n gorff rydym wedi'i gefnogi, fel pwyllgor—yn feiriadol, rhaid i mi ddweud, gan fod hwn yn bwyllgor ambleidiol—drwy ddatblygiad y corff.

Lord Elis-Thomas: Good afternoon. Welcome, Tim and Jeremy, to the committee. This is an opportunity to look at the crises following the storms that have occurred over the last two months and Natural Resources Wales's response, as a relatively new body, to the situation. It is a body that we, as a committee, have supported—as a critical friend, I have to say, because this is a cross-party committee—through the development of the body.

[264] Sut yr ydych wedi gallu asesu erbyn hyn a oes gennych y capasiti i ymateb a delio â'r math o sefyllfa a gawsom? Yn fwy pwysig, beth fyddai'r sefyllfa pe byddai'n digwydd eto, fel y gallai, rwy'n siŵr? A allwch ddweud rhywbeth am eich perthynas gyda'r rhanddeiliaid eraill, yn enwedig llywodraeth leol, yn y sefyllfa honno? Efallai hefyd dylem ni ddweud gair o ddiolch am y modd y gwanethoch chi fel corff—Tim yn arbennig, wrth gwrs—gysylltu â ni fel

How have you been able to assess whether you have the capacity to respond and deal with this type of situation? More importantly, what would be the situation if this was to happen again, as is possible? Can you tell us a little about your relationship with other stakeholders, particularly local government, in that situation? We should also perhaps thank you for the way in which you as a body—Tim particularly, of course—engaged with us as Assembly Members, so that we

Aelodau Cynulliad, fel ein bod ni'n ymwybodol iawn o'r sefyllfa yn ein hetholaethau a'n rhanbarthau. Roedd hynny yn golygu ein bod ni'n teimlo'n rhan o'r ymgyrch, fel petai, i ddelio â'r sefyllfa. Diolch yn fawr.

[265] **Mr Jones:** Diolch yn fawr, Gadeirydd. Hwn oedd y prawf cyntaf o'i fath i ni fel corff newydd yng Nghymru. Mae'n rhaid i mi ddweud fy mod i'n falch o ddweud fy mod yn meddwl ein bod wedi delio â'r peth yn dda. Roedd gennym yr adnoddau a'r systemau yn eu lle, ac yr oedd cryn dipyn o waith wedi cael ei roi i mewn, dros y cyfnod pan wnaethom fel corff wahanu o Loegr, i sicrhau bod y systemau a oedd gennym yn rhai a oedd yn ddigon da i wneud y *job*, ac i wella'r systemau lle yr oeddem yn gweld bod angen gwella pethau. Roedd yr adnoddau yn eu lle, ac yr oedd yr un bobl a oedd yn delio â'r math hwn o ddigwyddiad yn gallu gweithio ar hwn. Roedd ein systemau ni tipyn bach yn wahanol, ond gwnaethom brofi bod y rheiny'n gweithio yn ardderchog o'n hochr ni. Rydym ni wedi edrych ar y peth, rydym yn ystyried sut yr aeth y gwaith yn ei flaen, a sut y gwnaeth yr ystafelloedd yr oeddwn wedi eu setio i fyny i ddelio â'r problemau mawr y cawsom ni efo'r tywydd wedi gweithio. Rydym ni wedi gwneud rhai newidiadau bach i wella'r effeithiolrwydd, a byddem yn gweithredu'r newidiadau. Yn gryno, felly, rydym ni'n gyfforddus bod y systemau wedi gweithio a bod y cyngor yr oedd ar bobl ei angen ar gael iddynt allu gwneud y penderfyniadau yr oedd yn rhaid iddynt eu gwneud yn y sefyllfa honno wedi gweithio'n dda iawn. O ran ein perthynas efo'r awdurdodau lleol a rhanddeiliaid eraill, rydym yn cwrdd yn rheolaidd—byddaf yn cwrdd â Chyngor Sir Ddinbych yfory, ac un o'r pethau y byddwn yn ei drafod yw rhywfaint o'r gwaith hwn a rhywfaint o'r wybodaeth a gafodd. Rydym yn cario ymlaen, oherwydd ein bod mewn sefyllfa lle yr ydym yn gweld bod wastad lle i wella ar yr hyn yr ydym yn ei wneud. Fodd bynnag, mae'r pethau sydd gennym yn dda ac yn gryf, ac mae'n rhaid iddynt fod. Mae'n bwysig eu bod nhw'n gryf. Rydym yn cario ymlaen i wneud mwy o hyn ac i helpu pobl lle mae rhaid cael help arnynt er mwyn eu cynghori ar yr hyn sydd eisiau ei wneud a phryd i'w wneud. Hefyd, roedd ein perthynas ni efo'r

were fully aware of the situation in our constituencies and regions. That meant that we felt that we were part of the campaign, as it were, to deal with the situation. Thank you.

Mr Jones: Thank you, Chair. This was the first test of its kind for us as a new body in Wales. I have to say that I am pleased to say that I think that we dealt with the whole situation well. We had the resources and the systems in place, and there was a great deal of work that had been done, over the period when we split from England as a body, to ensure that the systems that we had were sufficiently robust to do the job, and to improve on the systems where we saw that there was a need to improve them. The resources were in place, and people who had dealt with this kind of event were able to work on this one. Our systems were slightly different, but we proved that those systems worked excellently from our point of view. We have looked at the matter, we are considering how this work was undertaken, and how the control rooms that we set up to deal with these major problems with the weather worked. We have made some minor changes to improve efficiency, and we will be implementing those changes. So, in summary, we are comfortable that the systems worked and that the advice that people needed in order for them to make the decisions that they had to make in that situation worked very well. In terms of our relationship with local authorities and other stakeholders, we do meet regularly—I will be meeting with Denbighshire County Council tomorrow, and one of the things that we will be discussing is some of this work and some of the information that they received. We will be continuing with this work, because we are in a situation now where we see that we can always improve on what we do. However, what we have in place is good and strong, as it has to be. It is important that it is strong. We are continuing to do more of this work and to help people where they need help in order to advise them on what needs to be done and when to do it. Also, our relationship with the police and the fire service and other services through the Civil Contingencies Act 2004 and the gold command and so on worked very well for us in this situation.

heddlu a'r gwasanaeth tân a phobl eraill trwy'r *Civil Contingencies Act 2004* a'r *gold command* a phethau felly wedi gweithio'n dda inni yn y sefyllfa hon.

