



Asiantaeth yr
Amgylchedd Cymru
Environment
Agency Wales

enhancing... improving... cleaning... restoring...
changing... tackling... protecting... reducing...
create a better place... influencing... inspiring...
advising... managing... adapting...

Annual Report and Audited Accounts 2009/10

Creating a better Wales

We are Environment Agency Wales. It's our job to look after your environment and make it **a better place** - for you, and for future generations.

Your environment is the air you breathe, the water you drink and the ground you walk on. Working with business, the Welsh Assembly Government and society as a whole, we are making your environment cleaner and healthier.

Environment Agency Wales. Out there, making your environment a better place.

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2. Overview

This report covers the period from 1 April 2009 to 31 March 2010 and highlights our key achievements and performance against the targets and activities set out in the Environment Strategy for Wales and our annual Remit Letter from the Welsh Assembly Government. It also gives details of our financial statements.

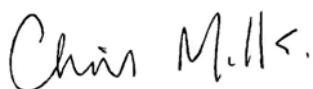
The report shows our progress in 2009/10 against the outcomes we are working to achieve. Under each outcome we have set out our role, described the current situation based on the available evidence and shared our performance against Environment Strategy and Remit Letter priorities. We have also highlighted our performance against Key Performance Indicators where these are relevant to the work we are doing to deliver our outcomes.

The launch of our new corporate plan, [Working together for a better environment 2010-15](#), has brought to a close *Creating a better Wales 2006-2011*. Over the last four years we have worked with others to improve the environment for now and the future to support the well-being of people in Wales and a vibrant economy.

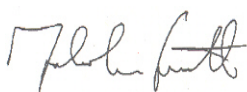
2006-2011 highlights

- We have reduced the risk of flooding to 2,084 properties as a result of flood defence schemes completed between April 2006 and March 2010
- We completed nine Catchment Flood Management Plans which will take account of climate change to help us manage flood risk in Wales
- Through our auditing and advice, landfill operators in Wales have made improvements to landfill gas infrastructure which has delivered actual methane savings of over 78,000 Tonnes CO₂ equivalents
- We administered the Splash! grant scheme, allocating £800,000, with match funding of approximately £750,000, to 49 projects creating opportunities for boating, fishing, sailing and general waterside recreation across Wales
- We have introduced approximately 3,000 new people in Wales to angling each year
- We restored/created over 110 hectares of Biodiversity Action Plan habitat
- We brought 653 hectares of contaminated land back into beneficial use
- We have shared our monitoring data and provided advice to the Welsh Assembly Government to develop the Wales Waste Strategy – challenging all sectors to recycle 70 per cent of their waste by 2025 and achieving zero waste by 2050
- We produced a Water Resources Strategy for Wales setting out how to plan for sustainable water provision in Wales to 2050
- We produced three River Basin Management Plans to ensure Wales is on track to meet its Water Framework Directive targets in 2015
- We worked with Ofwat throughout their periodic review 2009 ensuring 74 water quality and nine water resources investigation/improvement schemes will be delivered as part of Water Company business plans during 2010-15
- We made £7.2 million efficiencies through procurement savings and local efficiencies
- We have achieved a 15 per cent reduction in our carbon footprint, approximately 600 tonnes of CO₂ since 2006

We are proud of our achievements. We recognise the financial and environmental challenges that lie ahead and with the commitment and hard work of our staff and partners we are determined that we will continue to protect and enhance the environment in Wales.



Chris Mills
Director Wales



Malcolm Smith
Board Member for Wales

3. Our Performance

3.1 GREENHOUSE GASES ARE REDUCED AND WALES IS RESILIENT TO INEVITABLE CLIMATE CHANGE

Our Role: We administer the EU Emissions Trading Scheme (EU ETS) and we provide evidence on its effectiveness to Government. We can indirectly reduce CO₂ emissions through the Environmental Permitting Regulations (EPR) by working with companies to improve their energy efficiency. We also regulate permitted landfills of refuse and other waste to ensure that methane emissions from landfills are reduced. We monitor the Landfill Allowances Scheme (LAS) to make sure local authorities reduce the amount of biodegradable waste that is landfilled. We grant permits and consents to hydropower schemes to ensure that they do not increase flood risk, damage ecology, damage fish populations or obstruct fish migration. We are also responsible for ensuring that our own flood risk and water resource activities minimise the consequences of climate change. As part of our own mitigation efforts, we demonstrate leadership through driving down our own greenhouse gas emissions.

Evidence

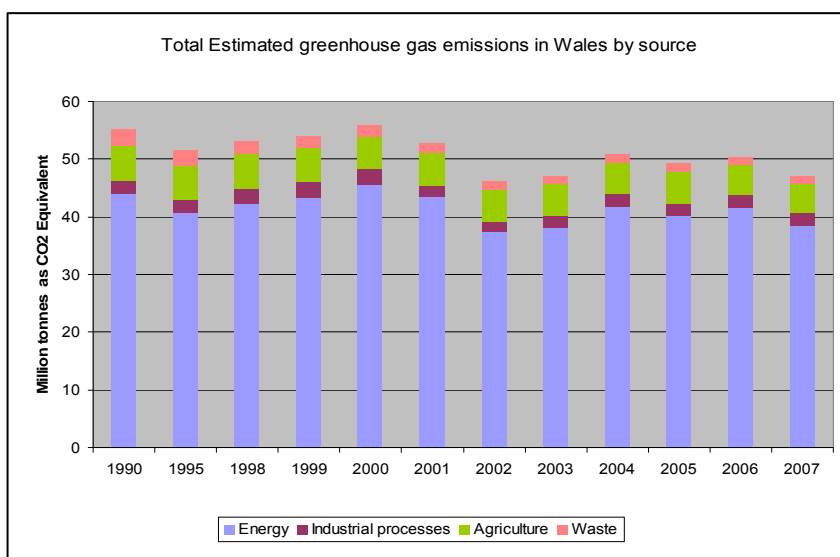


Fig 1 shows total estimated greenhouse gas emissions by source

Source: Atomic Energy Authority

Between 1990 and 2007 greenhouse gas emissions from within Wales have fluctuated. Decreases have occurred due to the closure of Llanwern steelworks in 2001, the loss and rebuilding of Blast Furnace Five at Port Talbot steelworks in 2002, the preference for gas as a fuel for electricity generation in the 1990s, and installing Flue Gas Desulphurisation (FGD) at Aberthaw Power Station which temporarily reduced production while FGD was being installed from mid 2002 to the end of 2006.

Greenhouse gases cause global warming, yet there has been no sustained downward trend in greenhouse gas emissions in Wales during the last ten years.

Our Performance 2009/10

Emissions from industry in Wales are reduced

Working closely with Corus, we have helped the company to reduce its carbon dioxide emissions by 250,000 tonnes; (through installation of a Basic Oxygen Steelmaking gas recovery system) the largest single CO₂ reduction anywhere in Wales, and the equivalent of nearly 1per cent of the total of CO₂ produced by industrial sites regulated by EAW.

Remit Letter
(RL) 13, 29
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Through our auditing and advice, landfill operators in Wales have made improvements to landfill gas infrastructure which has delivered actual methane savings of over 78,000 Tonnes CO₂ equivalents. This is worth more than £1m (using the DECC shadow price of carbon) and a significant success as approximately four per cent of Wales' greenhouse gas emissions are produced by landfill sites. The work has also led to a reduction in complaints from residents.

For the fourth year in a row, all sites within the EU Emissions Trading Scheme in Wales were compliant with the regulations and surrendered the correct number of allowances to cover their CO₂ emissions. Guidelines have been produced to support the inclusion of the aviation industry in this scheme. We are supporting the introduction of the Carbon Reduction Commitment Energy Efficiency Scheme to increase awareness of businesses new responsibilities to report on their CO₂ emissions.

Our advice to water companies has enabled them to develop Water Resources Management Plans (WRMP) and Business Plan processes which comply with WRMP regulations and address climate change impacts, adaptation and carbon mitigation.

Emissions from other sectors are reduced

We are involved in the work of the Climate Change Commission, contributing to each of the four subgroups and relevant Task and Finish groups as required. This work is supporting development of the Climate Change Strategy for Wales which will help to drive a three per cent annual CO₂ reduction in greenhouse gas emissions in Wales.

RL 11
Environment
Strategy
(ES) 21

People and organisations in Wales are aware of climate change and take appropriate action to address both the causes and implications of climate change (mitigation and adaptation)

We contributed to the environmental, technical and economic work streams of the Severn Estuary Tidal Power Feasibility Study, providing data and advice to the Department of Energy and Climate Change.

We have issued a permit to the Prenergy plant, in Port Talbot, which will be the UK's largest biomass power plant - producing 350 MW of electricity (enough to power four out of every ten homes in Wales) with 50 to 80 per cent less carbon dioxide emissions than gas or coal fired power stations. For the first time, we included an additional clause, ensuring all wood used at the site comes from sustainable sources.

We worked jointly with a landowner near Monmouth to build the first combined hydropower and fish pass scheme in the UK, harnessing around 670,000 kWh electricity per year – enough to power 152 homes.

Working with partners we ensure plans for the future e.g. River Basin Management Plans, Catchment Flood Management Plans, the Wales Spatial Plan, Local Development Plans and Community Strategies safeguard biodiversity, water resources and take account of climate change.

RL 12, 13,
25, 27, 31,
35b, 38, 46,
52

Key Performance Indicator

Measure & Target	Performance
<i>Progress Shoreline Management Plans (KPI921)</i>	Target achieved Shoreline Management Plans are on target for delivery in 2011. The consultation phase has been completed on the Severn Estuary and North West & North Wales Shoreline Management Plans and they include significant Climate Change components.

3.2 FLOOD RISK IS REDUCED TO PROTECT PEOPLE AND PROPERTY

Our Role: We reduce the risk of flooding from rivers and the sea in Wales. To do this, we build, maintain and operate flood defences to reduce the risk of flooding to people and property. We cannot prevent all flooding impacts, but we can help people be better prepared - we issue flood warnings and we work with communities at risk of flooding to help them find appropriate solutions to flood risk. When a flood happens, we work with the emergency services and local authorities to minimise the harm to people and damage to property.

Evidence

Since 2005, over 3,000 properties in Wales are better protected from flooding because of our work.

