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Llywodraeth Cymru
Welsh Government

Alun Ffred Jones AM
Chair of the Environment and Sustainability Committee

11 August 2015

Dear Alun

Thank you for your letter of 8 July following the Environment and Sustainability Committee's short inquiry into water quality. We have provided responses to the questions you set out in your letter below.

Question 1: Are you willing to consider amending the Water Strategy, to include a reference to wildlife?

The Water Strategy for Wales sets out our strategic direction for water policy in Wales over the next 20 years and beyond. At the heart of our approach are our principles for sustainable development. Our aim is to maintain and enhance the resilience of ecosystems and the benefits they provide, and in so doing, meet the needs of present generations without compromising the ability of future generations to meet their needs. The Strategy sets out how we will effectively manage our water resources and take appropriate actions in a way and at a rate that will support the achievement of this objective. Wildlife is one of many aspects that will benefit from this approach and whilst not specifically referred to, it is implicit that the improvements in water quality that we are aiming for, will benefit wildlife. We therefore, do not intend to amend the Strategy to make a specific reference to the term wildlife.

Question 2: I would be grateful if you could set out your position on the use of General Binding Rules to improve water quality.

General Binding Rules can be a useful tool to manage small-scale low-risk activities that may have a relatively low impact on the environment when undertaken in isolation, but together result in a more significant aggregate impact. This type of activity is often difficult to regulate through existing permitting and consenting regimes. By providing baseline standards for common, low-risk activity General Binding Rules can work to raise overall environmental quality.

General Binding Rules outline necessary conditions for undertaking specified, low-risk activity. The conditions apply to anyone undertaking the activity, and providing the conditions have been met, the operator is not required to notify or seek additional permission from the regulator.

The Environment Bill White Paper sought initial views on the role of General Binding Rules, including existing and new powers to implement General Binding Rules and to gain support to explore this proposal further. The proposed scope was very broad and would extend beyond the existing use of General Binding Rules in relation to water activities and those activities covered by Environmental Permitting Regulations 2010.

The Environment Bill includes powers for Natural Resources Wales to conduct experimental schemes, which can be used, to identify possible opportunities for the introduction of General Binding Rules. It will enable Natural Resources Wales to identify particular activities that are suitable to be regulated by General Binding Rules and to gather evidence on the appropriate actions to be undertaken to comply with the General Binding Rules.

We are working with Natural Resources Wales to review the effectiveness of the current legislative regime in relation to diffuse pollution. This is an area that could potentially benefit from the introduction of General Binding Rules but any decision will only be made if there is sound evidence to suggest that such changes would be beneficial.

Question 3: Can you please set out your view on the planning, permitting, regulation and enforcement arrangements in relation to poultry farms under 40 thousand birds?

There is no specific national planning policy on poultry farms as Planning Policy Wales (PPW) provides a broad framework for planning and the development of agricultural buildings and infrastructure, and for the management and minimisation of pollution and waste water. PPW is supplemented by technical advice notes, with relevant guidance contained in Technical Advice Note 6: Planning for Sustainable Rural Communities (2010) and Technical Advice Note 23: Economic Development (2014). In the vast majority of cases, local planning authorities are responsible for the determination of planning applications and the enforcement of any conditions attached to the award of planning permission.

Question 4: Do you believe that more evidence is needed to understand the nature and extent of pollution from poultry farms?

Natural Resources Wales advises it has no evidence that poultry farms are causing Water Framework Directive failures, but the increasing number of small sites does increase the risk of pollution. Natural Resources Wales is already investigating this potential risk, working with land managers, local authorities and wildlife groups within the catchments. Natural Resources Wales will deal with any issues in the course of its regular enforcement regime, but is focussing on prevention of pollution by raising awareness of the potential issues.

Question 5: Without straying into the broader points raised in relation to Glastir, we would be grateful if you could set out how you believe the RDP and Glastir will deliver improvements to water quality.

Glastir is supported through the European Union's European Agricultural Fund for Rural Development and forms part of the Welsh Government Rural Communities - Rural Development Programme (WGRCP) for Wales 2014-2020. It is designed to deliver against the Welsh Government's sustainable land management priorities to improve water quality, by reducing surface run-off. This prevents agricultural and forestry inputs entering water bodies and helps reduce flood risks, by slowing overland water flow and increasing soil absorption. This is achieved by introducing beneficial management commitments and capital projects that farmers and foresters are required to follow for the duration of their Glastir contracts. These commitments have been approved by the European Commission

because they exceed usual farming practices, the Code of Good Agricultural Practice and Cross Compliance.

