



Board Paper

17th May 2018

Paper Title:	Strategic Direction of Agricultural Policy and the work of the Wales Land Management Forum (WLMF) sub-group on agricultural pollution
Paper Reference:	Paper B B 17.18
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Purpose of Paper:	Scrutiny
Recommendation:	Provide comments on the issues raised as well supporting the overall approach and advising on the next steps.

Impact: To note – all headings might not be applicable to the topic	How do the proposals in this paper help NRW achieve the Well-Being of Future Generations Act principles in terms of: Looking at the long term: This update identifies the proposed next steps as we work in partnership to deliver improvements in water quality and land management across Wales. It will inform our Corporate Plan, Business Plan and influence the plans of Government and the Land Management Sector. Taking an integrated approach: The work is being taken forward by a strong and developing partnership of organisations from across the Land Management sector. Involving a diversity of the population: A wide range of agricultural organisations are involved in the work, along with representation from the water and angling sectors. In the case of the WLMF sub-group, the membership will be reviewed to ensure that the ongoing work programme properly reflects those with a key role. Working in a collaborative way: The programme is based on drawing together those with a key role in tackling all aspects of agricultural pollution to water. The work has focussed on developing trust and a close working relationship.
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	Preventing issues from occurring: The work of the WLMF sub-group is entirely focussed on eradicating agricultural pollution of our rivers, streams and groundwaters, whether this arises from point source pollution incidents or from land based diffuse pollution.
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Issue

The outcome of the EU Referendum, coupled with the new legislative framework in Wales, has provided a unique opportunity to re-shape Welsh agricultural policy. This will involve focussing on the sustainable management of natural resources (SMNR) whilst simultaneously providing a new economic rationale for land managers. An early exemplar of the new approach is the WLMF agricultural pollution sub-group. This is a unique and wide-ranging partnership, working in accordance with SMNR principles and with the ambition of eradicating agricultural pollution across Wales. The Board is asked to comment on the overall context and approach whilst supporting the work of the WLMF sub-group and the continued role of NRW.

Background

NRW's Corporate Plan sets out to ensure that land and water in Wales is managed sustainably and in an integrated way. In the long term we envisage that Wales will be managed through applying SMNR principles. Farming, forestry and fisheries will be considered as a whole so that well-being benefits are maximised. Water catchments are considered in their entirety, from source to sea. Water quality and quantity will be improved and soils are protected so that they can both store carbon and continue to be productive. Land owners, businesses and organisations will work together as part of more resilient ecosystems through adopting a joined up SMNR approach. Grant aid and support mechanisms will be integrated so that the best sustainable use is made of any particular area.

The Wales Land Management Forum (WLMF) provides a mechanism whereby NRW can engage at strategic level and on a regular basis with those organisations whose individual members have a direct land management role.

Arising from the recommendations of the Water Strategy for Wales, the WLMF established a separate sub-group in January 2017 in order to tackle agricultural pollution. The current membership comprises NFU Cymru, Farmers' Union of Wales (FUW), Country Land and Business Association (CLA), Dwr Cymru Welsh Water (DCWW), Tenant Farmers Association Cymru (TFA), Hybu Cig Cymru (HCC), AHDB Dairy, the Carmarthenshire Fishermen's Federation (CFF), and Welsh Government. NRW provides both the chair and the secretariat together with additional technical and policy support. The group has independent status and the views expressed in the recently prepared and agreed progress report may not necessarily mirror those of the partner organisations represented.

Lying at the heart of the WLMF's work has been the development of a mutual understanding of the root causes of agricultural pollution. This approach preceded

the identification of a range of approaches capable of driving the environmental improvements required.

Central to the recent work of the WLMF was the statement¹ issued by the Cabinet Secretary for Energy, Planning and Rural Affairs on 13th December 2017:

"I am minded to introduce a whole Wales approach to tackling nitrate pollution from agriculture. Over the coming months I will work with stakeholders to get the right balance of regulatory measures, voluntary initiatives and investment. I intend to explore options to provide land managers with flexibility, where these would achieve the same or better outcomes than a regulatory approach".

A much broader context is provided by the Cabinet Secretary's five key principles² for the management of land in Wales post Brexit:

- We must keep our land managers on the land. This is best for our land, our communities and our rural economy.
- Food production remains vital. Where sustainable and economic production is possible, we will provide targeted support to help our farmers compete in a global marketplace. We need not choose between food production and public goods. Whilst food production itself is not a public good, there is no reason why the same farm cannot produce both.
- The new support system should centre on Welsh land delivering public goods for all the people of Wales.
- Every land manager must have the opportunity to access support and be able to continue to make a living from the land. But there can be no universal, automatic payment - land managers will need to do different things in return for support. This is vital for putting the industry on a secure footing.
- Our agricultural sector must be prosperous and resilient in a post-Brexit future. Whilst the Basic Payment Scheme provides important support for many of our farmers, it will not help us withstand the changes brought by Brexit. Support needs to be provided in a different way.

