

Sustainable Land Management  
Agriculture and Rural Affairs Division  
Welsh Government  
Rhodfa Padarn  
Llanbadarn Fawr  
Aberystwyth  
Ceredigion  
SY23 3UR

26 March 2014

Dear Sir/Madam

**PROPOSALS FOR THE GLASTIR SCHEME; PART OF THE RURAL  
DEVELOPMENT PLAN FOR WALES 2014-20**

Thank you for consulting Natural Resources Wales on the proposed changes to the Glastir Scheme. As set out in our detailed response, we welcome many of the Welsh Government's proposals.

Natural Resources Wales works as a regulator, partner and advisor to businesses, non-governmental organisations, Local Authorities and communities to help deliver Welsh Government and European Union policies and priorities. We take an ecosystem approach to promoting sustainable development that delivers social, economic and environmental benefits to the people of Wales.

Increasing the uptake of sustainable land management practices is one of the biggest challenges now facing Wales<sup>1</sup>. Glastir accounts for the majority of spending under the current Rural Development Plan (RDP) and we welcome the intention to continue with this strategy during 2014-20. The Glastir family of schemes will be central to the delivery of Natural Resource Plans, underpinning in turn the provision of a wide range of environmental, economic and social benefits to the people of Wales. As a result, we fully support the decision to

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<sup>1</sup> *NRW evidence to National Assembly for Wales Inquiry into Sustainable Land Management, 29<sup>th</sup> January 2014.*

continue with the scheme whilst making appropriate adjustments in the light of lessons learned.

We support the proposals for a more targeted use of agri-environment-climate support under the next RDP. Allowing farmers direct access to Glastir Advanced as well as the new Investment Measures will help focus the scheme on delivering against the Welsh Government's existing commitments in terms of biodiversity; cultural landscapes; climate change mitigation; flood risk management; soil health, and water quality. Whilst we agree with the intention to retain Glastir Entry in the short term, this part of the scheme should then be modified so that it makes a bigger contribution to integrated natural resource management.

We believe that an increased emphasis on knowledge transfer, facilitation and the use of co-operative mechanisms will bring significant environmental benefits. It is critically important that all land managers understand the reasoning underlying the scheme requirements and can access the necessary advice, both when making an application and after signing a contract.

In principle, Natural Resources Wales would be prepared to contribute to the knowledge transfer process by providing a catchment officer based advisory service to cover the forestry and woodland creation elements of Glastir. Such a service would need to be part of a wider partnership comprising the Welsh Government's Glastir staff, NGOs and the private sector. We would only do this if the full costs of any such new service were provided by the Welsh Government (using the provisions of the knowledge transfer, advice and co-operation articles within the new EC Rural Development Regulation). Further discussion will be necessary to clarify roles and responsibilities.

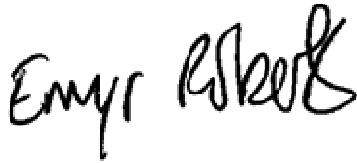
Following recent discussions at the Welsh Government's Tree Health Steering Group, we understand that Natural Resources Wales may also be charged with a new duty to carry out monitoring, surveillance and advisory work in relation to tree disease. Should this be the case, an appropriate level of financial support to NRW will again be necessary. All work carried out by under any such duty would naturally benefit the private sector as well the Welsh Government's Woodland Estate.

In view of the unprecedented scale of *Phytophthora ramorum* infection of larch trees in Wales in recent years, we are keen to continue to explore funding options within the RDP for a resilient replanting programme relevant to both the private sector and the Welsh Government Woodland Estate.

Natural Resources Wales is keen to continue working with Welsh Government and other stakeholders during the development of the new Glastir scheme. At the same time, we will continue to play our part in assisting with the delivery of the current scheme, especially in relation to SSSI consents, water level management plans and the various approval processes relating to woodland planting and management.

Please contact [brian.pawson@cyfoethnaturiolcymru.gov.uk](mailto:brian.pawson@cyfoethnaturiolcymru.gov.uk) if you wish to discuss any aspect of our response in more detail.

Yours sincerely,



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**Response by Cyfoeth Naturiol Cymru/Natural Resources Wales**

**Summary**

1. Natural Resources Wales welcomes the proposal to allocate a minimum of 60% of the RDP budget to the area based measures (comprising agri-environment-climate, organic, forestry and Natura 2000/Water Framework Directive and Floods Directive). We believe it is critically important to ensure that sufficient funds are available to meet Welsh Government and EU environmental targets. Previous research suggested that the scale of intervention needed to meet the Welsh Government's objectives for biodiversity; cultural landscapes; climate change mitigation; flood risk management; soil health and water quality amounted to £165M per annum<sup>2</sup>. This is approximately double the amount likely to be allocated under the new agri-environment-climate programme for 2014-2020.

2. We support the Welsh Government's proposals for rationalising the framework of agri-environment support under the next RDP. In particular,

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<sup>2</sup> "Estimating the Scale of Future Environmental Land Management Requirements for the UK". Cao, Y., Elliott, J., McCracken, D., Rowe, K., Whitehead, J. and Wilson L. Report to Land Use Policy Group by ADAS & Scottish Agricultural College. December 2009.

allowing farmers direct access to Glastir Advanced and the Investment Measures will help focus the scheme on the most pressing environmental issues. We also support the proposal to introduce a single scheme for common land whilst introducing more flexibility when negotiating stocking densities. This approach should help to generate improved environmental outcomes as well as reducing administrative costs.

3. We very much welcome the proposals for improving engagement with land managers, in particular the introduction of facilitators to work with potential Glastir applicants. Early engagement with land managers should help to increase both the uptake of Glastir and the quality of the subsequent outcomes. The use of Rural Development Officers to facilitate greater co-operation should improve the prospects of making real gains at a catchment scale, assisting with the Natural Resource Management Planning process and the aspirations of the proposed Environment Bill.

4. In principle, Natural Resources Wales is prepared to contribute to the knowledge transfer process by providing a catchment officer based advisory service to cover the forestry and woodland creation elements of Glastir. Such a service would need to be part of a wider partnership comprising the Welsh Government's Glastir staff, NGOs and the private sector. We would only do this if the full costs of any such new service were provided covered by the Welsh Government (under the provisions of the knowledge transfer, advice and co-operation articles within the new EC Rural Development Regulation). Further discussion will be necessary to clarify roles and responsibilities.

5. Whilst it is plain that significant efficiency gains could be achieved through using an on-line system to access Glastir, we are concerned at the prospect of this being the only route for making an application in future. High speed broadband coverage across rural Wales remains patchy and training may well be required for some land managers to ensure they have the IT skills required.

6. We agree with the intention to retain Glastir Entry in the short term, but this part of the scheme could do more to assist the Welsh Government in meeting EU targets for water, biodiversity and climate change. Possible solutions include linking the qualification process to spatial priorities (so called "directed choice") or coupling the uptake of less demanding options with those delivering greater environmental gains ( the "menu" approach).

7. Some form of Entry Level scheme may well remain necessary in the longer term, partly as an introductory measure, but also because Glastir Advanced payments may not be sufficiently attractive in their own right when applied to relatively small areas within much larger farms. In addition, some types of farm assurance include a requirement to participate in an agri-environment scheme and reasonable provision should be made to assist farmers in meeting these kinds of obligations.

8. With respect to some of the more popular maintenance options, we continue to have significant concerns about the use of 15B and 15D on semi-

improved grasslands. In addition, where less frequently used options have the potential to deliver significant environmental gains, we believe that they should be retained. We agree with the need to increase the appeal of Regional Packages and would welcome the opportunity to advise further on their design. The retention of the £34/ha/34 points system of re-imburement represents a pragmatic way forward, but any decision on this issue should be periodically reviewed. The development of a prioritisation system is welcome and should ensure all contracts contribute to meeting the Welsh Government's environmental targets.

9. Natural Resources Wales agrees with the proposals for supporting capital investments under the next RDP. A single modernisation support scheme with higher funding rates for young farmers and new entrants will assist land managers in developing more resilient farm yard infrastructure; providing improved outcomes in terms of water, air quality and Greenhouse Gas (GHG) emissions. The use of alternative financial instruments such as loans will improve the reach of RDP funding and may also help to attract new participants. We also welcome the proposed "small grant" scheme. This should provide a more flexible way of supporting a wide range of environmental improvements across a variety of locations. Natural Resources Wales would welcome an opportunity to assist with the further development of this scheme.

