



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Cynaliadwyedd
The Sustainability Committee**

**Dydd Iau, 4 Tachwedd 2010
Thursday, 4 November 2010**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Angela Burns	Ceidwadwyr Cymreig Welsh Conservatives
Alun Davies	Llafur (yn dirprwyo ar ran Lorraine Barrett) Labour (substitute for Lorraine Barrett)
Joyce Watson	Llafur Labour
Kirsty Williams	Democratiaid Rhyddfrydol Cymru (Cadeirydd y Pwyllgor) Welsh Liberal Democrats (Committee Chair)
Leanne Wood	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Clive Faulkner	Yr Ymddiriedolaethau Bywyd Gwyllt The Wildlife Trusts
Robert Gillespie	The Environment Bank Ltd
David Hill	The Environment Bank Ltd
Russel Hobson	Gwarchod Glöynnod Byw Cymru Butterfly Conservation Wales
Claudia Olazabal	Y Comisiwn Ewropeaidd The European Commission

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Aled Elwyn Jones	Clerc Clerk
Gregg Jones	Pennaeth Swyddfa UE, Gwasanaeth Ymchwil yr Aelodau Head of EU Office, Members' Research Service
Meriel Singleton	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 9.01 a.m.
The meeting began at 9.01 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Kirsty Williams:** Good morning, everybody, and welcome to this morning's meeting of the Sustainability Committee of the National Assembly for Wales. Before we start, I will just run through some housekeeping measures. In the event of a fire alarm, you should leave the room by the marked fire exits and follow the instructions from the ushers and staff. I ask Members to ensure that their phones, pagers and BlackBerrys are switched off, and I remind everybody of the availability of simultaneous translation facilities. Headphones are provided, with interpretation on channel 1 and the verbatim on channel 0.

[2] With regard to apologies and substitutions, I have received apologies from Karen Sinclair, Irene James, Lorraine Barrett, Rhodri Glyn Thomas and Brynle Williams. I welcome Alun Davies who is again substituting for some of his colleagues this morning.

9.02 a.m.

Ymchwiliad i Fioamrywiaeth: Sesiwn Dystiolaeth
Inquiry into Biodiversity: Evidence Session

[3] **Kirsty Williams:** Under this item, the committee is going to take further evidence in our inquiry into biodiversity in Wales, and we will be hearing from the European Commission, the Environment Bank, Butterfly Conservation Wales and the Wildlife Trusts. It gives me great pleasure to welcome colleagues from the European Union. We have, via video-conferencing, Claudia Olazabal from the Biodiversity Unit of the Directorate-General for the Environment. Good morning to you, Claudia.

[4] **Ms Olazabal:** Good morning. Can you hear me?

[5] **Kirsty Williams:** Yes, we can hear you just fine. Welcome to the committee this morning. As you can imagine, my colleagues have a long list of questions for you, but perhaps you could begin by making an opening statement about the European biodiversity targets before we go on to questions from Members.

[6] **Ms Olazabal:** Absolutely. Thank you very much for giving me this opportunity to discuss and to share with you our ideas and the background of biodiversity policy in this important year, this International Year of Biodiversity.

[7] You know that we started the year in a quite depressed mood, because we all realised that we had failed our 2010 target of halting biodiversity loss in Europe. This target, which was adopted in 2001 by the heads of state, was quite an ambitious target back then and it took a lot of effort and the adoption of the biodiversity action plan in 2006 to make it more concrete. However, despite some achievements and some successes, we all realised in 2010 that we had missed our own target. Then, in March of this year, in the spring, the European Council, which comprises the heads of Governments in the EU, adopted a new target and a new vision for 2050—a long-term vision of where we want to be with biodiversity—and a new target for 2020.

[8] This new target of 2020 is more ambitious than the one we had for 2010. It says that we want to halt biodiversity loss, which is basically what we said for the 2010 target, but it adds two new components. It adds that we also want to restore ecosystem services as far as is feasible and the second additional component is that we want to step up our efforts to avert global biodiversity loss. So, our target now has an EU component and the EU's contribution to global biodiversity. This recognises that our consumption and production patterns have a very big impact on global biodiversity. This is basically where we stand now, with a new 2020 headline target and a vision for 2050, and the challenge now is to put in place a new strategy that will get us there in order to avoid seeing each other in 2020 and having to realise again that we have failed.

[9] Many things have happened this year, not least the Nagoya negotiations. While we were having this discussion in the EU, the same discussion was taking place internationally under the context of the Convention on Biological Diversity, in which, a bit like last year's Copenhagen climate change summit, we had to come up with a new regime this year to come in after 2010. I am sure that you have read the newspapers or have talked with UK colleagues that were at the negotiations. They were very tough negotiations and, until the very last minute, we were not sure that we would succeed in having something. However, thank God, it went all very well. There was an agreement on a vision, there was an agreement on a strategic plan for the next 10 years, and there was an agreement on a protocol on access and benefit sharing for genetic resources, which was a very controversial part of the package, if I may put

it like that.

[10] To cut a long story short, there is a very strong political input this year to take this agenda for the environmental domain forward. There is also a lot of political will not to fail again, because we would not be able to afford it, economically, environmentally, and politically in having to face the citizens and say we have failed again when we knew that it was going really wrong. So, the political will seems to be there, at least, and we really have to grasp this political will. It is very much about this year, because it is the International Year of Biodiversity, and there are many things going on and many reports are being produced with quite scary data. We have to be able to grasp this potential and this political will and crystallise it for the next 10 years. That is basically what we want to do.

[11] On the commission side, we are preparing a new biodiversity strategy, which we hope to adopt as soon as possible in the months to come, with the idea of really setting up a more prioritised approach for biodiversity that will allow us to succeed in 2020. So, there are more strategic changes in key policies—they could be in agricultural policies, fisheries policies, or regional policy—that could make the difference and engage much more with all the local authorities, regional authorities and national authorities. There is a problem of ownership. We have clearly suffered from a problem of ownership, including in the public sector.

[12] To conclude, we started the year with the very gloomy political recognition of failure, but this year, we have new targets at the heads of state level in Europe, and new targets at the global level through the CBD. The UK is a big donor to, and a big partner in, The Economics of Ecosystems and Biodiversity study, which provides an economic evaluation of ecosystem services and biodiversity, and that will give an economic value to biodiversity that will help us to put biodiversity into mainstream economics. Much more information on the state of biodiversity has been produced. There really is political will now across Europe in the environment community.

[13] We see a beginning of a real concern and a real will of engagement from the private sector—although there is still not enough. We will need the private sector much more, but it is starting. So, the seeds are there, if I may put it in that way, as long as we are capable of improving over the next decade.

9.10 a.m.

[14] **Kirsty Williams:** Thank you for that, Claudia. You have touched on a range of issues, but perhaps we could kick off by trying to crystallise in our minds what the Commission has identified as the main reasons behind the failure to meet the 2010 targets. You talked about not enough political will and not enough engagement from the private sector, but could you just distil for us what you feel the main reasons were for the EU's failure to meet those targets?

[15] **Ms Olazabal:** As is always the case with such complex problems, there is a combination of different reasons. For instance, one is the lack of implementation of legislation. There is a lot of legislation that has either direct or indirect benefits for biodiversity but there are serious problems implementing that legislation. There are also problems of insufficient funding, and of the insufficient integration of biodiversity aspects in other key policy areas. There is also a problem with a lack of political will.

[16] There was a problem of knowledge gaps, and there still is, in all fairness. We do not know everything about biodiversity or about ecosystems, and this year has seen a really big boost in knowledge gathering, but still there are knowledge gaps. There is also a problem of public awareness. We have a Flash Eurobarometer survey of biodiversity, which I invite you to consult on our webpage, and I was looking just this morning at the UK. We looked at

citizens from all social classes and backgrounds in all member states, and only 28 per cent of the UK citizens who replied knew what biodiversity was. Then again, when you tell people that biodiversity is ecosystems and species, they say, 'Okay, now I understand', and when you ask them whether they think that that is important, they say that it is very important. However, it starts with a lack of knowledge of the problem and of how biodiversity loss is affecting their life. Most of the citizens still do not feel that biodiversity loss is affecting their life. It is, but they do not realise it. We think that that is mostly because people live in cities and they have lost a little bit of the connection with nature, but the feeling is there. So there is a lack of awareness of the problem among UK citizens.