[266] A gaf i ofyn i Jeremy a yw ef eisiau May I ask Jeremy whether he wants to add ychwanegu unrhyw beth? anything to that?

[267] **Mr Parr:** Yes, thank you very much. I think that it is important to stress just how severe these floods were—probably the highest water levels that we have seen for the last 20 years, if not longer. So, they were severe events, but we were well prepared. I think that it is important to stress how we do work with all of the local authorities and all of the emergency services, and the work that goes in beforehand to be prepared for events such as this. A lot of investment has gone into flood-risk management over the years, and we heard some of the numbers from the Minister in the discussions earlier this morning. That has been well invested, and it has meant that we have been able to invest in forecasting services, so we are able to forecast this kind of event a lot better than we did previously. That is vital information that goes to all of our local authority partners. We sent out something like 28,000 warning messages to properties in the lead up to this flooding. That enabled people to be that little bit more prepared and aware of what was going to happen—not just the people affected themselves, but the emergency services too. Our sympathies go out to the people who have been impacted—and there was a severe impact in quite a few places—but, on the other side, it is important to recognise the investment that has gone in that has meant that quite a lot of places did not flood. We estimate that something like 40,000 properties benefited from flood defences around the coast of Wales, and did not flood as a result. However, these are some of the things that we want to look at further in the review work that we have been tasked to do.

[268] **Lord Elis-Thomas:** You mentioned that you had heard the Minister this morning. You will know that he confirmed his strong confidence in the way that you have responded. From our point of view, of course, we are interested in your effectiveness as an organisation, but also in the way that you can deliver things differently from the way in which they were previously delivered. Part of the key message—and this was something, in fairness, that the Environment Agency and local authorities had pioneered—was around the information that is available to people who are at risk, whatever that figure is. I think it was 220,000 properties in Wales, at the last count. It is about them being aware of their situation and therefore able to participate in the decisions about their future. Will you be consulting people who are affected further? I know that you have been dealing directly with them as customers and as people who require a response. I am not going to talk about the Llanbedr gap, but I am very grateful for all that you have done on that, obviously. We all have our coastline, and we all have our particular issues. Will you be assessing, with the users of your service, as it were, how they felt you responded?

[269] **Mr Parr:** One of the things is that we have worked hard with communities before the event, trying to raise awareness of flooding, so that, when it does happen, they are prepared. A lot of effort has gone in over the last few years—probably more effort here in Wales than has taken place in England—in trying to raise awareness, so that, when flooding happens, people know what to do. Looking towards the lessons learned and the review work, we very much want to tap into that experience on the ground and how it felt for communities and how it felt for individuals. We have to bear in mind, however, that there is quite a bit of pace behind this review in terms of reporting back next week on the initial damage, and then a target of April for reporting back. So, we are working very hard with local authorities, because it is one review for all operating bodies. We hope that, through local authorities, the feedback that the local authorities are getting themselves will also be played back. Also, through the community engagements that we have, we hope that the experiences from affected communities will come back through that route as well. So, yes, we very much hope

and look forward to getting that feedback as well.

[270] **Llyr Gruffydd:** Rydych wedi cyffwrdd â'r pwynt yr oeddwn yn mynd i ofyn amdano, a dweud y gwir, sef y bobl wahanol y byddwch yn ymgynghori â hwy yn ystod ail gyfnod, yn fwy penodol, y darn o waith yr ydych yn ei wneud. Fodd bynnag, mae'n bwysig, fel y dywedasoeh mewn perthynas ag awdurdodau lleol, bod yr adborth yn dod o'r ffas lo, sef y bobl sydd wedi cael eu heffeithio'n uniongyrchol. Rydych yn awgrymu y byddwch yn ceisio gwneud hynny drwy'r awdurdod lleol. A ydych yn hyderus y bydd hynny'n cael ei gyflawni'n effeithiol, neu a oes perygl y bydd yr awdurdod lleol yn meddwl ei fod yn gwybod beth y mae'r bobl yn ei feddwl?

[271] **Mr Jones:** Yn sicr, mae aelodau'r awdurdodau lleol yn cael mewnbwn mawr gan y bobl sy'n byw yn y llefydd y maent yn eu cynrychioli. Rydym yn cael pethau drwy'r cynghorau, ac rydym yn cael pethau'n uniongyrchol gan unigolion sy'n cael eu heffeithio. Mae'r Cadeirydd wedi sôn am Lanbedr. Rydym wedi cael mewnbwn mawr gan y bobl sy'n cael eu heffeithio yn y fan honno, a chan bobl mewn ardaloedd eraill, drwy Aelodau Seneddol ac Aelodau'r Cynulliad, sydd wedi cael eu heffeithio gan hyn. Felly, rydym yn cymryd y pethau hyn i gyd i ystyriaeth, ac maent yn bwydo i mewn i'r hyn yr ydym yn ei wneud.

[272] Hefyd, mae rhai cynghorwyr wedi codi materion ynghylch safleoedd carafanau a llefydd o'r fath lle mae pobl yn mynd a dod. Rydym yn edrych i mewn i'r posibiladau o ran datblygu'r system sydd gennym ar hyn o bryd o gynlluniau llifogydd. Aeth y Gweinidog allan gyda ni y llynedd i Dalacre yn y gogledd ddwyrain i edrych ar safle carafanau yn y fan honno lle mae gwaith wedi cael ei wneud ar gynllun o'r math hwnnw. Mae opsiynau i wneud y rhain gyda rhagor o safleoedd carafannau eraill i sicrhau eu bod yn barod ar gyfer y math hwn o argyfwng. Fodd bynnag, sut yr ydym yn gwneud hyn yw'r cwestiwn y bydd yn rhaid inni ei godi ymhellach ymlaen.