In Glastir Entry, this includes, for example, the management and creation of hedgerows, the creation of connectivity strips, rough grass margins and zero input grassland and arable management.

In Glastir Advanced, selected farms that are within the Water Quality Priority Area are visited by Natural Resources Wales to undertake a Nutrient Management Plan and a Water Management Plan. The Nutrient Management Plan is drawn up by Fertiliser Advisers Certification and Training Scheme (FACTS) qualified specialists. These specialists assess:

- soil sampling results.
- the amount of slurry and manure available and the current farming practices to provide a suitable plan that makes best use of available nutrients.
- set the optimum amount of fertiliser to maintain productivity, while reducing the risk of nutrients being lost to water bodies.

The Water Management Plan identifies key risk areas on the farm and recommends mitigation actions. Contract Managers use this information to influence their decision making process when considering the location of appropriate management options and capital works to best address water quality.

A recent independent evaluation of a selection of Glastir Advanced contracts found that most of the sample contracts in areas where water quality management is a high priority were supported by good Water Management Plans. In addition, it was found that the Water Management Plans delivered by Natural Resources Wales on behalf of Welsh Government are very clear, informative and easy to understand.

During the previous Rural Development Programme, a capital grant project, Glastir Efficiency Grants, operated for farmers in Glastir Entry. This enabled targeted investment in water quality areas to improve farm infrastructure, such as rainwater separation and increased slurry storage capacity. It also encouraged enhanced farming techniques, such as precision slurry spreading and soil aerator equipment. This targeted investment will continue in the new WGRCP period through a new capital fund scheme, Sustainable Production Grants.

Under the WGRCP, the Welsh Government will also develop a Small Grant Scheme for farmers who wish to provide environmental benefits, including for water quality, on only part of their farms. The Small Grants Scheme will be aligned to the capital works grants currently available in Glastir Advanced.

Glastir Woodlands ensures any woodland support is only provided where it can meet the UK Forestry Standard (UKFS), which includes industry guidelines to ensure water quality is not adversely affected. Glastir Woodlands includes three elements. These are:

- Glastir Woodland Creation - to create new woodlands, which can slow water flow by creating roughness, reducing compaction and preventing soil run-off.
- Glastir Woodland Management - to ensure existing woodlands are managed in accordance with the UKFS water quality guidance.
- Glastir Woodland Restoration - to restore woodlands damaged by disease, thus ensuring these areas are maintained as woodland and not converted to other land

uses, such as agriculture or development, where the water quality benefits provided by woodland, described above, could be lost.

The Glastir Monitoring and Evaluation Programme (GMEP) has been in place since 2012. Preliminary results show that Glastir interventions that are designed to meet our obligations under the Water Framework Directive, are having a measurable impact on the quality of headwater streams in particular. The work undertaken by GMEP not only provides evaluation of scheme impact upon headwater streams, it also provides a valuable insight into the wider condition of these underrepresented systems. The indicator is an aggregate of micro invertebrates, diatoms, habitat modification and nutrient status. The status is determined using a combination of biological and chemical conditions and also pressure due to habitat modification.

Question 6: Can you please set out the steps the Welsh Government is taking to ensure that land managers receive the advice and support they need to contribute to the improvement of water quality in Wales?

The Knowledge Transfer, Innovation Support and Advisory Services Programme within the Welsh Government Rural Communities Programme aims to provide focussed support and advice, delivered through a Wales wide programme of knowledge transfer activities, specialist advice and support for innovation.

The Welsh Government has recently awarded a contract for the core Farming Connect service with an aim to reinforce delivery and magnify the long term impact of capital investment and area based pillars of programme activity, targeting the farming, forestry and food sectors in Wales. It will be aligned to and integrate with other Welsh Government business support packages and activities including Business Wales and Resource Efficient Wales.

We are currently designing the detail of delivery prior to contract commencement in October of this year.

Question 7: Can you set out your view on the role that PES could play in improving water quality in Wales?

