



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

# Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Cyfrifon Cyhoeddus](#)

[The Public Accounts Committee](#)

12/12/2016

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Neil Hamilton <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	UKIP Cymru UKIP Wales
Mike Hedges <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Neil McEvoy <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Plaid Cymru The Party of Wales
Rhianon Passmore <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Nick Ramsay <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)

**Eraill yn bresennol**  
**Others in attendance**

James Morris	Pennaeth y Tîm Rheoli Perygl Llifogydd ac Erydu Arfordirol, Llywodraeth Cymru Head of the Flood and Coastal Erosion Risk Management Team, Welsh Government
Andy Phillips	Swyddfa Archwilio Cymru Wales Audit Office
James Price	Dirprwy Ysgrifennydd Parhaol, Grŵp yr Economi, Sgiliau a Chyfoeth Naturiol, Llywodraeth Cymru Deputy Permanent Secretary, Economy, Skills and Natural Resources Group, Welsh Government
Matthew Quinn	Cyfarwyddwr yr Amgylchedd a Datblygu Cynaliadwy, Llywodraeth Cymru Director, Environment and Sustainable Development, Welsh Government
Huw Vaughan Thomas	Archwilydd Cyffredinol Cymru Auditor General for Wales

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

Claire Griffiths                      Dirprwy Clerc  
   Deputy Clerk

Meriel Singleton                   Clerc  
   Clerk

*Dechreuodd y cyfarfod am 14:00.  
The meeting began at 14:00.*

**Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau  
Introductions, Apologies, Substitutions and Declarations of Interest**

[1]     **Nick Ramsay:** I welcome members of the committee to this Public Accounts Committee meeting. Headsets are available for translation and sound amplification. Can I remind Members to put any electronic devices onto silent? In the event of an emergency, follow the directions from the ushers.

[2]     Apologies have been received this afternoon from Mohammad Asghar and Lee Waters. There are no substitutes. I'll be inviting declarations of registrable interests, at this point if you want to give them, but also relevant interests should be declared during the items to which they relate. Happy with that? Yes.

**Papurau i'w Nodi  
Papers to Note**

[3]     **Nick Ramsay:** Okay, item 2. We have a number of papers to note. First of all, the minutes from the previous meeting held on 28 November 2016. Are Members content to agree the minutes? Minutes are accepted. Turning to the valedictory session and additional information from Sir Derek Jones, Permanent Secretary of the Welsh Government, following that valedictory session, he has provided further information about bus concession fraud and the Welsh Government's anti-fraud resources. You should have that letter in your pack. Are you happy to note the letter? Neil McEvoy.

[4] **Neil McEvoy:** There's a budget of £16 billion, and the letter reveals that there is £180,000 devoted to counter-fraud measures. So, I think that's quite an astonishing figure, really.

[5] **Nick Ramsay:** The Welsh Government have said that they have no record of the complaint that was mentioned in the previous meeting. So, if any Member does wish to pursue this, it is possible to write directly to Sir Derek Jones. Neil, do you have—

[6] **Neil McEvoy:** The issue, really, is of budget allocation in terms of policing things here. I don't think £180,000 is a viable amount of money.

[7] **Mr Thomas:** I think that what £180,000 represents is the cost of the unit itself, and, as the Permanent Secretary's letter indicates, it's a unit that plays a leadership role. So, if you want the true cost of counter-fraud measures, that would extend wider.

[8] **Neil McEvoy:** I think if we could maybe clarify how much in total, that would be useful. But I think it's the kind of department, if it were resourced, it would probably make a profit.

[9] **Nick Ramsay:** Yes. We can seek clarification on what the Member wanted.

[10] **Rhianon Passmore:** What we are asking for, then, is not the salary cost of the unit. You're asking for the amount that's being spent or is available to the unit. My understanding would be, unless somebody said anything that was different, that those resources would be made available if necessary, but I don't see why we can't clarify it.

[11] **Nick Ramsay:** Happy with that? Okay. Neil.

[12] **Neil Hamilton:** Health covers about half of the budget expenditure of the Welsh Government. Do the health service and health boards have their own counter-fraud departments that would supplement this?

[13] **Mr Thomas:** The health boards would be expected to run their own services, but, ultimately, at the heart there would be leadership given by the unit that the Permanent Secretary refers to. He does refer in his letter, for example, to the fact that 200 auditor days were also committed to that. So, I think it might be fair to ask for a better quantification of the extent of

counter-fraud across the public sector to take account of the NHS activity.

[14] **Nick Ramsay:** Okay. Happy with that? The next issue is Cardiff Airport, and we've received additional information from the Welsh Government—that's pack pages 9 to 20. This letter is in response to issues raised on receipt of the update from the Welsh Government on 14 November. A further progress report on the airport will be requested for November 2017. Are Members happy to note this letter? Any issues? Okay.

[15] **Neil McEvoy:** Chair, do we mention what we discussed previously, or do we—.

[16] **Nick Ramsay:** Yes, we will note that, but we will seek further information, Neil McEvoy.

[17] **Neil McEvoy:** Thanks.

[18] **Nick Ramsay:** Inquiry into the value for money of motorway and trunk road investment. This letter was in response to issues raised on receipt of the update from the Welsh Government, again on 14 November. We're expecting a further response regarding the role the Future Generations Commissioner for Wales will have in the preparation of the revised Welsh transport planning and appraisal guidance, which is currently under consultation. Are we happy to note that letter? Yes.

[19] The Welsh Government's funding of Kancoat Ltd and, again, additional information from the Welsh Government from 29 November. This letter is in response to issues raised during the evidence session with the Welsh Government on 14 November, and the final three points are in response to issues that Mike Hedges raised after the meeting. Mike was sent a copy of the response on 2 December. I know that Mike Hedges has been particularly interested in certain aspects of the definition of advanced materials and manufacturing. Did you want to make any comments on that, Mike?

[20] **Mike Hedges:** The only thing I'd comment on is that I think, to me, it's one sentence: advanced materials and manufacturing. It's got sector in the singular. But, I think we need to get clarification whether that is the understanding of the Welsh Government, or whether any manufacturing counts as 'advanced materials and manufacturing', in which case, they might as well just call it 'manufacturing'.

[21] **Nick Ramsay:** Yes. Auditor general, did you want to comment?

[22] **Mr Thomas:** Well, I think there's that, and there's one or two other areas of concern that justify us writing back further to the Welsh Government to seek clarification.

[23] **Rhianon Passmore:** And, Chair, that would also include to stipulate the mitigations for the appraisal process, which is listed 1 to 11, because that isn't stipulated. And that's what we were trying to get at last time.

[24] **Nick Ramsay:** We certainly need more information than we've had, I think, so we'll do that.

[25] The governance arrangements at Betsi Cadwaladr University Local Health Board, and the additional information from Healthcare Inspectorate Wales. This letter is an acknowledgement of my letter of 8 November, regarding voluntary lay reviewers by HIW. We'll receive a copy of their report following the review into the use of lay reviewers in spring 2017. So, I ask that the committee notes the letter. Good.

[26] And, in response to a recommendation in the previous committee's report on the governance arrangements at Betsi Cadwaladr, the Welsh Government has sent the first update on the 'Putting Things Right' report. This report identifies a number of good practices that have been introduced following the Keith Evans review. Are Members happy to note that report, which will be refreshed and presented to the committee on a six-monthly basis?

[27] **Mr Thomas:** I think there may be issues with a six-month review that we'd want to start looking at, but I think we just take this as the first.

[28] **Nick Ramsay:** Okay. So, we'll keep a watch on that over the six-month cycle that was agreed. The next issue is Welsh Government historic debt, and a letter from Simon Thomas, the Chair of the Finance Committee. Simon Thomas has written advising that the Finance Committee's report on the Welsh Government's draft budget 2017-18 includes a reference to an historic debt as a result of borrowing from the merger with the Welsh Development Agency. We may wish to raise this with the Welsh Government's consolidated accounts for 2016-17 when they're scrutinised in autumn 2017. Are Members happy to note the letter and agree to investigate this issue at that point?

[29] **Mike Hedges:** Does the auditor general know anything about this?

[30] **Mr Thomas:** Yes, I do. It actually dates back to the Mid-Wales Development Corporation, the predecessor of the Development Board for Rural Wales. This was part of the new towns initiative, and they took a 50-year loan with the national loans fund in order to develop housing, primarily around Newtown. I'm not sure—*[Inaudible.]* It was a 15 per cent term, and, of course, that's migrated: DBRW, it migrated to the Welsh Development Agency, and it's migrated now to the Welsh Government. Last time we checked this on the accounts, the Welsh Government had worked out that it was cheaper to keep repaying it for the remaining term of the loan than to incur the penalty clause for early repayment, which was in the loan as well. I think, by all means, when you come to the scrutiny of next year's accounts by the Welsh Government, you ought to look further.