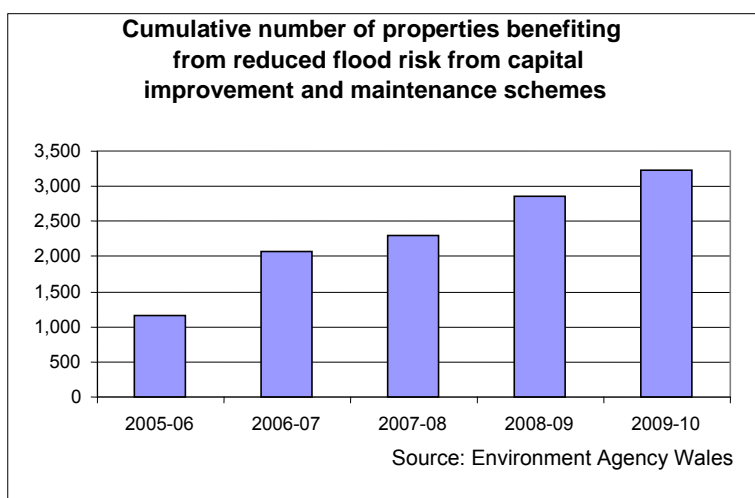


Fig 2 shows the cumulative number of properties benefiting from reduced flood risk

Our Performance 2009/10

Flood risk identified for all parts of Wales

Our mapping and modelling techniques allow us to produce flood maps which are updated regularly and shared with other organisations to help manage flood risk through development and emergency planning in areas at risk of flooding from main rivers, reservoirs, the sea and surface water.

Our June 2009 'Flooding in Wales' report included, for the first time, the numbers of people and properties at flood risk broken down by Local Authority and is an invaluable reference against which the impact of the activities to reduce flood risk can be benchmarked.

Remit Letter (RL) 16
Environment Strategy (ES) 14

Our customers are aware of their flood risk and what to do

We have worked with the Welsh Assembly Government to carry out an enhanced community awareness campaign. We held a community event in Maindee, Newport to engage residents and seek feedback on how we can work together to raise awareness of flood risk locally. In North Wales we worked with Local Resilience Forum partners to register 34 caravan parks in the Towyn and Kinmel Bay area for our Flood Warning Direct service. They have also agreed to prepare plans for emergency action. Following an awareness roadshow in the area, 125 people took home personal flood plans. Flood advice leaflets, drop in sessions with vulnerable at risk community groups, and discussions with Police Officers and the Fire Service are also helping to encourage others to write Flood Evacuation Plans and sign up to Floodline Warnings Direct.

RL 14, 15, 16
ES 14

Effective flood warning system in place

Over 73,000 properties in Wales are now able to receive a flood warning following the launch of Extended Direct Warnings, our opt-out flood warning service. Our forecasting models enabled us to issue timely and appropriate flood warnings on 495 occasions, while river level information is now available on our website

RL 16
ES 14

Key Performance Indicators

Measure & Target	Performance
<i>All necessary amendments are made to the National Flood and Coastal Defence Database (NFCDD)(KPI 891)</i>	Target achieved We have delivered our programmed work, ensuring that all 254 outlines and projects have been uploaded onto the NFCDD.
<i>119,000 properties at risk of flooding are able to receive flood warning (KPI900)</i>	Target achieved Over 131,000 properties in Wales have been contacted and offered flood warning service.
<i>More properties (homes and businesses) at high risk of flooding (Flood Zone 3) are registered to receive our flood warnings (KPI902)</i>	Target achieved Over 73,000 properties are registered on flood warnings direct, compared with 47,000 at the beginning of the year.

Assets management

98.9 per cent of our assets such as flood banks were at the required condition in March 2010 following our operational work to complete nearly 15,000 inspections and undertake routine maintenance allowing us to ensure that they are kept in appropriate working order.

RL 16
ES 14

Key Performance Indicators

Measure & Target	Performance
<i>At least 143 of our 'high consequence' flood risk management systems are at or above the target condition set in the performance specification (KPI961)</i>	Target achieved 147 of our 'high consequence' flood risk management systems are at or above the target condition.
<i>3,498 of our assets meet appropriate level of quality / protection (KPI962)</i>	Target achieved 3,543 of our assets in High Consequence Flood Systems are at or above target condition.
<i>Complete 12,488 risk-based visual inspections of flood defence assets (KPI880)</i>	Target achieved We have completed 14,810 inspections, ahead of our planned programme.

Effective emergency response delivered

As part of our role on the Wales Resilience Forum and associated local groups we lead the emergency planning preparation for flooding events in Wales promoting a joined up response for emergency responders across Wales. We continue to practice our emergency planning preparation, simulating exercises jointly with local

RL 14. 15,
47
ES 14

authorities, emergency services and utility providers to ensure an appropriate response in the event of a flood. Our incident rooms were opened for 28 incidents and 13 exercises this year.

All areas of Wales experienced considerable rainfall in November 2009. In North Wales, 22 properties were flooded from main rivers, ordinary watercourses and surface water. We worked with local emergency services to help those affected and minimise the impact for them. The recently completed flood defences at Llanrwst and Trefriw, Dyffryn Conwy worked successfully to prevent around 20 properties from flooding.

We continue to support the Welsh Assembly Government to deliver actions following the 2007 Pitt Review into flooding to ensure Wales becomes more resilient to future flooding events. For example, we have shared surface water flood maps with Local Resilience Fora partners, and improved data sharing with local authorities

Priority flood risk management capital and revenue projects delivered

Completing planned flood defence schemes has reduced the risk of flooding to an additional 381 homes and businesses at Dyffryn Conwy, New Tredegar, Tregaron, Valley Tidal Doors, Haimwood and Llandrinio. We also progressed development of other flood defence schemes, including a £4.84m flood defence scheme at Riverside, Newport.

RL 14, 19

Key Performance Indicator

Measure & Target	Performance
<i>353 households will have moved out of any flood probability category to a lower one (KPI913)</i>	Target achieved 381 households were moved to a lower flood probability category.

Our flood risk management activities are funded and supported

We supported the Welsh Assembly Government through the development of the Floods and Water Bill, ensuring expected improvements were appropriate for Wales.

In March 2010, our 'Future Flooding in Wales: Flood Defences - an assessment of possible long term investment scenarios', set out the possible costs of building and maintaining river and coastal defences over the next 25 years, informing the Welsh Assembly Government's consultation on a national strategy for flood and coastal erosion risk management in Wales.

We applied for EU Convergence funding to support our flood defence programme and received £2.5m for flood defence schemes at Valley, Tregaron and Duffryn Conwy this year. We had further bids approved for future schemes at Abergele, Afon Wnion and Clwyd.

RL 18

Development avoided in areas at risk of flooding

Key Performance Indicators

Measure & Target	Performance
<i>Respond to 90% of planning applications, consultations or pre-planning enquiries within 21 days or agreed extended timescale (KPI490)</i>	Target achieved We have responded to 6,481 of 6,557 applications within the agreed timescale (98%). The level of planning and pre-planning consultations has risen slightly in 2010, noticeably within the Carmarthenshire area.
<i>Influence 92% of planning decisions on proposed development within the floodplain (KPI510)</i>	Target achieved We have successfully influenced 280 of 289 (96%) local planning authorities' (LPA) planning decisions to prevent developments within floodplains.
<i>Influence 95% of planning applications to prevent residential development in the floodplain (KPI511)</i>	Target achieved We have influenced LPA decisions to prevent 538 of a possible 545 residential units being developed within floodplains (98%).
<i>Influence 92% planning decisions by local planning authorities (KPI520)</i>	Target achieved We have made representations on 933 planning applications, successfully influencing 876 of these planning decisions by LPAs (93%).
<i>Influence 100% of adopted plans of local planning authorities to minimise environmental impacts (KPI530)</i>	Target achieved We were consulted on eight adopted plans and in each case our suggested alterations were included in the final plans (100%).

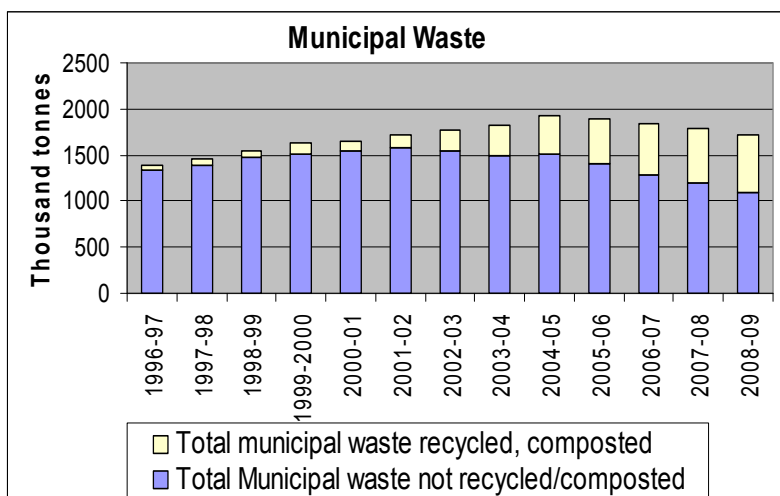
3.3 WASTE IS MANAGED SUSTAINABLY

Our role: We contribute to a sustainable Wales through the management of waste. We regulate and advise the waste management industry and waste producers so they manage their waste responsibly and become more resource efficient. We share our evidence and data on waste management and advise Government so they can lead the reduction of waste produced in Wales and ensure there are the right waste facilities to reduce waste to landfill (and therefore the amount of methane produced). We tackle the worst examples of fly tipping to improve local environmental quality for communities and we actively pursue illegal waste activities to ensure they do not undermine legitimate operators.

Evidence

The waste sites we permit in Wales handle seven million tonnes of waste. Of this, 2.9 million tonnes of waste was landfilled in Wales last year (less than one per cent was hazardous waste (private landfill for Corus); 30 per cent was construction and demolition waste; 69 per cent was household, commercial and industrial waste). The total amount of municipal waste (waste collected by local authorities) produced in Wales has been reducing since 2004-05, while the proportion of municipal waste recycled and composted has increased since 2001-02. Wales has no hazardous waste landfills, however, between 2007 and 2008, the amount of hazardous waste produced in Wales reduced by 14 per cent to 257,000 tonnes.

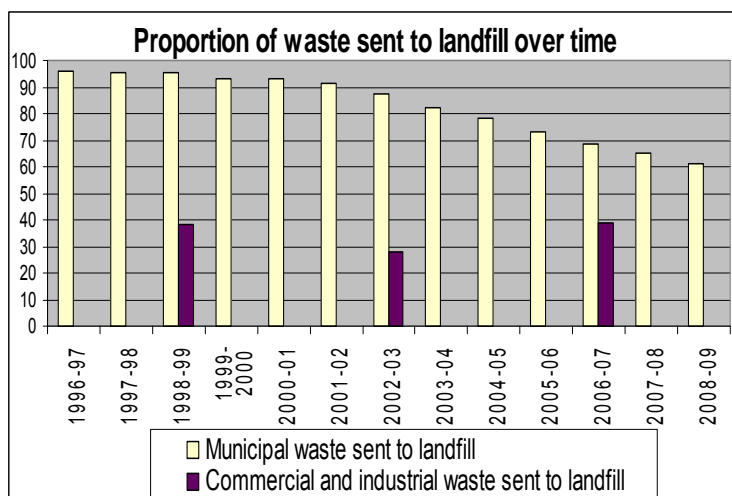
Fig 3 shows the total amount of recycled and composted municipal waste from 1996-97 to 2008-09



Source: Welsh Assembly Government

Fig 4 shows the proportion of waste (municipal and commercial) sent to landfill from 1996-97 to 2008-09.