The development of Payment for Ecosystem Services (PES) in Wales is a significant component of our green growth agenda. Green growth is commonly understood to be a means to achieve economic progress that is environmentally sustainable and socially inclusive. The development of PES is one mechanism that can help us deliver on our green growth ambitions, by for example providing a new source of income for our rural communities, aiding our tackling poverty agenda as well as delivering on our environmental objectives.

PES describe a variety of innovative, market-based incentive schemes that reward managers of land, including farmers for example, for maintaining and enhancing environmental benefits (ecosystem services) such as water regulation (e.g. water quality, flood regulation) and climate regulation. PES involves a willing 'buyer' (e.g. a water company), or beneficiary, of an ecosystem service (e.g. water quality) to voluntarily pay a 'seller' (typically a land manager) who is willing to adopt measures to ensure the provision of the particular ecosystem service.

The Welsh Government is working with buyers and sellers to identify the mechanisms and infrastructure that would foster trust to enable buyers the confidence to invest in natural resources as well as the evidence that this investment delivers the specified outcomes.

Question 8: When do you expect PES to be a realistic and viable option for both buyers and sellers of ecosystem services in Wales?

PES as a concept has been in existence for many years and takes many forms. For instance, the Wye and Usk fishing passport scheme is a PES scheme and has been operating for 10 years. The woodland carbon code has been operating for 5 years and has a few sites in Wales. Its sister scheme the peatland code has some key sites in Wales. There are also a number of local specific schemes, such as Dŵr Cymru Welsh Water's weed wiper trial in the Teifi catchment designed to tackle issues of specific pesticides causing drinking water quality failures. The challenge is to develop PES as a mainstream approach to sustainable development in Wales.

Question 9: Can you set out the action Welsh Government is taking to address the issue of water pollution from mines in Wales and an estimate of the costs involved?

Abandoned metal mines are one of the most significant pressures on our water environment. They are responsible for a significant number of water bodies currently failing to meet their required quality objectives under the Water Framework Directive and put a number of other water bodies at risk of failing to meet their objectives in the future. Nine of the ten catchments most polluted by abandoned mines in the UK are in Wales.

Natural Resources Wales and the Coal Authority estimate that a programme to deliver improvements in all water bodies impacted by metal mines could total £88m over 25 years. Restricting works to water bodies where the outcome would be cost beneficial reduces that total to £52m.

Natural Resources Wales have proposed a pilot programme which over five years would:

- complete basic investigations in all water bodies to identify and apportion sources.
- fully characterise 20 water bodies and the sites within them causing the failure.
- Research and prove the suitability of mine water treatment technology through the Mine Exchange project.
- undertake feasibility studies to identify pollution sources and treatment options at 9 sites;
- deliver treatment at 4 priority sites.

We are currently working with Natural Resources Wales and the Coal Authority to explore funding options for this work.

Question 10: Can you please provide us with more information in relation to the timing of infrastructure investment needed to meet the Water Framework Directive targets and what steps you are taking to keep the level of actions and investment needed during the third cycle 'at a manageable scale'?

The targets set by the Water Framework Directive are extremely testing and ambitious. There are a number of elements that are measured as part of Water Framework Directive compliance. The "one out all out" approach means that a water body can fail to achieve good ecological status because a single element does not meet the required standard. This means that a number of improvements can be made to water bodies to increase the element level compliance but the water body will still fail to meet good ecological status if one of those elements does not meet the required standard. An unintended consequence of this approach is that some benefits attributed to these improvements may not be realised.

The second cycle river basin management plans (2015-2021) due to be published in December 2015, will meet the statutory objectives of ensuring no deterioration in water body status as well as meeting the protected area status whilst outlining the other work we expect to achieve outside this. The measures outlined in the plan will be cost beneficial and achievable and will be based on current and future budgets. We will undertake work to ensure a number of water bodies move up to good ecological status as well as measures to move poor water bodies up to moderate status. These measures are in place to ensure that the work required in the final cycle will be more manageable.

Yours sincerely

A handwritten signature in black ink that reads "Carl Sargeant". The signature is written in a cursive style with a large, sweeping initial 'C'.

Carl Sargeant AC / AM
Y Gweinidog Cyfoeth Naturiol
Minister for Natural Resources

A handwritten signature in black ink that reads "Rebecca". The signature is written in a simple, cursive style.

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Y Dirprwy Weinidog Ffermio a Bwyd
Deputy Minister for Farming and Food