[31] **Mike Hedges:** Do the Welsh Government get the income? I know what happened in England is that all the houses in new towns were transferred to the local authorities, and the debt transferred with them, and the local authorities got the income as if they were council houses. That doesn't appear to have happened in Newtown; I'm not sure why. But, if the Welsh Government are getting the income, it doesn't matter because the debt will wash its face. But, if the income is going to Powys council, and the debt is held by the Welsh Government, the rest of Wales is paying for it.

[32] **Mr Thomas:** We can check further on that one.

[33] **Nick Ramsay:** The Welsh Government says that this loan is 2020, is it, when it's finished?

[34] **Mr Thomas:** Well, it runs out pretty soon after 2020.

[35] **Nick Ramsay:** Okay.

[36] **Mike Hedges:** The loan's fine, and paying it, but as long as we get the income—the income's coming to the same place as is paying the loan.

[37] **Nick Ramsay:** I know that members of the Finance Committee were intrigued by the 15 per cent rate, and the way that the loan had been rolled on for a number of years.



[38] **Mike Hedges:** Of course, Chair, some of us are old enough to remember paying that on our mortgage. [*Laughter.*]

[39] **Nick Ramsay:** Okay.

[40] **Mike Hedges:** Only some of us.

[41] **Nick Ramsay:** The next item, Welsh Government investment in next generation broadband infrastructure, and we have a letter from the Welsh Government in response to issues raised on receipt of the update on 14 November. A copy will be forwarded to the Economy, Infrastructure and Skills Committee to assist with their ongoing inquiry into broadband. Are Members happy to note that letter? Yes.

[42] And, finally in this section, the Auditor General for Wales report on preparedness for the introduction of fiscal powers. The auditor general published a report on 1 December. The Finance Committee have agreed to consider the report in spring 2017. Did you want to say anything on that?

[43] **Mr Thomas:** No. Well, this is the first of two that I agreed with the Finance Committee I would do by way of preparedness. And it's specifically intended for the Finance Committee to consider.

[44] **Nick Ramsay:** Great. So, we will note that letter—that report.

14:12

### **Rheoli Perygl Llifogydd ac Erydu Arfordirol yng Nghymru Coastal Flood and Erosion Risk Management in Wales**

[45] **Nick Ramsay:** Welcome to our witnesses. Item 3 on the agenda is coastal flood and erosion risk management in Wales, our further session. The committee took evidence from the Welsh Local Government Association and Natural Resources Wales on 28 November. This is the second and final evidence session on this issue. Can I welcome our witnesses? Thanks for agreeing to come back to us. Would you like to give your names and positions for the record?

[46] **Mr Price:** Yes. James, do you want to start?

[47] **Mr Morris:** James Morris. I'm the head of flood and coastal erosion risk management at Welsh Government.

[48] **Mr Quinn:** Matthew Quinn. I'm the director in environment and sustainable development in Welsh Government.

[49] **Mr Price:** And James Price, Deputy Permanent Secretary, Welsh Government.

[50] **Nick Ramsay:** Great. Thanks for being with us today. If I can kick off the questioning this afternoon. Can I ask you first of all for your general views on the overall progress made to deliver coastal flood and erosion priorities in response to the national strategy, particularly regarding the shift towards a more sustainable, risk-based approach?

[51] **Mr Price:** So, if I start on that, and Matthew or James might want to come in. I think it would be fair to categorise the progress that has been made as fair progress, in the sense that certain activities have taken place at a faster pace than was planned, and other activities have taken place at a slightly slower pace than was planned, largely in response to demands on the ground. So, the thing that's been accelerated is the coastal flooding work, both plans and funding, but that has been at the expense of some other work, which has taken slightly longer. But, having spoken with the team, the team are content that the progress that is being made is in line with the risk that we're facing on the ground.

[52] **Nick Ramsay:** If I could just ask then which areas are lagging behind, and how was the decision taken to deprioritise them, I suppose you could say.

[53] **Mr Price:** I wouldn't necessarily talk about it as deprioritisation. I think what you've had is an acceleration of some activities, particularly the coastal activities, where, as I said, planning and funding are ahead of schedule. We've got £150 million-worth of funding due to go out the door over the next three years on that, and the three—is it three plans?

[54] **Mr Morris:** Yes.

[55] **Mr Price:** The three plans for the coast.

[56] **Mr Morris:** No, four, sorry.

[57] **Mr Price:** Four; which have been completed ahead of England. So, I think that's the area that I would say has had significant progress, but there's been progress across the piece. I don't know, James, if you want to—.

14:15

[58] **Mr Morris:** Yes, in terms of progress—I'll move on to things that might have moved slower in a moment—in terms of things in addition to what we set out in our national strategy, we've set up the coastal risk management programme, as James mentioned, which is something in addition to the standard programme. In response to the 2013–14 winter storms, we asked NRW to provide a nationwide coastal review of the impact of the storms and where the costs were best placed afterwards. That came through in two phases, and the second phase had recommendations attached to it, which were then delivered through the delivery plan.

[59] In addition to that, we've also dealt with, I think you could probably say, five major flood events since 2012, and what that does is it puts just a little bit of extra pressure on those risk-management authorities, in particular the coastal local authorities affected, in recovering and responding to those storms. So, whereas we will react and provide funding where it's required, the reviews, such as that coastal review, help with that. The local authorities can focus their attention on recovery and rebuilding resilience, rather than on some of the local plans.

[60] With respect to your question, I think that's one of the things where the pace wasn't quite there: things like the local flood-risk management strategies, which took around 10 to 11 months longer than we set out in the national strategy. Part of the reasoning behind that was because a lot of the local authorities were responding to actual flood events.

[61] **Nick Ramsay:** Do you see the response to the 2013–14 winter floods as—? Has this been a distraction from other activity, or do you think, actually, it's been a good stimulus for change?

[62] **Mr Price:** Again, if I take that one and then Matthew might want to just add something on the end. My view on this, having spoken to quite a few people involved, is I wouldn't classify it as either of those two things. So, it's neither a distraction—although, James did just say that, for people on the

ground, it can be a distraction. But I think, at a kind of strategic level, it's not a distraction, and I don't think that, at a strategic level, it's an impetus for change either, because what you're dealing with here are events that happen and events that people know will happen at some point, we just don't know exactly when they're going to happen or exactly where they're going to happen. The science is always trying to improve so we can better forecast those things, so that we can be in a better place. So, I don't think it was a distraction for anyone, and I don't think it was an impetus for anyone in the team. I think that, potentially, it's wider awareness that's the issue in terms of communities within Wales—communities across the world, actually—and, potentially, a wider political impetus to it. But I think that we should expect these types of events and that they should neither spur us on nor distract us. I don't know, Matthew, if you want to say something. No?

[63] **Nick Ramsay:** Okay. Thanks. What about the key risks and opportunities to build on the coastal review? The auditor general's report talks about sustaining momentum and implementing some of the solutions proposed by the work undertaken as part of the review. What's your take on that?

[64] **Mr Price:** James, do you want to tell him about that?

[65] **Mr Morris:** Yes, sure. The coastal review and the recommendations that came out of it were helpful, even though, 47 recommendations, I wouldn't say, is—. It's still quite a lot of recommendations. But, in itself, the review was helpful, and then the delivery plan that has come out of that review has also helped us to deliver on some of those actions and bring things forward a little bit more quickly. When we have something like the WAO report, and the recommendations that come out of that as well, again, it's helpful. You know, it helps to provide us with some focus and clarity on where all the risk-management authorities and where an independent auditor can provide useful recommendations. When we do reports such as this, you know, there's always a little bit of pain attached to it, but, as a whole, they're generally very helpful documents, and the delivery plan has been an excellent piece of work. And that's not just through NRW; that's all the local authorities pulling together with not just the recommendations, but coming through into the delivery plan as well.

[66] **Nick Ramsay:** What changes do you think need to be made to make the national strategy fit for the future?

[67] **Mr Price:** So, in terms of the national strategy, what I don't want to do is pre-empt anything that's going to be in it, because it's still being worked on. I think the key thing that we need to be very clear on is who's responsible for what. So, in walking into this area, in coming to this area, I've experienced two things: firstly, that, at a high level—well, actually, at a high level, the strategic picture is quite clear; at a kind of intermediate level it gets very complex, but, on the ground, people genuinely do seem to understand that complexity and it doesn't seem to lead to any confusion or any adverse issues. But, in reading the evidence that you've received, and in just talking to the team and challenging the team on a few things, even greater clarity about roles and responsibilities and particularly assets, I think—

[68] **Mr Morris:** Yes.

[69] **Mr Price:**—would be welcome and I think you'll see some of that coming through in the national strategy.

[70] **Nick Ramsay:** Okay. Does the Welsh Government intend to set a clear timetable for the implementation of shoreline management plans and local flood-risk management strategies?

[71] **Mr Price:** I'll let James take that one.