Commercial/industrial waste figures are taken from Wales surveys conducted every four years.



Source: Welsh Assembly Government

While recycling rates have improved vastly, last year 2.9million tonnes of waste were still sent to landfill sites we regulate. If we continue at this rate, we will run out of landfill in the next eight years.

Our Performance 2009/10

Wales has a sustainable waste management structure

We have developed our permitting process to include three new standard permits for anaerobic digestion improving the speed of delivery of permits and complementing our life cycle assessment tool used to evaluate procurement of new facilities.

Remit Letter (RL) 20, 21, 34

Our commercial and industrial waste surveys have set the baseline and provide evidence to support the delivery of the Wales Waste Strategy.
 We have issued 19 new licences to waste facilities in Wales, ensuring the local environment is protected.
 Using our Building Trust with Communities approach we held drop in surgeries in Cardiff while considering applications for waste permits in the area, clarifying our role and listening to the views of local residents.

Waste to landfill is reduced

We are supporting the Welsh Assembly Government to implement the Wales Waste Strategy, providing advice and monitoring data to establish how Wales will reach zero waste by 2050. We validate local authority information needed to monitor Landfill Allowance Scheme targets for reducing the amount of biodegradable municipal waste being sent to landfill. All local authorities have met their allowances since the scheme started in 2004.

RL 21

Reduce, reuse and recycle is universally accepted in government, business, industry and home life

We provide information to the Welsh Assembly Government on the highest waste producing sectors and actions that could reduce waste production, disposal to landfill and increase recycling. This will be used by the Welsh Assembly Government to develop sector plans that support the implementation of the Wales Waste Strategy.

We support the Welsh Assembly Government to develop measures to ensure Wales is working towards waste minimisation and maximising material and energy recovery, giving evidence to the Legislative Committee on the proposed recycling measure for Wales, supporting the implementation of the EU Landfill Directive and development of Site Waste Management Plans in Wales.

RL 20, 21, 22

Illegal waste is reduced

Our intelligence led approach to major waste crimes featured on BBC's The One Show, highlighting the problems of waste crime and our efforts to combat illegal waste activity and large scale fly tipping. This joined up approach has led to a more efficient prosecution process, reducing the time taken to bring enforcement action. This year across Wales we have stopped illegal activity at 80 sites. We have brought eight into regulation and have taken appropriate enforcement action against the others. Between April 2009 and March 2010, there have been 40 prosecutions for illegal waste activities, with fines totalling over £95,000.

We continue to coordinate Fly-Tipping Action Wales (Taclo Tipio Cymru), formerly Pride in Our Communities, a partnership initiative to reduce fly tipping in Wales.

RL 20, 23
 Environment Strategy (ES) 31

Key Performance Indicators

Measure & Target	Performance
<i>No more than 43 Big, Bad and Nasty fly tipping incidents (KPI231)</i>	Target not achieved This year there were 44 Big, Bad and Nasty fly tipping incidents, just over our rolling 52 week target. We have been pursuing campaigns and working with communities to keep fly tipping incidents to a minimum.
<i>We stop illegal waste activity at high risk sites (KPI 235)</i>	Target achieved We have reduced the risk score of illegal sites operating in Wales by 54% against a target of 10% this year.

Wales has a waste industry with a high environmental performance

We raised awareness of issues facing the waste industry through our Fly Tipping Action Wales initiative, holding three focus events in Ebbw Vale, Holyhead and Rhymney, highlighting the problem of tipping tyres to local communities. Through monitoring and advice we ensure compliance with waste management licences, taking action against those who continue to operate illegally.

RL 1, 33

Key Performance Indicators

Measure & Target	Performance
<i>Monitor the number of incidents at Environmental Permitting Regulation sites of high public interest (KPI 131)</i>	Target achieved We have set our baseline by reporting 144 incidents at EPR sites of high public interest.
<i>Reduce the number of businesses with higher risk OPRA scores by 10 % (KPI173)</i>	Target achieved We have reduced the number of sites within the highest risk score bands of the Operator Risk Assessment from 231 to 206, achieving our target of a 10% reduction.

3.4 GOOD WATER QUALITY AND QUANTITY IN ALL INLAND AND COASTAL WATERS

Our Role: We manage over 20 billion litres of water per day through our licensing system. We are a Competent Authority for implementation of the Bathing Waters Directive and the Competent Authority for the Water Framework Directive (WFD). We regulate over 10,000 discharges to the water environment in Wales, and we ensure these discharges remain within their standards. We monitor and report on the water quality of over 4,700km of rivers and canals as well as the bathing waters that attract so many people to Wales.

Evidence

There are significant pressures on the water environment in parts of Wales. Sixteen Catchment Abstraction Management Strategy units are over licensed or over abstracted, meaning that existing abstractions could be causing unacceptable damage to the environment, particularly during times of low flow. We will reduce the number of unsustainable abstractions and find ways to reduce the headroom in existing licences e.g. by voluntary licence reductions

Under the EU Bathing Waters Directive, all bathing waters in Wales passed the mandatory standard in the 2009 bathing season, with 88 per cent complying with the stricter Guideline standard. The revised Bathing Water Directive, to be introduced in 2015, will require even higher standards. Currently, on the 2009 results 95 per cent of Wales’ beaches would be rated as sufficient or higher.

95 per cent of all length of classified river stretches were ‘Good’ or ‘Very Good’ under the General Quality Assessment (Chemistry scheme) in 2008.

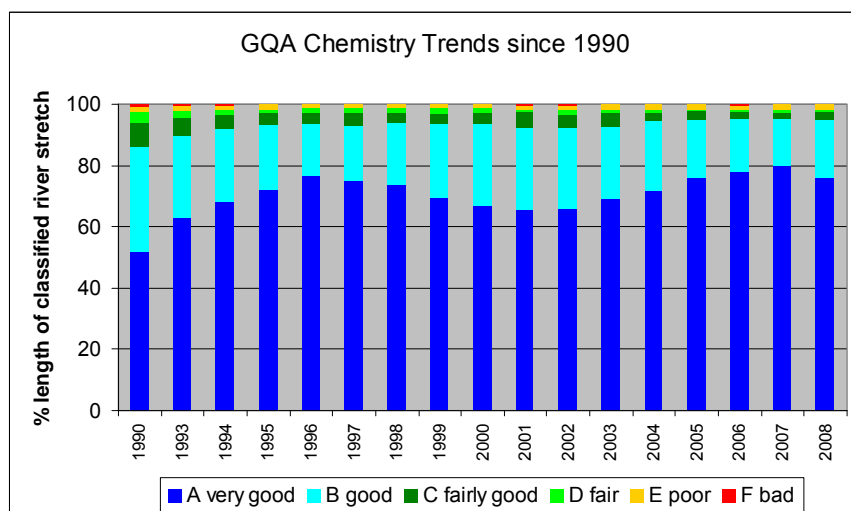


Fig 5 shows the General Quality Assessment (Chemistry) trends from 1990 to 2008

Source: Environment Agency Wales

Under the new tougher Water Framework Directive (WFD) standards, 31 per cent of surface waters bodies in Wales are at good status or better in 2009.

Our Performance 2009/10

Water resources are managed sustainably meeting the needs of society without causing damage to the environment

We reviewed Water Companies Water Resources Management Plans, offering technical advice to the Welsh Assembly Government to ensure the impact of climate change was adequately addressed. We liaise regularly with Dŵr Cymru /

Remit Letter (RL) 26, 28 Environment

Welsh Water to drive improved environmental performance, which contributed to improved outcomes for the environment.
 We launched our Water Resources Strategy for Wales in June 2009, highlighting how we need to plan for sustainable water provision to 2050. Work has begun to implement priority actions within the supporting action plan to ensure we can meet the demand for water in the future.

Strategy
 (ES) 16, 17

Key Performance Indicator

Measure & Target	Performance
<i>Complete Water Resources Restoring Sustainable Abstraction (RSA) investigations where appropriate (KPI630)</i>	No RSA investigations were planned for 2009/10. We completed seven of 10 planned RSA option appraisals.

Everybody values the water environment and takes appropriate action to maintain quality and quantity

Through responding to our consultation on the Severn, Western Wales and Dee river basin management plans many organisations were able to contribute to how Wales will achieve Water Framework Directive targets by 2015.

RL 27
 ES 15

The quality of our groundwater, rivers, lakes and coastal waters is maintained and enhanced

We have issued 36 new licences to protect water resources in Wales, ensuring there is enough water available for people and wildlife.
 We have completed three River Basin Management Plans for Wales in line with Water Framework Directive obligations, maintaining commitment from River Basin Liaison Panels to co deliver the plans.
 Reviewing current activities, we are developing a Wales implementation plan with our partners to achieve Water Framework Directive targets.
 We are producing a strategic Water Quality Plan to address diffuse pollution issues in the second cycle of river basin planning 2016-2021 improving the quality of surface and groundwater.
 Through our Bathing Water Quality Management Programme, we continue to implement actions to maintain good water quality and to inform partners such as Visit Wales, Keep Wales Tidy and Welsh Water of the challenges of the revised bathing waters Directive.

RL 1, 24,
 26, 27, 30
 ES 15, 16

Key Performance Indicators

Measure & Target	Performance
<i>We reduce the number of significant permit breaches (Cat 1 and 2) (KPI 431)</i>	Target not achieved We have had 205 permit breaches against a target of 150. This is higher as a result of an increased auditing programme and our targeting of poor performers.
<i>416 of our 'must do' Water Quality Directive Sampling Points are on target (KPI381)</i>	Target not achieved 392 of our 'must do' sampling points are on target due to operational issues surrounding the redistribution of work which have now been resolved.
<i>We monitor our groundwater quality network at 323 sampling points (KPI341)</i>	Target achieved We have collected 332 samples from our groundwater sampling network.

