

Cynulliad Cenedlaethol Cymru | National Assembly for Wales

Y Pwyllgor Newid

Hinsawdd, Amgylchedd a Materion Gwledig |

Climate Change, Environment and Rural Affairs Committee

Cyllideb Ddrafft Llywodraeth Cymru 2019-20 – Barn Rhanddeiliaid y Pwyllgor Newid

Hinsawdd, yr Amgylchedd a Materion Gwledig |

Welsh Government draft Budget 2019-20 – CCERA Stakeholder Views

Bud 02

Ymateb gan : Marine Conservation Society

Evidence from : Marine Conservation Society

RE: Draft Budget 2019-20 Outline proposals ‘A Budget to build a better Wales’

The Marine Conservation Society (MCS) welcomes the opportunity to input into the Climate Change, Environment and Rural Affairs Committee’s budget scrutiny process. We have found your previous budget scrutiny sessions with the Cabinet Secretary for Energy, Planning and Rural Affairs and the Minister for Environment and their officials to be insightful and productive. They have, for example, usefully generated more detail on important marine conservation issues, such as resources, capacity and the work of the Welsh Government’s Marine and Fisheries Division.

Q1. What are your views on the draft Budget as it relates to the Committee remit?

We have only been able to examine the outline draft budget proposals. As such whilst we welcome the 3.62% year on year percentage increase to the Energy, Planning and Rural Affairs MEG, given the persistent funding pattern of under resourcing for marine conservation by successive governments and portfolio holders, and the increase in jurisdictional area that now includes the offshore region under the Wales Act 2017, greater resources will be required to adequately encompass these duties. As such, we remain cautious as to whether this proposed MEG increase will make its way to the marine conservation branch, within the Welsh Government’s Marine and Fisheries Division, to deliver on the ground conservation action. We are, therefore, not confident that the Draft Budget 2019-20 Outline proposals ‘A Budget to build a better Wales’ will be a budget to build a better Welsh marine environment.

Evidence suggests that in the financial period 2017-2018 (and prior to this), there has been insufficient budget allocated to implement effective management (mitigating and/or eliminating pressures and threats arising from existing or ongoing activities) of Wales’s marine natural resources. Given we are approaching the mid-point of the fifth National Assembly for Wales and over a year on from the Committee’s Turning The Tide inquiry report into the Welsh Government’s approach to Marine Protected Area (MPA) Management in Wales, MCS feel that marine conservation is not being sufficiently resourced internally within the Welsh Government or on the ground for example, through an area-based approach. As such, MCS do not feel that Recommendation 2 of Turning The Tide has been fully implemented,

“Recommendation 2. MPAs cannot be managed effectively without the appropriate level of resources, including funding and staffing. The Welsh Government must:

- ensure it has sufficient staffing to deliver its marine conservation responsibilities;*
- bring forward proposals for funding an area-based approach, with each management area having a dedicated officer; and*
- ensure that Natural Resources Wales has sufficient resources to undertake its responsibilities for MPA management and improvements to the condition of the Wales Natura 2000 Network.”*

Q2. What are your views on the funding allocated to decarbonisation following its inclusion as a sixth key priority area for cross-government working in Prosperity for All?

MCS welcomes the inclusion of decarbonisation as an integral part of Prosperity for All. We note the points made in 'Draft Budget 2019-20 Outline proposals' Para 4.72 relating to work underway on waste recycling and a commitment to move towards a more resource efficient economy. As MCS recently raised with the Committee in your microplastics inquiry, the scale of macroplastics in our aquatic and maritime environments are a visual sign of a failure to achieve a circular economy. Indeed, MCS Beachwatch data demonstrates that between 2016-7 the amount of single-use plastic found on beaches (such as bottles, coffee cups, lids, straws and takeaway containers) increased by 13% in Wales.

Working with industry and the public, the Welsh Government must focus more on the reduction of, rather than the recycling of, materials. MCS is calling for the introduction a levy on single use items or failing this a tax. Revenue generated from such a levy could fund further work to reduce plastic at source and support decarbonisation.

Q3. Do you have any concerns you wish to draw to the Committee's attention?

MCS consider there to be 5 key areas of concern which would the benefit from budget scrutiny:

Area 1: Ensuring sufficient resource is given to enable the Welsh Government to carry out their legal obligations and agreed priorities for marine conservation and management

We are aware that the Committee has considered this aspect before, for example, within its scrutiny report of the Draft Budget 2018-19, specifically Recommendation 11,

"The Welsh Government should report back to the Committee within the next six months with details of how the £2.3 million of funding is allocated for marine and fisheries. This should include details of the spending plans for the additional £0.5 million allocated to marine and fisheries."