[72] **Mr Morris:** The first round of the local strategies have been produced by all local authorities. Those will be reviewed and refreshed as a local authority sees fit. The shoreline management plans were all signed off and adopted by Welsh Government in 2014. Those now sit with the coastal groups and collectively with everybody who works on coastal risk management. So, in terms of their delivery it's for the local authority or the coastal groups and NRW to work on the shoreline management plans and to work towards the preferred management strategy that's set out in those plans. They're not statutory documents, so they can be challenged at times but, as they have been signed off by Cabinet, by the Ministers, then we'd prefer, we'd expect, that local authorities and NRW follow those shoreline management plans unless local evidence and local knowledge says otherwise.

[73] **Nick Ramsay:** Rhianon Passmore, did you have a question?

[74] **Rhianon Passmore:** In regard to not being statutory, although signed off by Ministers, when you're talking about the local flood-risk management

strategies, you said that the first round has taken place.

[75] **Mr Morris:** Yes.

[76] **Rhianon Passmore:** So, who in a sense—and it may be NRW—is policing that moving forward? There must be some national oversight on those very important strategies now that there's more time, hopefully, freed up so that there's less reaction and more planning. So, just a little bit more information around how that's going to work and who is going to oversee that.

[77] **Mr Morris:** The local strategies themselves are the responsibility of the local authority. So, under the Flood and Water Management Act 2010, they have to set out how they'll address the local risks, so, the risks that they're responsible for, which are surface water, ordinary water courses and streams, and coastal erosion. That has been done all across Wales now and provided to Welsh Government. We're quite content with what we've seen.

[78] **Rhianon Passmore:** You said the first round has been done.

[79] **Mr Morris:** Well, they're complete.

[80] **Rhianon Passmore:** They're complete.

[81] **Mr Morris:** Yes, those strategies are complete, but it's up to local authorities to make sure they stay up to date. So, if new information comes in on better surface water mapping or better mapping of streams and potential flood risk there we'd expect them to be refreshed to take that into consideration.

[82] **Rhianon Passmore:** Okay, and I accept that, but in terms of, for instance, a particular local authority hasn't done what it needs to have done, who is then overseeing that?

[83] **Mr Price:** Okay, shall I come in on this one? I think this is one area that I just personally as a manager within Welsh Government want to take a step back on and think through. But what I would say—. I can see where the question is going and the question is going, 'Who is policing the authority, who has the statutory responsibility?' I think the answer for that, technically, should be the authority and the councillors within that authority who have that statutory responsibility. To a certain extent you open the floodgates of

madness in a way if we start to take people's statutory responsibility off them or allow them off the hook by saying, 'We're going to check that you've done what you're meant to do under statutory responsibility'. However, I can equally see the argument that says, 'Well, if someone didn't do it the consequences could be very significant and who therefore is checking?' It's not just flooding, obviously, where we'd have this issue where people have got different statutory responsibilities, but I think the view of the team very strongly at the minute—and when I use the term 'team', it would be the wider kind of flood community as well—is that people are aware of what they're responsible for and are acting responsibly.

[84] **Rhianon Passmore:** So, how is that understood at a national level?

[85] **Mr Price:** Well, it's understood at a national level through national plans and strategies, including the one that's coming out next year. It's understood at a national level through better prioritisation of schemes and better provision of asset registers, which are both being significantly upgraded. But I think the gap that I want to assure myself is, for example, if you looked at coastal erosion—and I think the person who's meant to do this is NRW—do they have a very clear picture—I'm told they do, but I just want to test this one more time—of all of the coast, who's responsible for what, and is it or is it not working. My suspicion is that places where you would have a bigger issue are where you've got something in private ownership, and/or a private asset, or in instances of confused ownership. But confusing responsibility between different bodies I think would not be a good thing. That would be a bad thing. If we're going to take on an additional strategic responsibility we have to be incredibly clear what it is and what it isn't, otherwise people will inadvertently abdicate responsibility.

[86] **Rhianon Passmore:** Okay. I'm sorry Chair, but just one more. So, in terms of—I understand perfectly well the notion of statutory responsibility, and at what point do you then take that off a body, but, in regard to my initial question, which is that, if there is, God forbid, a local authority that isn't taking that responsibility seriously, I'm still no clearer as to who has oversight over that whole issue. Would it be NRW? And would it come under the national strategy?

[87] **Mr Price:** If it was for coastal, then it would be for NRW, yes, and I suppose they could escalate it to us and, yes, it would be in the national strategy.

[88] **Rhianon Passmore:** So, there is oversight; that's what I'm saying.

[89] **Mr Price:** Yes, but it depends what level of—. I'm just questioning what level of oversight that should be, and I think what you want is a fairly strong level of oversight without causing confusion about who's responsible for what.

[90] **Rhianon Passmore:** Okay. Thank you, Chair.

[91] **Nick Ramsay:** That's fine. Is the flood and coastal erosion committee now fully established?

[92] **Mr Price:** James, do you want to—?

[93] **Mr Morris:** No, it's not yet established. We consulted on the flood and coastal erosion committee and that consultation ended around about three weeks ago. The summary of responses has been put together and we're drafting regulations now around the setting up of that new committee.

[94] **Nick Ramsay:** What's the timetable—the provisional timetable for setting that up?

[95] **Mr Morris:** We're hopeful to get that set up by summer 2017.

[96] **Nick Ramsay:** Summer 2017, was it?

[97] **Mr Morris:** Yes.

[98] **Nick Ramsay:** Summer, yes. Does the Welsh Government recognise—? In the auditor general's report, there were issues raised about the need to distinguish clearly between its role and the role of NRW. What are your views on that?

[99] **Mr Price:** Can you be more specific, sorry?

[100] **Nick Ramsay:** Sorry—in terms of the national strategy, which we mentioned earlier, the auditor general's report said that it's necessary to distinguish between that role and the role of NRW. What's your take on that?

[101] **Mr Price:** In terms of monitoring the strategy?



[102] **Nick Ramsay:** In terms of monitoring, yes.

[103] **Mr Price:** So, I saw the comments made on that, and we accept the recommendation made there, and the committee will be responsible for, if you like, an oversight role on NRW's work back into the Welsh Government, rather than NRW policing its own work. Is that fair?

[104] **Mr Quinn:** Yes. The statutory basis at the moment is provided for in the current Act, so we would need to amend that to be able to do this. So, it is at the moment provided that NRW provide these monitoring reports. But the intention is to involve the committee and potentially to change the statutory basis.

[105] **Mr Morris:** Yes. If I might, as well, the section 18 reports that are currently drafted by NRW look at the national strategy and flood and coastal risk management as a whole, and they report on progress. We've just had the second report from them, so there have been two of these updates or progress reports since the strategy was published at the end of 2011. Both show work and strategy and flood-risk management being in a healthy position, but the WAO report questioned that NRW were actually reporting on some of their own activities. I think, in defence of NRW taking on that role, as Matthew said, it is a duty under the Flood and Water Management Act 2010 that they carry this out, as the Environment Agency does in England as well, and this is a factual report. This isn't a report that provides opinions on whether something's happening well or not; it's a factual report on progress and whether things are happening. So, it's full of statistics and who's doing what, rather than why or why they aren't doing things. But we do accept the recommendation in the WAO report that there could be a conflict here, which is why we want to take—we want to ask the new flood and coastal erosion committee to play a role in this review and reporting on flood and national strategy. Whether that takes on the role completely, which would require a change in legislation, or whether they provide a quality assurance and a signing off role, is yet to be decided.

14:30

[106] **Nick Ramsay:** When you say it'll just be a factual approach, then, there's still the need for the evaluation and the appraisal side, so are you concerned that that's not going to slip by the wayside?

[107] **Mr Morris:** I think what could work well would be NRW continuing to

provide this, collate the data and collate the report and put it together, but then put it past the new flood and coastal erosion committee as a quality assurance—as a common-sense check. It would be for them, then, to maybe comment and provide a summary of the report and something which is maybe more readable to the public, then, rather than something that is just a factual series of updates.

[108] **Nick Ramsay:** Do you think that the—? Would you intend to act on the WLGA's suggestion of a single microsite or website for risk-management authorities for the purpose of flood awareness raising activity?

[109] **Mr Price:** Yes.

[110] **Nick Ramsay:** You do. No doubt about that at all then.

[111] **Mr Morris:** We think it's a good idea.

[112] **Mr Price:** Yes, we were talking about that just yesterday, actually. So, yes.

[113] **Nick Ramsay:** And do you think that the coastal groups are operating effectively?

[114] **Mr Price:** Just at a high level, everything I've seen indicates that they are, and in some very difficult circumstances sometimes. I don't know, Matthew, whether you—.

[115] **Mr Quinn:** Absolutely, and it's one of the things we looked at in the context of the coastal review work. So, yes, we're very confident with the way that's working at the moment.

[116] **Nick Ramsay:** And you're going to be monitoring that, obviously, to make sure that any problems that do arise through its operation will be picked up pretty quickly.

