

Environment and Sustainability Committee
Inquiry into Sustainable Land Management
Response from Dŵr Cymru



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Alun Davidson,
6th September 2013
Committee Clerk,
Environment and Sustainability Committee,
National Assembly for Wales,
Cardiff Bay,
Cardiff.
CF99 1NA

Dear Mr Davidson,

SUSTAINABLE LAND MANAGEMENT

Thank you for consulting Dŵr Cymru about the inquiry being carried out by the National Assembly for Wales' Environment and Sustainability Committee into sustainable land management.

The enclosed comments are from Dŵr Cymru Welsh Water, the statutory water and sewerage undertaker that supplies over three million people in Wales and some adjoining parts of England. We are owned by Glas Cymru, a single purpose, not-for-profit Company with no shareholders. We provide essential public services to our customers by supplying their drinking water and then carrying away and dealing with their wastewater. In this way we make a major contribution to public health and to the protection of the Welsh environment. Our services are also essential to sustainable economic development in Wales.



We welcome correspondence in Welsh and English
Rydym yn croesawu gohebiaeth yny Gymraeg neu yn Saesneg

Our comments address the four “key questions” referred to in your consultation request. Within our answers we have also touched upon some of the other issues on which you are seeking views.

I hope that our contribution will help inform the Committee’s debate on this important issue. I would be very happy to appear before the Committee to give oral evidence to expand on our comments and outline our future plans.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Tony Harrington". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Tony Harrington
Director of Environment

**NATIONAL ASSEMBLY FOR WALES' ENVIRONMENT AND SUSTAINABILITY COMMITTEE
INQUIRY INTO SUSTAINABLE LAND MANAGEMENT – WRITTEN EVIDENCE FROM DŴR
CYMRU WELSH WATER**

Summary

- From Dŵr Cymru's perspective, sustainable land management revolves around land management practices designed to minimise their adverse impact on the aquatic environment and the ecosystem services it provides. This would protect our raw water supplies and also ensure that the substantial investment we are making to minimise our own impact is not undermined by unsustainable practices by others.
- Currently poor land management practices account for a significant proportion of failures under the European Water Framework Directive. If Wales is to meet its obligations under this Directive, meaningful measures must be put in place to tackle this problem.
- Dŵr Cymru's view is that the 'polluter pays principle' represents much the fairest approach to delivering the desired outcomes. Dŵr Cymru is very conscious of the need to keep the essential services we provide affordable for our customers and believes that they should not be expected to pay, via their water and sewerage bills, for interventions in land management that have no direct impact on our operations.
- Dŵr Cymru believes that tackling the land management challenges that Wales is facing should be led by Welsh Government and Natural Resources Wales. This is because many of the potential solutions are likely to involve modifying the planning regime and financial incentive mechanisms that drive land use, biodiversity and catchment management.

Question 1: What do we want sustainable land management in Wales to look like and what outcomes do we want to deliver in the short, medium and longer term?

1.1 The supply of wholesome and reliable drinking water is of paramount importance to Dŵr Cymru and to our three million customers. Our raw water is sourced mainly from rivers and reservoirs throughout Wales, with a comparatively small proportion coming from groundwater. If this key ecosystem service is to be sustained for future generations, the quality of the Welsh aquatic environment must be protected. Dŵr Cymru is therefore committed to reducing our impact and, as part of our on-going (2010–2015) £1.5 billion programme on our water and sewerage network, we continue to invest our customers' money on improvements

to our abstractions and discharges, not to mention the management of our own land holdings.

1.2 From Dŵr Cymru's perspective, therefore, sustainable land management would revolve around land management practices designed to minimise their adverse impact on the aquatic environment. This would protect our raw water supplies and also ensure that the investment we make to minimise our own impact is not undermined by unsustainable practices by others.