Measure & Target	Performance
<i>We improve or maintain coastal water through the AMP4 Programme (KPI390)</i>	Target achieved We hit our target* to improve 4km ² of coastal water improved or maintained by the AMP4 Programme under Urban Waste Water Treatment Directive (UWWTD) drivers and 12km ² of coastal water improved or maintained by AMP4 Programme under bathing waters drivers.
<i>We improve or maintain rivers through the AMP4 programme (KPI400)</i>	Target achieved We hit our target* to improve or maintain 89.9km of river by improving 169.5km of river through UWWTD drivers and 95.8km of river under Freshwater Fish drivers of the AMP4 Programme.
<i>The quality of rivers will not deteriorate in Wales as per the General Quality Assessment (GQA) (KPI312)</i>	Target achieved In 2008/09 4,416km of river were in 'good or better' quality. In 2009/10 this has increased to 4,518.8km, an improvement of 102.8km (2.33%)
<i>Our bathing waters meet EC bathing water guideline standard (KPI320)</i>	Target achieved 72 Beaches complied with the stricter Guideline standard in 2009 which was an improvement on the 62 that complied in 2008.
<i>Our bathing waters meet EC bathing water imperative standards (KPI330)</i>	Target achieved All 81 designated bathing waters in Wales have complied with the mandatory standard in the 2009 bathing season

*This target is reported annually in quarter one using information provided by Dŵr Cymru/Welsh Water from 2008/09

The water environment supports a sustainable and vibrant economy of Wales

We supported the Welsh Assembly Government through the development of the Marine Bill through our membership of the Wales Coastal Maritime Partnership and liaison with the Marine Fisheries Agency to ensure licences are issued in line with the Water Framework Directive and proposals for effective management of estuaries and coastal waters that straddle national boundaries are achieved. We are leading the investigation into cockle mortality at the Burry Inlet, advising on fisheries management decisions, updating the local media on progress and meeting with licensed hand gatherers, processors and local community councils to ensure they are actively involved with the investigations programme.

RL 31
ES 6, 7,
15

Wales has a water industry with a high environmental performance

We have secured environmental improvements/investigations as part of Ofwat's 2009 price review for 74 water quality schemes and nine water resources schemes. The schemes will be implemented through Dŵr Cymru / Welsh Water's 2010-15 business plan helping to improve and protect the water environment.

RL 24, 29

Key Performance Indicator

Measure & Target	Performance
<i>Fewer category 1 and 2 pollution incidents (KPI420)</i>	Target not achieved Due to the low number of incidents in previous years we took an additional ten per cent cut in target this year which we slightly missed, recording 85 pollution incidents against a target of 81 and so for the first time, we have not achieved this measure. To date; we have not identified any underlying trends to understand what has caused an increase.

3.5 AIR QUALITY IS IMPROVED TO PROTECT PEOPLE'S HEALTH AND WILDLIFE SITES

Our Role: By regulating business – through Environmental Permitting Regulations (EPR) - we protect environmental quality and reduce emissions of key airborne pollutants. We work closely with and consult the communities that live alongside sites we regulate where there is any potential for concerns. We provide data and information to partners such as Public Health Wales so that they can provide advice on human health. We also provide a monitoring service which allows assessment of air quality at a local level. This, together with our air quality modelling service, provides support to the work of the Welsh Air Quality Forum.

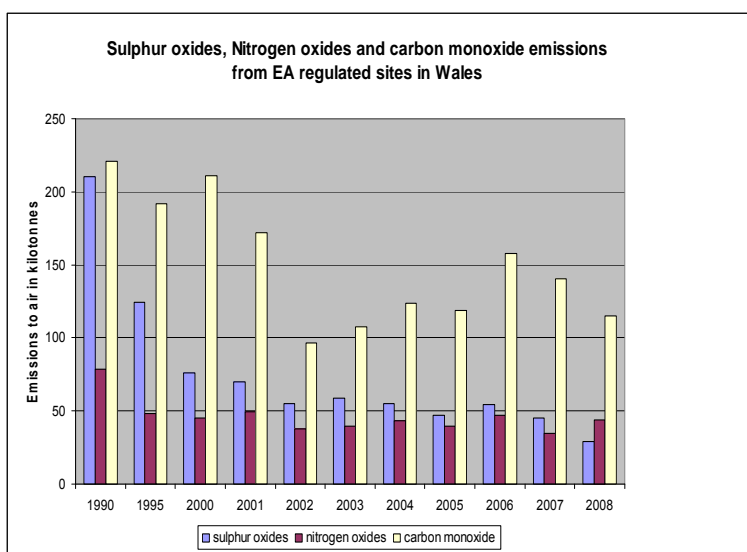
Through managing the emissions to air from the industrial processes we regulate, we help ensure that air quality is protected for wildlife and people. Many of these pollutants contribute to other environmental problems such as water quality, so reducing their output provides additional environmental benefit.

Evidence

In Wales, we are responsible for regulating releases to air from approximately 190 industrial sites, 56 farms and 32 landfill sites, as well as many smaller activities, such as waste transfer stations. We regulate activities responsible for 80 per cent of sulphur dioxide emissions, 60 per cent of carbon monoxide emissions, 36 per cent of nitrogen oxide emissions and 29 per cent of particulate emissions. Nitrogen oxide emissions show no clear trend, but emissions of sulphur dioxide and carbon monoxide are decreasing. Emissions of small particles (PM10) have fallen by two-thirds since the 1990s. There have been a number of closures of significant industries which have contributed to the reductions, for example BP Chemicals and steelmaking at Llanwern. The implementation of European Directives at large power stations and refineries are now delivering further reductions in sulphur dioxide.

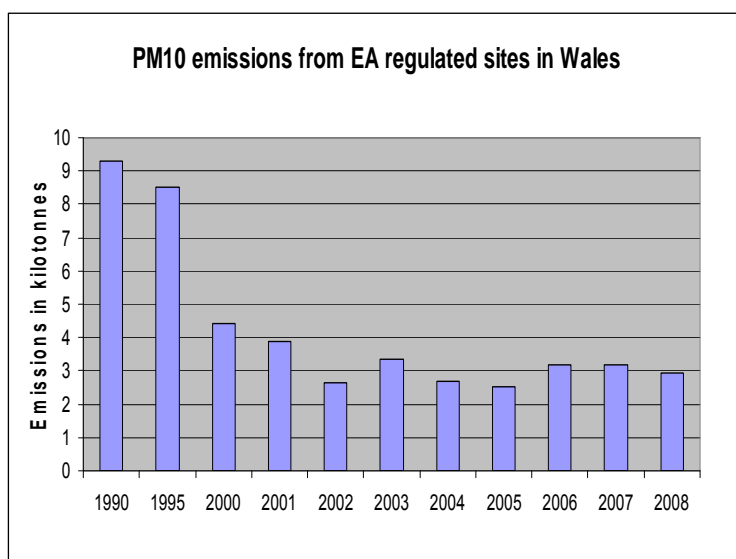
Emissions from the sites we regulate are significantly lower than 1990 levels.

Fig 6 shows sulphur oxides, nitrogen oxide and carbon sites emissions from sites we regulate in Wales



Source: Environment Agency Pollution Inventory

Fig 7 shows particulate emissions from we regulate in Wales



Source: Environment Agency Pollution Inventory

Our Performance 2009/10

Emissions from sites that we regulate are reduced and risks to health are minimised

Our industry regulation activities continue to support the Welsh Assembly Government in addressing air quality issues in the Neath Port Talbot area. We are reporting our progress against agreed actions following our review in respect of PM10s (small particulates) of Environment Agency regulated environmental permits that are in place for the Port Talbot Steelworks. These actions are driving improvements at the site which are leading to reductions in PM10s and improving air quality for the people of Port Talbot. We have also led a Local Service Board project improving how we work with our partners to tackle air quality in the area, bringing together a diverse range of interested parties at a community meeting to discuss local air quality and how we can deliver future improvements. Our Mobile Monitoring Facility is used to monitor air quality across Wales, including recent deployment in Bridgend to assess possible causes for concern in the area. With the Health Protection Agency and the Met Office, we are developing an air quality monitoring and advice service as part of an England and Wales network response to a major air quality incident in Wales.

RL 33, 35

Key Performance Indicators

Measure & Target	Performance
<i>Complete 356 hours of Control Of Major Accident Hazards (COMAH) assessment (KPI300)</i>	Target achieved We have spent 381 hours monitoring our COMAH programme.
<i>Four priority sites have air quality improvement conditions in place (KPI280)</i>	Target achieved All four sites have improvement conditions in place. Port Talbot steelworks air quality work is currently on target in respect of the Welsh Assembly Government action plan for the site. Permit variations are on target for issue.

Favourable status of habitats are not compromised by poor air quality

We have determined six applications for licences at installations in line with current environmental regulations, taking into consideration the needs and potential effects permitted activities will have on habitats and water resources in the surrounding area.

RL 33, 34

Professional partners are aware of the possible effects of poor air quality and take appropriate action

We liaise regularly with the Welsh Assembly Government, Public Health Wales and the Health Protection Agency on shared matters and sites of 'high public interest', while also ensuring our guidance and Working Together Agreements are appropriate for Wales.

Through issuing guidance supporting implementation of the second phase of the Environmental Permitting Regulations, we offer advice to industries to support them through the permitting process.

RL 43

3.6 MORE PEOPLE CARE FOR AND ENJOY THE WATER ENVIRONMENT

Our Role: We promote water-based recreation through Wild Fishing Wales. We also administer the Welsh Assembly Government grant scheme Splash! to increase the numbers of people who can enjoy their local environment as well as bring in economic benefits through tourism. Through our monitoring and enforcement work we continue to ensure that fish stocks are protected, prosecuting those who fish illegally. We also manage navigation on the Dee Estuary and the River Wye.

Delivering our responsibilities on water based recreation directly contributes to sustainable development; it links the water environment with opportunities for people and businesses. It contributes to the health and well-being of residents and visitors alike.

Evidence

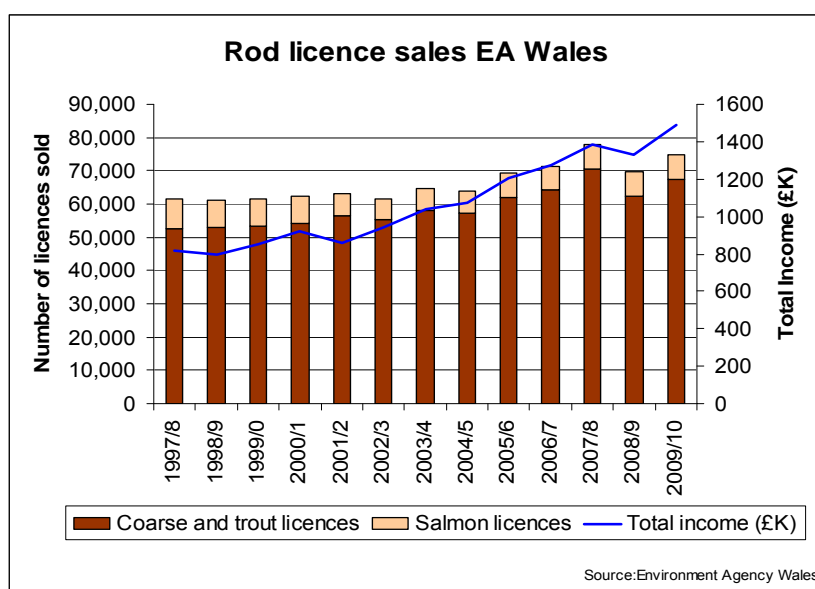


Fig 8 shows the number of licences sold and the income generated since 1997

Rod licence sales in Wales have been steadily increasing in the last 12 years. Recreational fishing generates expenditure of £148 m per annum for the Welsh economy.