[117] **Mr Morris:** Yes. We're invited along to some of the coastal groups. I don't think they require Welsh Government to be there as a member of each coastal group, but when we're invited along we turn up and we partake in the coastal group meetings and the coastal forum. Under the delivery plan one of the recommendations was to review the role and responsibilities of the coastal groups and see how they're progressing, and the conclusion we drew

from that was that they're still working effectively and that they understood the work they were doing, and it was all going well.

[118] **Nick Ramsay:** Good. Mike Hedges.

[119] **Mike Hedges:** This is a question that is always interesting. The appropriate balance between central direction and support and a local determination in setting out the options available for communities.

[120] **Mr Price:** Ooh, wow—okay. Is that in regard to any specific area of flooding, or—?

[121] **Mike Hedges:** In general. At the moment you have a situation where there's Welsh Government responsibilities, then Natural Resources Wales responsibilities, then local government responsibilities. I used to serve on the south-west Wales flood defence committee when it existed many years ago, and that clarified it, because you had a mixture of Welsh Government and local authorities making decisions jointly and funding it jointly. That doesn't exist anymore, so you now have two distinct bodies, both with certain responsibilities, and I was just wondering whether the balance is right.

[122] **Mr Price:** Okay. So, I'll bring in Matthew on this one, but I think there clearly is a balance to be struck. I think we believe that we're striking a balance at about the right level at the minute. So, you want to have a clear national framework and a national strategy and we're revising that shortly, but you need people on the ground who can understand exactly what the issues are, understand how communities want to respond to issues as well, and then to ensure those two meet in the middle with the right policy solutions for the right area and the right time, and that's never—. It'll be different in different parts of Wales I suspect, actually, but, Matthew, do you want to talk to that?

[123] **Mr Quinn:** Yes. Just in terms of the examples, the shoreline management plans, which are locally generated and discussed, but then are submitted to us for sign off as part of that process—I think in a lot of these there's an iteration between the local circumstances. It's the same way we run the financial programmes as well in terms of the standard appraisal guidance, but we're actually looking for people to come through with proposals. I think it's working well in the sense that everybody has a clear stake in the issue. I think we saw it very strongly in the response to the flood events and the quality of the work that was done by the different risk

management bodies. I think it's a strong—. It's a good team Wales approach, I think, the way we've got it at the moment.

[124] **Mike Hedges:** If I move on to what we do. There's something that is within a quarter of a mile from my house, which is the lower Swansea valley project in Swansea Vale, where you've actually found an area to flood. You've done the same thing in the greater Penclawdd area, where you've found an area to flood. What I'm really asking is: wouldn't it be better, if we have these problems, finding areas that are available to flood that don't affect people? In the area in Swansea Vale, as I'm sure you know, there's just a bit of land there. All of sudden, it's covered in water every now and again and the salt marsh has just gone back to being a salt marsh. Is there not an argument that, by looking to do more of this, we're actually creating inland lakes? I've been going on a bit long, but a lot of the problems are that you have the sea coming in, you have a river coming down, and when the river's in full flow, the sea's at high tide, the two meet and the water hasn't got anywhere to go up the river, so it has to flood. It has to go somewhere and it tends to flood the land around it. If you can look at that, and also the Delfland sand engine in Holland, where they've created a sand area—something to sort of protect houses and people, and let land that is of marginal use be lost.

[125] **Mr Price:** So, at a very high level, because I can't answer that question at anything other than a very high level, I think that that type of thing is the general direction of strategy and policy, not just from the Welsh Government but from authorities around the world. So, we've moved from a position of simply hard defences to a position of better water management, I guess you would call it. So, all the way from what you plant and where, what kind of inland drainage you have or you don't have, do you have places where water can accumulate, how do you slow down the path of water, and how does all of that fit together, is at the heart of where we want to be in terms of the future strategies. I don't know, James, if you want to—

[126] **Nick Ramsay:** Can I just come in, James, because the issue—. Okay, it was a localised issue, and you've said that you can only do the higher level view of that, but there is an overall issue about a postcode lottery between different areas, if we can call it that. Surely it's the Welsh Government's responsibility to make sure that there is a consistency across different areas of Wales, so that issues like Mike has raised can be dealt with.

[127] **Mr Price:** I think we've got a responsibility to ensure that all of Wales has the opportunity to be treated the same—if that makes sense—but if

different communities in different parts of Wales, through democratically elected local authorities, want to take different types of approaches—so, an area might want to spend—. If you're not just talking about coastal flooding and talking about flooding in the round, one area might have a much more protectionist view than another area, for example. It will be dependent on what people feel, I guess. It will be dependent on property values, land values and on topography. I think what we want to be doing is to ensure that there's consistency in terms of effort of, I guess, funding in terms of trying to ensure that we're comparing apples with apples and coming out with a consistent appraisal technique in terms of where we intervene and where we don't intervene. Natural Resources Wales does hold the ring in terms of the coast, so you've got a clarity of national response there. I don't think it would be for us to say, 'You must have an area where you can flood', because a local authority might say they don't want to, or it might be inappropriate.

[128] **Mr Quinn:** Yes, I wouldn't—. On the postcode lottery, clearly there are places where you've got land that you can use, but there are others that you can't. Particularly in the coastal risk management programme, we did seek funding across a range of projects, and we're particularly looking for naturally based projects where they're available. It's very rare that you'll find a solution to a problem that can be entirely naturally based. You have to have a mix of responses in these circumstances.

[129] What we've also been doing, wider than the programme, obviously, is the environment Act and the principles of sustainable natural resource management, which underpin a lot of this, and we've been providing funding through other routes. For example, the nature fund funded a number of pieces of work around retaining water in uplands. There is a particular project on the north Wales coast where there's been a very good relationship between the farming communities there and the communities downstream, and there will doubtless be projects that will be supported under the sustainable management scheme of the RDP that's there. So, we're connecting up across the different aspects of the department's work.

[130] **Mike Hedges:** My final question—surely NRW should also be connecting up their forestry part. My experience is that you plant lots of trees and they stop large amounts of rainwater getting into rivers, but you have bare land and it just all floats in. There's also the position of bringing in animals like beavers, which can have an effect on flooding. There's an American study about the benefit of beavers in building their little dams et cetera, and slowing the movement of water through. Has anybody looked at

anything like that?

[131] **Mr Price:** 'Yes', I think is the answer, because, in preparing for this committee, I read a report that talked about all that stuff, which is why I was able to answer some of it, then. And James is saying, 'yes'.

[132] **Mr Morris:** We haven't got beavers yet, though.

[133] **Mr Price:** No.

[134] **Mr Morris:** We've got people trialling leaky dams. In effect, they're kind of the things that beavers would—*[Interruption.]* Yes. The catchment that—. What you're promoting is—

[135] **Nick Ramsay:** We don't expect Welsh Government to be experts on beavers, by the way, but if you're looking into it, then I suppose that's something.

[136] **Mr Quinn:** Sadly, it's within my responsibility as environment director, so we haven't sanctioned beaver release into the wild. Part of the issue is, unlike leaky dams that are done by people, you can't actually tell them what to do where. So, it would have to be on a scale of management that we don't really have in modern times, in rural areas.

[137] **Mr Morris:** I think you raise a good point there around the wider land management and catchment approach, and utilising natural methods, which is something that we will be saying a lot more about when we revise the national strategy next year. I think, as Matthew said, it is a hybrid approach, but it's not all about defences in one place and planting trees in another. Those alleviations need to be thought through properly and brought forward by the appropriate local authority or NRW. They'll need to plan it carefully to see what should work in that area. If there's an opportunity for tree planting alongside some of the natural flood alleviation methods such as flood storage areas, like the one you mentioned in Swansea Vale, then that's the kind of thing that we really want to promote.

[138] **Nick Ramsay:** I think the broader point that Mike Hedges is making is looking at innovation and, actually, rather than simply dealing with the problem of flooding when it happens in the conventional ways, are your strategies—looking at tree planting, for instance—looking at that so that you can mitigate the problem and prevent, I suppose, in advance?

[139] **Mike Hedges:** To sum it all up, I don't believe we can solve the problem by just continuing to build higher and higher sea walls; we've got to do something different. I've just raised something different here. I don't claim to be an expert on flood defence by any means, but what I do know is that it's not just the sea coming in, as it's the river coming down, and if the river was not coming down like it did, the sea would rush up the river and a lot of the flooding would not take place.

[140] **Mr Morris:** Yes.

[141] **Mr Quinn:** We are involved with a lot of the European work. You're on the European working group and there's—

[142] **Mr Morris:** I'm on the European working group. We've met with the people behind the sand engine as well, which is a fascinating piece of engineering.

[143] **Mr Quinn:** We did look, in the context of the coastal risk management programme, at whether a sand engine proposal might come forward, but, in the event, it wasn't one of the ones that came forward as a proposal, but it was seriously looked at by the north Wales authority.