10. We support Welsh Government's proposals for using the agri-environment measures to improve the sustainability of the uplands. Minimum stocking rates, greater flexibility in grazing patterns and more encouragement for mixed grazing are all welcome. The current Glastir approach to setting grazing patterns on a seasonal basis sometimes fails to meet environmental objectives, nor is it well suited to current farming practices. However, it may be possible to address both objectives by using a combination of an annual average stocking rate combined with a more flexible approach to the maximum stocking rates applied during any one season.

11. We support the creation of a new Glastir Advanced objective layer for enclosed farmland above 400m as this will help to ensure more parity between commoners and individual farmers within the new moorland zone. The proposed targeting of the Small Grant Scheme to control continuous bracken cover will present opportunities for new woodland creation. However, it should be subject to the introduction of sufficient environmental and financial safeguards.

12. We agree with the proposal to award Glastir Woodland Management contracts on a rolling basis in future and welcome the intention to review the Woodland's Opportunities Map. The proposed review will provide an opportunity to reconsider where new plantings can best support the delivery of a range of ecosystem services. We also welcome the prospect of investment in forestry SME's as well the proposals for woodland restoration.

13. Following recent discussions at the Welsh Government's Tree Health Steering Group, we understand that Natural Resources Wales may be charged with a new duty to carry out monitoring, surveillance and advisory

work in relation to tree disease. Should this be the case, an appropriate level of financial support to NRW will be necessary under the new Rural Development Plan. All work carried out under any such duty would naturally benefit the private sector as well the Welsh Government's Woodland Estate.

14. In principle, Natural Resources Wales supports the proposal to maintain existing forest cover by supporting the re-planting of disease affected stands in preference to the creation of new woodlands. Restoration programmes should be targeted to those areas where re-planting and a return to tree cover is a priority. An easily accessible re-stocking grant should be deployed to assist private woodland owners and managers in ensuring that all replanting is as resilient as possible. In view of the unprecedented scale of *Phytophthora ramorum* infection of larch trees in Wales in recent years, it would be advantageous if the State Forest provisions within the new Rural Development Regulation could be used to address any underspends in the woodland budget.

15. The effective targeting of interventions will be critical to the success of the next RDP. We welcome the proposal to assess the extent to which existing Glastir Advanced contracts are meeting environmental priorities. The Welsh Government's ongoing Glastir Monitoring and Evaluation project should substantially assist with this exercise. We are also very supportive of the proposal to review the existing Contract Manager guidance and would be pleased to contribute to any future training exercises.

16. Whilst it makes sense to evaluate the quality of existing GIS layers used within Glastir Advanced, we believe that it would be more fruitful to improve the accuracy of some of the more problematic layers in the first instance. In particular, we remain concerned about the potential for perverse environmental impacts if the requirement to identify a management activity for each of those GIS layers not meeting "primary objective" criteria is to be dropped. Many of these layers are associated with Biodiversity Action Plan and Section 42 species and are particularly relevant to other Welsh Government initiatives such as the Pollinator Action Plan.

17. Natural Resources Wales welcomes the proposal to develop a habitat network part-farm scheme during the next RDP and we are keen to contribute to the design process. We support the Welsh Government's aspiration to embed a Payment for Ecosystem Services (PES) funding approach within Glastir. The development of PES should involve more than a re-packaging of existing initiatives; aiming instead to stimulate innovation and new opportunities, create new markets and involve new participants. We therefore welcome the proposal to align the requirements of Glastir Woodland Creation with those of the Woodland Carbon Code.

18. Natural Resources Wales supports all of the proposed strategic targets for Glastir, but we feel that more emphasis could be placed on the need to address flood risk. Based on evidence from projects such as Pontbren, small scale land management measures such as carefully located tree planting have already been prioritised within Glastir Advanced. The relevant GIS layer

also identifies catchments where additional water storage areas and wetland restoration will help to reduce flood risk and improve water quality.

19. We strongly support the Welsh Government's proposal to significantly increase the level of expenditure on woodland creation and management under the next RDP. This should enable the delivery of a wide range of environmental outcomes in an integrated way. Well located new plantings can provide a wide range of multi-functional benefits. An increased emphasis on Forest Management Planning should help to improve the quality of economic and environmental outcomes, especially within those broadleaved woodlands which are currently unmanaged.

## **1. Detailed Response to Consultation Questions**

### ***Q1: Do you agree with the Welsh Governments' proposals for rationalising the framework of agri-environment support under the next RDP?***

#### **1.1. Removing the need to join Entry Level before accessing the higher level elements of Glastir.**

Natural Resources Wales supports this proposal, subject to the introduction of sufficient safeguards.

Ensuring that Glastir Advanced and capital investments are more accessible will focus scheme resources on the most critical environmental issues. However it will be necessary to avoid the risk that changes on one part of the farm could negate the benefits which have been contracted for elsewhere. For example, the preparation of a resource management plan should remain a pre-requisite before investing in increased slurry storage. A basic code of practice, applicable to all Glastir schemes, should be used to prevent damage to any environmental features not covered by participation in Glastir Advanced.

#### **1.2. Introducing a single scheme for common land as well as introducing greater flexibility when negotiating stocking densities.**

Natural Resources Wales strongly supports this proposal.

A single scheme for common land will reduce administrative costs for all parties by removing the need to issue separate SSSI consents for both elements of the scheme. Only one negotiation over stocking levels will be required and it will be easier to develop Glastir contracts which are more precisely focussed on the particular circumstances and objectives of each common.

To ensure capital works projects can be made available under Glastir Advanced, the owner of the common will need to be included in the membership of the Grazing Association in most cases.

### ***Q2: Do you agree with Welsh Government's proposals to improve engagement with land managers under the next RDP?***

## 2.1. Introducing facilitators to work with potential Glastir applicants

Natural Resources Wales strongly supports this proposal. Investment in land management or infrastructure should be underpinned by a parallel commitment on the part of applicants to enhance their skills and knowledge.

Improved understanding of the aims of Glastir and its various requirements is vital. We welcome the proposed use of facilitators as it is a proven and effective approach<sup>3</sup>. Early engagement of land managers is likely to increase uptake of Glastir and improve the quality of scheme outcomes.

Those holding Glastir contracts should be able to promote the benefits of the scheme and help to clarify any misconceptions amongst the rural community. Existing scheme participants can assist prospective applicants and advise new contract holders. Alongside regular on-farm training events, it would be worth considering a formal system of mentoring, similar to that used in Young Entrant Support Scheme (YESS).

The proposed knowledge transfer system should provide a better appreciation of what is needed to deliver more sustainable land management practices. Increased engagement based on practical examples will help make the Ecosystem Approach more meaningful for land managers.

Environmental advice is still seen as irrelevant by some farm businesses. Others view such advice as a route to embedding innovative and profitable business practices<sup>4</sup>. Facilitators can help farmers make the link between improved competitiveness and better delivery of ecosystem services. Effective advice packages covering a range of agricultural sectors already exist<sup>5,6</sup>. The new Wales RDP should use these kinds of approaches to encourage interventions that make such 'win-win' approaches financially tenable.

In principle, Natural Resources Wales would be prepared to contribute to the knowledge transfer process by providing a catchment officer based advisory service to cover the forestry and woodland creation elements of Glastir. Such a service would need to be part of a wider partnership comprising Welsh Government Glastir staff, NGOs and the private sector. We would only do this if the full costs of this new service were provided by the Welsh Government, using the provisions of the knowledge transfer, advice and co-operation

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<sup>3</sup> *Knowledge Transfer and Innovation relating to the Wales Rural Development Plan and European Innovation Partnership 2014-20*. Wynne-Jones, S. Wales Rural Observatory. October 2013.

<sup>4</sup> *Exploring the Concept of Sustainable Intensification. Report for the UK Land Use Policy Group by ADAS and Les Firbank Ecosystems*. January 2013.