These principles imply significant change and will require a well-planned and multi-year transition. Under the auspices of Cabinet Secretary's Roundtable, new multi-stakeholder working groups have been established to consider how best to deliver on the principles. As part of this process, the Land Use Group Working Group (on which NRW is represented by two members of the Sustainable Land Use team) will be considering:

- (i) the design parameters for a public goods scheme
- (ii) the nature and extent of the individual public goods which can be paid for as well as the values which can be attributed to them.

Arising from previous recommendations by the Cabinet Secretary's roundtable, the Welsh Government is also continuing to research the potential for developing a

¹ <http://gov.wales/about/cabinet/cabinetstatements/2017/NVZConsultation/?lang=en>

² <http://gov.wales/about/cabinet/cabinetstatements/2018/landmanagement/?lang=en>

Sustainability Brand Values programme for the agri-food sector. Substantiated through robust assessments of farming practice, the ‘Brand Cymru’ concept would be driven by a vision of high environmental and broader sustainability standards, building market share through an evidenced reputation for producing food to world-leading environmental as well as animal health and welfare standards. NRW staff and Board members are also involved in this work which builds on the initiatives previously undertaken as part of the 3Keel Landscape-scale Intervention and Vyrnwy Workshops held with NRW, the farming sector, third sector and food producers.

Assessment

An interim report on the work of the sub-group was delivered to the Cabinet Secretary in early April 2018. A total of forty-five recommendations span the five workstreams adopted by the group:

- Ensuring that the formal regulatory regime is sufficiently robust to achieve the outcomes required;
- Developing a voluntary, farmer-led approach to nutrient management;
- Providing better advice and guidance which can then be taken up by farmers;
- Improving the existing range of investment opportunities;
- Identifying and promoting innovation.

A summary of WLMF recommendations is presented in Appendix 1. Each of these, ranging from the strategic to the practical, will require significant further work, resources and commitment from all of the partners involved. Continued and co-ordinated progress across all five workstreams will be essential if we are to tackle the complex range of issues resulting in current levels of agricultural pollution across Wales. There is no silver bullet and each proposal needs to be considered as part of an integrated package.

This is a very new way of working which is strongly collaborative, involves taking ownership of a seemingly intractable problem and recognising that significant change will be needed in both attitudes and approaches if we are to succeed.

Recommendations

Board Members are asked to consider the following:

- Providing comments on the overall direction of the work described;
- Supporting the WLMF sub-group on agricultural pollution as it takes forward the next stage of its work programme;
- Supporting the uptake of the WLMF sub-group recommendations through assisting with wider engagement sessions with Welsh Government and NGO's as well as workshops across NRW.

In relation to the last bullet point above, links have already been made internally between NRW staff working on land use, water quality, air quality, fisheries and future regulation as well as between EPP and Operations.

Key Risks

The development of the WLMF work programme and the resulting resource implications will be determined by the Cabinet Secretary's response to the interim report. Welsh Government officials have indicated that such a response can be expected shortly.

Financial Implications

There are substantial resource implications for NRW as well as for the other partners within the WLMF agri-pollution sub-group. Staff and financial resources will be needed to:

- service the group and the development of the work programme across all five of the workstreams;
- gather the evidence needed to underpin the work programme;
- embed awareness and engagement across NRW, Welsh Government, the NGO sector and producers on this new approach to tackling agri-pollution;
- address the recommendations relating to NRW's own approach to delivery and embed new ways of working.
- Ensure that sufficient progress can be maintained in order to retain engagement and involvement across all sectors involved.

Welsh Government have now provided additional money under the "Unfunded Burdens" programme to service the work of the WLMF sub-group. This must be spent prior to July 2019. Two part-time staff (equivalent to just over 1 FTE) have already been recruited and a number of relevant research projects, derived from the interim report, are now being scoped out.

An additional Unfunded Burdens allocation will be used to ensure that more agricultural pollution advice can be provided to farmers. The relevant staff will be embedded within NRW's local teams.

The WLMF recommendations in relation to the farmer-led voluntary initiative are being taken forward via an application for NRW Partnership Funding. This is being led by NFU Cymru with support from both FUW and DCWW.

Equality impact assessment (EqIA)

There are no obvious equality implications arising from this work.