[144] **Mr Morris:** Yes.

[145] **Mike Hedges:** Okay, I'm happy.

[146] **Nick Ramsay:** Rhianon Passmore.

[147] **Rhianon Passmore:** Very briefly, before I go on to my line of questioning, you say that it's going to be part of that national strategy moving forward—the natural flood alleviation scheme—how strongly is that going to be reinforced within that?

[148] **Mr Morris:** I think we have to do it, really, as part of the Well-being of Future Generations (Wales) Act 2015 and part of the new Environment (Wales) Act 2016. It's not just as simple as putting it in a national strategy and saying, 'Just do it', though. We're revising our project appraisal guidance to ensure that that aligns with natural flood risk techniques and principles of well-being, as well. So, there are a lot of different strands of work that are all being put forward to promote natural flood-risk management.

[149] **Rhianon Passmore:** Okay, thank you very much. I'm pleased to note that it states in paragraph 21 that the auditor general has noted and recognised that Welsh Government has maintained investment in flood and coastal erosion risk management during this period of austerity.

14:45

[150] And I've also stated previously that 100 per cent of the coastal protection grants up until now have been allocated to councils. My question is: moving forward into the new system around flood and coastal investment programme and the coastal risk management programme, how do we prioritise under this new mechanism? So, how the Welsh Government prioritises the new capital funding programme on the basis of the known risks.

[151] **Mr Price:** Okay. This is one of the things we had quite a long conversation about in preparing for this committee. These guys, obviously, knew the answer to it and I didn't, and now I do. [*Laughter.*] It's not 100 per cent clear that we would move from a position where we still couldn't fund everything that comes forward, actually, but I think it is important that we're able to compare the cost benefit, if you like, of different schemes against each other. That is why significant work has been done to get us in a place where, I think, from the next financial year onwards, we will be able to do that. That will be not just in terms of different coastal schemes, but we should be in a place where we can begin to compare a coastal scheme against an inland scheme better than we've been able to in the past.

[152] Having said all of that, I think we will be prioritising and potentially not funding or pushing back some schemes, because more schemes will come forward than we can fund. Now, why is that when we're funding at a higher level than ever before? I think it's because of three things. I think the climate, obviously, is changing and it is having an impact in terms of the amount of flooding. Alongside that, we've got greater awareness of the issue, so people are wanting to protect their communities more. And thirdly, for the first time ever, we've gone out and proactively looked for people to put the schemes to us and into the funding pot. So, I think we've got a proactive approach saying, 'Bring forward schemes now', whereas in the past people have brought forward schemes if they wanted to.

[153] **Rhianon Passmore:** On the level of monitoring of those schemes up



until now, would you say that needs improvement?

[154] **Mr Price:** When you're saying 'monitoring'—

[155] **Rhianon Passmore:** The schemes for the coastal protection grants from councils.

[156] **Mr Price:** As in, which ones we would take forward, or—

[157] **Rhianon Passmore:** Well, 100 per cent have been funded to date, from my records here.

[158] **Mr Price:** Yes.

[159] **Rhianon Passmore:** So, in terms of that greater need, as you've already acknowledged that climate change is occurring and that we're having more schemes that are going to come forward, albeit under a different programme, how are we going to monitor the effectiveness—I presume, obviously, by looking to see which area floods—and the soundness of those schemes?

[160] **Mr Price:** Okay. I might put myself at risk here a bit, but my guess would be—and James will come in and give you the detail—that if we've appraised something and said we'll fund it, then it will have benefits associated with it. Those benefits will have been modelled, and they may or may not be tested should the event occur.

[161] **Mr Morris:** Yes. It's done primarily on a risk-to-life and a risk-to-property basis, and then on a downward scale in terms of risk to other infrastructure such as roads and rail. The benefit-to-cost ratio is an important thing that we use to compare like with like. But, in terms of monitoring the effectiveness of it, it's a good question, because you have to go in afterwards, do the modelling again and see what the level of risk is at the end of the scheme.

[162] **Rhianon Passmore:** Technically, we could be going out there, couldn't we, and spending literally millions of pounds on a scheme that is shoddily delivered or procured—

[163] **Mr Price:** And/or badly planned.

[164] **Rhianon Passmore:** Yes, and effectively you're just throwing money down the drain.

[165] **Mr Morris:** That's the importance of good appraisal beforehand and good design and development of the scheme. So, a lot of the investment on a big new capital scheme—let's use an example of a mixture of flood defence and a natural flood-risk management scheme together—would be to understand what it should deliver. And the design work that goes into it can be quite costly, but that is also grant eligible, so we'll fund that preparatory work to ensure that we've got the best detail and ensure that when that scheme is actually built or provided for, the alleviation actually happens.

[166] **Rhianon Passmore:** Okay. In terms of Welsh Government taking into account whole-life costs in its assessment, then, of capital projects. What do you view the pressure on revenue funding to be for local councils, bearing in mind that's come into a single pooled grant, I believe, going forward? There seem to be issues attached.

[167] **Mr Price:** Okay. So, if we take that under two sort of separate questions and then maybe try and put them both together. So, do we look at the whole-life cost of things based on the fact that we use green book appraisal techniques? Then, yes, I would say we do. That would come into the cost-benefit analysis of a scheme. In terms of revenue for maintenance, and the debate, I guess, that the report brings out, which is: would it be better, maybe—? I don't think the report does say this, but the consequences would be: would it be better to spend a bit more on revenue and a bit less on capital, maybe?

[168] **Rhianon Passmore:** Do you think that that's appropriate, to spend more on revenue than on capital?

[169] **Mr Price:** Well, where I was going to go with this is that it's a bit like the debate that we often have on transport and any infrastructure. And there is a balance. Obviously, we cannot build and carry on to build to an extent that you can never maintain. But this is something, if you look back in the literature on infrastructure, that people have been worrying about for 25 years. At the minute, I think our view is that we're building at a rate that is reasonable, and the amount of money that goes into Natural Resources Wales is also reasonable in terms of maintaining the assets that we have, and that it's for local authorities to determine the amount of money that they should be spending out of their budget, which, as you rightly point out, comes from

the single environmental grant, or some of it does.

[170] Could there be more efficiencies made? I think that would be an area I'd look at, in terms of trunk road maintenance, drainage, NRW-type schemes, local authority schemes. There are different people maintaining many of these different things.

[171] **Rhianon Passmore:** With regard to that, because my understanding of this is that there is a pooled grant, which has a statutory, for instance, waste management element to it for local authorities at these times of so-called austerity—. I'm raising that as a point of concern—that local authorities are going to be very concerned about that element of it, and therefore may be tempted to not allocate appropriate funding for revenue—.

[172] **Mr Price:** I'll bring Matthew in on this because it's kind of his brainchild to a certain extent.

[173] **Mr Quinn:** Yes, it's my baby. [*Laughter.*]

[174] **Mr Price:** I think the thing to remember, which you have at the forefront of your mind anyway, is that, depending on who you speak to in local government, you'll get a very different answer to this question.

[175] **Rhianon Passmore:** And I understand that.

[176] **Mr Price:** At a high level, local government will say, 'We don't want anything hypothecated and we will decide where to use the money.' At a service level, and I'll include transport in this, the relevant director will say, 'I want this hypothecated and I want to be told that the money should be spent on this, because then the money gets spent.' And we can't have both, I guess, is where I would come from and—

[177] **Rhianon Passmore:** So, my question is: do you think the balance is correct, Matthew?

[178] **Mr Quinn:** Just in terms of the background to this, we were previously giving a number of relatively small grants through individual mechanisms to authorities. In discussion around whether that made sense going forward, not least in the context of the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016, where we were looking for people to create synergies, not to keep things apart, we took the decision to

combine them as a single grant. Within that, authorities have to take full proposals in the different areas. So, it's not that you can do nothing on a topic area, but we are encouraging them to look creatively at how they take things forward. So, a small amount of the direct funding wasn't—. Local authorities ought to be funding this in part out of their own revenue support grant resources, but the small grant that was going out went into that pot alongside other budgets from the department.

[179] We have that discussion with each of the authorities and they have to submit proposals about how they intend to spend this allocated money, and we have those discussions actively. It's been very useful, actually, in bringing together the different parts of local authority, and to have that discussion about how you can have multiple benefits through a single action, and presumably, James, you've been to some of those meetings, or your team have.

[180] **Mr Morris:** Yes. And by and large, the local authorities are using that revenue very well, and they are looking at seeking multiple benefits and using the revenue really wisely.

[181] **Rhianon Passmore:** But it is an area of challenge for local authorities.

[182] **Mr Morris:** Yes.

[183] **Nick Ramsay:** Just before I bring Mike Hedges in, you mentioned revenue—I maybe got the wrong end of the stick here, but a few minutes ago, when you spoke about revenue and capital budgets, were you suggesting that you can spend too much on capital if, in the future, that means that you haven't got the revenue to maintain what you've got? Or did I misinterpret that?