<sup>5</sup> *Environmental Cost Benefits Datasheets for Farming Connect. Report to Countryside Council for Wales and Welsh Government by Cumulus Consultants and FWAG Cymru*.

<sup>6</sup> *Integrated Advice Pilot Project. Defra funded project FF0204*.



articles of the EC Rural Development Regulation. Further discussion will be necessary to clarify roles and responsibilities.

### 2.2. Regularly reviews of the Glastir Strategic Communications Strategy

Natural Resources Wales supports this approach, but believes that alternatives to digital channels should remain available for those who need them (see below).

### 2.3. Introducing an on-line system as the only way to access Glastir

Despite the numerous advantages arising from an on-line application system, Natural Resources Wales has reservations about making this the sole route for gaining access to Glastir. The current poor coverage of rural broadband may restrict many applicants. Some may need to improve their current systems, whilst others may have concerns about making an application through third parties. All of these factors may combine to reduce initial interest in the scheme, in turn reducing the opportunities for tackling the most pressing environmental issues via Glastir Advanced.

An alternative approach would be to improve the attractiveness of on-line applications, whilst retaining paper-based systems for those who still need them. The Welsh Government may wish to carry out an Equality Impact Assessment and provide access to training and mentoring on the use of on-line systems via other parts of the RDP.

### 2.4. Funding development officers to facilitate co-operative applications & providing higher payments in recognition of the benefit of capacity building.

Natural Resources Wales welcomes the proposal to encourage more co-operative working. This builds on previous experience gained from the Glastir Commons scheme. Sufficient resources should be earmarked for this within the RDP Technical Assistance budget and/or the new RDP measures relating to Human & Social Capital. In addition, it is important that new groups are provided with sufficient support and time to develop before making any funding applications<sup>7</sup>.

Co-operative schemes can provide significant landscape scale benefits through promoting “joined up” actions within river catchments and existing habitat networks. New habitat networks could be developed in order to contribute to climate change adaptation and mitigation; flood risk management; improved water quality; new recreation opportunities and a more strategic approach to landscape enhancement. It would be sensible to try and integrate Glastir into other landscape scale approaches such as the Wildlife Trust’s work on “Living Landscapes”, the RSPB “Futurescapes” project and the work of the Wales Biodiversity Partnership ecosystem groups in defining priority areas for action across Wales.

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<sup>7</sup> *Identification of Delivery Mechanisms for Welsh Top-Tier Agri-Environment Schemes (2006). Mills, J., Gibbon, D., Dwyer, J. Short, C., and Ingram, J. Countryside Council for Wales Research Report 06/15.*

Natural Resources Wales recommends that the co-operative approach is used to promote the delivery of targeted measures for the management of water and diffuse pollution, build ecosystem resilience and reduce flood risk to downstream communities. We would welcome further involvement in the development of any such programmes and projects.

The proposed increase in payment rate for those prescriptions undertaken as part of a co-operative approach should help to enhance participation rates. Providing a tangible recognition of the increased transaction costs involved in this kind of activity will send a positive signal of the Welsh Government's intentions.

Natural Resources Wales welcomes the proposal to place more emphasis on the need for a Forest Management Plan to underpin the provision of public support under the woodland management scheme. The level of detail required should be proportionate to the size and significance of each woodland.

***Q3: Do you agree with the Welsh Government's proposals for future implementation of the Glastir Entry Scheme under the next plan?***

**3.1. Keeping Entry Level open, but developing a more selective approach.**

Natural Resources Wales supports the retention of Entry-level (subject to modifications) in the short term, but advocates a focussed approach to this part of Glastir thereafter. In light of Welsh Government and EU targets for water, biodiversity and climate change, we feel that Glastir Entry needs to improve on the level of environmental outcomes provided. At same time there are advantages in ensuring that the scheme remains widely available.

Several farm assurance schemes require farmers to hold some form of agri-environment contract and the retention of Entry level will assist with this. Entry level often said to provide a step-by-step approach for those uncertain about scheme participation. More evidence about the extent of this kind of process would be helpful.

Natural Resources Wales believes that Glastir Entry could deliver an improvement in outcomes through ensuring that only the most environmentally beneficial options are accepted in particular locations (a "directed choice" mechanism). Alternatively, uptake of some of the less demanding options could be linked to those providing more substantial environmental benefits (the "menu" approach).

The decision to delay a more fundamental review of Glastir Entry represents a pragmatic response to the need to focus on rolling out the new system of area-based CAP Direct Payments. It will also help to ensure that the existing Glastir scheme maintains momentum.

**3.2. Ensuring popular maintenance options provide more environmental benefits.**

Natural Resources Wales feels that a case-by-case approach is required. We would welcome further discussions with Welsh Government on this.

Some maintenance options (such as those applying to hay meadows) can be an important part of a “mixed offer” by ensuring that the more challenging options appear more palatable to participants. Such options also ensure that farmers are rewarded for managing existing high quality habitats and for preserving soil carbon. Whilst this is sometimes referred to as ‘deadweight’ in economic terms, such payments should more properly be seen as a payment for ecosystem services (since such management is rarely rewarded by the market). For instance, if the presence of a zero input grazing option prevents the intensification of semi-natural pasture, and a resultant reduction in ecosystem services (especially where such action might be a reasonable response to market conditions) then this benefit is still attributable to the scheme.

By contrast, the use of options 15B and 15D (low input grassland) should be restricted to avoid damage to existing semi-natural grasslands, adjacent wetlands and watercourses. The current maximum permitted rates of fertiliser application (up to 50kg/ha of inorganic nitrogen alongside up to 50kg/ha of organic nitrogen per annum on all permanent pastures) may well involve incentivising environmental damage.

In relation to the above, existing research has shown that nitrogen applications of 25 kg/ha per year (applied as inorganic fertiliser) can cause significant damage to the flora of species-rich grasslands<sup>8</sup>. Welsh Government targets intended to stem the loss of Biodiversity Action Plan priority grassland habitats are likely to be compromised by the use of options 15B & 15D should they continue to be deployed on semi-natural grasslands. The current maximum permitted level of nitrogen (100kg/ha per year) appears to exceed existing application rates on less intensively managed improved grasslands within Wales<sup>9</sup>; casting doubt on the extent to which these options are changing farmer behaviour and providing meaningful environmental benefits. In some circumstances, the application of inorganic fertiliser may also be contrary to the requirements of the EIA (Uncultivated Land) Regulations.

It will be both difficult and costly to restore the biodiversity of semi-natural grasslands once these have been damaged. We therefore recommend that Options 15B and 15D should only be permitted on agriculturally improved grasslands. These still account for more than 90% of the lowland grasslands in Wales.

Several other Entry Level prescriptions should also be re-assessed. For example, the hay meadow options (22 and 124) have no maximum rate for

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<sup>8</sup> *Smith, R.S. (1993). Effects of fertiliser on plant species, composition and conservation interest of UK grassland.*

the application of manure, even though the correct nutrient levels are critical for the maintenance of biodiversity.

### 3.3. Removing those options where there has been limited demand

Natural Resources Wales would prefer to see some of the less frequently used options being retained when there is potential for significant environmental gain. Examples include the prescriptions for creating arable fallow margins, rough grass margins and unharvested cereal headlands, all of which can benefit rare arable weeds and farmland birds. Whilst the underpinning IT may have been costly to develop, removing these options seems unlikely to provide significant savings. Glastir Entry may appear simpler to applicants, but the benefits will be largely presentational. Uptake of some of the less popular/more demanding options could increase once facilitators have been introduced and/or the Entry Level scheme becomes more selective.

As part of the review it would also be worth considering whether any new management options are required. In the case of peatlands, the lack of a suitable management category is resulting in the application of unsuitable management prescriptions on some sites.

### 3.4. Increasing the appeal of Regional Packages by reducing qualification requirements; reviewing the options within each group and awarding 15% more points on each of the qualifying options.

Natural Resources Wales supports the suggested approach.

Any improvement in the uptake of those Entry Level options best suited to particular localities would be welcome. The full range of Welsh Government objectives regarding biodiversity, water quality, water management, climate change mitigation & adaptation should be reflected in the way that Regional packages are constructed in future.