[273] **Llyr Gruffydd:** Diolch yn fawr am esbonio hynny. Rwyf hefyd eisiau eich holi ychydig am rywbeth y soniodd y Gweinidog

Llyr Gruffydd: You have touched on the point that I was going to ask about, really, in terms of the different people that you will be consulting with during the second phase, more specifically, of the work that you are undertaking. However, it is important, as you said in relation to local authorities, that the feedback does come directly from the people who have been directly affected. You have suggested that you will try to do that through local authorities. Are you confident that that will be achieved effectively, or is there a danger that local authorities will think that they already know what people think?

Mr Jones: Certainly, members of the local authorities have a great deal of input from the people who live in the places that they represent. We receive information through the council, and we receive things directly from individuals who are directly affected. The Chair has talked about Llanbedr. We have received information from the people affected there, and from people in other areas, through Members of Parliament and Assembly Members, who have been affected. Therefore, we take all of these things into consideration, and they feed into what we do.

Also, some councillors have raised issues about caravan sites and those kinds of places where people come and go. We are looking into the possibilities of developing the systems that we have at the moment of planning for floods. The Minister went out with us to Talacre in the north-east to look at a caravan site where work has been done on such a scheme. There are options to do this with additional caravan sites to ensure that they are prepared for an emergency of this type. However, how we do this is a question that we will have to raise again.

Llyr Gruffydd: Thank you for explaining that. I also want to ask you briefly about something that the Minister mentioned

amdano yn gynharach, sef y gyllideb o £240 miliwn, gyda'r elfen posibl o £60 miliwn o ffynonellau Ewropeaidd hefyd. Roedd cyfeiriadau at amddiffynfeydd caled a dulliau amddiffyn rhag llifogydd sy'n fwy meddal. Yn amlwg, mater i'r Gweinidog bydd penderfynu pa ganran o'r arian fydd yn mynd at ba *approach*. Fodd bynnag, pa rôl y byddwch chi'n ei chwarae wrth adnabod yr anghenion a'r cyfleoedd, ac wrth argymhell, efallai, i ba gyfeiriadau y dylai'r pres hwnnw gael ei flaenoriaethu?

earlier, that is, the budget of £240 million and the possible element of £60 million from European funds as well. There were references to hard defences and softer defences against flooding. Clearly, it is decision for the Minister as to what percentage of the money goes towards which approach. However, what role will you play in identifying those needs and opportunities, and in recommending in what direction, perhaps, that funding should be prioritised?

[274] **Mr Parr:** Our role is to prioritise where we make interventions on flood risk. So, it is to understand where the highest flood risks are, and to make investments to manage that flood risk where we have responsibility. So, decisions need to be made around where that prioritisation is and where the highest priorities are, and then a series of decisions as to what the best interventions are. What we are very keen to do is ensure that it is not all about concrete and hard defences all of the time. It is about a basket of measures that can have an impact. It is not always appropriate to build a hard defence. We are very much interested in the upland management of catchments and ways in which you can manage water in different parts of the catchment. It is about taking that holistic view of catchments as a whole. The strength of Natural Resources Wales is that we have that broader remit, so that we work closely internally with colleagues to get the right solution in the right place, as well as externally with partners.

13:30

[275] **Llyr Gruffydd:** Pan fyddwch chi'n creu rhestr o flaenoriaethau, a fydd un rhestr yn cynnwys mesurau caled a mesurau meddal, neu a fyddwch chi'n eu cadw ar wahân, er mwyn i'r Gweinidog neu'r Llywodraeth benderfynu lle mae'r blaenoriaethau?

Llyr Gruffydd: When you create a list of priorities, will there be one list that includes hard measures and soft measures, or will you keep those two things separately and then let the Minister or the Government decide where the priorities should lie?

[276] **Mr Jones:** Byddwn ni'n cysidro'r opsiynau a'r blaenoriaethau sydd gennym, yn dibynnu ar ba achos, safle neu ardal yr ydym yn sôn amdano. Fel mae Jeremy'n dweud, mae *menu* o wahanol bethau y gallwn ei defnyddio i reoli'r risg llifogydd yn yr ardaloedd lle rydym yn gweld risg uchel.

Mr Jones: We will be considering the options and the priorities that we have according to what case, site or area we are talking about. As Jeremy says, there is a menu of different options that we can use to manage flood risk in the areas where we see that there is a high risk.

[277] **Joyce Watson:** I cover Mid and West Wales, as does William Powell, so we know a little about flooding. That aside, first, I would like to congratulate your staff who were out on the ground and who were working round the clock. I know that because I saw them and there is a photo on my website to prove it.

[278] Apart from that and on a more serious note, there are several elements to managing flood risk, and the first one is the warning system, which I saw last Monday. Are you satisfied that those systems worked effectively? I would like to say that I am. Secondly, the other element is who you are warning and what they should be doing. There are schemes, I know, in place, where you have worked with Solva community council, Lower Fishguard and Cardigan. There is another element within that, which is that while you can help those who

own properties to alleviate flooding with floodgates and all the rest of it, I was getting mixed messages about the effectiveness and the understanding very often from the elderly population—for example, the need for them to fully understand how to make the best use of those floodgates, by sealing them before putting them in place. You may not be able to answer this now, necessarily, but how are you able to engage with those people who own property in those areas but do not occupy it? I know that that is a challenge for you. While I am talking about occupation, the other challenge that I would like to ask about is the occupation of caravans. Again, it is a significant problem, because if there is no register in place, how does anybody know that they should be rescuing somebody who might be in a caravan? That is critical, because an awful lot of resources can be put in place to rescue somebody that is not there, because you do not know. I will ask about those two points first.