[184] **Mr Price:** No, that is what I was saying—in theory, that would be the case, yes, but don't build something that you can't maintain in the future. That's certainly the kind of engineering view. I think the engineering view, though, is informed by a policy position, which says that that won't stop anyone putting capital in, it will just make people put more revenue in. And, of course, when you're in a budget-constrained position—and I was just suggesting the real likelihood is a trade-off between the two, and I think where we are on both transport and other infrastructure, and on flooding, at the minute, is we believe that we can still build more and have it maintained. And I don't think we have maximised the efficiencies in the maintenance.

[185] **Nick Ramsay:** And just, again, in the current economic situation—well, recent economic situation—where Welsh Government is concerned about revenue from the UK, but it's getting an injection of capital, it's very easy then to think, 'Oh, we've got all this money to splurge on lots of capital projects and infrastructure', but then, in a few years' time, you're stuck then without revenue to run it, and you can end up in a bit of a mess.

[186] **Mr Price:** It might be worthy of a separate, wider inquiry. There are ways around it—you can capitalise a lot of maintenance, legitimately, provided you're providing an upgrade, or it's a significant improvement. Possibly, there would be ways of managing revenue and capital better on a UK-wide basis. This won't just be an issue for Welsh Government; this will be an issue for the UK at the minute as well. But my assessment is that we are—and I mean this in a positive sense—just about managing, in terms of the revenue side of maintenance of capital schemes. So, we're not running into significant difficulty, but we are in a position where we're having to drive efficiencies year in, year out. And I think that's a good thing, but there will come a point where you maximise those efficiencies, and you can't make any more. And I guess that's the point at which you have to say, either you have to find more revenue or you have to scale back a bit.

[187] **Rhianon Passmore:** Chair, can I just ask, in terms of priority, then, what scale of funding do we get from Europe, in terms of flooding projects—is there anything?

[188] **Mr Price:** It's not really much, is it, on this?

[189] **Mr Morris:** We did benefit from European funding up to a couple of years ago. Currently, there's no European funding for the flood programme.

[190] **Rhianon Passmore:** Thank you.

[191] **Nick Ramsay:** Mike Hedges.

[192] **Mike Hedges:** Can I go off, as I often do, on a minor tangent? We've talked about local government money, we've talked about Welsh Government money—what we haven't talked about is private money, and we haven't talked about planning. Because people are building houses in areas where there were previously trees and they then put down astroturf and lots of blocks, and, all of a sudden, you've increased the flooding risk. Should there

be—and I don't know whether the planning comes under you, so you might not be able to respond—but should there be a situation that, when people put in for planning permission, they get told that, as part of this, they have to replace the trees, they can't put astroturf down, and they can't cover the whole front garden in block paving, so that you start getting the developer to take some part in it as well? Because, otherwise, all we're going to do, as a Welsh parliament, and all they're going to do as local authorities, is keep on building things, people will build the next development, and they have to start all over again having to deal with it.

[193] **Mr Price:** Sadly or happily, depending on your viewpoint, planning does come under me.

[194] **Mike Hedges:** Very happy.

[195] **Mr Price:** But in terms of the detailed answer to that question, I think I'd like to provide a note, if that's okay. But at a high level, we do, of course, do some of that, in terms of putting conditions on—well, we don't do that. At a high level, Welsh Government sets out policy, which says where you should build, where you shouldn't build, what mitigating factors can be used, which include some of the things you've talked about, and it's for a local authority, a planning inspector, and a developer to make sure they abide by the rules on those things.

[196] **Mike Hedges:** Can I just make a plea that you go and relook at those, where there is more that could be done, in order to try and reduce future problems?

[197] **Mr Price:** Yes. I think that's a good point.

[198] **Nick Ramsay:** Neil Hamilton.

15:00

[199] **Neil Hamilton:** You said earlier on that there have been five major flooding incidents in the last five years, effectively—since 2012, anyway. So, if the recent past is any guide to the future, there's a very high probability of repetition on an annual basis. I'm wondering, therefore, what your view is on the resilience of Natural Resources Wales and councils to cope with the threat of a major incident in any one winter, coupled with the requirement to take forward the longer-term projects that are in hand. Of course, the

background to this is the auditor general's report, which concluded that capacity constraints in the Welsh Government's flood and coastal erosion risk-management team and in councils had delayed progress and threatened to undermine the long-term approach to managing the risk of coastal flooding and erosion. The audit office's survey revealed that over half of flooding officers in local authorities thought that—they might say this, wouldn't they—they were underfunded or under-resourced, and the skills audit, as part of the delivery plan, highlighted concerns about councils not replacing staff who are retiring, and the age structure of those who are currently employed in this field is such that 20 per cent of the relevant workforce is likely to retire within the next 10 years. So, there are various challenges there, which perhaps threaten resilience of NRW and councils' ability to respond adequately to likely problems.

[200] **Mr Price:** Okay. So, I think that's a really good question, and a tricky one to answer. Answering it very honestly, it's a tricky one to answer, so—

[201] **Neil Hamilton:** I'd recommend you do that nonetheless. [*Laughter.*]

[202] **Mr Price:** I'll start at the Welsh Government end and say, in terms of where I am now, if there are any resource constraints that are causing problems—I may regret saying this—I'll fix them within the wider group. So, there should not be any Welsh Government resource issues in terms of people within teams causing any problems in the future.

[203] Looking at NRW, the figures I have seen suggest that NRW have 280 people on flooding in its widest sense, and they get the funding, obviously, for that directly from us. How many of the 280 are operational I'm not sure. It won't be the full 280; some of those will be in planning roles and other associated roles. But I think—[*Interruption.*] Sorry?

[204] **Mr Quinn:** We've broadly sustained that in the NRW budget over the period.

[205] **Mr Price:** So, their numbers haven't altered. So, that would lead me to suggest that Welsh Government and NRW are in a position to be able to both deal with any issues that occur and maintain the progress at a strategic level, and local authorities have a statutory responsibility to do that. And the conversations that I've had suggest that they are indeed geared up to do that.

[206] **Nick Ramsay:** James, can I just come in at that point—

[207] **Mr Price:** Of course.

[208] **Nick Ramsay:** —because you just mentioned the role of local authorities in doing that? Of course, at this moment, we're looking—with local government, well, reorganisation, as far as it's going—at regionalisation and consortia in the south, in the city regions. Do you think there's a case for regionalising flood-risk management? Are you looking at that?

[209] **Mr Price:** So, that is a good question, and one I should've seen coming. In theory—. I've written down here in my book, as I was listening, 'mutual aid'. That's what I wrote down. Now, why did I write that? Is that the term we use in flooding?

[210] **Mr Morris:** Yes.

[211] **Mr Price:** Okay. So, it's something that is used a lot in severe weather on the transport side—so, if you remember back to 2007, when people were running out of salt, there weren't enough gritters around, and not enough JCBs to clear the roads—authorities club together and provide mutual aid, and Welsh Government is part of that. So, at the lowest level, then, I would see that as an absolute opportunity, and we could do more of that. I would think there is an opportunity to do something at a regional level, yes. I'm not sure I would look at flooding in isolation at a regional level. As a trunk road authority, the Welsh Government has responsibility for surface water and drainage on the trunk roads; local authorities will have the same on their roads, and Network Rail will have similar teams out, all being funded by the public purse. There must be an opportunity to bring some of that together as well. I guess the challenge would be making it happen and not driving inefficiencies in doing that, and, secondly, not losing contact with the local communities and having some kind of uber-regional authority that wasn't able to respond.

[212] **Nick Ramsay:** It just seems to me that with the strategy adopted now by the Cabinet Secretary for local government, saying—

[213] **Mr Price:** It's something we should look at.

[214] **Nick Ramsay:** —'We're going to keep the current local government structure, but we're going to either put collaboration on a statutory basis or



use these bigger regional blocks, such as city deals', it would seem strange, if flood defence is such a big aspect of local government, that it was not in that.

[215] **Mr Price:** I think you should ask us to look at that—I think it's a good idea.

[216] **Nick Ramsay:** Will you look at that? [*Laughter.*]

[217] **Mr Price:** Yes.

[218] **Nick Ramsay:** Sorry I interrupted you, Neil—you inspired me to ask the question.

[219] **Neil Hamilton:** Not at all, it actually feeds into my next question. The implication, then, behind what you've just said is that somebody would have to take overall responsibility for achieving the outcomes that we all want to achieve. This was alluded to in a question from Mike Hedges earlier on. At the moment, responsibility and capacity for responding to these various needs is divided between the Welsh Government, Natural Resources Wales and local authorities—the technical, managerial and political expertise that lies behind it all. So, is this the best way of dealing with complex multidepartmental and multidimensional issues of this kind, where there is a widespread dispersal of responsibility? Where is the overall direction? I appreciate there are different statutory responsibilities and, therefore, you can't interfere with those, but who's going to hold the ring and to what extent can you make that effective?