MCS is not clear how the £2.3 million of funding was allocated and what areas of work received the additional £0.5 million, as it may in part have gone towards fisheries and marine planning activities. Direct allocation and spend on marine conservation by the Welsh Government is unclear.

We noted that the Cabinet Secretary for Energy, Planning and Rural Affairs in her letter to the Committee (dated 2nd November 2017) stated that she was satisfied with current staffing levels to deliver their marine conservation responsibilities, however, MCS did not agree with this. MCS is concerned that there is insufficient national or local capacity to implement the recently published MPA Management Framework for Wales and Network Management Action Plan. We were not able feed into the development of these documents, reducing our sense of ownership or understanding of the prioritisation that occurred to develop, for example, the actions. It is our view that the Welsh Government should be judged not by their ability to produce strategies but for these 'words on paper' to positively affect change on the ground (or at sea in this case). Such action requires resources nationally and locally, for example, through funded full-time European Marine Site Officers.

Area 2: Ensuring greater transparency of budget allocation within the different branches of the Welsh Government's Marine and Fisheries Division

Coupled with the historic under resourcing of marine conservation, is the approach taken by the Welsh Government to grouping 'Agriculture, Food and Marine' together. 'Agriculture, Food and Marine' are already three very broad areas and, given Wales is a farming nation, a large percentage of this budget is likely to have been allocated to agriculture policy and programmes. We fully note however, this might not be the case within the 2019-20 detailed draft budget.

Exacerbating such a situation is a habitual tendency to group marine conservation together with the other work within the Marine and Fisheries Division. Whilst some budget allocations within the Division might in part contribute to marine conservation, it is disingenuous to suggest that all budget allocations in the Division and cross-cutting nature of staff work areas supports the management of MPAs and marine conservation. The resource allocated to fisheries within the Division has tended to outmatch that of marine conservation, for example, for internal staffing and project grants.

MCS has sought yet struggled, for many years to understand the true breakdown for the expenditure specifically for marine conservation (for instance, the designation and overall management costs of MPAs). At best, lumping budget together like this is confusing for stakeholders trying to tease out exactly what is being spent on certain areas of environmental policy and programmes. At worst, such broad spending figures can be used to lure the Assembly and the public into a false sense of security that more is being spent in a particular Division of the Cabinet Secretary's portfolio than actually is.

MCS has, therefore, consistently called for greater transparency of the breakdown of departmental spending into different spending areas and, where necessary, evidence of need. Otherwise, it may be impossible to understand whether there is a sufficient amount of resource being allocated to each branch and whether expenditure has increased or decreased. Such information is vital to understand if there is sufficient resource enable the Welsh Government to carry out their legal obligations and agreed priorities for marine conservation and management. MCS would request clarity and transparency is sought over where and how previous and subsequent budgets are spent.

Area 3: Ensuring that budget allocation adequately takes into account new areas of Welsh Government marine nature conservation responsibility associated with the Wales Act 2017

As of April 2018, implementation of the Wales Act 2017 devolved marine licensing functions and marine nature conservation functions for the offshore area (the sea beyond 12 nautical miles to the median line) to the Welsh Ministers. These new management responsibilities for marine licensing functions in the offshore area, and for the protection of habitats and species, include the creation and management of new MPAs in the form of Marine Conservation Zones (MCZs) under Part 5 of the Marine and Coastal Access Act, 2009.

The identification, designation and management (including monitoring, surveillance and enforcement) of new MPAs will undoubtedly be a large new area of work for the Marine and Fisheries Division of Welsh Government, and MCS is keen to see the additional resource required for this workload recognised and reflected in budget proposals.

In a previous evidence paper¹ to the Committee, para 75, the Cabinet Secretary for Energy, Planning and Rural Affairs stated,

¹ [Evidence paper – Draft Budget 2018-19 Cabinet Secretary for Environment and Rural Affairs.](#)

“The nature conservation work (which includes species licensing) will include the identification and designation of 5 new Marine Protected Areas (to complete the network of sites), the management, enforcement and monitoring of the sites and species licensing. I have ensured that I have bolstered the Marine and Fisheries budget by a further £0.5m to manage these costs.”