Uptake of the regional packages has been poor owing to a combination of poor presentation, complexity and insufficient incentives. An on-line approach to the application process would help to improve the presentation of Regional Packages, but improvements could also be made to the current paper based system.

Regional packages would be less necessary if the Entry Level scheme was modified to ensure each contract provides more significant environmental gain e.g. Regional packages represent a short term solution until the Entry Level scheme becomes more selective.

We would welcome the opportunity to assist Welsh Government in re-designing the existing Regional Packages.

### 3.5. Retaining the £34 per ha / 34 points system of re-imburement.

Natural Resources Wales broadly supports this proposal, subject to regular review.

The retention of the existing payment rate represents a pragmatic response to ensuring the availability of Entry Level across a substantial proportion of Wales. However, several of the earlier proposals in the consultation document may result in a more demanding Glastir Entry scheme. This might only be attractive at a higher payment rate, the introduction of which could have a knock-on effect in terms of the need to maintain sufficient incentives within Glastir Advanced.

Gross margins have increased since 2010, but the previous Glastir Review and Stocktake exercises have made it easier for farmers to enter the scheme. Many applications were received during the 2013 window, but some farmers have subsequently decided not to sign a contract. The reasons for this should be reviewed to confirm that current payment rates are not a significant factor.

### 3.6. Developing a prioritisation mechanism for selecting Glastir Entry participants

Natural Resources Wales supports the proposed approach.

The prioritisation of Entry level applications will help to prevent this part of the scheme from dominating the budget; ensuring that resources can be focused on more targeted actions directly relevant to the Ecosystem Approach.

We would welcome the opportunity to work with Welsh Government on the proposed prioritisation mechanism. This could be based on selecting those applications providing the most environmental benefit, or it could involve a geographical focus. For example, the new system could be used to maximise the uptake within particular catchments. Alternatively, the Welsh Government could retain a demand-led scheme, whilst making it clear that it was prioritising offers to undertake those options most suited to providing the maximum environmental gain in particular locations (the “directed choice” mechanism).

Targeting would maximise benefits at a landscape scale with added value for ecological connectivity, water quality and reductions in flood risk. Such an approach would improve the resilience of the farmed landscape, both agriculturally and environmentally.

## ***Q4: What are your views on the Welsh Government’s proposals for supporting capital investments under the next plan?***

### 4.1. Offering a single modernisation support scheme with higher funding rates for young farmers and new entrants.

Natural Resources Wales supports the suggested approach.

Our response to the previous RDP consultation welcomed the use of loans and innovative financial instruments alongside grants. Support should be linked to a commitment to prepare and implement the relevant management plans as well as to participate in continued training and development. Such an approach is particularly relevant to young farmers and new entrants as

environmentally damaging activity often occurs following a transfer of management control.

The reference to “Sustainable Production” rather than “Sustainable Intensification” is particularly welcome. This signals a more balanced approach; taking account of the value of land management products as well the volume of production.

Combining the current Young Entrant Support Scheme (YESS) with Glastir Efficiency Grants (GEG) should reduce administrative overheads for young farmers and new entrants. Uptake of GEG (which provides significant support for improved management of slurry systems) has been lower than expected and loans may help to increase participation rates.

Resilience to extreme weather events can be improved by upgrading farmyard infra-structure. Advice and financial assistance are equally important. Support for better slurry storage and the separation of dirty and clean water will help reduce the risk of both point source and diffuse pollution. The construction of on-farm wetlands (using natural systems to clean up some of the less polluted run-off from farmyards) should also be encouraged.

The new investment measures should also address the impact of atmospheric nitrogen deposition. This has had a profound impact on terrestrial biodiversity, reducing the number of plant species within protected habitats across the UK<sup>10</sup>. Agriculture accounts for 90% of ammonia emissions throughout Europe and the UK<sup>11</sup>. Impacts on habitats close to intensive pig, poultry and beef units have led Defra to conclude that "the reduction of ammonia emissions from agriculture is a priority"<sup>12</sup>.

#### 4.2. Introducing a new Small Grant Scheme

Natural Resources Wales supports this proposal and would welcome an opportunity to work with the Welsh Government on the design of any new scheme.

Simple small low-risk grants can act as an incentive, encouraging land managers to provide more benefits in terms of natural resource management. They can also assist those who are ineligible to enter Glastir and/or provide an introduction to the other RDP measures. We understand that the Welsh Government expects all applicants for the small grants scheme to obtain a Customer Reference Number (CRN). Experience from current Glastir woodland schemes shows that that the process of obtaining a CRN can deter

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<sup>10</sup> *Collation of evidence of nitrogen impacts on vegetation in relation to biodiversity objectives. (2011) Stevens et al., JNCC Report 447.*

<sup>11</sup> *Ammonia and Nature Conservation Factsheet (2011). Environment Agency.*

<sup>12</sup> *Review of Transboundary Air Pollution: Acidification, Eutrophication, Ground Level Ozone and Heavy metals in the UK (RoTAP 2012). Contract report to the Department for Environment, Food and Rural Affairs. Centre for Ecology and Hydrology.*

applicants. It will be important to avoid similar experiences when developing the new scheme.

Whilst funds will be limited, small grants can contribute to a wide range of Welsh Government objectives such as control of invasive species and predators; small scale tree-planting; river crossings for livestock; agro-forestry; biodiversity, landscape maintenance and enhancement. Small grants could also be used to cover the costs of the specialist species surveys needed to inform other Glastir projects.

To control demand, a limit should be set on the maximum grant per individual holding. We would also suggest limiting the amount that can be spent on particular activities; reducing the risk that demand for certain types of projects will exhaust the small grants budget. These kinds of financial controls should reflect Welsh Government's overall environmental priorities and targets.

The new scheme should be accessible at community level for use by Local Action Groups (LAG's). This would mirror the approach in the ongoing RDP consultation in respect of the proposed Rural Community Development Fund. Natural Resources Wales has previously suggested that some elements of Glastir could be delivered at a local level. This could help to develop genuinely "place-based" solutions; generating improved buy-in from individual land managers<sup>13</sup>.

LAG's could provide a cost effective way of ensuring that projects carried out under the small grants scheme are well designed. For example, new ponds and small scale tree planting need to be carefully sited in order to avoid damage to existing habitats.

Small grants could help to deal with a range of issues which have proved difficult under the existing Glastir scheme, For example:

- The National Assembly for Wales Inquiry into Invasive Non Native Species (INNS) recommended the adoption of a river catchment approach to management<sup>14</sup>. The Small Grants Scheme may prove more effective than Glastir Advanced, especially when trying to deal with small patches of infestation or areas not located on farms.
- The repair of dry stone walls was excluded from Glastir Entry for budgetary reasons, but small grants could be more cost effective;, especially if limited to landscapes where stone walls are a characteristic feature and are accessible to public view.

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<sup>13</sup> NRW evidence to NAW Sustainable Land Management Inquiry. January 29<sup>th</sup>, 2013.

<sup>14</sup> National Assembly for Wales, Environment and Sustainability Committee: Inquiry into Invasive Non Native Species. January 2014

- Traditional orchards are a section 42 habitat<sup>15</sup> and are important for landscape reasons. They can also provide an important community focus. Many traditional orchards are currently ineligible for Glastir as they are located on smallholdings or on land not being used for agriculture. The proposed changes regarding eligibility for Glastir Advanced may make it easier for traditional orchards on the larger farm holdings to enter the scheme, but many traditional orchards will still be too small to qualify. Work under the small grants scheme should emphasise restoration of existing orchards rather than the creation of new ones.
- Unimproved lowland grasslands are another increasingly fragmented and vulnerable section 42 habitat. Lack of management and agricultural improvement are both contributing to the process of decline. Whilst Glastir Advanced provides support for habitat maintenance within agricultural holdings, a significant proportion of the remaining resource is located on small holdings which are ineligible for the scheme. Small meadows and pastures, often located around the edge of settlements, can provide a valuable amenity resource, alongside supporting pollinators and European Protected Species such as marsh fritillary butterfly. Small grants could be a very effective way of supporting the ongoing management required.
- The Pitt Review<sup>16</sup> identified three types of Natural Flood Management (NFM) measures:
  - (i). Water retention through management of infiltration, in particular by protecting or enhancing soil condition;
  - (ii). Provision of flood storage such as on-farm reservoirs or enhanced wetlands and washlands;
  - (iii). Slowing the flow of water by improving the management of river and adjacent land, including the planting of cover crops and the restoration of smaller watercourses to a more natural alignment.