Our Performance 2009/10

The economic and social potential of Wales' environmental assets are understood and realised sustainably

In partnership with the Welsh Assembly Government, Countryside Council for Wales and others we produced the Water Recreation Strategy Implementation Plan to drive a strategic effort enabling more people to take up opportunities to enjoy their local environment. To promote angling opportunities, every licensed angler in Wales received a free angling guide to their local area.

We continued our Salmon Homecoming project, raising the awareness of the importance of salmon and its life cycle to primary school children.

We have made salmon and sea trout spawning information on the River Dee available on our website to ensure canoeists can identify areas sensitive to disturbance, protecting future fish stocks and easing tension between interested parties.

Remit Letter (RL) 32
Environment Strategy (ES) 10

Key Performance Indicator

Measure & Target	Performance
<i>71,810 Rod Licences are sold in Wales (KPI681)</i>	Target achieved At the end of the year we had sold 75,275 rod licences. This has been achieved due to the successful promotion of the need for licences at various angling centres and clubs.

The Environment Agency maximises the recreational opportunities provided by its own assets

We are working in partnership with local authorities and tourism agencies to create further opportunities for recreation using our own estate. As a landowner, we are working with Visit Wales to develop canoe trails, creating further opportunities for enthusiasts.

RL 32, 52
ES 10

In partnership with the local authority we are investigating the opportunity for the Taff multi use water trail to use one of our slip ways as an access point to the river.

Increased participation in recreational activity

Once again we have successfully administered the Splash! Grant scheme, allocating £450k to 34 projects across Wales one of which included providing three all terrain wheel chairs to give all ability access to Barry beach. We have received approval from the British Disabled Angling Association as our advice has helped angling clubs to implement improvements for disabled anglers in various locations across Wales.

RL 2, 32,
38, 52, 58
ES 10

Key Performance Indicator

Measure & Target	Performance
<i>Deliver fisheries promotion and advice to 3,000 anglers (KPI662)</i>	Target achieved We have engaged 3,170 anglers with advice on fishing in Wales. We have successfully completed our target number of anglers coached in collaboration with coaches from Welsh Federation of Anglers earlier in the year. We have completed our awareness raising programme and made a major contribution to a Countryfile programme on the BBC, raising the profile of the work we do. This has made a significant contribution to the achievement of our outcome of increasing rod licence sales.

3.7 AQUATIC WILDLIFE AND THEIR HABITATS ARE MAINTAINED AND ENHANCED

Our Role: We are a Competent Authority for implementing various EU Directives, including the Water Framework Directive (WFD) and the review of consents for the Habitats Directive. We are working with Countryside Council for Wales and other partners to identify and complete specific key actions to bring internationally designated sites and Sites of Special Scientific Interest (SSSI) into favourable or recovering condition. Through our water and flood risk management activities we deliver aquatic biodiversity improvements for priority Biodiversity Action Plan (BAP) species and habitats.

Our work on biodiversity directly contributes to sustainable development by ensuring water related habitats and species are protected and enhanced, which has benefits for both the environment itself and for the services the ecosystems provide to society and the economy.

Evidence

Otters have made a healthy comeback since the 1970s when 75 per cent of its 1950s population had been lost. Water vole population has declined by 94 per cent since the 1950s due to agriculture intensification, fragmentation of habitat and the spread of invasive American mink. White-clawed crayfish continues to decline due to competition and disease from invasive signal crayfish, habitat loss, pesticide use and pollution. Recent surveys (2008-09) on the Freshwater pearl mussel show population loss from three rivers and continued decline in all others. There is significant habitat loss at key salt marsh sites (e.g. Welsh side of the Dee estuary) due to coastal squeeze. There is an estimated 460 hectares of reed bed remaining in Wales from a total of 2840 hectares (c.1995) - a decline of 84 per cent.

Our Performance 2009/10

Increased awareness of the importance of safeguarding biodiversity

We play an active part in the Wales Biodiversity Partnership through representation on the Steering Group and supporting Sub-Groups, providing advice and evidence to support delivery of Biodiversity Action Plans in Wales. Our Biodiversity Conference brought together biodiversity staff from organisations across Wales, increasing understanding of how our conservation work relates to our customers, our conservation responsibilities and the associated technical challenges. We are supporting the Welsh Assembly Government to develop a Competent Authority Checklist for bodies responsible for authorising major and complex schemes which have the potential to impact upon designated sites, and through advice and evidence we work to ensure policy development recognises the value and importance of protecting water related wildlife.

Remit Letter (RL) 5
Environment Strategy (ES) 2, 3, 4

Key Performance Indicators

Measure & Target	Performance
<i>Create 30 hectares of BAP habitat (KPI950)</i>	Target not achieved We have created 21.9ha of BAP habitat. The shortfall is primarily due to project delays in year caused by land owner agreements to a scheme at Ynys Hir, Anglesey. We anticipate that this scheme will now be delivered in 2010/11.
<i>Complete 12 actions to ensure rivers are progressing towards sustainable salmon stocks (KPI641)</i>	Target achieved We completed 13 actions to improve the state of rivers in Wales to host sustainable salmon stocks.

Biodiversity loss has been reduced by 2010 and there is recovery by 2026 in the number, range and genetic diversity of species

We have completed a review of consents at 28 Habitats Directive sites ensuring that activities we permit do not put these special sites at risk. At sites which are deemed as at risk we have implemented site action plans to address the issues and bring them back towards favourable status.

RL 5, 6,
36
ES 1

We have a Wales wide agreement with all Local Records Centres to access sensitive wildlife data, supporting our staff when completing actions at special sites and issuing permits. We share details of our biodiversity work with other organisations through the UK Biodiversity Action Reporting System. Our Biodiversity Delivery and Flood Risk Management Habitat Creation Programmes have contributed to a significant number of Water Framework Directive, Natura 2000, Sites of Special Scientific Interest (SSSI) remediation and Biodiversity Action Plan actions through on-the-ground improvement projects focusing on aquatic Biodiversity Action Plan habitat and species.

Key Performance Indicator

Measure & Target	Performance
<i>Complete 135 Biodiversity Action Plan actions (KPI720)</i>	Target achieved We have progressed and/or completed 151 Biodiversity Action Plan actions. We have made improvements to our reporting which will improve our tracking for next year. Examples of projects that we have been involved in include the introduction of natterjack toads on to our landholding on the Dee Estuary (Point of Ayr), creation and restoration of several new ponds at Cilan (Llyn Peninsula) and habitat creation at Cors Llanllyfni.

The wider environment is more favourable to biodiversity through appropriate management and increased extent and connectivity

We work with Welsh Assembly Government to ensure appropriate measures are in place to support aquatic biodiversity and marine development in Wales, providing technical advice and information on the priority aquatic biodiversity measures needed within the Welsh agri-environment scheme ‘Glastir’, and fully participating in the restructuring of sea fisheries management in Wales.

RL 6, 38,
39, 41, 60

In February 2010, we officially opened Blackweir fish pass, allowing salmon and other migratory fish greater access to the River Taff for the first time in 200 years. Continuing this work, two successful bids to the European Fisheries Fund have secured £2.1m to increase fish passage and habitat restoration throughout Wales. We continue to deliver habitat improvements alone and in collaboration with Rivers Trusts and other organisations throughout Wales through the Sustainable Fisheries Programme.

We have completed our Eel Management Plans, enabling us to manage eel and elver stocks more effectively particularly through the closed fishing season.

Key Performance Indicators

Measure & Target	Performance
<i>Progress 90 salmon, sea trout and eel Action Plan actions (KPI640)</i>	Target not achieved We missed our target this year, progressing 83 planned salmon, sea trout and eel actions this year. Due to higher priority issues such as dealing with a blue green algae outbreak at Llyn Padarn, resources were diverted from fisheries, resulting in the work programme not being fully completed.
<i>Complete our fisheries monitoring programme at 391 sites (KPI671)</i>	Target not achieved We delivered 389 points of our fisheries monitoring programme. A pollution incident and health and safety issues prevented two samples from being completed.

Measure & Target	Performance
<i>We improve River Habitats (KPI730)</i>	Target not achieved We improved 30km of river habitat against a target of 33.5km which we will catch up on next year. At Gronant we fenced out 1km of streamside habitat to control stock access and improve habitat whilst at the Afon Dwyfach we worked collaboratively with Gwynedd Council to fence out 400 metres of the river to benefit pearl mussels.
<i>Total area of Non - FCRM remedies delivered to improve the condition of SSSIs (KPI761)</i>	Target achieved We have met our target of progressing non-FCRM SSSI remedies to 3,900 hectares.

Sites of international, welsh and local importance are in favourable condition for the species and habitats for which they have been identified

We have reviewed consents at all 109 Natura 2000 sites in Wales, implementing changes to consents that were identified as having an adverse effect at sites. Working with the Countryside Council for Wales we are using the Special Sites database to manage progress against actions ensuring more sites return to favourable management in the future. Through our habitat creation programme we have introduced more than 200 water voles to their native habitat at Llangorse Lake, Powys for the first time in ten years, with improvements also benefiting other wildlife.

RL 5, 6
ES 1

Key Performance Indicators

Measure & Target	Performance
<i>Habitats Directive sites where the review of consents is complete (Stage 4 only) (KPI780)</i>	Target achieved We have completed this measure reviewing all 85 consents required of us.
<i>Area of FCRM remedies delivered to improve the condition of SSSIs (KPI762)</i>	Target achieved As expected no planned FCRM SSSI remedies progressed this year. However, we were able to deliver 330 hectares through our other work.

Species and habitats are protected from illegal activity / over exploitation

Our pilot project to change the emphasis from licence checking numbers to targeting fisheries and areas with higher evasion rates has been successful. Between April 2009 and March 2010, there have been 287 prosecutions for illegal fishing activities, with fines totalling over £31,000. Following a Net Limitation Order review we have developed a consultation to engage commercial net holders on the practicalities of introducing a new heritage net licence, helping to ensure sustainable stocks for the future. We have been unable to carry out a review of all Welsh rod fishing byelaws in 2009/10 due to commitments to the sea fisheries management and Net Limitation Order Review.