[220] **Mr Price:** Matthew's looking at me, because he's wondering what I'm going to say—am I going to go off script. Simply because I would be more inclined, naturally and personally, to aggregate something up and do something at scale? There are issues, though, in terms of making sure that local communities' voices are heard and that we can be responsive. Also, I think that if you look at the performance of Wales vis-à-vis the performance of England, England has got a more aggregated Environment Agency that takes on more of these responsibilities. I wouldn't want to say that we perform better than them, because I think that's unfair—we've probably had different circumstances—but they certainly haven't shone in terms of their performance, and I don't think their cost performance is much better, either. So, I think it's something that should be looked at, as we just said, really carefully—pros and cons considered—and efficiencies should be explored

wherever we can get them.

[221] **Mr Quinn:** We do work well together, I think. We mentioned 'team Wales' earlier on, which I know is a bit of a cliché, but it is quite a small community that's working in these areas. I passionately felt, personally, in the response to the Aberystwyth flooding, when they got the community out and the local authority—that next morning with brushes; the students and the townspeople out there—that that was us working at our best. Everybody was playing their role and everybody was taking responsibility and mucking in. I wouldn't—. Yes, there are things we can do—we can do procurement more efficiently—but I wouldn't want to lose that sharing of responsibility and that rootedness in place that we've got at the moment, because that's really valuable.

[222] **Neil Hamilton:** There's an obvious difference between England and Wales by virtue of disparity of size. The Environment Agency has to cover a huge area of country. We're a much smaller fraction of that total area. The House of Commons committee—the environment and rural affairs committee—reflected the difference of opinion that you've just referred to about the efficiency of the way that things are run in England. They've proposed there that there should be a national floods commissioner for England, new regional flood and coastal boards and a new English rivers and coastal authority. Maybe Wales doesn't need all of that, by virtue of the different scale of operations.

[223] **Mr Quinn:** It's interesting, in a sense, because we used to have the National Rivers Authority back in the day, and it sounds like reinventing that. No, it would not be something that I think we'd be looking at at all in Wales.

[224] **Neil Hamilton:** I'd just like to, lastly, explore the other obvious thing that you've referred to about how to bring councils together more and working together so that they're sharing best practice and, insofar as possible, achieving a common view about how to deal with problems. The Welsh Local Government Association referred to this occurring amongst north Wales councils, and I was wondering whether you could give us your view on, first of all, whether this is desirable—obviously it is—and, secondly, how far are we going towards the achievement of this objective.

[225] **Mr Price:** I'll ask James to answer that, if that's okay.

[226] **Mr Morris:** The WLGA have taken a lead on this and set up three

regional flood groups, so we do have regional collaboration. We go along to those meetings as well and I think it's important to say that this team Wales collaborative approach really is one of the strong points of how we work in Wales. We can quite quickly get everyone—all of the players—that we need to talk to together in a room and have a good workshop, have a meeting and talk about what's working well and share best practice. I think across north Wales in particular that regional approach to flood-risk management is working very well. So, whilst each local authority and NRW as well do have responsibilities that they have to look after and have to take responsibility for, there are elements of work around awareness raising and preparing for the larger projects where they can share resources, and that is happening. I think that is something that both we and the WLGA are quite happy to foster.

[227] **Neil Hamilton:** Good, thank you very much.

[228] **Nick Ramsay:** Mike Hedges.

[229] **Mike Hedges:** Quite briefly, on the challenge of developing a national flood risk index and how it may change with time and may change with the developments I talked about earlier, the question I come to is: how close are you working with the WLGA and NRW on developing it? I understand you arranged for a trial during 2016–17; is that going to be going ahead or has it gone ahead?

[230] **Mr Price:** At a very high level, we're working closely with WLGA and NRW on that. We will be doing some form of a trial within the 2016–17 financial year—i.e. in the next few months. It is difficult. We talked about this a bit earlier, actually, in terms of trying to compare apples and pears, but James is the expert on it.

[231] **Mr Morris:** Yes, it's a complex issue. We consulted on a methodology to use in comparing all these different types of risk. As you can expect, the risk from sea flooding is a completely different type of risk from surface water flooding. Whereas both will be horrendous for the people who suffer the effects of the flooding, there's one that will happen far less frequently but bring much greater risk to life. So, it's about how you count that and quantify that against more frequent low-level flooding. And it's a difficult area. What we intend to use now is NRW's tool called the communities-at-risk register, which in turn is based upon the national flood-risk assessment. The previous gap in using that register as a flood-risk index, bringing all the different sources together, was that it didn't take into account surface water

flood risk. We've asked NRW to go and bring that in and to try and calculate that and merge it in with the methodology. They have done that and now we're just about to share that updated communities-at-risk register and the GIS data behind it with all local authorities. So, they'll be able to use the same type of methodology as NRW. There's not an absence of risk and data. The evidence is there, but it's in different formats. So, local authorities will use a certain type of risk map and NRW might use another one to focus on main river and sea flooding. A local authority will rightly utilise local data and local knowledge, and frequent flood events as well, to bring forward their priorities. What we will have with the updated communities-at-risk register will be a level playing field. But it's not the only tool. It's still going to potentially have gaps. You can't do everything just using a series of statistics on risk and modelling. We'll still require local authorities to use their local evidence, local knowledge and their own common sense on actually where they feel the risk needs investigating.

[232] **Mike Hedges:** Because you'd have an event like you did in north Gower, for example, where the wall breaks. And all of a sudden that becomes an area that moves from a very low risk to one of a very high risk of flooding almost overnight.

[233] **Mr Morris:** Well, the risk of it flooding increases overnight but then the risk to people or to residents might not actually change that much because there were very few people living in that area. So, it's just one of those examples of where you could allow an area to flood, actually. It's not very nice, but risk to life remains the key parameter that we measure our programme against.

[234] **Mike Hedges:** Okay, that's me.

[235] **Nick Ramsay:** Thanks, Mike. Neil McEvoy.

[236] **Neil McEvoy:** I just wondered what you think the concrete effects of the well-being of future generations Act will be on flood management.

15:15

[237] **Mr Price:** At a high level, I think it will be in looking at things longer term, and looking at things in a wider way, as we were discussing on the back of some of the points that Mike has made. However, Matthew and James are certainly far more expert on this than I am.

[238] **Mr Quinn:** We essentially used the coastal risk management programme as an attempt to trial this, I suppose, in the sense that we did ask them to look at the next epochs, not just the immediate flood risks that we normally ask them to look at for schemes. So, we looked at the long term, and we also specifically looked at achieving multiple benefits. We also asked them about how they'd engage those communities in terms of the schemes that they were developing. So it was very much drawn up in the context of the Act. I think one of the things, as we go forward to the review of the strategy next year, is to build on that and the lessons we've learned through that work. Because I've been very impressed with what's come forward—42 potential schemes in that work, with some really interesting synergies, building to a certain extent on the experience we had with the Colwyn Bay scheme, where we were fortunate that there was regeneration funding happening at the same time, and we were able to put together a major economic transformation for that community as part of the flood investment.

[239] **Neil McEvoy:** I suppose, really, my question relates to inland flooding. Just picking up on what Mike was saying earlier, it almost seems to be an abrogation of, possibly, responsibility, or certainly passing the buck, because at the higher level, it's thrown over to local authorities with local development plans, where the reality is that local development plans are not fit for purpose when we're looking at looking after the environment of Wales. And what we have is building on effective sponges in local authority areas, which will go ahead in the near future if they get—well, they're applying for planning permission now; those areas are in local development plans, allocated for housing. So how does all that tie in—the reality of what is happening on the ground, the reality of sponges for water that will be built on—how does that tie in to the overall strategy of flood prevention, and where is the well-being of future generations Act in this? It's a huge contradiction.

[240] **Mr Price:** I think there will always be an opportunity to differ on the detail of individual schemes or individual sites that are seeking planning permission, but at a high level, certainly in terms of the stuff that I work with from a transport or an economic development perspective, NRW, through the planning process, are quite prescriptive about where flooding plains are, where you can and where you can't build, and in my experience, LDPs or other planning processes involving a planning inspector are quite specific again about what you can or cannot do and what mitigating actions are required as a consequence. You might say I'm trying to dance around the

issue—

[241] **Neil McEvoy:** No, no; it's interesting you say that. What would you advise residents to do, then, in different areas where building has already resulted in flooding, and yet more buildings are projected to go in those very areas? That is a reality.

[242] **Mr Price:** I think that's an area outside of my expertise to answer, genuinely. I'm happy to take it away and provide a note on it.

[243] **Neil McEvoy:** Yes, I'll put that in writing.

[244] **Mr Price:** Otherwise I'd be guessing.

[245] **Neil McEvoy:** I think I'll put that in writing to you.

[246] **Mr Price:** Okay.