These kinds of techniques help to protect, emulate, or restore the natural processes which regulate flooding and erosion. They also provide benefits in terms of biodiversity, reductions in Greenhouse Gas (GHG) emissions and water quality. Grants for small woodlands, fencing of riparian zones and hedgerow planting could all be used in ways that promote rainwater infiltration, reduce the speed of run-off and improve water quality<sup>17</sup>.

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<sup>15</sup> Section 42, Natural Environment & Rural Communities Act 2006: List of habitats and species of principal importance in Wales.

<sup>16</sup> The Pitt Review: Lessons learnt from the 2007 Floods (Cabinet Office, 2008)

<sup>17</sup> The Pontbren Project: A farmer-led approach to sustainable land use management in the uplands. (2013) The Woodland Trust / Coed Cadw and Coed Cymru.



***Q5: What are your views on the Welsh Government's proposals for supporting the sustainability of the uplands through agri-environment measures?***

Sustainable upland management provides multiple benefits. Alongside the economic and social gains arising from agriculture and forestry, these benefits include carbon and water storage; water quality; biodiversity; landscape and recreation. In particular, the links between maximising the benefits to natural resources and the intensity, timing and level of livestock grazing are often critical.

5.1. Introducing minimum stocking rates.

Natural Resources Wales supports the suggested approach which will complement the existing use of maximum stocking rates.

We have previously advocated the use of minimum stocking rates in agri-environment schemes in order to deal with the under-grazing issues now evident in a number of parts of Wales, such as the Elan Valley, the Berwyn and the Black Mountains.

5.2. Introducing seasonal adjustments in grazing patterns.

We support the adoption of a more flexible approach. This should benefit both farmers and the environment, although it will be important to ensure that all parties have sufficient time to negotiate the most appropriate stocking regime. Operational teams within Natural Resources Wales already provide support on statutory sites and Contract Managers are able to do the same within Glastir Advanced. However, a new approach will be needed in order to deal with those Entry Level applications involving non-statutory sites. These sites constitute a significant biodiversity resource in total.

The existing Entry Level upland prescriptions were designed from a national perspective and apply to a variety of habitats. As a result, they are often inappropriate at local level. In particular, standard prescriptions involving relatively low stocking rates are particularly unsuited to those extensive sites requiring relatively high levels of grazing (often due to the presence of species such as golden plover).

Most upland habitats are semi-natural in character and their continued survival requires some form of ongoing agricultural management. This was traditionally provided by mixed grazing with sheep, cattle and/or ponies, but more recently the emphasis has shifted to sheep.

The current Glastir upland management prescriptions (especially those used on heathland) can be difficult to reconcile with modern farming practices. In particular, most sheep systems are now based on ensuring a steady decline in the nutritional quality of the available grazing prior to putting the ewes to the ram. This reduces the chances of the ewes producing multiple lambs (which

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are unlikely to be returned to semi-natural rough grazings during the following summer). The required decline in the nutritional intake of the ewes is achieved either by grazing semi-natural vegetation during the autumn or by maintaining high stocking rates on enclosed land. The former runs counter to the current Glastir prescriptions (which are designed to protect heathland vegetation from overgrazing in September) whilst the latter can have adverse implications for soil and water quality as well as flood risk.

The current approaches used for setting grazing patterns on a seasonal basis within both Glastir Entry and Glastir Commons sometimes fails to meet environmental objectives, nor are they well suited to current farming practices. However, it may be possible to address both objectives by using a combination of an annual average stocking rate combined with a more flexible approach to the maximum stocking rates applied during any one season.

Annual average stocking rates for each land parcel should be established according to the mix of vegetation types actually present. The suggested more flexible maximum rates should then be set for each season according to the desired environmental objective. This may relate to ground nesting birds such as curlew or golden plover or to the predominant vegetation type.

Our suggested approach is based on the recognition that an appropriate level of grazing of upland habitats during the growing season is required to maintain the right balance between grasses and heathland species. Establishing a minimum level of grazing early in the growing season will help to slow grass maturation, ensuring it remains palatable until later in the year. Sheep numbers can then be increased in early autumn without adversely impacting on plants such as heather. This would otherwise be grazed preferentially as soon as the grass becomes less palatable.

We recognise that our suggested approach will have to be applied by Welsh Government Divisional Office staff on non-statutory sites coming into Glastir Entry and Glastir Commons. In this context, it is not the maximum stocking rates that will provide the necessary environmental protection, but the annual average. The role of the maximum rates will be to provide the farmer with greater flexibility within the context of the annual average.

Finally, the shepherding of livestock on upland vegetation can help to deal with spatial variations in vegetation type and any unsuitable patterns of grazing. Current EU Audit requirements in relation to the verifying the delivery of prescriptions means that it is often very difficult to address the need for shepherding. Natural Resources Wales would welcome further discussions with the Welsh Government on this issue.

### 5.3. Encouraging mixed grazing

Natural Resources Wales strongly supports the proposal to assist livestock diversification in the uplands as well as on unenclosed lowland habitats. Both cattle and feral ponies play a valuable role in creating more open conditions; breaking up the dominance of species such as purple moor-grass, bracken and gorse. The resulting mixture of habitats supports a greater variety of

wetland plants, invertebrates such as marsh fritillary butterfly and wading birds such as snipe, redshank and golden plover.

The current method of calculating payment rates under agri-environment schemes is based on the “income foregone plus costs incurred” when following a particular prescription. This approach can work well when reductions in grazing are required, but is inappropriate when a particular agricultural activity needs to be maintained or enhanced. In these situations it makes more sense to contribute to the “fixed costs” of the desired form of management<sup>18</sup>.

Natural Resources Wales therefore supports the provision for livestock handling and housing facilities as well as taking account of the costs involved in managing both cattle and ponies on unenclosed areas. Other RDP measures should also be deployed in an integrated way as part of encouraging mixed patterns of grazing. For instance the new RDP could cover the introduction of new technologies, food labelling, support for small abattoirs and the deployment of locally based “champions” able to advise on the management issues associated with both cattle and ponies<sup>19</sup>.

Mixed grazing is less suited to enclosed lowland marshy grassland, especially where marsh fritillaries are present. The food plants of this butterfly are preferentially grazed by sheep and it is recommended that the marshy grassland option should specify the use of cattle and/or ponies only. Alternatively a premium could be offered in return for using cattle alone.

#### 5.4. Using targeted support to control bracken

Natural Resources Wales supports this proposal which provides additional opportunities for woodland creation as well as contributing to the better management of existing habitats.

Reducing the amount of bracken on many unenclosed areas will result in environmental benefits - either by directly reducing the impact of bracken on sensitive species or by ensuring that semi-improved habitats can be grazed more effectively. We welcome the recognition that safeguards are necessary on sites hosting key species reliant on bracken cover such as fritillary butterflies and tree pipit.

The suggested use of the Small Grants Scheme to control bracken implies that some limit on expenditure will be necessary. If not, the majority of funds could very quickly be spent on popular measures such as bracken control, especially if this included aerial spraying. The cost of effective bracken control over large areas will be very significant and it may be more appropriate for this measure to be located elsewhere within the RDP.

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<sup>18</sup> *Land Use Policy Group (2011). Alternative payment approaches for non-economic farming systems delivering environmental public goods. Scottish Agricultural College and Institute for European Environmental Policy.*

<sup>19</sup> *Examining the role of cattle grazing in delivering improved biodiversity outcomes in the uplands (2011). Report by Cumulus Consultants in association with AgriPlan Cymru. Countryside Council for Wales Research Report No 11/7 (269 EPG 10).*

Natural Resources Wales will be able to contribute to the evidence base required to underpin any large areas of bracken control, in particular with regard to the potential impact on section 42 species.