[17] **Alun Davies:** Thank you for that introduction, which was very useful. My understanding of what you have said is that the failure to meet the 2010 targets is because of a failure of political will. Certainly, that is the impression that I have gained. You also talked about a lack of ownership of those targets. Here, we are interested in the performance of the United Kingdom. Could you characterise for us the approach of successive UK Governments to meeting the 2010 target, please? Do you believe that there has been a lack of political will within the United Kingdom? Do you believe that successive UK Governments have taken sufficient ownership of the 2006 biodiversity action plan to achieve the objectives set out in it?

[18] **Ms Olazabal:** The biodiversity action plan had almost 160 actions and we have just published a review of that. We have also published the results per country on the internet, which include a country profile of how that country did for the 160 actions and also a comparison between countries. I invite you to go to see that, as you can see all the actions. For some actions, the UK has performed better than for others. For the 160 actions, you can see there and in the consolidated report the comparison between the different member states in respect of the different areas, such as agriculture, trade, and fisheries. Many domains are touched on there, so, rather than give you a vague answer, I invite you to check our webpage. I can give the details to Gregg afterwards, as all the detailed reports are there.

[19] On the other hand, I can say that the UK has also recognised that it has not halted biodiversity loss in the UK, and there are problems implementing the nature legislation in the UK—just as there are in other countries, so I am not just pointing out the UK. There are problems of implementation in all the member states, and we are trying to work with them to improve the enforcement and implementation of it.

[20] We see the UK engaging in both the mapping of ecosystem services—and Wales is also doing a very good mapping of ecosystem services—and in the evaluation of ecosystem services. So, it is moving towards making it more concrete and more economically valued, to increase ownership, I guess. It is, in essence, doing what we are doing ourselves: trying to increase ownership of it by talking in a language that, sadly enough, is economics, to improve the uptake of biodiversity promotion in many areas. So, the fact that the UK is also engaging in that is, I think, a symptom of a lack of buy-in from other sectors up to now. I advise you to look at the profile of the UK and the consolidated profile that compares the UK's performance with that of all the other member states.

[21] **Kirsty Williams:** Thank you for drawing that to our attention. We will make sure that Members get to see that.

[22] **Joyce Watson:** Good morning. To what extent does the Commission believe that the new 2020 target is achievable, given the current economic climate?

[23] **Ms Olazabal:** That is a tricky question, because everything is achievable if you have the means to achieve it, but it is true at least in the beginning of this decade—although, hopefully, it will get better as we advance through the decade—that there are severe cuts in

funding, public funding, and also in human resources. In the UK, you have just seen that recently. So, it is a difficult time but, on the other hand, when this was adopted in the European Council in the spring, all the agenda items, except this point, were on the Greek crisis. So, all the agenda points were on Greece and then there was one agenda point on diversity, and still it was adopted. Why was it adopted when the most part of that meeting was to discuss very difficult economic times? It was because they all realised that there is no way around it. It will cost us so much if we do not do it, and it is already costing us very much. So, although the valuation of biodiversity is still in its infancy, the message has permeated, and these headline targets were adopted by the heads of Governments even during a difficult discussion on an economic crisis.

[24] So, I believe—and I agree with you—that the means have to be made available. We will not achieve it with the same means as we have now. So, we really have to improve the means, and it will be a difficult trade-off, given the current economic crisis, but that was already known when these targets were adopted. It is just that everybody realises that we really do not have that much choice.

[25] **Angela Burns:** Good morning, Claudia. Having listened to you, could you identify a little more clearly what responsibility other directorates-general will have for helping to achieve the 2020 biodiversity targets, specifically DGs such as those for energy and trade?

9.20 a.m.

[26] **Ms Olazabal:** It is a huge responsibility. We have been discussing the strategy with member states and within the Commission with the other directors-general for many months already. In our new strategy, we want to take a more prioritised approach, but we would rely very much on integration; we would rely very much on agriculture doing its bit, on fisheries doing its bit, on trade doing its bit and on energy doing its bit. It is a very integration-based strategy that we are thinking of because we realise that that is the only way to do it. We are lucky in the sense, if I may put it this way, that we are doing this at the same time that the common agricultural policy will be reformed, and is being reformed, and the fisheries policy and the regional policy will be reformed. So, for the first time really all the trains are leaving the station at the same time and it is a chance to grab it.

[27] On the other hand, integration is not easy because trade-offs appear. You know very well—I am not saying anything you do not know—that traditional ideas or traditional lines have to be changed in order to incorporate biodiversity. So, this is where the political will needs to be extremely strong, if we really want to have integration. However, what we are also seeing is that the fisheries realise that there are no more fish in the sea, so there is nothing being left to be fished, and the farmers see that they have a benefit in being seen as providers of ecosystem services—not only being providers of food, but also providers of public goods. So, we see a movement, also from the other DGs, towards seeing a benefit in including more biodiversity in their agenda.

[28] **Angela Burns:** Thank you for that. I have listened to your words very carefully, because you use words such as ‘rely on’, ‘integration’ and ‘hope’ and it is quite aspirational. Very quickly, can you say whether they have written down targets for each DG, rather than just aspiration?

[29] **Ms Olazabal:** That is what we want to do—

[30] **Angela Burns:** So, it has not happened yet.

[31] **Ms Olazabal:** No, it has not happened yet. We are still discussing setting targets. We want to set a target on agriculture, on fisheries and on the global, which might have impacts

on trade, and we want to set a target on fragmentation, which might have an impact on infrastructure, such as transport and energy. That is exactly what we are discussing now with the other DGs, that is, what kind of targets we can all agree on.

[32] **Angela Burns:** Claudia, thank you. I am terribly conscious of your time, so I will ask you very quickly just one last question. When would you hope that you might conclude these discussions because, of course, 2020 is creeping up on us very quickly?

[33] **Ms Olazabal:** Our official line is that we will adopt this new strategy as soon as possible after Nagoya. Nagoya finished on Saturday. So, we are working to have it either by the end of this year or at the beginning of 2011.

[34] **Angela Burns:** Thank you so much.

[35] **Kirsty Williams:** Having mentioned Nagoya, I think that we will move on to Alun Davies.

[36] **Alun Davies:** Thank you, Kirsty. In terms of the agreement reached in Japan last week, I know that it is very soon, but could you outline to us how you expect the agreement to integrate biodiversity values in national accounting will put pressure on member states to achieve the objectives that you are discussing?

[37] **Ms Olazabal:** It certainly will because the valuation of ecosystem services and its inclusion in national accounting systems is absolutely crucial to achieve any target. On Saturday, there were 20 targets that were adopted at global level in the strategic plan. There were also many financial commitments made and these will only be possible if the people—and that means heads of Government, local authorities, and the private sector—realise the economic value of biodiversity. That is the underlying principle that needs to be there for us to achieve these targets at global level. So, at this stage, we do not have the full methodology to put biodiversity into national accounting system standards, but we need to very quickly develop that if we want to achieve those targets. This is really the very crucial underlying principle that needs to be there.

[38] **Alun Davies:** Was the Commission largely satisfied with the outcomes of the agreement?

