



<b>Paper Title:</b>	<b>Ensuring that water is managed sustainably</b>
<b>Paper Reference:</b>	<b>1903-B09</b>
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<b>Purpose of Paper:</b>	<b>Development/ information, consider and advise on the recommendations</b>
<b>Recommendation:</b>	<p>Board to:</p> <ul style="list-style-type: none"> <li>- Note the state of the water environment and some of the remaining pressures, challenges and risks to achieving sustainable management to provide context to Board discussion on: <ul style="list-style-type: none"> <li>o NRW and Water Company roles in managing the water environment and the framework within which we work to prevent deterioration and restore waters.</li> <li>o Our pipeline of projects to address metal minewater discharges</li> </ul> </li> <li>- Consider and advise on the recommendations.</li> </ul>

<b>Impact:</b>	<p><b>Looking at the <u>long term</u>:</b> We consider how the pressures on Wales’ natural water resources are resulting in risks and threats to long-term social, cultural, environmental and economic well-being.</p> <p><b>Taking an <u>integrated</u> approach:</b> We are seeking opportunities for integrated solutions that provide multiple benefits, as well as integration of river basin plans with area statement development</p> <p><b>Involving a <u>diversity</u> of the population:</b> A wide range of organisations are involved in our new Wales Water Management forum. Taking a place-based approach will allow us to respond to local needs and opportunities.</p> <p><b>Working in a <u>collaborative</u> way:</b> A fundamental aspect of our approach is our focus on collaborative working to deliver better results at a local level.</p> <p><b><u>Preventing</u> issues from occurring:</b> Our plans and actions focus on preventing further deterioration and restoration.</p>
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## Issue

1. NRW’s Corporate Plan sets out action to ensure that “land and water in Wales is managed sustainably and in an integrated way” and describes our ambition for where we want to be in the long term. However, Wales is not yet managing water sustainably, which poses risks to

long-term social, cultural, environmental and economic well-being, such as: less water availability for agriculture, for public supply and for abstraction by businesses; poorer water quality, with increased drinking water treatment costs; flooding and drought; risks to fisheries, river ecology and risks to recreational uses, including inland and coastal bathing waters.

2. The “Percentage of surface water bodies, and groundwater bodies, achieving good or high overall status” is one of Wales’ National indicators for measuring progress towards the achievement of the well-being goals<sup>1</sup>. The implementation of measures within the River Basin Management Plan (RBMP) to deliver improvements is red/amber on the 2018/19 Business Plan Dashboard so we are addressing these issues as a high priority for NRW.
3. This paper acts as a framework document to describe the state of the water environment and some of the remaining pressures, challenges and risks to achieving our ambition for sustainable management. It provides context for the Water themed package of presentations to the Board, which will then delve more deeply into NRW and Water Company roles in water management.
4. We will also describe how we are working successfully with others to tackle two of the significant pressures on the water environment, namely innovative approaches to address metal minewater discharges and the water industry programme of environmental enhancements. Dwr Cymru Welsh Water have been invited to describe their roles, funding mechanisms and approach to environmental improvements and their work to provide a secure, sustainable water supply.

## Background

5. A sufficient quantity of good quality water is essential for all living organisms, supporting public wellbeing and Wales’ diverse wildlife. People also derive substantial social and economic benefit from Wales’ natural water resources. Welsh Government’s Water Strategy published in 2015, set out their strategic direction for water policy over the next 20 years and beyond.
6. The Water Framework Directive (WFD) established an overarching statutory framework and cycle of river basin planning, which sought to introduce a whole system thinking approach to tackling the issues which impact the water environment. It is through this framework that we prevent deterioration of waters, we aim to restore them and ensure that we sustainably manage water resources now and into the future. We work with others across the public and private sector to do this, to ensure that the environment and natural water resources are more resilient to climate change and other pressures.
7. This work now sits within a wider legislative context of the purpose and principles set out in the ‘Environment (Wales) Act 2016’ and the objectives of the ‘Well-being of Future Generation (Wales) Act 2015’. The SoNaRR report described that although water quality has generally improved over the past 25 years, mainly as a result of improvements to sewage discharges over the last 25 years, 63% of all freshwater water bodies defined by the WFD were not achieving good or better overall status in 2015. Whilst the majority of our designated bathing waters are in excellent or good classification<sup>2</sup>, only 29% of our estuarine and coastal waters are in good or better ecological status<sup>3</sup>. Our 2019 interim assessment of WFD classification suggests that indicatively 40% of surface waters now meet the required status and there

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<sup>1</sup> <https://gov.wales/docs/desh/publications/160316-national-indicators-to-be-laid-before-nafw-en.pdf>.

<sup>2</sup> Under the revised Bathing Waters Directive, bathing waters are classified as poor/sufficient/good/excellent.

<sup>3</sup> For the WFD, ecological Status is classified in all Water Bodies, expressed in terms of five classes (high, good, moderate, poor or bad).

remains a large gap between this and the overarching objective established to meet good status in 79% of water bodies by 2021<sup>4</sup>.

8. Wales is often considered to have abundant water resources, but although they are a significant component of our landscape character they are nevertheless under increasing pressure which adds to the wider environmental pressures and risks to social and economic opportunity. It's vital that we manage water resources in a sustainable way to meet the needs of people, agriculture, commerce, industry and the water environment. In significant parts of the eastern half of Wales, limited water is available for new consumptive<sup>5</sup> abstractions. Periods of prolonged dry weather, as we experienced last summer, reduce river flows, groundwater levels and soil moisture causing water availability issues for people, agriculture and industry and increase pressures on freshwater ecosystems across Wales.
9. There are still many challenges to overcome; population growth, climate change and challenging economic times mean that the natural environment remains under constant pressure. Due to climate change river flows in winter may rise by 10-15%, whilst in summer and early autumn could reduce by over 50% and drought and flood events could become more common. Furthermore, we are facing the challenge of new and emerging substances, such as micro plastics, pharmaceuticals and the threat of invasive species. Water companies are also investigating water transfers that source water from Wales to support economic development in parts of England that could increase pressure on our freshwater ecosystems.