[247] **Mr Morris:** It might be worth mentioning now that the Cabinet Secretary has agreed to look at and review TAN 15, which is our key piece of policy guidance related to floodplain development.

[248] **Neil McEvoy:** Will you indulge me for one moment? Because I think the whole of local development plans across Wales is—again, this is where we're going as a country. Why is it that the commission appointed to take the Act forward, the commissioner and staff, are not looking at local development plans?

[249] **Mr Price:** I don't know; it's a matter for her, isn't it?

[250] **Mr Quinn:** It's a matter for the commissioner. She is an independent person in terms of her role. I would speculate, in a sense, that she's looking at the longer term picture in terms of these being things that are completed and, therefore, it'd be the next phase of development, but you'd have to ask her.

[251] **Neil McEvoy:** Yes, that's the independent commissioner appointed by the Minister whom she used to work for. Okay.

[252] **Nick Ramsay:** Happy? Well, not happy, but as happy as you get. *[Laughter.]*

[253] **Mr Quinn:** The only other thing we haven't touched on in this area is sustainable drainage systems, which is something that has been in development for a long while. There are working examples of them, but it's been difficult to get the issue of adoption, long-term, of those systems. They provide the link, if you like, across these issues. We've seen some very good retrofitting schemes, particularly the one you'll be aware of, RainScape, that Dŵr Cymru have taken forward in Llanelli to reduce the water. That's had a transformational effect in some of those schemes, in terms of greening the space there, and they've worked very well with those communities. I think that's a classic example of multiple benefits of working with the natural systems there, and I would expect to see more of that, both in terms of these large-scale new developments, where it's possible to build them in, and also in the—

[254] **Nick Ramsay:** I think the broader issue that Neil was alluding to was: we can all point to examples in our areas where, on the one hand, you have TAN 15 and you have the prohibition against developing on floodplains, and the number of years that is taken into account is lengthening, and, at the same time, some individual planning schemes seem to, for whatever reason, get through that net. It's very hard for us as AMs to describe to our constituents exactly why that happens. So, if you've got—I think I heard you say that you would—

[255] **Mr Price:** We'll take it away and we'll provide an answer.

[256] **Nick Ramsay:** —look at that and come back to us perhaps.

[257] **Mr Price:** My guess is there'll be mitigating actions.

[258] **Mr Quinn:** TAN 15 is not a prescription. You have to be able to demonstrate how it can be coped with, and we have to recognise that most of our communities are built in those areas on the coast that are—. So, effectively, you'd not be building anywhere in the—

[259] **Nick Ramsay:** I think you're right, there will be mitigating circumstances, but, often, it's very difficult for us to see them. AMs ought to be able to explain to people what they might be, so—

[260] **Mr Price:** I'll take that away and prepare a note.

[261] **Nick Ramsay:** That would be great. Did anyone have any further questions? Rhianon Passmore.

[262] **Rhiannon Passmore:** With regard to how private bodies or other organisations like the Crown Estate and the National Trust carry out their responsibilities around coastal erosion and flood risk, how do we interact with them, because they are major landowners? I'd be interested to find out what oversight and interaction there is.

[263] **Mr Price:** So, NRW have the responsibility for coastal flooding, local authorities for erosion, but there are vast tracts of land and some defences that are owned by the private sector, including the people you've talked about there. My understanding is that, on the whole, those relationships work well. People do what they're meant to do, including maintaining things that are on their land. Where they don't, there are step-in rights that NRW can have to either to do work at NRW's cost, or do work and charge it back to the landowner. Again, I think, by and large, that works well, but I guess it's on the very few occasions where it doesn't work well that we need to be ensuring that we have systems and processes in place to deal with that.

[264] **Rhianon Passmore:** So, to just follow that up very briefly, how do we know that those systems and processes have been—? Unless they've been tested, we don't, for instance, know that somebody's not done something. Sorry, Mike.

[265] **Mr Price:** So, James.

[266] **Mr Morris:** In terms of people like National Trust, Network Rail or the Crown Estate, they're not risk-management authorities under the Flood and Water Management Act 2010. So, where they have areas of land or walls along the coast, for example, they have expectations of 'Upkeep that wall' or 'Maintain that in a decent condition', but that's not as a risk-management authority. If that area was subjected to a risk of flooding from the sea, then NRW would come along and work with them on how to manage that risk more effectively. But there are tools in place to designate features on third-party land as a flood feature or a flood risk management asset, and then that work can be done by the local authority or NRW and charged back to the landowner. But that doesn't always really need to happen, because, where you've got a real risk to a town or a major piece of infrastructure, usually the local authority or NRW own an asset along the front of that coastline or along a river, so they'll be managing that risk effectively themselves.



[267] **Rhianon Passmore:** So, we are confident that that mapping has already been scoped and that it's under somebody's radar.

[268] **Mr Quinn:** We haven't touched on the national asset database, I don't think, so far, in terms of the discussion. This is a piece of work that we're due to complete, which NRW are leading for us, shortly. This is bringing together the various registers of the assets into a common format, so that's why we're funding through NRW and with the local authorities. Just in terms of one of the major ones, Network Rail is obviously a key player and they now have a memorandum of understanding around this with NRW, so that should help in terms of the practical operational bit.

[269] **Mike Hedges:** Can I just come in?

[270] **Nick Ramsay:** Very briefly, Mike.

[271] **Mike Hedges:** Very briefly, just for completeness, you've also got Wentlooge somewhere down in south-east Wales, and you've got somewhere in mid Wales as well, which have got local flood defence areas, haven't they? They have flood defence committees made up of local authorities and local landowners.

[272] **Mr Morris:** The internal drainage boards, the IDBs, now come under the responsibility of NRW, so they're looking after that collectively.

[273] **Mike Hedges:** So they no longer exist.

[274] **Mr Morris:** They exist as a drainage board, but we've, in a way, sort of tidied up some of the complications around that and NRW are responsible for looking after that.

[275] **Nick Ramsay:** We are very nearly—well, we are at the end of the time with you. So, thank you for your engagement today. Can I just ask, finally—it was alluded to in an earlier answer—about the whole issue of managed retreat, which has been on the agenda over recent times? NRW emphasise the need for national policy and direction in respect of managed retreat, coupled with local decision making and empowerment. What are your thoughts on that? Do you believe that sufficient guidance is being given on the issue of managed retreat?

[276] **Mr Price:** This is an area that we're working on now. Looking at Wales and the areas where managed retreat might be appropriate, it's not a significant issue for Wales, certainly in terms of the number of people affected. But of course, if you're one of those people who might be affected, it will be significant for you. We're doing quite a lot of work at the minute and I would expect us to be much clearer in terms of where the Welsh Government's policy position is over the next 12 to 24 months. Now, when you consider that that's talking about an issue that's going to manifest itself in 50 or 100 years' time, I think that's a reasonable timeline to get ourselves in a very good position and not to make things up as we go along.

[277] **Mr Thomas:** I take it you'll be taking into account the English recommendations as part of that review—exploring things looking eastward.

[278] **Mr Price:** Yes, and around the world.

[279] **Mr Quinn:** And examples of best practice internationally, yes.

[280] **Mr Price:** Chair, can I make one other minor point? When I read the evidence for this, a previous person had said about civil engineers not necessarily having any or few social skills, and I would just like to stand up for my colleagues and say many of these people are dealing with people day in, day out and have very good social skills. [*Laughter.*] I might get some drinks now.

[281] **Nick Ramsay:** I've certainly been accused of lacking social skills occasionally. It's all part of the job we do, isn't it? [*Laughter.*] Thank you for being with us, James Morris, James Price and Matthew Quinn. We will be collating the evidence you've given us today and you'll see a copy of that before it's finalised so that you can see that it's in keeping with your comments today.

[282] **Mr Price:** Thank you for your time.

[283] **Nick Ramsay:** Thanks for being with us.

15:28

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd  
o'r Cyfarfod**

**Motion under Standing Order 17.42 to Resolve to Exclude the Public  
from the Meeting**

*Cynnig:*

*Motion:*

*bod y pwyllgor yn penderfynu that the committee resolves to  
gwahardd y cyhoedd o'r cyfarfod ar exclude the public from the meeting  
gyfer eitemau 5, 6, 7, 8 a 9 ac o'r for items 5, 6, 7, 8 and 9 and from  
cyfarfod ar 9 Ionawr 2017, yn unol â the meeting on 9 January 2017, in  
Rheol Sefydlog 17.42.*

*accordance with Standing Order  
17.42.*

*Cynigiwyd y cynnig.*

*Motion moved.*

[284] **Nick Ramsay:** I propose, in accordance with Standing Order 17.42, that the committee resolves to meet in private for items 5, 6, 7, 8 and 9 of today's meeting, and the meeting on 9 January 2017. Are we content? All content.

*Derbyniwyd y cynnig.*

*Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 15:29.*

*The public part of the meeting ended at 15:29.*