[279] **Mr Parr:** There are a few strands to those questions. Perhaps I will start and then Tim can continue. In terms of warnings and their effectiveness, as was evident with these floods, a lot of warning messages went out and they made a huge difference. The first part of warning is forecasting when it is going to happen and having levels of confidence that what you are seeing is going to happen. What we forecast did happen, and we were able, as a result of that forecast, to get messages out not only to the public, but to those professional partners that we work with, including the emergency services, local authorities, the RNLI, Network Rail—so, to people who own assets and people who respond—so that they have that heads up of what to expect and can therefore plan their resources and where they need to go. So, it is very much a dual thing, in warning the public and the other people who need to know, so that they can get that time.

[280] It is also important to stress that people need to know what to do with the warning when they get it and what it actually means. That is why we have invested a huge amount of time and effort in really working with communities to say, ‘Okay, when you get this message, this is the sort of thing that you will need to do’, because when flooding comes, as we all know, it comes really quickly a lot of the time. They do not have that luxury of time at the time, so, they can think about it beforehand. We have invested a lot of time and effort in the Flood Awareness Wales programme, which, at its heart, is about working with communities to say, ‘As a community, this is what you will need to do’. We hope—and we are getting evidence of this—that in the sort of situations you describe, where maybe there are elderly residents who need some help, the community will help, because it has thought about it beforehand, that somebody down the road would need that help.

[281] The floodgates themselves will do a job to an extent, but it is always important to remember that, of course, if it comes over the top of those, the flood waters will get in. The other thing to say, perhaps, around caravan parks, is that we recognise there is a huge risk there. By their very nature, a lot of the caravan parks are next to the sea, or next to rivers, and not only in this recent flooding, but in the flooding before in mid Wales, in the Aberystwyth area, caravan parks were affected hugely. Of course, sitting in a caravan—in a buoyant tin box—when a flood comes is not the best place to be. So, we work really hard with caravan park owners and are really concentrating with the owners to develop flood plans for their caravan parks, so that, when they get the warning, they know what to do in terms of their residents in the caravan park, and they can go around and make sure that people are aware of what is going to happen. So, we have an evolving programme of that type of work, to recognise that type of risk as well, because there is a huge number of people in those caravan parks.

[282] **Joyce Watson:** The issue there is occupancy. You really need to know if somebody is in or not. Have you done—

[283] **Lord Elis-Thomas:** Or legally in.

[284] **Joyce Watson:** I suppose that is absolutely a fair point. I know it is perhaps not your responsibility, but has there been some work around occupancy?

[285] **Mr Jones:** What we can say is that we work with caravan site owners, and they are the people who know who is on their site. We work with them to develop flood plans. As I said earlier, I was with the Minister in north-east Wales, at Talacre's Three Cornered Meadow caravan site, meeting with the owners there and talking about their flood plans earlier last year. We would be very keen to work with local authorities, as the licensing authority for these caravan sites, to try to encourage people whose caravan sites are at risk of flooding to develop these further. How far we can take that, and whether it can be made a condition of licensing, is an issue that we cannot really deal with at the moment. Certainly, dealing with the owners of the caravan sites, making sure that they are prepared for a flood, making sure about issues such as caravans being chained down, and having flood refuge points on the caravan site, are vitally important if people are to be able to manage the risks safely in situations like that. Again, there is only so much that we can do as an organisation on that.

[286] Going back to local flood plans and communities, community flood wardens are another vitally important link in this. These are people who can help elderly people to prepare for floods, or can warn them and help them either leave their properties or move to a safe area of the house—issues like that. We do encourage the development of these people. I live in north-east Wales, just outside Ruthin, and I know that, in a place like Glasdir, there has been a clear move towards having people taking these sorts of roles within the local community.

[287] Our flood risk warnings go out automatically. If people are not occupying a property, then they can register to be informed of a flood risk in that area via their mobile phone. We can do that in order to make sure that they are being told of the risk and, therefore, given the opportunity to do something about it, wherever they are in the world.

[288] **Joyce Watson:** That is great. I will move on to the next piece of the inquiry that I would like to pursue, which is on types of flooding. This time it is supposed to be coastal flooding, and you did what you did. A week today, we have one of the highest tides, and it is still very wet and it is going to rain an awful lot, so that is possibly going to bring another type of flooding, which is along the river banks as well. The principles are all the same, but the solutions might be different. Surface water, which is something that I am always on about, is an aspect that can be handled, I feel, somewhat differently, so that the water does not get to the river in the first place for it to swell. So, I would like to ask a question on future management. We have the planning Bill coming through, and planning, very often, is the thing that dictates, in every case, surface water flooding. So, I am assuming that you have had conversations on that planning Bill regarding flood prevention, because we have to be talking about prevention. In terms of getting the message across, do you think that it has been understood by people that what they do, maybe two miles further up a river, might impact on somebody two miles further down?

[289] **Mr Jones:** Yes, very much so. It is an issue that we are well aware of. If somebody does some work on a main river, which are the areas of river that we are responsible for, then they are required to get consent to do that—and Jeremy can give you more detail on that. That is because we need to assess the potential impact for people upstream and downstream. The water has to go somewhere. So, even though you may be protecting a specific area, you may be making the situation worse elsewhere. So, one of our roles in the planning system is to advise people who are giving consents, and be aware of it for the consents that we give ourselves, so that we rationalise that risk, make sure that people are aware of it and that we show people that certain activities will have a significantly detrimental impact on other people's interests. That is what we are about, and it is one of the roles that we have as a regulator.