RL 40

Key Performance Indicators

Measure & Target	Performance
<i>We check high-risk fish introductions in the field (KPI700)</i>	Target achieved We have consented 16 high risk introductions this year. These have principally been introductions to Special Areas of Conservation of juvenile salmon and sea trout from a private hatchery for angling interests.

Measure & Target	Performance
<i>Complete 90% of planned rod licence checks (KPI 682)</i>	Target achieved We have completed 6,503 rod licence checks against a target of 6,827 (95%).

3.8 WALES HAS SUSTAINABLE FARMING AND FORESTRY PRACTICES AND PROTECTED AND RESTORED LAND WITH HEALTHIER SOILS

Our Role: The Water Framework Directive sets new and tougher standards for rivers and other water bodies, placing much greater emphasis on the ecological status of the water environment. Meeting this challenge will require changing land management practices and tackling pollution coming from multiple sources such as agriculture, industry, households and road transport. We advise local planning authorities to ensure land use planning decisions have full regard to environmental impacts and opportunities at an early stage. We promote sustainable land management and advise landowners on good practice which delivers improvements for the farmer and for the aquatic and soil environment. We also advise local authorities and other partners on how to remediate historic mine pollution and restore brownfield sites for the benefit of the local community and economy. For the most contaminated sites, we lead on preventing further contamination to land and controlled waters, such as Brofiscin Quarry, Groesfaen.

Our work to ensure land is managed and farmed sustainably means that soils and water are not polluted, habitats are protected or improved and biodiversity increases. By ensuring land and soils are available and in good quality to support ecosystems services, including acting as carbon stores, we are contributing to a more sustainable economy – and hence sustainable development – for Wales.

Evidence

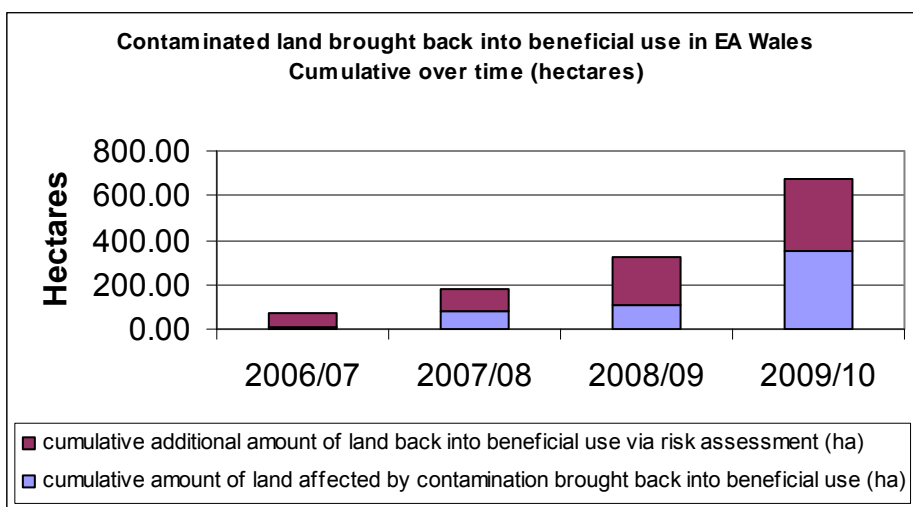


Fig 9 shows land brought back into beneficial use by EAW

Since 2006/07, a total of 653 hectares of contaminated land in Wales has been brought back into beneficial use

Source: Environment Agency Wales

Our performance 2009/10

Farms and forestry help to protect and improve the Welsh environment

We are supporting the Welsh Assembly Government to develop their land management prescriptions for ‘Glastir’, ensuring that prescriptions and targeted areas within the scheme provide outcomes that will help deliver Water Framework Directive objectives.

We work with the Rural Inspectorate Wales to complete its cross compliance regulation inspections programme, ensuring the farming industry are helping to protect our environment.

We continue to support the Welsh Assembly Government’s Pont Bren and Cambrian Mountains projects through our membership on the Steering Groups, providing scientific and economic advice which is central to the development of agri environment policy in Wales.

Remit Letter (RL) 42

Key Performance Indicator

Measure & Target	Performance
<i>We complete our cross-compliance inspection programme (KPI481)</i>	Target achieved We have successfully completed all 186 inspections requested of us by the RIW and the majority of the inspections in England as part of the 2010/11 compliance year prior to handover to Midlands and North West Region as part of our changes to our operational boundary, effective from April 2010.

Everybody is aware of the importance of managing land quality in a sustainable manner and takes appropriate action

We provide analysis of available data on the nature and levels of diffuse pollution in catchments within Wales to the Welsh Assembly Government in order to help target remedial measures.

We have entered a partnership agreement with Farming Connect to promote the use of nutrient management plans across Wales ensuring that nutrient losses from agricultural fields are minimised. Encouraging the use of these plans will help a more efficient delivery of water quality outcomes for Water Framework Directive. Our first Land Management Conference in October 2009 brought together partners in Wales to explore opportunities and benefits for a targeted approach to land management. Attendees pledged to work together to protect soil and increase carbon stores, to ensure that more rural land is covered by environmental agreements, to increase awareness of the need to have sustainable drainage positively considered in decision making and to ensure land is managed to maintain good water quality.

Many farms visited as part of our catchment initiative are over applying fertiliser, manure and slurry and often have inappropriate soil pH levels. We are educating farmers on both the economic and environmental benefits of nutrient management, encouraging farmers to use a nutrient management plan for the farm.

We are supporting the Welsh Assembly Government to develop a Welsh Soils Action Plan through advice and guidance. We have our own Soils Strategy – *think Soils* – and promote the value of soils to farmers, businesses and families at events such as the Royal Welsh Show, July 2009.

RL 42

Less land in Wales is affected by contamination

We lead on two designated ‘special sites’ concerning contaminated land in Wales. We continue to implement remedial assessment actions at Brofiscin Quarry, Groesfaen and monitor Tondy House, Bridgend following successful remediation in 2007.

We are supporting the Welsh Assembly Government in the initial stages of developing a scoping strategy, providing information on what is likely to be needed in a contaminated land strategy for Wales.

Environment Strategy (ES) 37

Key Performance Indicator

Measure & Target	Performance
<i>124 hectares of land that is affected by contamination is brought back into beneficial use (KPI470)</i>	Target achieved This year 231 hectares of contaminated land have been brought back into beneficial use. This was mainly due to South Hook LNG, a 200 hectare site in Pembrokeshire. Our cumulative target for March 2011 of 200 hectares has now been achieved.

Storage of carbon in soils and biomass in Wales is preserved and enhanced

Through partnership with Welsh Assembly Government and Department of Environment, Food and Rural Affairs colleagues we have developed appropriate guidance for our operational teams to deliver Nitrate Vulnerable Zone Action Programme measures.

RL 42

3.9 MANAGING OUR BUSINESS

We have a duty to provide the people of Wales with value for money and the best services possible. The work we undertake to minimise our own environmental impact, our policies to support equality and inclusiveness in our work, and managing our finances and resources in a socially and environmentally responsible way, all play a part in contributing to sustainable development.

Good to do business with

- We completed the sustainable procurement risk assessment for all projects and contracts with an expected value of £25k and above. We have attained Level Four against the Sustainable Procurement Assessment Framework with Level Five in some areas
- By year-end we were making 93 per cent of supplier payments within 10 days, helping to support business through the current economic climate
- All our bids for European funding received approval, allocating £29.27m in direct income from EU funds and Welsh Assembly Government match-funding for environmental improvements over the next five years
- We made £1.6 million efficiencies through procurement savings and local efficiencies
- General enquires, Floodline Direct, our publications and other information sources - such as Netregs and "What's in your backyard?" which provide advice and information for business and the public - are all available in Welsh as well as in English
- We provide a safe and healthy place to work and our staff manage the risks they face. We had only one work related incident this year resulting in a member of staff taking time off
- We maintained our Investors in People accreditation as an organisation that employs over 1000 staff in Wales
- We been named Wales' top employer in Stonewall's annual Workplace Equality index 2010 for gay, lesbian and bisexual people for the second year in a row
- We developed our new Corporate Plan for Wales, outlining the outcomes and activities we will deliver to achieve them during the next five years
- We successfully managed the change to our operational boundary so that it is in line with Wales' administrative boundary from April 2010
- All our staff have completed on-line security awareness training to understand the practical measures to be taken to keep our information safe
- We reviewed our Business Continuity Plans, through our incident management programme, which were invoked in January 2010 as a result of heavy snowfall across parts of Wales
- Our internal environmental management programme has helped to reduce our CO₂ emissions by 15 per cent since 2006, leading the way among public sector organisations
- We are eighth in the Sunday Times 60 Best Green Companies
- Our buildings are legally compliant and two meet the Building Research Establishment's Environmental Assessment Method (BREEAM) - the most widely used environmental assessment method for buildings in the UK

Remit Letter (RL) 7, 50, 52, 55, 56, 60, 61, 62, 64

Key Performance Indicators

Measure & Target	Performance
<i>We are reducing mileage (KPI1090)</i>	Target not achieved We drove 4,939,859 miles against an ambitious target of 4,794,476 miles, set in attempt to achieve our five year mileage target two years ahead of schedule. However, we drove almost 150,000 miles less than last year.

Measure & Target	Performance
<i>We use less water (KPI1120)</i>	Target not achieved We used 4,754m ³ of water against a target of 4,455m ³ . We have used less mains water than last year (some 450m ³ less) but did not meet our target. Sites with rainwater harvesters are using more mains water than usual, as rainfall has been heavier than last year and less frequent.
<i>We reduce our CO₂ emissions (Annual Target) (KPI1101)</i>	Target achieved We emitted 3,180 tonnes of CO ₂ against a target of 3,360 tonnes - approximately an 8% reduction on 2008/09. We have been working hard to reduce business miles and make improvements to our offices and depots in order to see a reduction in our CO ₂ emissions. We are looking to achieve further significant reductions in 2010 as part of the 10:10 campaign.
<i>We use less energy (KPI1110)</i>	Target achieved For the year we have used 2,501,506 kWh of energy - 94% of our target. This was achieved by improved staff behaviours and energy reducing practices, plus the installation of a new boiler, wind turbine and photovoltaic panels.
<i>We produce less waste (KPI1130)</i>	Target achieved We have continued to improve our management of waste. We have produced 7,704kg of waste against a target of 10,500kg.
<i>We have less time losing injuries (KPI20)</i>	Target achieved We have had only one level two lost time injury this year, against a ceiling target of four, which is an improvement on previous years. An officer slipped on wet ground and leaves and hit their knee on concrete. The incident has been fully investigated and some good lessons have already been learnt and actions put into place.
<i>Our workforce is more diverse (KPI31)</i>	Target achieved Headcount is reducing in line with glide path. BME ethnicity at 1.82% is an improvement on the figure at the start of the year as we try to ensure a diverse workforce reflecting the populations we serve.
<i>Our external turnover is between 7% and 13% (12 month rolling figure) (KPI40)</i>	Target achieved Due to the current economic climate, our external turnover is less than the recommended 7-13%, being only 3.02%. Turnover of staff is predicted to continue to be low as fewer opportunities means less staff movement.

