

Cynulliad Cenedlaethol Cymru Pwyllgor Amgylchedd a Chynaliadwyedd	National Assembly for Wales Environment and Sustainability Committee
Egwyddorion cyffredinol Bil yr Amgylchedd (Cymru)	General principals of the Environment (Wales) Bill
Ymateb gan Cyfoeth Naturiol Cymru	Response from Natural Resources Wales
EB 41	EB 41

Cyfoeth Naturiol Cymru / Natural Resources Wales

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

June 2015

SUMMARY

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

The need for the legislation:

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

2. But these natural resources are coming under increasing pressure – from climate change, from a growing population and from the need for energy production, amongst others.
3. Decades of work to understand, protect and improve our environment have taken us a long way.
4. Yet despite this, the continuing decline in biodiversity and the threats to the ability of our natural resources to continue to deliver benefits to society, poses a significant risk to the well-being of Wales. The evidence we present in our report *Snapshot of the State of Wales' Natural Resources* (Annex 1), underlines the **need for a step-change in the approach to natural resource management by all parts of the public, private and third sector in Wales.**
5. Much of the environmental legislation governing the work of NRW is functional and does not facilitate more integrated and flexible approaches to the management of our natural resources.
6. Part One of the Environment Bill builds on the best Welsh and international evidence base. We believe the provisions will facilitate a **flexible and adaptive** approach to secure the integrated and sustainable management of natural resources in Wales.
7. The definition of sustainable management of natural resources in Section 3 and the principles set out in Section 4 of the Bill are clearly aligned to the Ecosystem Approach principles defined by the UN in the Convention on Biological Diversity. We support the definition and principles.
8. Section 5 of the Bill refines our general purpose to align it to the definition of sustainable natural resource management and the principles. We are happy with the proposed changes, as the new purpose aligns much more closely with our long term vision for our organisation. Nevertheless, we recognise that **the new purpose will not change our underpinning functional legislation** but provides a more helpful framework to develop NRM ways of working.

Implementation

9. The management of our natural resources is a **shared responsibility** not just the concern of NRW.
10. At the moment public bodies and other organisations are focussing on their specific responsibilities or duties under the WFG Act and perceive that the proposals in the Environment Bill relate solely to NRW. Unless this gap in understanding is addressed, it is likely to create major challenges for implementation.
11. Under the WFG Act, the formation of Public Service Boards (PSBs) and inclusion of NRW as a core member provides an important opportunity to join up and integrate approaches to implementation.
12. However PSBs will not necessarily represent the interests of land managers (agriculture and forest/woodland), the business sector or environmental NGOs. Other arrangements may need to be developed to ensure these groups can participate effectively.
13. Area Statements could provide us with an opportunity to streamline the number of other plans that we and others produce.

14. Co-production and collaboration is central to how we propose to develop the State of Natural Resources Report and Area Statements. Annex 2 and 3 set out our propositions of how we want to work with others to produce them.
15. We are concerned that Section 15 of the Bill is too open ended and raises the expectation that NRW will provide information and lead on the implementation of area statements on behalf of other public bodies. Clarification is needed to set limits around the assistance that NRW could be asked to provide.

Financial Implications of the Bill

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

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

1. Introduction

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

2. Part one – Sustainable management of natural resources

2.1 The need for the legislation

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

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

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

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

2.2 Proposals for Sustainable Management of Natural Resources

2.2.1 If we are to secure new solutions to old problems we must encourage innovation and creative problem solving by working with others. The Environment Bill along with the WFG Act and Planning Bill facilitates such an approach. We anticipate the need for additional legislation in the future as we gather more evidence and learn from the early implementation of Area Statements.