[39] **Ms Olazabal:** Yes. We had our commissioner there and our director-general for two weeks. Our commissioner was not there for two weeks, but our director-general was there for two weeks negotiating. We were very happy because the targets we had were quite ambitious. The most difficult discussion was on financing because, as was mentioned before, Europe was not really in a position to come up with a lot of fresh new money for Nagoya. It was really willing to set up a process of stepping up the effort on funding, but not really at this stage, given the economic situation in Europe. So we have achieved acceptance for this process although there was a major obstacle at the beginning, with developing countries wanting fresh money to be put on the table. We have also managed to have a protocol on access and benefit sharing, which was a discussion for, I think, over 10 years or so. So, overall the Commission is very satisfied with the results.

[40] We also believe that it is important not only for biodiversity, but because this has given an impetus to the UN system and to the UN negotiation, which was a bit lost after Copenhagen. We think that this could also help in smoothing the way in Cancun and for the climate change agenda; it has rebuilt the trust a little and rebuilt the will to compromise and the will to achieve agreements between the UN partners.

[41] **Kirsty Williams:** Thank you, Claudia. That brings to a conclusion the questions that

we have from the members of the committee this morning. Thank you most sincerely for taking the time to talk to us this morning. We are very grateful for your insight into your work and the approach that the Commission is taking. So, thank you very much and thanks also to Gregg Jones who has accompanied you this morning from the National Assembly office in Brussels. Thanks, Gregg, for your time also this morning. Thank you.

[42] **Ms Olazabal:** Thanks very much to you.

[43] **Mr G. Jones:** Thanks, Kirsty.

9.27 a.m.

Ymchwiliad i Fioamrywiaeth: Sesiwn Dystiolaeth Inquiry into Biodiversity: Evidence Session

[44] **Kirsty Williams:** While we end that connection to Brussels, we will bring in our next guests who are representatives of the Environment Bank. Good morning. I welcome our guests from the Environment Bank: Mr David Hill and Mr Robert Gillespie. Thank you so much for taking the time and trouble to come to the committee this morning and to assist us with our review into biodiversity. We are very grateful for your attendance. Members are keen to ask you a range of questions, but perhaps we could begin with you giving a short opening statement, highlighting what you do, what the Environment Bank does and your initial views. We will then turn to questions, if that is acceptable to you.

[45] **Mr Hill:** Sure; thank you. We are from the Environment Bank. We are a very small organisation at the moment. We set it up about two-and-half years ago to look at new and novel ways of funding the natural environment. The reason why that was important was that both of us have worked in the planning and development control sector—one of us as an ecologist and the other as a planner—and we realised that the planning system was delivering almost nothing for biodiversity and landscape gains. That is why we are where we are now. So, we set up this company to bring to the UK a method that has been introduced and is working in the States, as an industry, for the last 20 or so years, which has been on the whole highly successful at leveraging finance from developments. If you can imagine something like carbon trading, we basically believe that we should be seeing proper markets for environmental goods and services, which we do not see at the moment. We want to see, basically, a market-based mechanism.

9.30 a.m.

[46] So, we were set up to lobby for the idea, and, in the last year, it has now been taken on board by the UK Government as a really good approach to funding the natural environment. We have been advising the coalition Government on a system of conservation credits, and it looks as if that will be set to be policy by some time next year.

[47] **Kirsty Williams:** Thank you. Mr Gillespie, do you have anything else to add about your method of working?

[48] **Mr Gillespie:** Basically, as two professionals, an ecologist and a town and country planner, we came to the view that there had to be a better way of delivering greater gain for the environment in terms of biodiversity and a proper compensatory mechanism put in place for reflecting the true cost of the loss of land to development. The current planning system, which operates basically in a similar way across the UK, does not reflect the true cost of the loss of the land to development.

[49] So, we are concentrating on what I would call urban extensions into greenfield sites, where you are taking land, once and for all, out of its current ecosystem service and

biodiversity function, whether it is being used for farming or any other purpose, and developing it; it is lost and gone for good. Nothing in the planning system that we have ever encountered in the UK reflects that cost. We believe that the current system is failing to deliver in terms of the sort of mitigation techniques that are employed, which are, essentially, trying to mitigate on-site for features that have been found on-site. However, in our view, what has been left behind—and I have been in the planning industry for nearly 32 years, and David for a similar amount of time, so it was our combined experience of this process that left us with the conclusion that when you added up all the bits of land that were put in place to perform some form of mitigation on-site or off-site it did not amount to very much of any useful purpose. Once the development was finished, the developer goes away, the buildings or whatever are occupied and, in our experience, nobody wants to be responsible for these pieces of land that are left over. They are a disparate collection of parcels of land left behind in an attempt to mitigate for on-site impact.

[50] We think that there has to be a radically new way of looking at all of this. In so doing, we felt that we could look at a much more widespread landscape impact benefit. In other words, we were looking for compensatory sites that would be on a larger scale and could be funded through some form of conservation credit purchase mechanism, pooled and then spent on what we call receptor sites of landscape scale, which would deliver a much more beneficial end result.

[51] **Kirsty Williams:** Thank you very much for that. I understand that it is your intention to supply a written paper to Members after the meeting with some further details, but we have a background paper from our research service that shows that this system is already being extensively used in America and in Australia. You have begun this morning to demonstrate what is wrong with the current system and why that is failing to deliver for biodiversity and you have begun to touch on what a new model might do. Could you expand on what habitat banking has to offer to address biodiversity loss in Wales in a way that the current set-up and system is failing to do?

[52] **Mr Hill:** To recap, if you look at biodiversity and landscape losses over the last 50 years, more has happened over the last 20 years and a lot of it is, of course, due to agricultural intensification as well as development, with fragmentation of habitats and so on. I should say that I am a board member of Natural England and the Joint Nature Conservation Committee as well, so I am bringing some of the knowledge from that platform to this meeting as well. We think that the governance of biodiversity planning is too complicated. We tend to get bogged down in minor details, and miss the picture. We need to be taking bigger ecosystem-based approaches, and landscape-scale approaches.

[53] Habitat banking enables that to happen, as Rob has explained. At the moment, nature is seen as economically invisible but, over the last year, that analysis has changed quite considerably and now, with the TEEB report, of which you will probably be aware, and a whole range of workshops that have happened over this year, we are seeing that nature has a cost and that development-related costs are quite substantial. If it has a cost, you can put a price on it in some shape or form—not for everything, but for some of the components. If you put a price on it, you can then see that it has a value. We think that taking that economic approach enables us to mainstream the value of nature into society, and that is what we have to do. It would probably be heretic to say it, but in the non-governmental organisation sector that we have, and we all love them a lot, the mentality is very much siloed around grant giving and we think that has had its day, to be honest. That has a role, but we really have to mainstream.

[54] I will just give you some figures. If you took at the biodiversity action plan for the UK as a whole, the Royal Society for the Protection of Birds thinks that the shortfall on funding is around £279 million a year. We had 43 habitats under the UK BAP process. Our

response to decline has been to increase that to 65 habitats. We had 347 species under the UK BAP process, and we have increased that to 1,150. If you scale up the cost of delivering the UK BAP, and then you put into it how much money we spend through agri-environment, non-governmental organisation funding and so on, which is about £450 million for the UK as a whole, we think that there is a shortfall of around £980 million a year. If you scale it up, you come to that conclusion.

[55] We have then had the Lawton review, which you will, hopefully, know about, with the 'Making Space for Nature' report, which is talking about joining up protected sites and getting greater resilience to climate change, and the only way to do that is to have a greater mosaic of habitats across the countryside. If you factor that in, you can see that you start getting to the £1.5 billion a year required to fund this biodiversity. You are not going to do that through state funding or grant aid; the money just does not exist for that, particularly in the constrained world that we are in now.

[56] Nature has become economically invisible for so long that we now have to move it on to an economically visible platform and we think that habitat banking enables that to be done, because it gives you a market-based mechanism to start to factor those things in. We have a whole range of new approaches that we can tell you about.

[57] **Kirsty Williams:** That leads us quite nicely on to the area that Joyce would like to explore.

[58] **Joyce Watson:** Yes. My question is: can you tell the committee about the work that you have been involved in to date and how you put the concept of habitat banking into practice?