1.3 Wales must meet its obligations under various water related European Directives. In particular the Water Framework Directive (WFD)¹ requires Member States to aim to bring water bodies up to good status by 2015, although this deadline may be extended to 2021 or 2027 and derogations are available under some circumstances. If Wales is to achieve the WFD's ambitious targets, all relevant sectors will need to play their part, including the water industry and land management sectors.

1.4 Compliance with the WFD provides an ideal way to measure whether land management practices are sustainable. Under WFD this is usually assessed at River Basin District level, although for the second cycle (2015–2021) both Natural Resources Wales (NRW) and the Environment Agency are putting increased emphasis on a catchment scale approach.

1.5 NRW carries out extensive monitoring of the water environment (much of which is paid for through the charges it levies on us) and has a major programme of investigations to understand why individual waterbodies are failing WFD. Dŵr Cymru also undertakes monitoring in catchments of relevance to us and we remain very willing to work with NRW to maximise the value of the finite resources available to both organisations toward monitoring.

1.6 Wales also has obligations under the Habitats Directive². Many of Wales' major rivers (e.g. the Dee, Cleddau and Usk) are designated as Special Areas of Conservation under the Directive and Dŵr Cymru is keen to reduce our impact on these sites, but again our investment will be undermined if others do not do their fair share. Compliance with the Habitats Directive would be another way to measure whether land management practices are sustainable: the UK's six yearly reports on Habitats compliance to the EC to which NRW contributes would be a useful tool.

¹ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy

² European Community Directive on the Conservation of Natural Habitats and of Wild Fauna and Flora (92/43/EEC)

Question 2: What are the barriers preventing us from delivering these outcomes now?

2.1 Sustainable land management will only be achieved if those who own, manage and use land recognise and take full responsibility for the long term environmental impact of the activities they undertake.

2.2 Natural Resources Wales recently published figures showing the top ten reasons why water bodies in Wales are failing to achieve WFD standards³. Agricultural pollution is contributing to approximately 14% of failures, whilst forestry contributes to 5%. By way of comparison, 7% of failures are attributed to sewage pollution whilst abstraction of water for domestic use, agriculture, industry and navigation accounts for just 2%.

2.3 Funding is often cited as an obstacle that prevents farmers from doing their fair share toward improving the aquatic environment. Financial incentives (e.g. cross compliance and the Welsh Government's Glastir scheme) can certainly encourage worthwhile actions and investments, but such schemes usually have a start and end date with, for example, no on-going support for maintenance which can undermine projects' sustainability. Such schemes can also reinforce the impression that adopting an environmentally responsible approach is an added extra for farmers, whereas Dŵr Cymru believes it should be standard practice.

Question 3: How do we overcome these challenges?

3.1 In recent years there has been an increasing recognition that water suppliers, like Dŵr Cymru, need to monitor and understand the influences on the quality of the raw water they rely on. This enables our drinking water treatment processes to be adapted to respond to risks in source catchments. This approach has been incorporated into the drinking water regulations⁴ made by the Welsh Government which require water undertakers to risk assess their sources of water supplies through a system of Drinking Water Safety Plans.

3.2 Dŵr Cymru's catchment team has an important contribution to make in these Plans as they work in the field, undertaking investigations to improve our understanding of these catchments.

3.3 For example, Dŵr Cymru was pleased to become a partner in the (NRW led) Anglesey and Llyn Fens LIFE Project – the largest wetland restoration project in Wales. The fens are a source of our drinking water supplies on the island and the

³ "Living Waters for Wales" Supporting information for Wales' Challenges and Choices consultation.

⁴ The Water Supply (Water Quality) Regulations 2010, SI 2010, No 994 (Wales No 99).

project will help reduce the discolouration of the raw water through the reinstatement of natural processes. Such projects represent a win:win for us and for local biodiversity.

3.4 Dŵr Cymru's catchment team has also fostered good relationships with (what was) the Forestry Commission, so that we now are normally notified when major felling operations are planned near our water resources. This enables us to plan a response to the significant impacts such felling can have on water quality.