## Assessment

10. When we look at how we currently manage the water environment, we have well established legislation in relation to water quality and quantity. However, Wales is not yet managing water sustainably. We have evidence of nutrient enrichment of surface and groundwaters and there are many remaining issues of concern, including:
  - legacy issues, such as minewaters and physical modifications to watercourses;
  - unsustainable abstraction,
  - point source and diffuse pollution from agricultural and forestry land management,
  - pollution from sewage treatment systems, sewerage networks and urban drainage.
11. There is also a need for catchment management to address low and high flows. We need to prevent habitat loss and the decline in biodiversity within the freshwater and marine environments and reduce pressures on fish stocks.
12. We have programmes of work with Government and others to tackle these most significant pressures and will present to the Board our strategic all Wales action to inform and support local place-based collaboration and delivery. In summer 2019, we will consult on an overview of the significant water management issues, to inform those actions required to secure the necessary improvements and to share evidence around where action is required. We will also seek stakeholder support in updating our assessment of freshwater sustainability in preparation for SoNaRR II and in filling gaps in evidence. We will share our early thinking with the new Wales Water Management forum.
13. Within SoNaRR we made suggestions about how Wales can take a more integrated approach to managing natural resources sustainably - one that looks at the whole picture rather than focusing on individual parts. The Report suggested 7 areas that deliver most in terms of both building ecosystem resilience and benefits across all the well-being goals and these have now been picked up as priorities in the Natural Resources Policy (NRP). We are drawing on these

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<sup>4</sup> Which represents where achieving good status is technically feasible and not disproportionately costly

<sup>5</sup> for purposes that do not return the water directly back to the source

in our approach to managing water; for example, we will look to increase the role of nature-based solutions in flood and water management.

14. The development of Area Statements will enable NRW to work with others to provide evidence on the demands for water and the opportunities at a local level, to inform decision-making by ourselves, the Welsh Government, stakeholders and partners. This will help us to focus on a more collaborative and integrated approach to natural resource management, looking at the root causes of problems and working with stakeholders to find long-term solutions, which also maintain and enhance biodiversity and promote the resilience of ecosystems. To restore natural flows, further ecological resilience, to restore fish migration potential and increase well-being in urban areas, we will identify priority areas for river restoration opportunities to inform Area Statements, future funding and action.
15. We are also working to ensure our water regulation services - permitting, compliance and enforcement - support an SMNR approach and meet our Regulatory Principles. To enable us to deal with the challenges we face from climate change and growth, the Welsh Government and ourselves are committed to reforming the abstraction licensing system in Wales to ensure that we have robust and resilient water resources and to help protect our freshwater ecosystems. Over the next four years we will also bring up to 300 previously exempt water abstractions under regulatory control to allow better and fairer management of our water resources and to address those abstractions causing serious damage to the environment.

## Recommendations

16. Board Members are asked to consider the following:
  - Note the evidence shows that Wales is not yet managing water sustainably
  - Note that the WFD, RBMPs and delivery through the Areas Statement process provides the framework within which we prevent further deterioration and restore rivers (and other waters); we will identify priority areas for river restoration opportunities to inform Area Statements, future funding and action.
  - Support the new Wales Water Management Forum in supporting our aspirations for Water and consider if a Board Member should chair this forum (as is the case for the Wales Land Management Forum).
  - Through academic networks and partnerships support the forthcoming consultation on significant water management issues
  - Consider and advise on our approach and the work we are doing with others to address the remaining significant issues
  - Support our efforts to secure long term funding to allow identification and delivery of the actions needed to achieve the sustainable management of water in the short, medium and long term.

## Risks

17. Whilst the issues here are not intended to be exhaustive, we set out risks that insufficient progress will be made to delivering the sustainable management of water.
  - Significant constraint is funding, in particular how and when we get it - We are engaged with Government on longer term funding settlements and will undertake a strategic review of charges.
  - Gaps in the package of regulation, voluntary measures, incentives and targeted innovation for tackling agricultural pollution – We continue to provide evidence to and work with Government and with the agricultural subgroup of the WLMF, to inform Government's decision making now and beyond EU transition.
  - Whilst integration with the Areas statement process is an opportunity, we must ensure that the opportunities that we influence and choose to pursue in each Place, deliver against

national priorities – This will be managed through the Head of Business/Head of Service (HoB/ HoS) relationship through service delivery plans

- current legislation drives us to act jointly with the Environment Agency in the cross-border Dee, and Severn River Basins, which hinders integration with the Area Statement process – We have written to WG asking that they guide us to administer RBMPs (and FRMPs) for political Wales
- Water Company price controls will need to incentivise SMNR principles enshrined within the Environment (Wales) Act and WBFG Act and avoid introducing barriers to considering the most sustainable options – We continue to work with WG, Ofwat and Water Companies on the approach to future price reviews.
- Gaps in understanding the future water needs of users outside the water industry, could lead to insufficient (or costly) water available to meet future demands for water, particularly during droughts, because of pressures to progress new water transfers from Wales to support economic development in parts of England – We have supported WG in commissioning an evidence desk study
- Failure to ensure collaborative working, with failure of one sector to act encouraging others to question why they should bother – We have established a New Wales Water Forum to support collaborative working and integration between water and fisheries, flood risk and planning.

### Financial Implications

18. None directly

### Equality impact assessment (EqIA)

19. There are no obvious equality implications arising from this work