[290] The other thing, which we touched upon earlier, is that, as Natural Resources Wales, we have a far greater remit than any of the bodies that came into the organisation. We have the opportunity—and I have discussed this with the Minister—at St Asaph to look at the potential for managing the entire catchment to reduce the speed of the water run-off. So, in areas such as blankets bogs—and we have examples of this working on the Berwyn and the Migneint in Meirionnydd—we can reduce the speed of the water running off so that it is held in the sponge of peat and it runs off gradually, which should help to reduce the flashiness and the speed at which the water comes up and perhaps even reduce the height of the flood. That is still at the conceptual phase, but it is something that NRW as an organisation has the potential to influence and develop plans on.

[291] **Mr Parr:** It is important to consider that it is not just the flooding impacts, but the impacts on other aspects of the environment that our role enables us to take that oversight of, around all of it. That includes, for example, the impact on biodiversity, on water quality and on water resources. Once again, a strength of Natural Resources Wales is that we can take that holistic view of the overall environment, which is our role.

[292] **Joyce Watson:** Finally, are you likely, when you see plans, because you would be consulted on plans—and I am talking about planning applications—to make suggestions that would mitigate potential flooding or surface water run-off before it happens? Have you thought about suggesting green spaces, but particularly areas of trees?

[293] **Mr Parr:** Our role in terms of planning on flooding is to give advice to the local planning authorities, which make the decisions. We give that advice on a flood-risk basis. We are very interested in that and we do work on those concepts that you mentioned, such as green spaces and greening the environment, because if you can capture the water in that location before it gets to the river, then you are helping with the problem. So, we are working closely, for example, with Dŵr Cymru on projects on which we can maybe both work together and see opportunities where we can do more of this. So, the Llanelli catchment and the Greener Grangetown project here in Cardiff are examples where we are looking harder and closer at ways in which we can work together with partners to have more of those sorts of benefits.

[294] **Joyce Watson:** Finally, finally, are you disseminating that information—

[295] **Lord Elis-Thomas:** We cannot have a finally, finally. Antoinette Sandbach is next.

13:45

[296] **Antoinette Sandbach:** I want to pick up, Tim, on the main rivers. Traditionally, there are options for better thinking. If water is draining off the land into the river and you can slow the river upstream, then you are stopping it from going downstream so quickly. This is an issue that I have talked about with Environment Agency staff on the ground. Traditionally, the approach has been that it has been outside the main settlement area, and it is therefore not a priority for them, because the closest settlement area, which might be a small village of 200 people, will not be affected. However, that is not where the effect is going to be felt. It is going to be felt much further downstream. So, are you having discussions with your fisheries people, who I know have had projects to put in fish passes, and with local authorities to see how you can roll out your riverbank schemes, which will involve supporting riverbanks and will stop the silting up problems further down, and to look at those? I have spoken to the flooding people in the past, and they have said, 'No, you can't speak to us; you have to speak to fisheries'. However, there was potential for a joined-up approach that might have achieved both objectives out of a single pot of money. I wonder whether you could talk about that.

[297] **Mr Jones:** It is a concept that we are 100% with you on. It is the future of this. We

cannot deal with flooding in isolation. You cannot build higher and higher banks. You cannot deal with hard defences like that. NRW is unique in that we have the remit to look at this sort of issue on a holistic, habitat-wide landscape scale. I mentioned earlier the St Asaph and Vale of Clwyd issues. We have been looking at options for the management of the highest areas where the rain first falls, and whether we can look at making blanket bogs and upland peatland more sponge-like. This is not always universally popular with the farming community because it involves reducing drainage in those areas. However, the work that has been done and the LIFE project on the Berwyn and the Migneint have proven that that does not generally have a detrimental impact on agriculture. There are ways of working with it. So, that helps.

[298] There is also an approach that involves corridors of trees—the Pontbren-type approach to water control on agricultural land. Corridors of planted trees alongside rivers help a lot. It slows down the speed of the water getting into the rivers, which should reduce peaks of flow and should give us a better end result, which is fewer houses flooded and fewer people going through the terrible experience of having floods. This is at a conceptual phase at the moment. We need to build it into the way in which Natural Resources Wales works, and it is certainly something that I am personally very keen on, having seen the terrible effect of flooding at Glasdir and St Asaph and having been talking to the people there, at length, on several occasions. It is something that we need to develop. It is part of the ecosystems approach, which is what we as an organisation are all about. I can tell you now that this is something that we are looking to pilot as part of the pilot programmes on this approach that we are going to be running in the future as an organisation.

[299] **Antoinette Sandbach:** It is the Elwy that I know particularly well, which feeds into the St Asaph river network. I know that there were discussions with Conwy County Borough Council and the Rivers Trust that could potentially have looked at mitigation along the banks of all the rivers all the way upstream. What has happened with that, bearing in mind that Glasdir happened well over a year ago?

[300] **Mr Jones:** I was out on the Elwy on Friday, coincidentally, with some of our fisheries team, looking at the Wild Fishing Wales project and the work it is doing to improve the quality of fisheries. Some of this includes creating fish passes to allow fish to get to inaccessible areas of various rivers, including the Elwy. It is also about what you suggested: planting alongside rivers and fencing out rivers to stop the damage of riverbanks. In a lot of cases it is working. Some landowners are not desperately keen. I would be very happy to talk to you outside the meeting about particulars, and perhaps we could work together on trying to get some of this achieved. However, it is a really good, positive move forward if we can deal with flooding in this sort of way. It is good for the habitat, it is good for the fishing, it is good for the economy, with regard to the fishing, and it is good for the farmers in the end because it reduces erosion. I saw good examples of where erosion had happened because we were not able to do this sort of work because the landowner was not well disposed towards it. It is something that we want to do. We rely on co-operation from individuals, and it is not always there, unfortunately.