#### 5.5. Creating an additional prioritised target area for Glastir Advanced which covers enclosed farmland above 400m

Natural Resources Wales supports this proposal, which will help to address the needs of those farmers unable to access the Glastir commons scheme. Some form of interim measure may be necessary to bridge the gap between any reduction in direct payments arising from the use of the new moorland zone and the introduction of the new approach under Glastir Advanced.

Following the latest round of CAP reform, all land above 400m will receive a significantly lower level of Direct Payments. Many farmers with agriculturally productive acid grassland within this zone may now choose to reduce their level of farming activity, in particular by abandoning the use of cattle. The application of Glastir Advanced to these areas may help by replacing part of the previous direct payment with a new contract to provide specified environmental benefits e.g. by grazing the land with cattle or blocking existing drains as part of managing water quality, carbon and biodiversity.

#### ***Q6: What are your views on the Welsh Government's proposals to support woodland management and creation under the next RDP?***

##### 6.1 Allocating more of the RDP budget to woodland planting & management.

Natural Resources Wales strongly supports the proposal to increase investment in woodland planting and management in recognition of the wide range of ecosystem services provided by these measures. Sufficient critical mass is needed to provide real improvements, especially at a catchment scale. At the same time it will be important to target where woodland creation and management can deliver the maximum environmental gain, whilst at the same time as avoiding damage to section 42 habitats and species.

As part of developing a new approach to the woodland element of Glastir, it will be necessary to signpost how each part of the Scheme is related to the others. In particular, small grants for tree planting could be seen as a "first steps" scheme. It will be worth revisiting the lessons learned from the previous successful scheme run by Coed Cymru.

We welcome a more flexible approach to the use of Glastir woodland contracts and the proposal to reduce waiting times for applicants. The proposed increase in budget will help to address new woodland creation, the introduction of sustainable woodland management and address the impacts of tree diseases. Limitations on staff numbers have restricted the range of woodland management options offered under Glastir Advanced contracts with priorities not always being addressed on woodland SSSI's.

Within the Glastir Woodland Management Scheme, more flexibility is needed in order to restore plantations on ancient woodland sites (PAWS). One option

would be for the proposed new woodland habitat restoration payments to be available for PAWS restoration as well. This would support forest owners in undertaking best practice management, such as gradual thinning.

We support the current practice of not providing grant aid for the re-planting of conifers within PAWS. The impact of *Phytophthora ramorum* (and the associated removal of larch) is a key consideration since other conifer species are less well-suited to being used as components of PAWS restoration plans.

Natural Resources Wales has a number of regulatory responsibilities in relation to woodlands, in particular Felling Licences, Statutory Plant Health Notices & the EIA Forestry Regulations. We are therefore well placed to undertake the technical assessment of Glastir woodland schemes, although any such change in responsibilities would require an appropriate resources allocation to NRW from the Welsh Government. Further discussion to clarify roles and responsibilities will also be needed.

#### 6.2. Aligning Glastir Woodland Creation with the Woodland Carbon Code.

Natural Resources Wales strongly supports this proposal and wishes to work with Welsh Government to make Glastir part of a workable mechanism for ecosystem services payments as well as developing other suitable schemes designed to reward the provision of ecosystems services.

The Woodland Carbon Code (WCC) accredits woodland carbon sequestration so that forestry planting schemes can attract funding from corporate social responsibility (CSR) budgets. It provides a model that can be extended to markets for other ecosystem services. The WCC includes strict sustainability criteria to ensure woodland management for carbon is not detrimental to other ecosystem services. There are currently fifteen pilot projects in the UK and seven registered sites in Wales with total credits of 116ktC<sup>20</sup>.

#### 6.3. Awarding Glastir Woodland Management contracts on a rolling basis, with payments commencing at the start off the next calendar year.

Natural Resources Wales supports this approach which appears to mirror the system used for agricultural contracts.

#### 6.4. Reviewing the Woodland Opportunities Map.

Natural Resources Wales supports this proposal. The new map could be linked to the production of Forest Management Plans, with the design process used to balance the possible range of benefits whilst reducing the risks of unintended negative impacts.

The proposed review should address the potential to reduce flooding to communities at risk; tackle diffuse pollution; improve the resilience of individual farms and develop habitat networks that will assist both nature and

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<sup>20</sup> Woodland Carbon Code

people in adapting to climate change. Woodlands can substantially benefit farm businesses by providing better shelter; thus improving livestock health and welfare. Woodland creation and small scale tree planting can benefit local communities through a combination of temperature regulation; air quality improvement; sustainable drainage and new recreational opportunities.

The Glastir Woodland Creation Scheme should be flexible enough to ensure the use of the right woodland type on each site, with the choice of tree species taking account of climate change predictions. Additional incentives, appear to be necessary as part of encouraging woodland expansion in areas of high ecological value. For example, natural regeneration would be the best option in some locations, but is currently ineligible for Glastir funding.

The 'traffic light' system underpinning the current Woodland Opportunities Map was originally conceived as a guide to where consultation was necessary. Problems have resulted from current limitations on the availability of detailed and consistent maps for all habitats and species across Wales. Maps should only be used as a guide; input by suitably trained staff will always be required in order to assess the suitability of sites for planting.

Woodland expansion has many benefits and is a Welsh Government target as well as a commitment within the Welsh Government's Woodland Strategy. The careful targeting of new woodland planting alongside the need to protect existing semi-natural habitats and species will be essential. The Environment Bill White Paper proposes that Welsh Ministers should issue a statement on National Natural Resources Policy and that Natural Resources Wales should take forward an area based approach. In both cases it will be necessary to identify the best uses for land in order to maximise benefits for the environment, economy and people of Wales.

New plantings on agricultural land need to be integrated within the business if they are to appeal to farmers. The Pontbren project has shown that the planting of small areas of land can provide numerous benefits without reducing agricultural productivity. New woodland has assisted with livestock management by creating new shelterbelts and enabling better control of livestock, particularly near streams. New plantings can also improve resilience to extreme weather events by increasing the rate at which rainwater infiltrates into the soil, reducing run-off and flood risk to communities downstream. A recent report on Pontbren states: "*The farmers feel that the successful integration of woodland management into upland livestock farming has also 'future proofed' their farms, by improving the capital value of the land, making it more resilient to the effects of severe weather events as the climate changes, and substantially reducing the risk of accidental breaches of bio-security and water pollution standards<sup>21</sup>.*" During the severe snow fall in early 2013, farmers reported fewer snowdrifts as well as earlier grass growth due to the micro-climate created in the lee of shelterbelts. Such potential benefits should be clearly communicated to farmers from the outset.

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<sup>21</sup> *The Pontbren Project: A farmer-led approach to sustainable land use management in the uplands. (2013). The Woodland Trust / Coed Cadw and Coed Cymru.*

An additional contribution to the woodland opportunities map will soon be available through the ongoing work of Defra, Environment Agency, NRW and Welsh Government. This draws on Water Framework Directive (WFD) status information and looks at sediment, phosphate, nitrate, pesticide and faecal organism loads through a mix of known water body failures and modelling. Natural Resources Wales has also commissioned further work for the Dyfi, Tawe and Rhondda catchments as part of trialling an integrated approach to natural resource management.

#### 6.5. Creating a joined-up advisory service covering all aspects of agri-environment and forestry

Natural Resources Wales strongly supports this proposal.

The selection of sites for woodland creation would be improved by having sufficient well-trained staff to input to the preparation of the proposed Forest Management Plans. The existing process is based on delivering a simple scheme at minimum cost, but the provision of better advocacy and advice (as per section 3.6.3 of the consultation document) should enhance the capacity of the scheme to deliver multiple benefits.

A joined up advisory service covering both agriculture and forestry should support the roll-out of an appropriate mix of interventions at the appropriate scale. In particular, the new approach should be capable of delivering catchment scale interventions capable of providing an integrated approach to flood risk management, water quality, biodiversity, landscape and recreation.

The new advisory service should also seek to integrate woodland and agricultural management. Most of the undermanaged woodland on Wales is on farmland.