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

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

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

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

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

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

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

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

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

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

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

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

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

3. The **Area Statements developed by NRW** will facilitate local action and delivery of the national priorities using the NRM approach. Developed **collaboratively**, Area Statements will be evidence based – drawing upon evidence at the catchment and landscape scale as well as more local information. It will drive action to the appropriate level of decision making. We will use them as vehicle to engage people, communities and stakeholders in decision making. It will also need to put in place systems to **monitor** activity and report on outcomes. In the last 18 months we have set up three NRM trials to test and develop practical approaches to the implementation of NRM across Wales, to inform future

development of Area Statements. Our proposal for taking these forward is contained in Annex 3.

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

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

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

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

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

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

2.3 Implementation

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

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

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

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

the timetable for their production. This will require careful negotiation with Welsh Government as well as other partners and stakeholders.

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

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

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

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

3. Part Two: Climate change

3.1 The need for the legislation

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

3.1.2 Statutory emission reduction targets foster long term and robust strategies, policies and investments by the public sector, business and industry to ensure their compliance with the targets. It provides a greater degree of certainty for business,

acting as a clear signal of future intent that should provide confidence for expansion of the green economy.

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

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

3.1.5 However in the absence of a specific National Adaptation Programme, Welsh Ministers may wish to consider whether by integrating programmes for adaptation into these functions, all sectors are covered. Careful monitoring will need to take place to assess whether there may be gaps. If any gaps emerge appropriate mechanisms should be put in place to address those gaps.

3.2 Financial implications of Part 2 for NRW – Climate Change

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

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

4. Part Three: Charges for Carrier Bags

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

4.2 We would support a policy preference for environmental good causes to benefit from the proceeds of the carrier bag charges. We recognise a possible role

for NRW to work with environmental charities to help inform how such monies could be put to best use to maximise the benefits for the environment and people of Wales.

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

5 Part Four: Collection and Disposal of Waste

5.1 The need for the legislation

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

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

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

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

5.2 Proposals for separate collection and disposal of waste

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

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

5.2.3 The inclusion of wider powers to ban some recyclable waste from incineration set out in Section 68 is sensible and working in conjunction with proposed landfill bans, would provide a useful additional driver to ensure resources are not wasted.

This will also provide flexibility for the Welsh Government to modify the legislative regime in support of future policy objectives. The consequence of any future proposed changes would need to be fully considered (as in this case) before introduction.

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

5.3 Implementation

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

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

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

5.3.4 Some small businesses may have limited space for separate recycling bins for all the waste streams. Also, if only small quantities of some waste categories are produced, small businesses may have difficulty obtaining a waste contractor at an economic rate. Early feedback from companies surveyed as part of the 2012 waste arisings survey has indicated that companies are already recycling and segregating where it is economic to do so, whereas small businesses find this more challenging. There may be opportunities to innovate. For example, drawing on initiatives from Europe where street-level recycling schemes operate for small businesses. Collection system providers could also adapt their service with encouragement from Welsh Government, prompting the markets to respond and adapt to these changes so that this material is appropriately managed and recycled and recovered in a timely fashion, avoiding unnecessary stockpiling of material.

5.3.5 We are happy to work with Welsh Government and the Waste and Resources Action Programme to consider how we can aid waste producers, particularly small

businesses, and to ensure that waste management service providers understand the new requirements and adapt their waste management practises.

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

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

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

6 Part Five: Fisheries for shellfish

6.1 Need for the legislation

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

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

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

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

7 Part Six: Marine Licensing

7.1 Need for the legislation - Marine Licensing

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

7.2 Financial implications of Part six for NRW – Marine Licensing

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

8 Part Seven: Miscellaneous

8.1 Need for the legislation - Flood risk management committee

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

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

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

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

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

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

8.3.2 Following the transfer of functions of the Welsh Internal Drainage Boards, NRW now sets these levies, along with land owner rates, to recover costs incurred from the exercise of functions relating to land drainage within our IDD. Therefore we recognise the need to create an alternative mechanism for Local Authorities for arbitration on NRW's IDD levy setting.

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

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

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

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

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

9 Part 8: General

9.1 We have no comments or observations on this section.

10 Schedules

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

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

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

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