[301] **Antoinette Sandbach:** I know that Joyce Watson has raised this already, but your flood alert scheme is excellent. I am signed up to it and I do whatever I can to promote it. Whenever you issue flood warnings in my area I tweet them and re-tweet them. I notice that your website, which has all the information, links up to the main Environment Agency website—the UK, or I suppose it is the England website—which, I am presuming, means that there is still a lot of cross-border working and that you are working closely with that agency. Is it still an English resource that you are commissioning from it, because if you clicked on the NRW site it took you straight—

[302] **Mr Parr:** It takes you to there. This is a transitional situation. Clearly, we are hoping,

intending and working towards getting those warnings on our website. Part of that is the legacy of where we have come from and the need to dismantle it and put it in a different format. It also strikes me that one of the points is that there will be a need for cross-border working, given the nature of our cross-border rivers. We have the Dee, the Wye, the Severn and the sea in the Severn estuary in the Liverpool bay area, which is cross-border. It is about striking the right balance in doing things on our own and having great opportunities to do more things our own way. It is also about recognising that you should not throw the baby out with the bath water necessarily and that we should still be working together where it makes sense to do so.

[303] **Antoinette Sandbach:** If I can just follow up on that, and this will be my final question—

[304] **Lord Elis-Thomas:** Your final, final question. [*Laughter.*]

[305] **Antoinette Sandbach:** My concern is that people might have got used to looking at the Environment Agency website, so please do not throw the baby out with the bath water. If, for some reason, you develop a separate website, it would probably be good to have those links because people have relatives who live in areas that span the borders and people have farms and families that span the borders.

[306] **Mr Parr:** We also have lots of tourists who come in to Wales and vice versa.

[307] **Antoinette Sandbach:** Exactly.

[308] **Mr Jones:** Our main priority beyond everything else is that people get access to these warnings. Our main priority is to make sure that the system works so that people, wherever they are, get the warnings they need. That is above and beyond everything else, be they computer systems, or Wales and England and all the rest of it. People need to get the warnings they need when they need them. We worked very closely with the Environment Agency during the recent events. I was on the phone with my counterpart three or four times a day. It offered us resources if we needed them, and we offered it resources if it needed them in terms of things like the Dee, which wiggles backwards and forwards between England and Wales. It worked well. I have since met with my counterpart in Warrington. We have a good working relationship and we will continue to have that good working relationship. If we had an event where we needed resources that it had to help us respond to an incident in Wales, we would contact the agency, and vice versa.

[309] **Lord Elis-Thomas:** However, you need to remind the BBC, and to a lesser extent ITV, that you are Natural Resources Wales and not the Environment Agency here. There is the Scottish Environment Protection Agency in Scotland and the Environment Agency in England. This stuff drives me bananas, but I have an obsession about the constitution.

[310] **Mike Hedges:** First of all, I congratulate you on the work done on the River Tawe in the Morriston and Llansamlet area and the success of the floodplain there, which has avoided any flooding in an area that has been prone to flooding for decades. I have a question in two parts. The first part is in relation to your role as statutory consultee on planning applications. Do you model the effect on the land when the trees and bushes have been removed when planning applications are put in? Why do you remove objections because the council says it can deal with them?

[311] **Mr Parr:** Our role, as we have said already, is to provide advice to the local authority, so, in providing that advice, we look at what the impacts will be. If somebody comes along with a proposal for a development we look at what the risk implications of that are. If we are not satisfied that they are being satisfactorily managed, we will ask for further

information. At the end of the day, it is advice that we provide to the local authority and the local authority then makes the decision on the application. So, what we need to look at and what we do look at is the impact and what is being proposed. We go on the information that is provided.

[312] **Mike Hedges:** Sorry, I think that there is confusion between people sitting on planning committees and you. The people sitting on the planning committees, which is something that I and other people in here did for decades, think that you are providing advice to members of the planning committee when they are deciding the planning application. What you have just said is that you are giving advice to the planning officers who are producing that report.

[313] **Mr Parr:** If I said that, I did not mean to. I thought I said that we provide advice to the planning authority.

[314] **Mike Hedges:** Can I clarify this point, Chair? The point is that if planning officers say that they can deal with it, you withdraw your objection, but members of the planning committee would like to know that you have an objection or a concern when they come to making decisions. I see other councillors and ex-councillors here, and I think that they probably all agree with me.

[315] **Lord Elis-Thomas:** I do not think that you can accuse Natural Resources Wales of having done this, because it was not around, was it?

[316] **Mike Hedges:** It is the current planning application review that I want to discuss. It was around then and that is exactly what it did.

[317] **Mr Jones:** Our advice will be on the number of things on which we are statutory advisors to local authorities in terms of planning applications. Our advice will be, 'We believe this is the situation; this is our technical expertise being applied to this'. The decision is with the local authority. It gets our advice at a planning-officer level and the planning officer will then take our advice and turn it into a report for the planning authority. If it chooses not to take our advice, it is its decision, and on its head may it be.

[318] **Russell George:** I thank Tim Jones for showing me around the situation in Aberystwyth the week before last.

[319] Could you talk about the review with regard to timescales, when you need to report by, how you are carrying out the review, who you are speaking to—particularly which organisations? Could you talk about the review, really?

[320] **Mr Parr:** The review is in two stages. It is recognised that the first important stage of that is to do the assessment of the damage from these two extreme events around the coast of Wales. The timeline for doing that is to report back to the Minister by the end of the month, 31 January. We are on schedule to do that. The way in which we are doing that is to liaise and request information from our partners. Principally, they are the 16 local authorities that have a coastline or tidal waters. There are 16 local authorities that we are liaising with. We are also asking for information from Network Rail and Dŵr Cymru Welsh Water. We have also been in contact with Cadw and the National Trust because of the historic monuments and other aspects that may be impacted. We have also asked the National Farmers Union, the Farmers Union of Wales and the Country Land and Business Association for information about impacts that they may have observed. By going to all those people and asking what the impact was, we are hoping to put all of that together in a report that summarises that across the whole of Wales. The timescale for that is quite tight, but we are on schedule to do it. So, next week, we will be reporting that back to the Minister.