3.5 That said, there are fewer land management issues for us than for many of our counterparts in England. For example, for some water companies in England, the levels of pollutants in their raw water and the associated costs of treatment mean it makes financial sense for them to intervene in local land management practices. The nature of the landscape and agriculture here in Wales means that there are far fewer operational gains for Dŵr Cymru in directly influencing land management practices in order to protect our drinking water sources.

3.6 Dŵr Cymru is very conscious of the need to keep the essential services we supply to our customers affordable, especially for those on low incomes. Our customers should not be expected to pay, via their water and sewerage bills, for interventions in land management that have no impact on our operations. Ultimately Dŵr Cymru's view is that the 'polluter pays principle', which is enshrined in the WFD, represents much the fairest approach to delivering the desired outcomes.

3.7 It is also worth noting that the WFD specifically requires Member States to take measures to tackle diffuse pollution, which would encompass most forms of agricultural pollution. Given the proportion of water bodies in Wales that are failing WFD because of land management practices, we hope that the Welsh Government and NRW will implement meaningful measures to address this problem in advance of the WFD's second cycle (2015–2021).

3.8 Dŵr Cymru welcomes the recognition that the Welsh Government's Natural Resources and Food Minister has given to the need for farmers to do their fair share toward delivering Wales' WFD and Habitats obligations. For example, when speaking about Glastir, the Minister said "The scheme allows the Government to compensate farmers for the action we must take on matters including the Water Framework Directive and Habitats Directive. Non action on these is simply not an option and I would not wish to see an alternative approach – legislation possibly which will require action by farmers without the compensation that Glastir provides – proving to be necessary."

3.9 In order to encourage projects by the third sector, Dŵr Cymru has voluntarily offered funding to non-profit organisations wanting to undertake projects that will help deliver WFD in our supply area, if they will also have benefits for our company. In 2012 we committed £400,000 to this scheme and have supported several catchment initiatives, including £75,000 to the ‘Monmouthshire Olway and Trothy’ project of the Wye & Usk Foundation which aims to reduce the adverse impact of agriculture in the catchments; and £75,000 to the ‘Upper Tywi Catchment Restoration Project’ of the Carmarthenshire Rivers Trust to reduce acidification. Dŵr Cymru has recently announced that we will make an additional £150,000 available and we are currently inviting bids.

3.10 Having recently completed a public consultation exercise (“Your company: Your say”) Dŵr Cymru is currently putting together our investment plans for 2015–2020 which will form the basis on which our economic regulator, Ofwat, sets our price limits. As well as significant investment in pollution abatement, we hope to embark on the largest research, scientific investigatory and related catchment based agenda in the history of Dŵr Cymru. This unprecedented investment will set out the evidence for and trial catchment solutions, whether in relation to urban flooding or upland raw water quality improvements.

3.11 Having said that, Dŵr Cymru believes that tackling the land management, catchment or biodiversity challenges that Wales is facing should be led by Welsh Government and NRW. This is because many of the potential solutions are likely to involve modifying the planning regime and financial incentive mechanisms that drive land use, biodiversity and catchment management.

3.12 In terms of quick wins, stream side corridors (or “buffer” strips) in conjunction with fencing/tree planting etc to restore the river bank habitat would deliver significant benefits in terms of reducing pollutants (nutrients and pesticides for example) and sediment reaching watercourses. We also see some attraction in the use of General Binding Rules for pesticides which we believe have been useful in reducing pollution in Scotland.

3.13 Education and awareness would be another quick win: Dŵr Cymru is committed to playing its part in this and last year some 14,200 school children visited one of our education centres, our highest attendance so far. Under our WFD funding scheme we have also provided £70,000 to the ‘River Schools’ educational programme by Groundwork North Wales to raise awareness about the river environment.

Question 4: What are the main policy drivers and how can these be shaped to overcome these challenges?

4.1 See our answer to question 1.