[59] **Mr Hill:** Shall I have a quick go and then hand over to you, Rob? We started off with looking at what had been done in the States and trying to beat around a whole range of models that might work for the UK. We have the section 106 mechanism, which, effectively, fails. There are large numbers of councils that are sitting on unspent section 106 funding.

[60] Our model has been to develop a four-party approach, basically. There is the financial institution, which is what the environment bank will do. We are not doing it yet; I have to tell you that to start with. There is the planning authority, which permits the development in the first place. There is the developer, who takes part, and there is then what we are calling the key delivery body. How we think that the model should work is that the planning authority would certificate the planning application on the basis of a range of analyses. It would then require the developer to purchase a credit or credits for offsetting the impacts on the particular development site, having had that measured by an independent assessor. The developer would buy the credits from the likes of us. We are in the process of creating a registry of receptor sites in the wider countryside. We already have a large number of landowners and farmers who are willing to put or wanting to put their land forward for conservation credit spend. So, we will act as the brokers between the delivery on the ground and the development funding.

9.40 a.m.

[61] Then we enter into a contract with the key delivery body to deliver the habitat creation or the new habitat. We have just set up a series of pilot studies. The first one is in a 1,000 square mile area in the Thames headwaters. We are working there with the local wildlife trusts, so it is really important that we maintain the links with the local non-governmental organisation sector. We also have a national advisory body, which currently comprises representation from the Wildfowl and Wetlands Trust, the Woodland Trust, and finally with Plantlife, which we are hoping will also give us expertise in grasslands and other habitats, as the current representatives just give us expertise in wetlands, woodlands and

forests. That is how we think the model will work.

[62] **Mr Gillespie:** The mechanics of it are quite important. I come from a practical planning background, so this is where you get the marriage of ecology and the planning regime. At the moment, we are talking to a number of local planning authorities in England and are trying to put in place a regime whereby a local authority looking for development sites through its local development framework goes through a system called a 'call for sites'. So, people who have land that they feel ought to be developed for housing or employment use or some other form of development register it, and the local authority then goes through a sieving system and decides which parcels of land it feels are suitable.

[63] We feel that you could call for receptor sites at the same time. The beauty of this is that a lot of the resistance to development comes from a community feeling that it has to give up something in the area with nothing ever being given back. That leads to a lot of political resistance on the ground, long and protracted planning processes, appeals—all the usual that you will be familiar with. However, we felt that if people were able to see from the outset that there is a trade-off and that compensatory landscape-scale schemes will be identified at the same time as the development sites, it will take some of the steam and tension out of the situation. We all know that we need development in certain areas. We all know that people need houses, jobs, and places to work, and that we all need roads and infrastructure, but it is about trying to convince local people that there is some benefit for them.

[64] As you are probably well aware, the localism agenda is working its way through quite quickly, and we feel that this ties in very well with that agenda, because local people can then see that there will be a compensatory mechanism of some sort, which will bring about benefit but on a landscape scale. It may not be immediately in their area, and it may be slightly some distance from it. We felt that if you were to insist on it being immediately next door to the development site, that would lead to all sorts of other problems. So, we feel that the best beneficial way of setting up the receptor site is to look at the land that displays the greatest potential with the spending from the credits to bring about considerable biodiversity gains. So, it is about getting a larger bang for your buck.

[65] Let us take for example an area where there is a floodplain and where farmers are struggling because of global warming and climate change, with heavier rainfall and increased flooding, which we are all familiar with. It may be that you could look at the drainage regime in that area, and see the land in the catchment area and in the floodplain as a potential receptor site for credit spend. That could then be directed at the landowners to put in place not only biodiversity improvements but also the original drainage systems that used to hold the water back but which have been removed because farmers have been encouraged to make more of the land for production purposes. They would then get an income stream through the credit spend to compensate for the loss of that land to be put into some form of more beneficial use. So, these are the sort of processes that we are looking at, particularly in the Thames headwaters, where there is some low-lying land, a floodplain, and development projects around the Wiltshire and Oxfordshire areas, which could become—hopefully, with co-operation from the local planning authorities—the first of one of these pilot projects, to see how we can get the mechanics going.

[66] **Leanne Wood:** I am interested in this system that you describe. Presumably, the applications that were going to cause more biodiversity loss would have more expensive credits. If so, it sounds as though some industries might become unfeasible. I am thinking of opencast mining, for example. There would need to be quite a considerably sized piece of land to compensate for a moderately sized opencast scheme. Would the implementation of this system make some industries unfeasible?

[67] **Mr Gillespie:** That is an important point. Obviously, in the prosperous south-east of

England, house prices and land values would support more easily a conservation credit process, but we recognise that this will vary across the UK. It will make differences in the economies that you are working within, particularly when you are looking at employment sites and at those sites that work on relatively low residual land value. So, we are looking at another system: whereas planning permission would be granted subject to a purchase of X number of credits before the commencement of the development, in instances where there are low residual land values, it may be that an agreement is entered into over the period of the operation. So, if you look at something like quarrying, you would pay some sort of levy, a bit like the aggregates levy, towards a conservation credit in lieu of an upfront purchase of credits. So, we are looking at that.

[68] If, for instance, you wanted to encourage employment development, which I am sure you all do, we would not want to put a block in the way of any of that and the creation of jobs, but we have to have a universal platform against which we are saying that, once the land is lost and taken out of ecosystem services, it has to be compensated for. What we might do is defer payment using a system whereby once the buildings are occupied a levy is applied to pay towards an assessed credit value, which is then spent on the receptor site.

[69] So, we do not have the answer, and I cannot sit here today and tell you that we do. This is the point of the pilot projects, to be perfectly frank with you. We want to test these things, because they are genuine issues that need proper exploration before anybody sets up a system with hard and fast rules. You have alighted on a very important point, and it is one that we are exploring.

[70] **Joyce Watson:** Leanne's important point is one part of the puzzle, but another part is that there will be land that is already a designated area of scientific interest, such as a site of special scientific interest and all those things. How will you deal with the land that you may be able to develop but that already has a particular status? All those things that you have talked about would have to be incorporated within the site. Unless I have misunderstood you, not every bit of land will have a value, because there is already a value to certain parts of it.

[71] **Mr Hill:** That is a really important point. Effectively, you have a tiering of conservation sites, as you know, so SSSIs and then some of those have special protection area and special area for conservation status under the habitats directive. If you look at how their biodiversity delivery has been measured, you see that they are done very well in comparison with the wider countryside, so we think that the policy mechanisms to protect those sites are reasonably satisfactory, and development is screened out from touching those sites. We do not want to see conservation credits, or eco-credits, or whatever we call them, being used in that situation for that level of site—apart from in one area. With the habitats regulations under IROPI development, or imperative reasons of overriding public interest, if a scheme has to go ahead because it can demonstrate IROPI under article 6 of the regulations, it hits the need to create compensatory habitat. You could use conservation credits as a mechanism to do that and you would scale up, based on a whole range of metrics to do with things like the ease of recreatability of the habitat or whatever it might be.

9.50 a.m.

[72] So you might lose 1 ha and ask the developer to pay for 5 ha worth of credits, but we do not see that there is an immediate need to apply the mechanism to SSSIs and, therefore, SPA and SAC, because it is dealt with nicely.

[73] If you look at the county wildlife sites and equivalent and local nature reserve sites, in some cases, because there are lots more of them, they have constraints where developments may be required and can be demonstrated to be of importance for a whole variety of reasons. It is those sites for which conservation credits would work and then, of course, the wider

countryside sites. So, for example, someone purchasing 100 acres of farmland—in old money—would not be asked to do a one-for-one creation of offset for another area of farmland, because farmland has pretty low biodiversity value on the whole, particularly arable farmland. However, you would get something called trading up. They would be required to pay for credits to create something that is actually better than the arable farmland that is being replaced. That is done satisfactorily in the States and it leads to what we have to get, going forward—not just no net loss, but a net gain. I know that Richard Benyon, the Parliamentary Under-Secretary for Natural Environment and Fisheries, who we are meeting next month, is very keen on net gain rather than just looking at no net loss.