[321] That will be the first stage, which is largely around saying, ‘These are the facts. This is the impact’. The second stage is due to report back in April time. Hopefully, there will be no further flooding in between, which might jeopardise that. So, fingers crossed that we are able to deliver to that time frame, because it is important that the recovery element is not jeopardised by this work either. The second phase will look at some of the wider issues and questions, the lessons learned about how we could maybe improve things and do things better in the future. It will look at the whole timeline, from warnings, forecasting, information shared, impact on the ground, recovery—all the way through. Again, we are doing that in collaboration and partnership with the local authorities and those other organisations that I have mentioned. That is due to report in April.

[322] **Russell George:** Thank you, I appreciate that. My second question is similar to Antoinette’s question with regard to cross-working across departments, but not just within Natural Resources Wales, but other departments within the Welsh Government. I am particularly interested in renewable energy projects that can also act as sea defences and the potential for that. Is that something that you are considering and are there any projects that you are working on to that effect?

[323] **Mr Jones:** We have one project at a more advanced stage than others in that respect, which is Swansea bay project. We are working with the developer, helping it and making comments and exploring various aspects of this. There have been resources off the north Wales coast, off Colwyn Bay, for quite a number of years. There is potential for those to help us as coastal defences, but there are also issues around those that have to be carefully looked at. In the same way that doing flood defence work on a certain part of a river might increase the risk elsewhere, you have the same potential with these coastal impoundments. For example, you could have wave reflection. Waves might come in from one direction and hit the sea defence. The coast behind it would be protected, but the waves would then reflect, in the same way that light waves are reflected by a mirror, onto a coast elsewhere that has never had waves of this type before. You could end up with severe impacts there.

14:00

[324] The other issue is coastal process and the fact that you get drift of sand particles up and down beaches one way or the other. By putting in an impoundment such as this, you could end up with the drift of particles not occurring down a beach and starvation of a certain area of beach, which might reduce its height and could then lead to problems there. So, there is potential there, but it has to be very carefully examined to make sure that there are no adverse impacts elsewhere from making things better for one set of people.

[325] **Russell George:** To what extent is it an issue that you have different budgets? Potentially, if one project is acting as a sea defence or something to limit the impact of flooding, but is also a renewable energy project in itself, you have different budgets coming from different pots. That sometimes constrains a project from developing, because people want to keep things neat in their own budget. To what extent is that an issue? How can that be overcome?

[326] **Mr Jones:** Generally, we are not involved in this sort of development. We have been involved in renewable energy work elsewhere—some small-scale hydro and some wind power—but offshore, it is normally on Crown Estate land with a private developer. They will be required, as part of the assessment process for gaining the marine and other consents that they may need for that, to undertake the environmental impact assessment work. That will be their budget; we have no control over that. Our response to that will be via our statutory role in advising Government, but also in working with developers to try to enable them to carry out the work that they do with minimal environmental impact.

[327] **Russell George:** I understand that. What I am suggesting is that, while you have a budget with regard to sea defences, other projects are going on that are not in your remit, which are also acting as potential sea defences. How can you use your budget with regard to sea defences to accommodate those other projects and to make them more viable? That is probably my wider point.

[328] **Mr Jones:** That is not an easy one for me to answer. Jeremy, do you have a view on this?

[329] **Mr Parr:** When issues and opportunities like that arise, we work really hard to try to see where the 'joined-up-ness'—if that is a word—occurs and what we can do to get multiple benefits. So, it is not just in terms of energy, but it is in terms of other things as well.

[330] **Russell George:** Multiple benefits, really, is what this is about. I am just looking to explore if there is a mechanism to allow that to happen. Perhaps there is not. It is not an easy thing to navigate; that is probably what you are saying.

[331] **Mr Parr:** It is challenging to a degree. We try hard, both internally and with the partners that we are working with, to look at that. For example, if the tidal lagoon comes forward as a proposal, within our organisations, different aspects of that and people within different teams will be involved in looking at some of the impacts. In terms of the opportunity and the funding, one of the things that we are clearly very interested in is that flood risk budgets only go a certain length. They only go so far. So, we are tapping in to other budgets that have multiple benefits and working with Government departments. Some of those may be habitat-related opportunities or energy generation opportunities. We are working hard with Government colleagues as well, to ask where we can join up and where they can make their money go further through the multiple benefits'.

[332] **Julie James:** I have a brief question. It is interesting that you started to talk about Swansea bay, because that is where I was coming from. This item is entitled 'Response to Recent Flooding and Storm Damage'. I wondered how much data you were going to get from areas that were protected from the flooding. Swansea bay was remarkably unscathed during some parts of the storm. I understand that that was to do with wind direction and so on. However, there was a lot of sand damage and so on; the middle of Swansea is called Sandfields for a good reason. Are you going to have a data set that lets you have a look at what the coastal patterns are trying to turn themselves into in a natural way and what the most effective use of defences—if that is the right word—actually is? There are areas in Swansea bay that clearly could be served by a more natural defence system, which will clearly be impacted by a tidal lagoon, whether you think that it is a good impact, or not. I reserve judgment on that. So, I wondered whether you were going to get the data set from right around the coast and have a look not just at flood damage, but at other storm damage and patterns of sand movements and all the rest of it, just to get your budgets aligned with what might be the most effective way of dealing with coastal erosion and so on.

[333] **Mr Parr:** That is a really important point, is it not? The damage is not just flood damage; it is, to a degree, natural damage that happens from time to time through these natural processes. The focus for the review work is around the flood defences and the damage to those, but nonetheless, it is also about capturing that information that is coming forward around those wider impacts and the damage to the coast path and other structures and aspects of the coastline. So, we are capturing that information as it comes through and we will make use of it in the appropriate ways. However, the prime focus is around the flood defences and how they stood up, because we have high tides coming again later on this year. So, the short answer is 'yes', we are capturing those bits of information as they come through, but it is not the prime focus of the review work.

[334] **Julie James:** Yes; I understood that it was not the prime focus. I just thought that it would be a lost opportunity if you were not bringing in other data sets.