Working with others

- We work through the planning and governance regimes in Wales e.g. Town and Country Planning, Community Planning, Local Service Boards and the Wales Spatial Plan to help ensure the environment is appropriately considered alongside social and economic issues
- Working with Communities First coordinators we have also developed supporting material to help the partnerships know what types of environmental action they can take and benefit from, including information about organisations who can help or support the activities
- We are actively working with individuals and organisations from the third sector to achieve joint environmental outcomes, sharing evidence with Afonydd Cymru and local Rivers Trusts to support their investigations into local 'failing' waterbodies in line with the Water Framework Directive and seeking advice through membership of our statutory committees and River Basin District Liaison Panels
- We are active in Welsh environmental research and support our staff to develop links with research institutions to develop and refine environmental evidence. Within Wales, we co-fund the Welsh Environment Research Hub and are a member of its management board. We support the Welsh Assembly Government to develop co-ordinated evidence plans among fellow research funders – Welsh Assembly Government, Countryside Council for Wales and Forestry Commission Wales

RL 44, 45, 46, 47, 48, 63

Environment Strategy (ES) 33

- As a Category One responder, we sit on the Wales Resilience Forum, taking the lead on Flood Emergency Planning, supporting multi-agency contingency planning across Wales and regularly testing our emergency plans and updating procedures to ensure in the event of an incident we are better prepared and able to respond appropriately

Key Performance Indicators

Measure & Target	Performance
We work in a prioritised way to influence local government SCS and CS (KPI81)	Target achieved We have influenced Bridgend's Community Strategy ensuring policies contained Green Spaces, commitment to ensure a clean environment by tackling local environmental issues, protecting the natural environment and contributing to tackling climate change. Pembrokeshire Community Strategy contains our influence in policies on climate change, flooding, biodiversity and Water Framework Directive. Swansea Community Strategy has taken our advice on sustainable development and bathing water quality.
We work in partnership with local authorities to improve the quality of life (KPI82)	Target achieved We have completed five Local Area Agreement milestones as planned. Partnerships have included Environmental Group Caerphilly regarding the Community Strategy to reduce crime, the Environmental Group Newport to create an event to offer advice to waste carriers and builders merchants, Cardiff Vision Forum providing strategic commitments for the Community Strategy, Seven Tidal Power Monitoring Group, project initiation document for Port Talbot, workshops for the Burry Inlet to reduce spills, surface water savings schemes in Llanelli etc.
We identify offenders for Category 1 and 2 incidents that are offence-related (KPI1160)	Target achieved Offenders of Category 1 and Category 2 incidents that were offence related were identified in 54 out of a total of 66 offences.
We take effective action against those who damage the environment (KPI1170)	Target achieved The number of Category 1 and Category 2 incidents that were offence related and we are taking enforcement action is 39 out of 46, with prosecution/caution being recommended in three of these cases.

4. Environment Agency Wales Audited Accounts

ENVIRONMENT AGENCY WALES

ANNUAL FINANCIAL STATEMENTS

FOREWORD

Financial framework

Under the terms of its Financial Memorandum, the Environment Agency ("the Agency") is required to:

- break even on income and expenditure, subject to specific carry forward provisions;
- spend income on the particular function for which it was raised; and
- establish fair charging schemes which maximise income from those who benefit from our services or otherwise cause our costs to be incurred.

Funding

The Environment Agency Wales (EAW) derives its funding from two main sources:

- income raised from charging schemes and other fees and charges; and
- Welsh Assembly Government (WAG) grants, principally grant-in-aid towards flood risk management, environmental protection, fisheries, recreation, conservation and navigation functions.

The Environment Agency Wales also receives an increasingly significant amount of funding from European Convergence funding, primarily towards the flood risk management function.

Corporate Governance

The Agency aims for the highest standards in corporate governance. A detailed statement on Corporate Governance can be found in the Statement on Internal Control included within the Agency's 2009/10 Annual Report and Accounts.

Details concerning insurance, creditor payment policy, pensions and a report of the Remuneration Committee can also be found in the Annual Report and Accounts.

Accounts Direction

The annual accounts of the Agency have been prepared in accordance with the Accounts Direction issued by the Secretary of State for Environment, Food and Rural Affairs and Welsh Ministers, and with the consent of HM Treasury under Section 45 of the Environment Act 1995. These accounts are laid before Parliament and submitted to Welsh Assembly Government.

Financial Derivations for Environment Agency Wales

The following financial derivations reflect the income, expenditure and application of Grant in Aid, relating to the Agency's activities in and for the benefit of Wales for the year ending 31 March 2010; they also reflect how the resources were applied to meet the costs of those activities.

The amounts shown have been derived from the accounts of the Agency as a whole in accordance with the guidance "Costing the Agency's activities in Wales" as agreed by the Welsh Assembly Government and the Environment Agency Wales. Separate accounts are not prepared for Wales, but the amounts have been calculated to represent a fair and reasonable assessment of the income, expenditure and application of Grant in Aid, required to carry out all the Agency's activities that benefit Wales.

The Agency is a body whose activities and resources are directed at the whole of England and Wales. As such its management and operational structures reflect this and its accounting units mirror the operational structure.

The Agency is structured around a Head Office at Bristol/London, seven regions, Environment Agency Wales and numerous business units. There are also specialist national services and national centres supporting these business units.

Areas are based on river catchment boundaries for operational effectiveness. Parts of the Dee and Wye catchments, both of which lie in England, are managed from our Bangor/Buckley and Cardiff offices respectively. Conversely, the Shrewsbury office operationally manages an area of the Severn catchment, which lies in Wales.

It has been agreed by the Board to change the existing boundaries of Environment Agency Wales, North West and Midlands Regions from being catchment based to ones aligned with the administrative boundary between England and Wales. This will come in to effect from 01 April 2010.

ANNUAL REPORT 2009/2010 : Environment Agency Wales

Table A – Statement of derived income, expenditure and application of Grant in Aid.

Service	2009/2010				2008/2009	
	Operational Income £'000	WAG Grants £'000	Total Funding £'000	Expenditure £'000	Total Funding £'000	Expenditure £'000
Processing industries regulation	39	1,493	1,532	1,532	1,896	1,896
Radioactive substances regulation	1,290	38	1,328	1,328	607	607
Integrated Pollution, Prevention Control	2,312	338	2,650	2,650	2,915	2,915
Waste management	5,245	9,263	14,508	14,508	11,924	11,924
Water quality	7,699	6,522	14,221	14,221	16,795	16,795
Land quality	0	1,208	1,208	1,208	1,221	1,221
Total environmental protection	16,585	18,862	35,447	35,447	35,358	35,358
Fisheries	1,635	4,786	6,421	6,421	6,047	6,047
Conservation	4	872	876	876	766	766
Navigation	2	423	425	425	546	546
Recreation	1	214	215	215	216	216
Flood Risk Management	3,137	31,276	34,413	34,413	30,915	30,915
Water Resources	20,002	0	20,002	20,002	20,071	20,071
Total all services	41,366	56,433	97,799	97,799	93,919	93,919

Note 1: Table A reflects in year revenue expenditure, capital works expensed in year and charges for the use of EAW assets. These figures are derived from the Agency's accounting records.

Note 2: Grant support from the WAG which was applied to in-year revenue and capital expenditure amounted to £58.781 million (please see paragraph 3 of the Notes to the Financial Derivations). The Grant In Aid funding shown in Table A, £56.433 million is before a contribution of £2.348 million to the deferred capital grant account has been taken into account.

Table B – Statement of derived expenditure by type			
Expenditure	2009/2010	2008/2009	
	£'000	£'000	
Staff costs			
Salaries and wages	49,586		46,896
Travel and subsistence	3,246		3,445
Total staff costs	52,832		50,341
Other costs			
Other Operating costs	28,845		28,733
Depreciation and Disposals WDV	2,503		2,493
Capital works expensed in year (paragraph 4.2)	13,619		12,352
Total other costs	44,967		43,578
Total Environment Agency Wales expenditure	97,799		93,919

Notes to the Financial Derivation

1.0 Accounting principles

- 1.1 Where appropriate, use of accumulated balances from previous years has been made to fund our in-year activities in particular on Flood Risk Management and water resources operations.
- 1.2 Where charging schemes apply a consistent level of charges across England and Wales, an equal level of income from one country has been included to match the expenditure incurred in the other.
- 1.3 Where income is raised from customers in England, but the expenditure, which gives rise to that income is incurred in Wales, a matching of income to the expenditure has been made.

2.0 Operational income - Charges

All of the charging schemes are subject to the principle of cost recovery i.e. charges must be fixed to recover costs incurred on the activities to which the charges relate. The majority of our charging schemes apply the same level of charges across Wales and England, the exception being water abstraction licences which are levied on a regional catchment basis.

The main charges include:

- a range of environmental protection charges related to effluent discharge consents, integrated pollution and prevention control authorisations, process industry regulation, radioactive substances and waste management;
- charges for fishing licences; and
- abstraction licence charges to fund our expenditure on water resources. As this scheme reflects river catchment boundaries, the standard unit charges (SUC) vary across all seven regions of the Agency and Environment Agency Wales. As such, charge payers in the Upper Severn area of Wales (which is administered by Midlands Region) have a different SUC to those in the remainder of Wales.

The Environment Act 1995 makes provision for harmonising the various charging schemes and for introducing new schemes. While the Agency will continue to make full use of these provisions, it will only do so after full consultation.