[74] **Alun Davies:** I want to take you back to your answer, Mr Gillespie. I have to say, Mr Hill, I disagree with your presumption that current protection of SSSIs is satisfactory. I think that we are seeing—

[75] **Mr Hill:** In comparison with the rest.

[76] **Alun Davies:** Perhaps relatively, but we are seeing a denigration of SSSIs, certainly across Wales. In your answer to Leanne earlier, Mr Gillespie, you seemed to be saying that differential land values will create an economy that would push the more—how shall I put it?—environmentally destructive activities, such as opencast mining and quarrying, towards areas of relative low land value. Opencast mining would be pushed towards poorer parts of the country, if you like, as an almost inevitable consequence of the creation of this sort of marketplace.

[77] **Mr Gillespie:** I am sorry; I clearly have not explained it properly. That is not what I intended to put across. What I was trying to say was that, basically, land values across the country vary, obviously, and the purpose of the question was to try to understand how it may be easier, because of the development value, to fund credits in one part of the country and more difficult in another, as a result of lower residual land values. Quarrying will occur where the mineral deposits are. That is the reality of it. I did geography not geology, but I think that I got that bit right. What I was trying to explain is that, where the residual land value is low—it is very important to get this across now, and one of my colleagues will insist that I say this—you must bear in mind that it is not the developer paying for the credit value; it is the landowner who benefits from the enhanced value of the land on the granting of planning permission. It is a very important difference. The developer, in most cases, has a fairly fixed element of profit from whatever is being built or developed, but the beneficial recipient of the enhanced land value is the landowner.

[78] So, we are looking at saying that, if society needs development to house people, for schools, for industry, and we alight on certain areas of land through the planning process and determine that, in society's interests, these should be taken on behalf of society for what we need in the future, the beneficial recipient of that decision is the landowner. He or she receives an enhanced land value on granting of planning permission, so we felt that it is only right that the conservation credit mechanism should intercept some of that value, rather as planning obligations and planning gain works at the moment.

[79] However, the point that I was trying to get across is that there are some forms of development, particularly employment development, which do not deliver a considerably increased land value on the granting of planning permission. We would not want to deter employment development by intercepting the land value to the point where nobody wanted to put their land forward or made it unviable to develop anything. We are trying to look for other mechanisms that still, at the end of the day, paid for some credit purchase—but a deferred form of credit purchase, for when the buildings were occupied.

[80] **Kirsty Williams:** Thank you; I think that that is quite clear.

[81] **Angela Burns:** I want to discuss monitoring compliance and long-term management. The *Journal of Nature Conservation* has had some interesting articles. One, in particular, talked about how some schemes in America have suffered because of the quality of habitat management. It said that

[82] ‘problems stem from poor project management, and often include inadequate design, failure to implement the design, lack of proper supervision, lack of ongoing habitat management, and failure to protect projects from on-site and off-site impacts such as sediments, toxics, and off-road vehicles’.

[83] If habitat banking was used more widely throughout Wales, how could we guarantee that projects were monitored properly and were open and transparent to all stakeholders?

[84] **Mr Hill:** That is a good point. As the Environment Bank, we would have a contract with the key delivery body to deliver. Often, in the States, they do not have a similar mechanism and there is a lack of transparency in some of it. Two years ago, there was an element of the conservation industry that was dead against this. There are not that many papers, but the paper that you have just referred to in the *JNC* is in the minority, to be honest, in terms of how schemes have delivered value. I would say one thing: we have not delivered biodiversity conservation well at all in the last 15 or so years here. So, how we think that it would work is that we would be purchasing from the landowner and farmer that delivery of a service or goods; they would have a contract with us, just like if someone was building a house for us. We would be pretty rigorous in assessing the outcomes from that. They would have a five-year term annual reporting mechanism to us, which we would then feed through to the local authority, and that would form part of the annual reporting round that local authorities are expected to undertake but do not do—local authorities are not doing the enforcement or the monitoring of section 106 sites at the moment. So, that will improve the situation.

[85] In terms of transparency for everyone to see, there are two parts to it. One is that we would publish those reports in a registry and each receptor site is registered, a bit like a trading platform, which is something else that we need to set up. Anyone can interrogate that site to see what was there, what its creditworthiness was to start with, how many credits were sold, what the costs were, what the management plan is for each of those receptor sites and what the monitoring round is for each of those. Then, the likes of us would have to be, in some form, accredited by Government—central Government would have to accredit organisations like ours, but we would be responsible for doing the audit of the key delivery bodies, or the people who are delivering the goods to us, because that is what we are paying for.

[86] **Angela Burns:** To be clear, you are not looking to local authorities, wherever they may be, to monitor compliance.

[87] **Mr Hill:** No.

[88] **Mr Gillespie:** One difficulty that local authorities face is that they are clearly now under huge financial pressure, in terms of resources, but they always found it difficult to monitor and enforce nature conservation measures and landscaping schemes. My experience of it is that it was very hit and miss and ad hoc. It is not high priority; it never was. We think, from our discussions with various Government agencies, local authorities, developers and landowners, that they all saw it as being a far simpler and far more direct route to delivery if we were to take all but the monitoring report stage away from local authorities. They obviously have enforcement powers if the conservation credits are not purchased on the commencement of development.

10.00 a.m.

[89] If it is a condition precedent—sorry, I am going into planning law now—and if they do not purchase the credits before they commence development, it could invalidate the consent. So, it is a pretty powerful means of ensuring that these things are delivered. It can even be locked into legal agreements if that is what some authorities would prefer. My view is that you should keep it simple, and that is what we are trying to do in all this. If we oversophisticate the system at the outset, I can guarantee that this will not happen. We have had to work really hard at convincing a lot of academics and institutions that regard ecology and biodiversity as their specialism that we have to improve the way we do things. We have had a massive amount of decline in the past 60 years. If we do not reverse that and change the culture, we will be staring disaster in the face. So, we feel that it needs a simple start and a simple process that is deliverable and enforceable and that, through contract management, should be able to deliver these things with monitoring. The pilot studies are intended to try to bottom all those out. There is no monopoly of wisdom here, and we would be the first to accept that we do not have a perfect solution, but we are going to try.

[90] **Leanne Wood:** To what extent do you believe that new legislation would be required to introduce these key principles of habitat banking, such as the no net loss but also the gain, into the planning system?

[91] **Mr Gillespie:** To be perfectly honest with you, we have tried our best to see whether we can use what we already have and the systems that we already have. For instance, we have things like the community infrastructure levy beginning to appear, now that the Government has decided which way to go with it. We have the established routes of section 106 agreements in England, which operate within the town and country planning legislation, and we have legal frameworks, in essence, which can be used to introduce this. At the moment, some legislative changes are being proposed by the UK Government that could make clearer the need to reflect the loss of land from ecosystem service and biodiversity and that there should be a compensatory mechanism put in place. Equally, you could put these things through planning policy statements. I do not see why that could not be used as well. The clever money is suggesting that there will have to be some form of minor change in the legislation, but I do not think, as a planner working in the system currently, that it requires an enormous amount of effort. Green infrastructure is already being funded through the conventions of the planning system. Why not make conservation credits a part of green infrastructure?

[92] **Mr Hill:** The latest thinking in the Department for Environment, Food and Rural Affairs on this is that it wants to see it set up in a voluntary capacity. The only problem with that is that we think—and Rob and I have talked about this recently—that the developer community would actually like to see a level playing field. So, voluntary mechanisms are not great where developers are concerned, because it can lead to a commercial advantage. The legislative process could provide a level playing field. It does not necessarily need to be hard legislation; it can be simply a matter of looking at what we have already and tweaking that. What I think will happen is that it will be a voluntary set-up to start with but it will proceed relatively quickly to needing some form of legislative back-up.