[335] **Mr Jones:** May I add to that? We are taking up the impacts on quite a lot of the sites that we manage or protect along the coast as well, such as our national nature reserves. The other thing that we are doing very clearly, when we are dealing with repairs to coastal defences, is that we make sure that, where possible, we incorporate work to repair the coast path and enhance it where possible, because the coastal path was quite badly damaged in places. So, it is an opportunity to do that, as well as the work that we need to do on the enhancement of the defences that we have.

[336] **Julie James:** On that basis, as you have mentioned it, the Minister also spoke this morning about looking to see that there is not vulnerable infrastructure that is impacted by that. I assume that you are taking that into account as well. I can think of one place just along the coast in Gower that was badly impacted and where there is clearly an infrastructure problem.

[337] **Mr Jones:** That is part of the scope of the review: where is that infrastructure, how resilient is it and could it be made more resilient? As I said earlier, we are working with Dŵr Cymru-Welsh Water and the power companies to capture some of that information, because it is an important part of the resilience of Wales to these sorts of incidents.

[338] **Julie James:** That is good to hear.

[339] **Lord Elis-Thomas:** Finally, we have William Powell.

[340] **William Powell:** I have a couple of brief questions that arise out of areas of scrutiny that we have already undertaken. First, I would like to add my voice to the comments of others in terms of the way in which NRW has really stepped up to the plate on this occasion in my region of Mid and West Wales and indeed, across Wales. That is not just the people in the high-visibility clothing and the waders, but also the communications team and those people who have been on 24-hour call, getting the message across, which is so important.

[341] I have a couple of brief points. When you are formatting the information for the review, which is due, as you said, by the end of next week, do you also have some regard to the depth and quality of information that may be necessary to inform any bids to other agencies? Earlier with the Minister, the issue of the EU solidarity fund was mentioned and possibly other sources of funding, such as the European Investment Bank. Do you also pay some regard to formatting it and collating it in a way that would be suitable to inform such a bid?

[342] **Mr Parr:** Yes. Clearly, it is a challenge to get all of the information together in a short space of time, but we have given a template out to all of those partner organisations that we are working with, and that template allows for an estimate of the costs of repair, for example. It is also an opportunity to describe the nature of the damage—it might be to a flood defence, a road, a beach, or to a promenade. All of that information will be captured, and we will then pass it on to Welsh Government, which will make decisions about what it does with that information in terms of prioritisation and applications to external sources of money. What we made very clear to all of those organisations is that this, on our part, is a data collection exercise. We are not going to make any value judgment about that; it is not our role to do that. We made it very clear to them as well that this does not prejudice any other routes that they should be pursuing themselves to apply for money, for example. So, we are trying to do our facilitation role, so that there is not a mass of information, that it is brought together and collated and that it can be used appropriately.

[343] **William Powell:** Also, to build on the questions that Mike Hedges raised in relation to local planning authorities, given that NRW now draws on a broader skills set than was the case previously with the Environment Agency, and given the increased volume and quality of data and improved modelling, is it your view that, potentially, TAN 15 could do with being refreshed and updated so as to give a more solid steer to local authorities in the way that Mike may have been looking for, particularly given the prevalence in recent years of flood consequences assessments obtained by developers at high cost but, nevertheless, from their point of view, facilitating development that, on balance, may well have been ill judged?

[344] **Mr Parr:** I think that there is that opportunity for review and, as you say, one of the aspects of it is that there are more data available now—data available on coastal erosion, data available on surface water—which I do not think TAN 15 fully reflects. So, for those technical reasons, if you like, a review may be useful.

[345] **William Powell:** That is something that the committee could potentially take forward with the Minister in future. I appreciate that.

[346] **Yr Arglwydd Elis-Thomas:** Diolch yn fawr i'r ddau ohonoch, yn arbennig am yr hyder rydych wedi'i gyfathrebu inni ynglŷn â'ch gwaith fel corff cyhoeddus newydd, sy'n cadarnhau ein penderfyniad gwreiddiol ni, wrth ddechrau edrych ar yr achos busnes ddwy flynedd yn ôl i sefydlu'r corff, i gefnogi rhywbeth sydd wedi bod o ddefnydd yn barod i bobl Cymru yn yr argyfwng sy'n ein hwynebu o ran y newid yn ein tywydd.

Lord Elis-Thomas: I thank you both, especially for the confidence that you have communicated to us regarding your work as a new public body, which confirms our decision, when we started to look at the business case two years ago for establishing the body, to support something that has already been useful to the people of Wales in the crisis that we face as a result of the change that we are seeing in the weather.

14:12

Papurau i'w Nodi Papers to Note

[347] **Yr Arglwydd Elis-Thomas:** Mae gennym bapurau i'w nodi. Mae gennym ohebiaeth gan Cyfoeth Naturiol Cymru yn dilyn y cyfarfod ar 12 Rhagfyr, yn ymateb i sylwadau Gareth Clubb ynglŷn ag arbenigedd economaidd a chymdeithasol Cyfoeth Naturiol Cymru.

Lord Elis-Thomas: We have papers to note. There is correspondence from Natural Resources Wales, following the meeting on 12 December, responding to Gareth Clubb's comments regarding Natural Resources Wales economic and social expertise.

Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd o'r Cyfarfod

Motion under Standing Order 17.42 to Resolve to Exclude the Public from the Meeting

[348] **Yr Arglwydd Elis-Thomas:** **Lord Elis-Thomas:** I move that Cynigiaf fod

y pwyllgor yn penderfynu gwahardd y cyhoedd o weddill y cyfarfod yn unol â Rheol Sefydlog 17.42(vi). *the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order 17.42(vi).*

[349] Gwelaf fod y pwyllgor yn gytûn. I see that the committee is in agreement.

Derbyniwyd y cynnig.
Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 14:12.
The public part of the meeting ended at 14:12.