In principle, Natural Resources Wales would be prepared to contribute to the knowledge transfer process by providing a catchment officer based advisory service to cover the forestry and woodland creation elements of Glastir. Such a service would need to be part of a wider partnership comprising the Welsh Government's Glastir staff, NGOs and the private sector. We would only do this if the full costs of any such new service were provided by the Welsh Government (using the provisions of the knowledge transfer, advice and co-operation articles within the new EC Rural Development Regulation). Further discussion will be necessary to clarify roles and responsibilities.

#### 6.6. Continued support for investment in forestry SME's using a similar model to the current Process & Marketing Grant

Natural Resources Wales welcomes the proposals for supporting woodland management and introducing measures to make woodlands more economically self sustaining. Support is required to meet the objectives of sustainable forest management. The proposals parallel those made available to the agricultural sector under the new Sustainable Production Scheme. All investments should be made within the context of an appropriate Forest Management Plan.

### 6.7. Continued support for woodland management including improved economic performance and the use of restoration payments.

Natural Resources Wales strongly supports the introduction of a simple Forest Management Plan (FMP) framework as part of the Glastir Woodland Management Scheme. Such plans should enable landowners to manage their woodlands more effectively. The level of detail should be proportional to the amount of woodland present and its significance. Some kind of *de-minimis* provision should also be introduced.

FMPs should assist owners to gain certification by addressing relevant elements of the UK Woodland Assurance Standard (UKWAS). All plans should be prepared by intermediaries equipped with the appropriate skills. Natural Resources Wales could be tasked with reviewing and approving FMP's in parallel with making regulatory decisions in relation to Felling Licences, Statutory Plant Health Notices and the EIA Regulations. Any such change in responsibilities would require an appropriate allocation of resources to NRW from the Welsh Government.

We support the use of area based payments for “woodland habitat restoration” but the examples provided in the consultation document are limited to describing a shift to more open habitats. Area based payments could also support conversion to native woodland or the creation of integral open space within afforested areas. Both such measures would be consistent with the UK Forestry Standard (UKFS) Guidelines on Biodiversity.

The proposed use of area payments to cover the restoration of afforested peatlands is welcome. A number of priority sites in Wales have already been identified<sup>22</sup>. Area payments will provide an additional mechanism for addressing Water Framework Directive and Habitats Directive targets as well as improving resilience to extreme rainfall events.

In seeking to address the problem of acidification, woodland habitat restoration payments should target long term restructuring within the context of a Forest Management Plan. Any temporary removal of woodland in order to reduce airborne pollutant scavenging needs to be consistent with the UKFS Forest and Water Guidelines. Additional options for improving water quality within wooded catchments, such as ameliorating the impacts of historic drainage systems and prioritising work to protect habitats at risk of acidification, are set out in the UKFS Guidelines on improved drainage systems. Much of the necessary work could be supported during ongoing woodland management interventions such as thinning, felling or restocking.

### 6.8. Prioritising the replanting of disease affected forest stands.

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<sup>22</sup> *A Strategic Assessment of the Afforested Peat Resource in Wales. Elena Vanguelova, Samantha Broadmeadow, Russell Anderson, Sirwan Yamulki, Tim Randle, Tom Nisbet and James Morison. October 2012.*



In principle, Natural Resources Wales supports proposal to maintain existing forest cover by prioritising the re-planting of disease affected stands in preference to the creation of new woodlands.

Support for woodland restoration should be targeted to those areas where re-planting and a return to tree cover is a priority. A system of GIS-based objective layers could be used as in Glastir Advanced. The emphasis should be on statutory sites, Ancient Woodland and the creation of more robust habitat networks. This approach should be balanced against the need to return prematurely felled woodlands to productivity. Species selection should take account of the need to improve woodland resilience to climate change as well relevant local factors e.g. by using simple rules such as “no planting of conifers on ancient woodland sites” as is already the case within Glastir.

#### 6.9. Support for monitoring outbreaks of tree disease and restoring damaged woodlands

Natural Resources Wales welcomes the suggestion that the RDP Technical Assistance measures could be used to assist with survey work on *Chalara fraxinea*. NRW believes that this disease could have a significant impact owing to the risk of large scale loss of ash trees in woodlands and the wider countryside. This will have a range of adverse impacts, especially on landscape and biodiversity.

Following recent discussions at the Welsh Government’s Tree Health Steering Group, we understand that Natural Resources Wales may be charged with a new duty to carry out monitoring, surveillance and advisory work in relation to tree disease. Should this be the case, an appropriate level of support to NRW will be required under the RDP Technical Assistance budget. All work carried out by under any such duty would naturally benefit the private sector as well the Welsh Government Woodland Estate.

In principle, Natural Resources Wales supports the proposal to maintain existing forest cover by supporting the re-planting of disease affected stands in preference to the creation of new woodlands. Restoration programmes should be targeted to those areas where re-planting and a return to tree cover is a priority. An easily accessible re-stocking grant should be deployed to assist private woodland owners and managers in ensuring that all replanting is as resilient as possible. In view of the unprecedented scale of *Phytophthora ramorum* infection of larch trees in Wales in recent years, it would be advantageous if the State Forest provisions within the new Rural Development Regulation could be used to address any underspends in the woodland budget.

As part of the woodland restoration process, any site identified as a Plantation on an Ancient Woodland Site (PAWS) should be restored to broadleaved woodland. Additional incentives may be needed to make broadleaves attractive to those owners who wish to pursue commercial objectives. Such owners may otherwise choose to replant with commercial species outside of any grant scheme.

RDP and/or ERDF funding could be invested in local tree nurseries to stimulate local business opportunities. The Welsh Government could recognise the Charter Mark scheme within relevant parts of the Glastir scheme guidance and as part of training courses for both advisors and participants.

Where native species are being planted, we recommend that the Welsh Government emphasises the importance of using stock of local provenance. This will ensure trees are genetically suited to local conditions. There are already a number of Welsh nurseries specialising in trees of local provenance.

***Q7: What are your views on the Welsh Governments' proposals to improve targeted interventions under the next RDP?***

**7.1. Commissioning an evaluation of existing Glastir contracts and the extent to which they deliver against objectives.**

Natural Resources Wales welcomes this proposal. A systematic process of evaluation should help to ensure that both Welsh Government and the relevant stakeholders are able to take an evidence based approach to the proposed review of the Contract Manager working guidance.

The Welsh Government's ongoing Glastir Monitoring and Evaluation Project (as led by the Centre for Ecology and Hydrology) should assist with the proposed evaluation. It will be important to ensure that this work is carried out at the right level of detail. For example, in dealing with a particular species, the chosen prescriptions should be capable of meeting all of the requirements for the various parts of the life cycle.

The reasons for the lack of public access provision within existing Glastir Advanced contracts should be investigated. The scheme is still at an early stage and the lack of uptake may reflect the views of farmers or the Contract Managers. Evaluating feedback from applicants as well as from Glastir staff should help to identify the issues.

**7.3. Reviewing the Contract Manager guidance & providing additional training**

Natural Resources Wales supports this proposal and would welcome an opportunity to contribute to the review and any subsequent training programme. We currently provide training for Contract Managers on water quality and biodiversity issues. We also anticipate contributing to the new forestry advisory service in future. Our current role helps to ensure a common understanding of the specialist advice we provide on SSSI's and on farms in water quality priority areas.

We remain concerned at current lack of bespoke species prescriptions together with the associated lack of targeting. In particular, this has reduced the ability of Glastir to contribute to the Pollinator Action Plan. In order to complete their life cycles bees, hoverflies and other pollinators require a mixed landscape featuring flower-rich habitats over an extended period from April to September. Ensuring that more semi-improved pastures, hay

meadows, wetlands, hedgerows, scrub and legume-rich leys are available will help to arrest current rates of decline.

Specific management prescriptions suitable for pollinators include introducing flexible cutting dates for hay and rush pastures so that a proportion of flower-rich grasslands can provide nectar-rich forage into September. In addition, a proportion of each flower-rich grassland should be left ungrazed in summer as part of a rotation). The maximum level of fertiliser input should also be reviewed (see comments in section 3.2).