[93] **Alun Davies:** I am glad that you answered that question in that way, because I really do not understand how this system would work without a legislative framework. If you are looking at creating a market—and we have seen this with carbon credits over the past decade or so—until that market is regulated, there is not the trust for developers and others to invest in securing a place within that market. It is an interesting approach of commoditising, if you like, the environment and biodiversity, and it is not one that I have considered previously, I have to say. However, if you are serious about this as a structured way of locking

biodiversity, in this case, into the planning system, surely it could happen only within a legislative framework, whether at the UK level or at the Wales, Scotland and England level.

[94] **Mr Hill:** I entirely agree with that. You are absolutely bang on that a regulatory framework is what the markets will want, because it gives greater stability and that will create the market. I also think that it would be nice to get consistency between Wales, Scotland and England so that you do not have some sort of perverse effect on the market by having things operating differently in the three different countries.

[95] **Kirsty Williams:** Mr Gillespie, do you have anything else to say?

[96] **Mr Gillespie:** Just that it is an extremely good point and one that we are hoping to explore further with the pilot studies. If you are interested, we will report back to you and let you know how they are getting on.

[97] **Kirsty Williams:** We are. We would be very interested to hear the results of the pilot studies, and whether the model that you are suggesting overcomes some of the hurdles that have been raised. If it does not, perhaps you can adapt the model to take into consideration real-life issues when the projects are up and running. If you could keep in touch with us about your work, we would be very grateful, as we are this morning for your taking the time to come to committee and answer our questions. Thank you very much indeed for your attendance this morning.

[98] **Mr Hill:** Thank you for giving us the opportunity to talk to you and answer your questions.

[99] **Kirsty Williams:** It is a pleasure. We will send you a transcript of this morning's meeting for you to check to ensure that it accurately reflects what you have said. Thank you both very much for your attendance.

10.06 a.m.

Ymchwiliad i Fioamrywiaeth: Sesiwn Dystiolaeth Inquiry into Biodiversity: Evidence Session

[100] **Kirsty Williams:** We will now be hearing from representatives of Butterfly Conservation Wales and from the Montgomeryshire Wildlife Trust.

[101] Good morning and welcome to the Sustainability Committee of the National Assembly for Wales. We are grateful to you for taking the time and trouble to come and assist us in our inquiry into biodiversity. As you can imagine, the members of the committee have a long list of questions to ask you, but first perhaps you could begin by introducing yourselves and the organisations that you represent. I understand that you are particularly keen to talk about some case studies from the work that you have been doing. Perhaps you could begin with some introductory remarks, telling us a little about your case studies and what they are telling you, and then we can go to the questions, if that is acceptable. Shall we start with you, Mr Faulkner?

[102] **Mr Faulkner:** Yes, absolutely. My name is Clive Faulkner. I am actually working with Wildlife Trusts Wales at the moment on the Pumlumon project. I will not spend too much time on that, as we have only a few minutes in which to give you a bit of background.

[103] The Pumlumon project is, essentially, a large-scale landscape project, working in partnership but with Wildlife Trusts Wales leading the project. The footprint of that is 40,000

ha of land, and we are looking at an area in the north end of the Cambrian mountains, east of the Dyfi estuary. That is just to give you an idea of where we are. It is primarily upland farmland, and there is an SSSI at the heart of the area. We are working with landowners and land managers, and the aim is to get the environment into a diverse and robust, healthy condition, so that we can derive some ecosystem services from it, which can then feed into the local economy and provide a sustainable community. Essentially, we are saying that if you have the right, robust sort of environment, you can derive rich, sustainable communities from it.

10.10 a.m.

[104] **Mr Hobson:** Just as a bit of a contrast—when we were looking at this within Wales Environment Link, we wanted to have a bit of a contrast, since we have been asked to bring case studies—I am here on behalf of Butterfly Conservation Wales, leading on a project to save the High Brown Fritillary in Wales. It is quite a contrast, as we are working on a much smaller landscape of 250 ha plus in south Wales. The High Brown Fritillary is a species that was once quite widespread, with at least 20 sites in the early 1980s, and has declined massively. The same has happened in England as well.

[105] Again, it is very much a partnership project, working with agencies, local authorities, teams of local volunteers through the local biodiversity partnership, and also with the landowners and commoners, as part of the area is a common. As part of the work to manage the sites and improve conditions, which, as I hope you that have seen from the briefing paper, has been highly successful over the last 10 years, we have sought to raise the profile locally of the species and encourage more people to participate in the project. The key for us is that it has not been a particularly expensive exercise. It has been quite a trial to get small bits of money, but the project has been highly successful and we have started working further afield on former sites further up the Valleys.

[106] **Kirsty Williams:** Thank you very much for that brief introduction on what you have both been doing. I am very grateful for that. We will move on to questions, with a question that is to both of you, if you could take it in turns to answer. What have been the main challenges in establishing your projects and carrying them through, and how do you feel that you have contributed, through those projects, to halting biodiversity loss? That is quite obvious in the case study on the butterflies, but perhaps it is more a diverse concept in terms of the Pumlumon project. Mr Faulkner, perhaps you could start.

[107] **Mr Faulkner:** It is interesting that the perception that we had was that we would have trouble communicating with the landowners, the farmers, because we took—

[108] **Kirsty Williams:** I cannot imagine why.

[109] **Mr Faulkner:** Well, it is interesting, because we were dealing with a Welsh-speaking community in the uplands that was a very distinct and closed community in some ways—or at least that is what we thought. However, when we started talking to the farming community, we were surprised to find that the farmers recognised that there was a need for change, and that things were changing—despite whatever they might wish, the world was moving on and farming was going to change. They were very willing to talk to us. We have had much more success in working with landowners.

[110] We should bear in mind that we are talking about working with farmers on their land and changing the way that they manage their land, and, potentially, taking land out of production, and we expected to perhaps be dealing with fears about that. As it turned out, that was not necessarily the case. We found that we can implement a lot of habitat management: for example, a lot of bog rewetting. We discovered that farmers do not consider such land to

be productive. In fact, very often, farmers consider the ditches that were cut in the past to be problematic, because they would lose lambs in it, and they would actually represent a cost. So we found, to our surprise, that we can deliver relatively large scale conservation habitat restoration. You have the numbers that I have given you, and, although we are only just beginning on this project, the area of land that we are working on is quite large, so the difference that we are making is, I think, already quite significant. That is at a relatively small cost but, again, getting back to it, the actual, real cost is the communication and changing the ideas and the way people think—or at least communicating the ideas to them.

[111] So, yes, it is a successful project that is making a difference on the ground and is surprisingly acceptable to the farming community, but it does take a lot of talking and communication. That was the nub of the story for us.

[112] **Kirsty Williams:** Thank you very much. Mr Hobson, could you talk about the challenges that you face?

[113] **Mr Hobson:** Our project deals more with landscape that is outside of the farming community, certainly outside of any commercial farming activity. Many of the former sites are also in that bracket. These are bracken slopes, which are no longer viewed as having any farming value. The challenge, when you only need small pots of money, is that you do not tend to have them for very long and it is about trying to link them together. One of the main advantages that this project has benefited from is having the continuity of a member of staff in an organisation to keep it ticking over from year to year. It has also benefited from a very keen local volunteer, who has acted as the project officer six days a year, just to keep it ticking over and keep the links with the volunteers and the links with the commoners. That has been the key challenge. There is quite a lot of work that goes on behind the scenes in keeping projects such as this just ticking over.

[114] **Kirsty Williams:** You mentioned money, and we were going to come on to that—sorry, Alun, did you have a question?

[115] **Alun Davies:** Yes. What did you actually do to restore the High Brown Fritillary here? In your paper, you describe the structures that you put in place, the volunteers, the time, and the funding, but what did you do in this area of land to restore the biodiversity in terms of the butterfly population? What steps did you take to do it?