MCS is awaiting the establishment by the Welsh Government of a Marine Conservation Zone Task and Finish Group. It is unclear at present the priorities of the Welsh Government to designate new sites for example, whether these will be within the inshore or offshore regions and the features that will be protected. As recommended in Turning The Tide (Recommendation 6), we would be keen to understand if the Cabinet Secretary has undertaken economic assessments of potential new sites² and how this has been reflected within her budget. As previously stated, we are not clear how the additional £0.5 million in the 2018-19 was allocated within the Marine and Fisheries Division and if indeed it was used to this support this new area of work.

Area 4: Greater consideration and detail on how the costs of the protection and management of Wales’s marine biodiversity and natural resources will be supported through preventative spending

MCS has been disappointed with previous Welsh Government budgets that have not sufficiently recognised the need for recovery and management of marine biodiversity and Wales’s natural resources as preventative action that is necessary to invest in.

Framing natural resources and marine biodiversity projects and programmes as ‘preventative spending’ could allow for greater investment into the recovery and effective management of these critically important areas of the portfolios of both the Minister for Environment and the Cabinet Secretary for Energy, Planning and Rural Affairs.

Many species and habitats within Welsh MPAs are currently in Unfavourable Conservation Status, according to Natural Resource Wales’ most recent site condition assessments³, and it is extremely unlikely that Wales will meet its commitment to achieve Good Environmental Status (GES) of its waters by 2020⁴. As such there needs to be better consideration and detail from the Cabinet Secretary as to how she can employ preventative spending to contribute to the recovery and enhancement of marine ecosystems which are not currently considered to be resilient⁵.

Preventative spending to ensure understanding of the benefits of well-managed MPAs by stakeholders is currently lacking by Welsh Government⁶. As raised in our oral evidence to the committee during the Turning the Tide inquiry, we highlighted that £200,000 pa (£40,000 per Special Area of Conservation (SAC)), would provide for valuable local engagement and delivery of management plans for each of the 5 marine SAC sites in Wales. Currently only one of these sites has a full-time member of staff, with the others varying down to 1 day per week. Funding for these posts is ad hoc and unsecure.

² Such economic impact assessments should look beyond merely the administrative costs to designate and instead focus on post-designation, including active management measures, monitoring, surveillance and enforcement.

³ [NRW webpage on N2K Programme](#)

⁴ The Cabinet Secretary in her oral evidence to the Committee during the Turning The Tide inquiry and contained within the Committee’s inquiry report para 98, confirmed her intention to continue to work towards this.

⁵ State of Natural Resources Report, 2016. *Chapter 4: Resilient Ecosystems*, p22.

⁶ This relates in part to Recommendation

Area 5: Details on the plan being put in place for the development of domestic funding mechanisms as a replacement for currently existing EU funding mechanisms that support marine conservation and management

As stated in the Finance Secretary's Foreword to the 'Draft Budget 2019-20 Outline proposals', *"...the financial implications of leaving the EU are stark for Wales.– greater than any other part of the UK, because Wales is a net beneficiary of EU membership."* Whilst recognising that the issue of replacement European funding applies across the Cabinet Secretary for Energy, Planning and Rural Affairs' portfolio, much of the debate about post Brexit-funding concerns agriculture. As identified in the Turning The Tide inquiry, there are significant concerns regarding the potentially considerable gaps in European funding that currently fund a range of marine management and conservation activity in Wales, such as the LIFE N2K Programme⁷ and the European Maritime and Fisheries Fund (EMFF) which is only guaranteed up until 2020.

MCS believe that the Cabinet Secretary's response⁸ to Turning the Tide's Recommendation 12 needs to be revisited to understand the plans being put in place,

"The Welsh Government must explain how it intends to address the potential shortfall in funding for MPA work that is currently met by EU funds, such as the European Maritime and Fisheries Fund and LIFE-Nature."

Given that Brexit will become a reality during the proposed budget, we would wish to understand, for example, if Treasury funds will be used to replace LIFE funding.

Please do not hesitate to contact me if you wish to discuss any of MCS comments on the Welsh Government's draft budget 2019-20 relating to the Committees' remit.

Yours sincerely,

Gill Bell, Head of Conservation (Wales), Marine Conservation Society

⁷ The [LIFE N2K Programme enabled NRW](#) and others to undertake a range of work relating to European Marine Sites.

⁸ This includes both her response to the Turning The Tide report (dated 9th August 2017) and her to the Chair's follow up letter response (dated 2nd November 2017).