The Glastir Entry level scheme helps to ensure farmers are meeting their legal obligations in terms of public rights of way (PRoW) as well as on access land. This helps to support the work of the Local Highway Authorities. Experience from previous schemes, together with more recent feedback, suggests that the operation of the scheme could be improved by:

- Taking a more proactive approach to ensuring farmers are made aware of their public access obligations;
- Ensuring that individual plans are put in place, where necessary, so as to resolve any potential non-compliance;
- Working more closely with Local Highway Authorities to resolve any issues of non-compliance when such issues are brought to the attention of the Rural Inspectorate Wales (RIW) and Glastir staff.

#### 7.4. Re-evaluating the Glastir Advanced objective layers.

Natural Resources Wales believes that it makes sense to evaluate the quality of the existing GIS layers. For example, the Welsh Government could look to improve the assessments of measures to reduce flood risk as well as prioritising the uptake of Natural Flood Management (NFM) measures within those catchments deemed most likely to benefit.

In principle, we would prefer to see the more problematic layers being improved rather than downgraded. The collection of evidence (and its relative prioritisation according to a rational procedure designed to deliver against Welsh Government objectives) will be central to delivering the ecosystem approach in Wales. Glastir Advanced has made significant progress in this respect - and further investment (possibly via the RDP Technical Assistance budget) will help to benefit the process of developing a more integrated approach to Natural Resource Management.

It is apparent that some holdings with very significant biodiversity value are failing to score enough points to gain access to Glastir Advanced. This problem appears to relate to situations where the relevant features (such as grassland fungi) are not covered by an objective layer nor are there any corresponding prescriptions. These kinds of issues could be dealt with either by improving the quality of the Glastir objective layers or as part of the proposed new part-farm Habitat Network Scheme.

The capacity of Glastir to deliver against multiple objectives would be improved still further if Contract Managers were able to use spatial decision

tools such as Polyscape. Research in the Cambrian Mountains has demonstrated the potential value of this tool in assisting both farmers and their advisors with the kinds of “fine-grained” decisions necessary to underpin landscape and catchment scale plans<sup>23</sup>.

Polyscape is ideal for making broad recommendations and prioritising land-use change. More detailed decisions can then be made the farmer based on their existing and historical knowledge and current practices. For example, Glastir GIS layers may indicate that tree planting in a catchment would reduce flood risk, whilst Polyscape, used in conjunction with local knowledge, can prioritise the changes that are needed. As a result, the location of individual planting blocks can be identified in ways that make most sense in terms of the ecosystem approach - taking into account the needs of sustainable agricultural production as well as environmental priorities.

#### 7.5. Removing the requirement for Contract Managers to identify activity for those GIS layers not meeting the “primary objective” criteria

Natural Resources Wales has concerns about the perverse impacts that may arise from this proposal. The most problematic layers tend to be associated with Biodiversity Action Plan (BAP) and section 42 species. Downgrading the status of these layers will change the balance between the Glastir objectives. Whilst the long-term solution to this problem should involve improving the quality of the relevant layers, alternative approaches are available in the short term. For instance, more consideration could be given to improving data quality in relation to those species whose needs are unlikely to be met by a more generalised approach to “good habitat management”. Such species could then be targeted as part of the proposed new Habitat Network Scheme.

#### 7.6. Developing a habitat network part-farm scheme early in the next RDP

Natural Resources Wales strongly supports this proposal and would welcome an opportunity to contribute to the design of the new scheme.

In dealing with species functioning as meta-populations (such as marsh fritillary butterfly) the proposed scheme will need to operate at a landscape scale. Regional Development Officers will be crucial in ensuring the necessary uptake. The problem of small and potentially unattractive area payments could be addressed by placing more emphasis on:

- transaction costs;
- the fixed costs associated with the most desirable forms of management;
- by increasing the rate of re-imburement for capital works.

In implementing the new scheme it will be necessary to continue to refine the relevant GIS Advanced layers covering BAP and section 42 species (see comments under section 7.5).

Where possible, the proposed new approach should be integrated with existing voluntary sector and Welsh Government initiatives.

#### 7.7. Seeking opportunities to embed Payment for Ecosystem Services (PES) funding within Glastir.

Natural Resources Wales supports the development of PES schemes. Existing market based mechanisms will provide environmental benefits and Glastir participants should be encouraged to engage with such initiatives as part of embedding sustainable land management practices in the longer term.

The development of the PES approach should involve more than a re-packaging of existing initiatives. It should stimulate innovation and new opportunities; creating new markets and involving new participants.

As part of our response to the recent Welsh Government White paper on the proposed Environment Bill, we have already indicated that Natural Resources Wales may not be the most appropriate body to undertake the necessary roles in terms of facilitation, brokerage, accreditation and market regulation. This is because we may well wish to take an active role in the PES market and it will be necessary to avoid any conflicts of interest. An alternative approach would involve the sufficient separation of duties within Natural Resources Wales.

Much of the current emphasis on PES involves seeking new sources of private funding. Since Glastir contracts now account for a large proportion of agricultural land of Wales, significant opportunities exist for the public sector to purchase more of the public goods now being created. For example, Glastir farm and woodland produce could be purchased as part of local authority catering contracts, subject to the requirements of EU procurement regulations. Similarly, the provision of a catchment-scale approach to flood risk management will become progressively more feasible as the proportion of land within Glastir continues to rise.

The PES approach could also be used for managed coastal realignment. Converting coastal grasslands into semi-natural intertidal habitat can help to ameliorate “coastal squeeze”. Intertidal habitats have high biodiversity value in their own right as well providing ecosystem services through absorption of tidal energy and providing nursery grounds for marine fish.

It would also be advantageous to ensure that Glastir contracts can be aligned with any Peatland Code. Based on the Woodland Carbon Code (WCC) model, the International Union for the Conservation of Nature (IUCN) is currently consulting on ways of promoting investment in peatland restoration<sup>24</sup>. This is not currently accepted as contributing to reductions in greenhouse gas (GHG) emissions under the Kyoto process. However, the Intergovernmental Panel on Climate Change (IPCC) is developing guidance

for peatland restoration as part of national GHG inventory recording. These guidelines should help to encourage more market investment.

**Q8. What are your views on Welsh Governments' strategic targets for Glastir and its proposed budgetary allocations under the next RDP?**

Natural Resources Wales supports all of the proposed strategic targets, although we suggest that the target relating to climate adaptation and building greater resilience into rural businesses could be strengthened by referring to the use of Natural Flood Management (NFM) measures to reduce flood risk. Some NFM measures such as small scale tree planting are already listed in the consultation document, but others such as flood storage areas could be added to Glastir Advanced or integrated with the Scheme via PES<sup>25</sup>.

Natural Resources Wales welcomes the proposal to allocate a minimum of 60% of the RDP budget to the area based measures viz; agri-environment-climate; organic; forestry as well as the Natura 2000, Water Framework and Floods Directives. Whilst the percentage splits within the various measures are plainly important, it will be important to ensure that sufficient funding is available overall. Previous research work by ADAS estimated that £165M would be needed to meet the Welsh Government's objectives for biodiversity, cultural landscapes, climate change mitigation, flood risk management, soil health, and water quality<sup>26</sup>. This is approximately double the amount likely to be allocated under the new agri-environment-climate programme for 2014-2020.

We welcome the proposed change in the RDP budget profile which will result in a four-fold increase in expenditure on woodlands. Such investment will provide an opportunity to meet a range of objectives relating to carbon sequestration; alleviation of flood risk; improved business resilience; water quality; biodiversity; landscape and public access to the countryside.

We support the proposal to place more emphasis on targeted land management schemes (it is assumed that this budget heading includes the proposed habitat network scheme). As previously stated, Glastir Entry should be refocused to ensure it delivers more effectively against each of the strategic targets listed in the consultation document.

**Cyfoeth Naturiol Cymru/ Natural Resources Wales**

**March 2014**

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<sup>25</sup> Environment Agency, 2010. *Working with Natural Processes to Manage Flood and Coastal erosion Risk*

<sup>26</sup> "Estimating the Scale of Future Environmental Land Management Requirements for the UK". Cao, Y., Elliott, J., McCracken, D., Rowe, K., Whitehead, J. and Wilson L. Report to Land Use Policy Group by ADAS & Scottish Agricultural College. December 2009.