[116] **Mr Hobson:** I did allude to it, but you cannot include everything in a briefing paper, as you have just shown. It was identified that these bracken slopes were getting rank, in that there were trees coming in, very dense brambles, honeysuckle, and so on, which was creating a very thick layer of litter, which was shading out all the spring flowers and, in particular, the violets that this butterfly lays its eggs on. So, the work involved is knocking that back so that you have much less litter and then you see an increase—we have the data to show this—in the spring flowers and the flowers later in the year that the adult butterflies feed on.

[117] It is because these areas have been neglected, because they have fallen out of farming use, that they are becoming too rank and reverting to woodland, effectively. What we need to do is to keep them at an earlier stage in their development for the species. Other species have benefited. This year there has been a huge increase in the number of bee flies, which are a parasite on ground nesting bees. Nightjars are have been recorded on the site for the first time in many years, so we have also been looking at—again, there was not sufficient space in the briefing paper to put this in—the benefits to other species of this form of management.

[118] **Kirsty Williams:** You have to clear out under the bracken, basically, to make room for the flowers.

[119] **Alun Davies:** I understand. [*Laughter.*]

[120] **Joyce Watson:** Good morning, and thank you for your papers, both of you. Can you tell the committee how your project was funded and co-ordinated, and have you faced any challenges in accessing funding?

[121] **Mr Faulkner:** Yes, funding for us was challenging, because we are trying to develop an idea that, certainly initially, was a little bit new. That idea is more commonly talked about now, and funding is maybe a little bit more mainstream. However, in those days, going back two or three years, we went to Biffaward, which is a landfill-funded organisation and also to independent charitable organisations, for example, the J. Paul Getty Jnr Charitable Trust and the Waterloo Foundation, set up to fund works that they consider to be of interest to their organisation. So, we were funded very much independently. However, now, as the ideas are developing, we are working with industry, in fact, because the uplands are the source of a lot of the water for hydro power and, if you create a diverse, enriched habitat, that, incidentally—well, it is not really incidental—also creates the right conditions for hydro power.

10.20 a.m.

[122] So, we are working with hydro, with E.ON potentially, to look at whether we could get funding from it and other organisations, for example, Welsh Water. We would like to talk to Welsh Water, and we are talking to it about, possibilities. So, we are seeking independent private funding or, if you like, private industry funding.

[123] In addition to that, we are now working with the Environment Agency, the Countryside Council for Wales and the Forestry Commission. They are working with us on things. They have similar policies now and similar initiatives under way and we can work with them on those.

[124] The last the one, of course, is Glastir. Obviously, we are seeing that coming through now. We are beginning to see the shape of that and it seems to me that that will be a very useful tool to allow us to deliver very valuable conservation work to improve the environment and its integrity and to link up habitat areas with the site of special scientific interest that is within the project—all within the Glastir. I think that even the entry-level scheme will be valuable. We are actually encouraging farmers to join that. We are going around, sitting around the farm table with them, and helping them with the forms at the moment.

[125] **Kirsty Williams:** Mr Hobson, what about the funding of your project?

[126] **Mr Hobson:** There are two elements. One is the background funding that enables me to do the other fundraising to keep this going, and for that we are highly dependent on Assembly Government funding via the Countryside Council for Wales. The second element, to fund the work on the ground that has delivered the improvement in the High Brown Fritillary population, involves a number of different sources. Some of it has been planned, such as an aggregates levy, a sustainability fund bid that got the whole process going. Other sources have been end-of-year underspends and bits of money that Butterfly Conservation Wales has received that I have been able to divert into it. We have had some money from the Wales grazing animals project, PONT, and at the moment it is primarily kept ticking over with a small amount of funding from the Vale of Glamorgan local biodiversity partnership, which is ultimately money that has come from the Assembly via CCW.

[127] **Joyce Watson:** What lessons do you believe that other biodiversity conservation projects across Wales could learn from your projects?

[128] **Mr Faulkner:** I think that there are a lot of strategies out there; there are a lot of

people who have an idea about how they want to see the landscape managed. There is a vast range of different strategies out there. If you can get an individual or a group of individuals to focus those strategies on an area and bring in the funding that each of those strategies can carry with them, you could potentially develop a way of delivering a landscape strategy and deliver a whole range of different environmental services. The reason for that, primarily, is that the land management that you are doing on the ground, such as ditch blocking or habitat restoration, will create a whole range of different outputs and, therefore, you will be able to deliver a whole range of strategies. It is just a matter of bringing them together and having the people on the ground to weave them in to make sense of them on the ground. It is almost a co-ordination thing that is necessary. It is about having an infrastructure there to deliver these things.

[129] **Mr Hobson:** There are just two elements in answer to that. For us, and the way in which we work on rare species and species conservation in Wales, there is a whole diversity of different ways of doing things and it is useful to be pragmatic in terms of the locality, area or group of people that you are working with in terms of how you deliver things. Secondly, during this project, we have felt that we have really benefited from the fact that there has been a very good partnership and that means that there have been benefits to all of the partners involved. It has not been a partnership where you attend a meeting and sign up to something, but you are not involved, you cannot contribute and do not get any benefit. We have tried to ensure that all the partners have had some sort of benefit, in the broadest sense of the word, from the project.

[130] **Angela Burns:** Mr Hobson, thank you very much indeed for your briefing paper; you identified very clearly that you had good local community engagement. I wonder if you would both be able to tell how you believe that your projects might have been able to reach out to the wider general public in terms of generating interest in biodiversity.

[131] **Mr Hobson:** It comes down to capacity at the end of the day in terms of how far you can take things. I think that you have to be realistic. There is no point stretching yourself so thinly that you fail to deliver anything at all. I think that with this, because we were dealing with a discrete landscape, at least initially, and with the partners that we had involved, we felt that the best approach was to have that more discrete local outreach element to it.

[132] We have publicised the work quite extensively and this is a very cut down version of a paper that I gave at our international symposium in March. So, the message is being spread far and wide where appropriate and when it can be done in a sensible sort of way. Again, it comes back to being pragmatic about what you can sensibly achieve.

[133] **Mr Faulkner:** There are a lot of different sorts of communities out there and each group requires its own sort of communications. We were very lucky in that we have nature reserves within the project area and one of them is extremely well visited, so we have set up a little bit of a visitor centre. We get 60,000 people coming in. It is holiday traffic, which includes people who do not know much about wildlife; we pull them in with some banners and roadside advertising and, when they come in, they do not know what conservation is and they do not necessarily know what wildlife is—they have seen it on the television, but they have not necessarily experienced it. We have a chance to engage with them and talk to them. It is very valuable because we feel that we get a range of people there that we would not necessarily get access to any other way. We pull them off the street almost. That is really very exciting.

[134] The other aspect is the local communities and I think that they are very important. They are crucial because unless we change people's way of living, change their minds and change the way in which they think about the natural environment, I think that we are going to always struggle to achieve sustainable living in the UK. So, yes, we recognise that that is

very important. We do our best, we attend local events and we are setting up local groups, but it is obviously an infinite workload and we could always do more.

[135] **Alun Davies:** I was interested in what you said about the local communities, Mr Faulkner, and I am also interested in what you said in your introductory remarks about farmers and landowners in that part of the world. It is a part of the world I represent so I am familiar with it. We addressed some of these issues in the review on the uplands last year, and it would be useful to revisit that. My question is: why do you believe that these issues were not being addressed as part of the agri-environment schemes that are in existence in order to address these issues?

[136] **Mr Faulkner:** On the agri-environment schemes, I think that it is about co-ordination. The phrases that people use in relation to those schemes are 'broad and shallow' and 'spreading a lot of money over a large area'. You cannot necessarily get the right management done in the right places to the right degree.