3.0 Welsh Assembly Government grants

- 3.1 The Welsh Assembly Government provided Grant in Aid support of £25.069 million during the year to finance our environmental protection, fisheries, recreation, conservation and navigation services.
- 3.2 The Welsh Assembly Government also provided Grant in Aid support of £33.971 million to the flood risk management service. This included support to both revenue and capital expenditure. Therefore, total direct Grant in Aid support was £59.04 million.
- 3.3 In addition, £0.174 million was received in respect of transfer from accounts.
- 3.4 Thus Grant in Aid totalled £59.214 million, which was applied as follows:

Statement of Grant in Aid

£'000

1. Environmental Protection, Fisheries, Recreation, Conservation and Navigation services

At 1 April 2009	124
Provided (refer to paragraphs 3.1 and 3.3)	25,243
Applied to services	(25,307)
	<hr/>
At 31 March 2010	60

2. Flood Risk Management

At 1 April 2009	0
Provided (refer to paragraph 3.2)	33,971
Applied to services	(33,300)
	<hr/>
At 31 March 2010	671

4.0 Expenditure

- 4.1 The expenditure shown is in respect of all the Agency's activities carried out in and for the benefit of Wales. The costs of national services, Head Office and specialist centres from which Wales benefits are included in the figures shown.
- 4.2 A total of £19.018 million was spent on capital. Of this, £5.399 million was applied to non current assets, which have been added to the asset base of the Agency. This is reflected in Note 5. Capital charges representing their use on Agency activities will be reflected in future year financial derivations. The remainder was used to finance capital works expensed in year amounting to £13.619 million, which is included in Tables A and B.
- 4.3 In addition to the money the Agency spent directly on managing the environment, the Agency also plays an important regulatory role in influencing the environmental investment programmes of industry and the privatised water companies. Our aim is to ensure that expenditure is effectively targeted and results in maximum benefits for the environment.

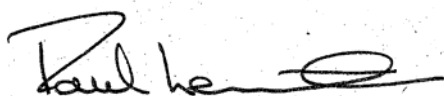
5.0 Capital investment and fixed assets

The following table illustrates the fixed assets utilised in Wales together with capital investment and charges for the year.

Non Current asset summary

	Total £'000
Cost	
At 1 April 2009	49,376
Capital expenditure	5,399
Grants & contributions	(732)
Disposals	(325)
Revaluations	(269)
Indexation	(2,635)
At 31 March 2010	<u>50,814</u>
Depreciation	
At 1 April 2009	17,329
Charge for year	2,495
Amortisation of grants & contributions	(195)
Disposals	(317)
Revaluations	(550)
Indexation	(840)
At 31 March 2010	<u>17,922</u>
Net book value at 31 March 2009	32,047
Net book value at 31 March 2010	32,892

The financial statements were approved by the Board on 6th July 2010 and were signed on its behalf by:



Paul Leinster
ACCOUNTING OFFICER
20 July 2010

Report to the Welsh Assembly Government and the Secretary of State for the Department for Environment, Food and Rural Affairs on the Financial Derivations for Environment Agency Wales for the year ended 31 March 2010

Introduction

The Assembly requires that the Environment Agency prepares a financial statement derived from the Agency's accounting records, to represent the financial transactions relating to the Agency's activities within the political boundary of Wales. Because the Agency is organised on river catchment boundaries, this derivation requires apportionment of financial transactions from a number of Agency regions, and cannot be extracted directly from the Agency's financial statements. The derivation is undertaken in accordance with the principles contained within 'Costing the Agency's Activities for Wales', a document approved by the Assembly and the Agency.

I am the external auditor to the Agency, and the basis on which I undertake my work is set out in a letter of understanding with the Agency dated 19 June 2008. Under the terms of this letter of understanding I have agreed to report to the Welsh Assembly Government and the Secretary of State for DEFRA on the annual Financial Derivations report.

I have examined the Tables A and B and the accompanying notes to the Financial Derivations for the year ended 31 March 2010.

Respective responsibilities of the Agency's Accounting Officer and auditors

The Agency's Accounting Officer, as the officer responsible for keeping proper accounting records, is responsible for preparing the Financial Derivations in accordance with the guidance.

I have agreed to form an independent opinion as to whether Tables A and B and the accompanying notes to the Financial Derivations have been derived from the accounting records of the Agency for the year ended 31 March 2010 and have been properly prepared in accordance with the above principles.

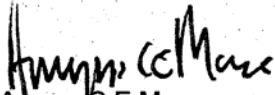
Basis of opinion

I have carried out the procedures I considered necessary to confirm that Tables A and B and the accompanying notes to the Financial Derivations have been properly prepared according to 'Costing the Agency's Activities in Wales' and derived from the accounting records of the Environment Agency for the year ended 31 March 2010. The scope of my work for the purpose of this report does not include:

- undertaking the procedures necessary to give a 'true and fair' audit opinion on Tables A and B and the accompanying notes to the Financial Derivations;
- evaluating the basis of apportionment of income and expenditure derived from the full financial statements of the Environment Agency between England and Wales; or
- examining or dealing with events after the date of my certificate on the full financial statements of the Environment Agency.

Opinion

In my opinion Tables A and B and the accompanying notes to the Financial Derivations have been derived from the accounting records of the Environment Agency for the year ended 31 March 2010 and have been properly prepared in accordance with 'Costing the Agency's Activities for Wales'.

AM

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
22nd July 2010

5. Appendix 1 Abbreviations

Abbreviation	Description
AMP	Asset Management Plan
BAP	Biodiversity Action Plan
COMAH	Control of Major Accident Hazard Regulations
EA	Environment Agency
EAW	Environment Agency Wales
EC	European Commission
EPR	Environmental Permitting Regulations
EU ETS	European Union Emissions Trading Scheme
FRM	Flood Risk Management
LAS	Landfill Allowance Scheme
LPA	Local Planning Authorities
LRF	Local Resilience Fora
NFCDD	National Flood and Coastal Defence Database
NLO	Net Limitation Order
OPRA	Operator Pollution Risk Appraisal
RIW	Rural Inspectorate of Wales
RSA	Restoring Sustainable Abstraction
SPAF	Sustainable Procurement Assessment Framework
SSSI	Sites of Special Scientific Interest
WFD	Water Framework Directive

6. Appendix 2 Glossary

AMP - Asset Management Planning programme - Every five years Ofwat (the economic regulator for the water industry) reviews the prices water companies can charge for the following five year period, this is known as the Periodic Review. The last Periodic Review was known as PR04 and set the prices water companies can charge from April 2005 for supplying drinking water and dealing with sewage. The resulting investment programme for each water company is known as an Asset Management Plan.

BAP - Biodiversity Action Plan - The UK Biodiversity Action Plan was produced by the Government in 1994 in response to the Convention on Biological Diversity held in Brazil. The plan lists species and habitats and actions for various organisations. Most organisations have produced or are in the process of finalising their own plans. Copies of our plans are available from our Biodiversity Team.

CAMS - Catchment Abstraction Management Strategies - Our CAMS set out the abstraction licensing strategy for each catchment. This allows us to balance the needs of the water environment with those of other water users.

Catchment Co-ordinators - Co-ordinators provide and co-ordinate advice to farmers that will allow them to improve their environmental performance.

CFMPs - Catchment Flood Management Plans – CFMPs identify long-term, sustainable policies for flood risk management throughout a river catchment.

Cross Compliance – Since 1 January 2005, as part of the reforms to the Common Agricultural Policy, farmers now have their subsidy payments made as a single farm payment (Single Payment Scheme). In order to receive payment in full, farmers must comply with a number of specific legal and husbandry requirements. This is known as "Cross Compliance".

Defra - Department for Environment Food and Rural Affairs - Defra's remit is the pursuit of sustainable development - weaving together economic, social and environmental concerns.

Diffuse Pollution - Diffuse Pollution is where the source of the pollution is diverse and dispersed across a wide area. Individually the sources may be small, but their collective impact can be damaging. For example, run off from urban areas - roads, roofs and car parks or slurry running across the surface of a field and entering a watercourse.

EU ETS - EU Emissions Trading Scheme - The EU Emissions Trading Scheme (EU ETS) is being implemented across Europe to tackle CO₂ emissions and combat the threat of climate change. EU ETS was set up to achieve the EU's contribution to the Kyoto Protocol. Kyoto is legally binding and aims to reduce carbon dioxide emissions by 12.5 per cent by 2010. The scheme will also contribute to delivering the UK's domestic goal of a 20 per cent reduction in CO₂ emissions by 2010. Phase one of the scheme began on 1 January 2005 and ran until 31 December 2007. Phase two will run from 1 January 2008 until 31 December 2012.

FTAW – Fly Tipping Action Wales - is a project led by Environment Agency Wales, involving over 50 organisations working together to tackle flytipping and improve our environment.

LAS - Landfill Allowance Scheme – The Landfill Allowance Scheme began on 1 October 2004 and only covers Wales. The Welsh Assembly Government wanted each local authority to invest early to divert biodegradable waste from landfill. The Welsh Assembly Government has allocated the amount of biodegradable municipal waste (BMW) each local authority can send to landfill until 2009/10. This has been done through the Landfill Allowance Scheme. Each Waste Disposal Authority (WDA) has to report on the amount and types of municipal waste they collect. They manage this through a web-based system called WasteDataFlow.

LCA - Life Cycle Assessment - Life Cycle Analysis (LCA) is used to examine the total environmental impact of a product through every step of its life, from inception, manufacture, distribution and use, to final disposal. LCA allows quantification of how much energy and raw materials are used, and how much solid, liquid and gaseous waste is generated, at each stage of the product's life.

MMF - Mobile Monitoring Facility - an automatic air quality laboratory, housed in a trailer, which can be deployed to measure and record the air quality at sites of concern.

PM10s - Particulate Matter of fewer than 10 microns diameter is referred to as PM10. Typically this will include dust, dirt, smoke, soot and liquid droplets, deposited into the atmosphere by industry and transport. They can also be formed by chemical reactions which take place in the air.

Ofwat - The Water Services Regulation Authority (Ofwat) is the economic regulator of the water and sewerage industry in England and Wales. Their role is to seek value for consumers. Before 1 April 2006 their functions rested with the Director General of Water Services. The framework for the changeover was outlined in the Water Act 2003. It provides a similar structure to other economic regulators.

RSA - Restoring Sustainable Abstraction - In some areas, existing surface water abstraction is affecting, or has the potential to affect, important plants and animals. We faced the challenge of reversing this trend and restoring water bodies to a favourable condition. The Wales RSA programme seeks to modify damaging licences in order to improve and protect our valuable areas.

SFP - Sustainable Fisheries Programme - Fishing Wales is a sustainable fisheries programme that implements extensive restoration of river habitats, whilst encouraging appropriate tourism through a targeted marketing campaign. Since the project commenced in 2003, it has already achieved impressive ecological and economic benefits.

WFD - Water Framework Directive - The Water Framework Directive is a new piece of European legislation which promotes a new approach to water management through river basin planning. It will help us improve and protect inland and coastal waters; drive wiser, sustainable use of water as a natural resource; and create better habitats for wildlife that live in and around water.

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