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[137] For example—a simple example—we are looking at cattle disappearing from the uplands, with fewer and fewer people keeping cattle at altitude these days, yet cattle grazing is a crucial part of managing uplands. If you could get more cattle, there would be a real biodiversity benefit. However, agri-environment schemes have struggled to bring more cattle into the uplands.

[138] **Alun Davies:** Why is that?

[139] **Kirsty Williams:** Have you tried keeping cattle in the uplands?

[140] **Mr Faulkner:** That is the thing. One of our projects has brought cattle back into the uplands—a 16 ha block of upland—where we are trying to demonstrate that cattle-grazing in the uplands is viable. We are using Welsh white cattle—a native breed, if you like—and selling them through the Wildlife Trust as conservation cattle, so it is a value-added product. We find that we can double the value of the product that way. So, there are ways of getting cattle into the uplands; we just have to be more creative about it. Agri-environment schemes are extremely valuable, but currently they are just not able to give that incentive.

[141] **Kirsty Williams:** You said that you have people going around talking to farmers and helping them to fill in their Glastir forms. How is that going?

[142] **Mr Faulkner:** Glastir has, for some reason, a very poor image. People are very sceptical. However, from talking to them, we are having some success in converting people. If we can get people to look at it with an open mind, I think that it is going to be okay.

[143] **Kirsty Williams:** Thank you. Alun, do you have any further questions?

[144] **Alun Davies:** Yes, let us move on from Glastir. In terms of both your projects, listening to you both this morning describing them and reading through the papers that you provided, they strike me as very low-tech, if you like—very simple and, frankly, reasonably cheap, which in this age of austerity is always a good thing, means of achieving the targets that were made almost impenetrable in our first session this morning with the European Commission. Mr Faulkner, we investigated management issues, land use and things in the uplands last year and a lot of lessons were learnt from that. How would you see your projects being used as exemplars of how biodiversity can be restored to different habitats in very different parts of Wales?

[145] **Mr Hobson:** This comes back to Joyce's previous question. One of the annoying elements of some of the funding regimes is that they ask you to be innovative. A lot of biodiversity land management is not innovative—we know what to do, and we really do not need to go to huge lengths, spending a huge amount of time, trying to come up with what are, basically, rubbish ways of fitting in with what a funder wants. That can be quite annoying. Grassland management, in particular, for a lot of our other species, is crucial, and to be asked to come up with something innovative for an European bid seems ridiculous, from our point of view. The key message, and the reason for flagging up this project, is the element of partnership and how that can help and of having a shared understanding at the start of a project of what you are trying to achieve. This is not in the notes, but we came up with quite a clear management plan in draft form, we discussed it with the owners, with the commoners, with the local biodiversity partners, and with potential funders such as Countryside Council for Wales. We all had a shared vision of what we were trying to achieve, which is crucial, and helps as you are going through the process. If you encounter problems, it helps to resolve those, because you have that shared approach to start with.

[146] **Mr Faulkner:** Yes, the approach that we took was deliberately very low-tech. The idea is that we should be able to train up the landowners to do the management work, show them the best way to block a ditch in the simplest and most effective way possible, and let them do it—pay them to do the management. We were deliberately ensuring that our methodology was very simple. These people live up in the uplands, and they know about managing the land up there, they know how to graze and how to manage the stock. It would be ridiculous for us to do anything else other than guide their management. That is the heart of it, really. It is about co-ordinating the action. It is about enabling the land managers to deliver all of these wide-ranging strategies and policies by showing them that, if they did this here or implemented that there, it would deliver on a much wider scale on water quality and carbon storage, for example—through very simple land management.

[147] So, land management does not have to be expensive. You must have people on the ground to facilitate it—otherwise, how do you communicate the ideas?—and you have to bring everybody together to make sure that you can deliver as many of the required outputs or societal needs as possible. It is quite straightforward if you can get that connection.

[148] **Alun Davies:** Finally, part of our role here is to scrutinise the Government and I would be anxious to understand your views about how you would characterise the role played by the Assembly Government in supporting your projects. I would also like a wider view, from your perspective, on how the Welsh Assembly Government has fulfilled its obligations. We know that we have missed the biodiversity targets, but how would characterise the role played by the Welsh Assembly Government? Do you think it has done well in co-ordinating work, or do you think that there are deficiencies?

[149] **Mr Faulkner:** Forgive me, but I think that there are gaps. There are clear problems with co-ordination. On the range of strategies out there, some of them are conflicting, some of them are mutually exclusive—

[150] **Alun Davies:** Do you have some examples?

[151] **Mr Faulkner:** I was listening to people talking about liming for productive farming the other day. Obviously, in an acid upland that is true—you can increase production in that way—but you could, perhaps, produce an equal value of production by having value-added production rather than low-value production. That is just one example, I suppose. There are lots of other problems with co-ordinating policies with Government agencies and communities. What does the community want compared with what wider society wants?

[152] **Alun Davies:** Would you say that the Assembly Government has not played a

proactive enough role in putting these things together?

[153] **Mr Faulkner:** The strategies are there—the Government agencies that I work with have a wide range of strategies and policies and they know where they want things to be—but it is the getting it on the ground that is the problem. Part of that is that—I cannot say that they are fighting each other over it—there is no bringing together of the delivery on the ground.

[154] **Kirsty Williams:** Would it be fair to say that what we have are lots of strategies, leading to the bodies that have to implement them not being clear what takes precedence? Therefore, in terms of implementation, we do not achieve what is written down.

[155] **Mr Faulkner:** I think that that is very fair, yes.

[156] **Mr Hobson:** I come at this from a slightly different perspective. A lot of our work is dependent on our network of local volunteers, so just looking out a bit from the High Brown Fritillary case study, a lot of our work across Wales is led by our local volunteers on the ground and the work that they do with their local communities and local landowners. I can say that certainly for Butterfly Conservation Wales we would not have been able to facilitate and support that network if it had not been for funding from Countryside Council for Wales over the past eight years.

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[157] We just could not have a staff presence in Wales without that. Secondly, some of the grant schemes over and above that, so things like the species challenge fund that ran for a few years, have been really critical in kick-starting work on a number of species that just was not happening otherwise. So, that is focusing more on the particularly rare stuff, as it were, as opposed to the more general landscape work.

[158] In one sense, our local volunteers are not too worried or really do not understand what the Welsh Assembly Government's strategies are. All they want is to be enabled to do things on the ground in their local area. As long as there is not anything policy driven stopping them from doing that, they are quite happy and feel as though they are being allowed to help to reverse the decline in biodiversity. The key to that has often been the network of local biodiversity partnerships in Wales, which has been far stronger than that in England. We have had far more contact with local groups of interested volunteers, often with assistance from the relevant local authority. We have probably about 50 active volunteers and they are not necessarily all based in the same places, so it is quite good that there is a local network of other interested people for them to interact with and get moral support from.

[159] **Kirsty Williams:** I think that that brings us to the end of our questions for you this morning. Thank you most sincerely for taking the time and trouble to come to the committee to share with us the work that you, your volunteers and your staff are delivering on the ground. We are grateful for their efforts, as well as for yours this morning.

[160] A transcript will be sent to you so that you can ensure that what you said this morning has been correctly recorded. If, at a later stage, you think of anything that you wish you had said, please feel free to get in touch with the clerking team. We would be very pleased to hear from you. Thank you for attendance.

[161] That brings the formal part of this morning's meeting to a close. The committee will next meet on 11 November, when, once again, we will be taking further evidence as part of our inquiry into biodiversity.

10.43 a.m.

**Cynnig Trefniadol
Procedural Motion**

[162] **Kirsty Williams:** I move that

the committee resolves to exclude the public from the remainder of the meeting, in accordance with Standing Order No. 10.37.

[163] I see that the committee is in agreement.

Derbyniwyd y cynnig.

Motion agreed.

*Daeth rhan gyhoeddus y cyfarfod i ben am 10.43 a.m.
The public part of the meeting ended at 10.43 a.m.*