

WALES AND ITS PRECIOUS RURAL LANDSCAPE: THE ECONOMY VERSUS THE ENVIRONMENT

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Before I begin, I would like to introduce you to four characters – The Who, The Why, The What, and The How.

The who

I was born Jeffrey William McNamara, the son of a farmer in Pembrokeshire where we milked cows and grew Pembrokeshire early potatoes. It was here that I learned some great life lessons such as determination, common sense, and a great work ethic – all qualities I would need in abundance later. It was also second nature for me to work with the land that provided for me, my family, and employees, and not work against it.

My ancestors, however, were not farmers but builders and architects. My grandparents designed and built, amongst others, the Loudwater Estate in Rickmansworth – a famous development of quality houses very much valued today. Ethel Clara McNamara was an architect and indeed one of the first women to be recognized as such in England in the 1920s, and it was her husband, my grandfather, Sidney McNamara who was the builder. To go further back, my ancestry was originally from Ireland and they built many fortified castles such as Bunratty in County Clare. So, envisioning, designing, creating and, more importantly, determination, work ethic, and common sense are in my genes, and from the very young age of ten years I always knew that I would be the master of my own destiny.

The why

Milk quotas in 1984 meant diversification from dairy farming into the leisure industry. I created a family-day visitor attraction on my dairy farm called Oakwood, which opened in 1987 and over the next fifteen years I saw it grow into Wales's largest tourist attraction, with half a million annual visitors. We opened from March until October and had a permanent team of sixty staff and a seasonal team of two hundred. This brought challenges as we had to attract, recruit, and train staff every year.

At the time Pembrokeshire was not in a good place, an 'Objective One' area with very low economic activity. However, the economy of peripheral Pembrokeshire grew more challenging still as the years progressed and that, coupled with the weather and seasonal employment issues, meant that, once again, standing still was not an option. At the time, First Minister Rhodri Morgan said that he believed Wales was in the 'relegation zone' of the British economic league.

I could see from a tourism perspective that short-term thinking was not the answer and we needed to attract a more affluent visitor to Wales and, more specifically, to Pembrokeshire. They would require a better class of accommodation

with packaged activities and wet-weather facilities. So, at the turn of the millennium, I sold out my shareholding in Oakwood and decided to create a new generation short-break resort called 'Bluestone' on the southern half of my dairy farm.

This resort would not be seasonal; it would employ local people and families all year round. We would train and develop them, pay them above average wage and give them a career so they would not have to leave and drain the county of its youthful population. We would buy from local suppliers and create a network of quality tradespeople, who in turn would employ more people. We would build a waterpark, a great indoor attraction not only for our guests but for the tourist industry and the local residents of Pembrokeshire alike. We would put Pembrokeshire and Wales on the UK tourist map and attract a new, wealthier market to Wales all year round. It seemed better than a good idea. It felt like the right thing to do.

The what

I discovered that I have a wonderful gift which I luckily did not recognize until much later – the gift of naivety. In other words, if I had known all the pitfalls from the outset, would I have embarked on the project?

My farm and neighbouring land straddled both the local County Council and the National Park planning authorities. I decided that the best way forward was collaboration and I invited the local planning authorities from the County Council and the National Park to come and walk and talk with me about my ideas. The site was partly on my private dairy farm and the neighbouring farmland which had no rights of way and had been intensively farmed. I wanted to build the UK's only National Park Resort that had an outward looking ethos, with Bluestone as its base and Pembrokeshire as its playground – luxury, self-catering lodges; an undercover waterpark with flumes, a beach, and wave pool; an adventure centre focusing on children's play; outdoor education in acres of managed woodland; restaurants and shops and Wales's largest spa.

My proposition was also backed up by the Visit Wales Tourism Strategy, *Achieving our Potential*, where it stated that:

Wales has yet to attract the new generation of large scale holiday village which is open all year round and is well geared to meeting the needs of the growing short-break market.

I thought therefore that I would be pushing an open door, assuming that there was joined-up thinking and a will to make things happen. However, life turned out to be very different. From discussions with the planning authorities, I came to the conclusion that new activities in the national park would not be supported, notwithstanding the economic benefit that might flow from such activities.

The underlying concern of those people behind the National Parks movement was to protect and preserve the national park, fearing that one day there may be nothing left of our beautiful landscape. This led to the presumption that development should be resisted. On the other hand, 22,500 people live in our national park in Pembrokeshire. They drive around it, buy fuel, food, supplies, run their own

businesses, and require employment.

A genuine dilemma, but one where I thought that the issue had to be addressed and some regard had to be paid to economic benefit. So, with a real fight on my hands at the outset and a mindset which put more emphasis on the wider benefits, whilst protecting the environment, I took a stand which some clearly saw as antagonistic. So, a new journey began.

The how

How could we make Bluestone happen? Quite simple really – raise sixty million pounds, get planning consent, build the resort, employ four-hundred people from the off, and create a nationally recognized brand from nothing, all in the shortest period of time possible.

One of the greatest challenges was raising finance and, after meeting sixty-seven venture capitalists, the view seemed to be, ‘Great idea, but in Wales? Sorry we do not invest in Wales.’ It was just too big an idea and the large financial investment that was required to make it happen meant too much risk. Eventually, talks concluded in a complex deal of venture capital money along with public sector and private sector funding; and, at the time, it was the largest public/private sector transaction to happen in Wales.

Entrepreneurs make money – it is part of what we do – but for most it is actually not the prime motivator. In my case I am motivated by challenge, making difficult things happen and wanting to make a lasting, positive difference, especially in Pembrokeshire. In 2006, the Welsh Government awarded Bluestone a grant of sixteen million pounds, primarily European funding, which was a great deal of money at the time and a key catalyst to the ‘cocktail’ of funding secured for the project. Interestingly, now, Bluestone effectively repays that every two and a half years through employer NI, VAT, rates, and energy taxes. This contribution is growing and is in perpetuity. Bluestone pays more in rates annually than the combined sum of 6000 other Pembrokeshire businesses, so I think from the government’s perspective it was a good investment.

The planning process was another major hurdle and a process which I believe had some fundamental flaws. Although Bluestone was conceived in May 1996, it was twelve years to the day when it opened, against a planned timescale of four years. Along the way there was much unnecessary angst, a huge waste of time in delays, and costly loss of resources which could have had so much more positive benefit for the people of the county and for Wales.

The issue perhaps was whether we can expect local National Park planning officers to be unbiased in their view on a planning application of this size in their park. My experience suggests that it was difficult for them to pay regard both to their environmental concerns and to weigh these against the economic benefits for the area. Perhaps it is no surprise that, in my view, the balance was loaded in favour of environmental concerns, notwithstanding all the work we did to minimize adverse impacts.

After two years, planning permission was finally granted, only for this to be challenged by the Council for National Parks, the lobbying arm of the National

Parks, who challenged the decision through judicial review. This suggested to me that this ‘tension’ between the two facets was endemic to national parks and not just an issue for Pembrokeshire. Two years later we ‘won’ the case but at a cost of up to ten million pounds if we aggregate building cost inflation and legal costs. The broader cost was that we were delayed in employing local people, buying local goods, and contributing our taxes and rates.

This unnecessary delay meant that Bluestone opened in July 2008, just three months before the onset of the worst economic downturn in our lifetimes. As a start-up with such a massive infrastructure cost, significantly more than planned, and an unproven market, we were very vulnerable and went through a torrid time for some six years before we finally saw light at the end of the tunnel. Along the way there was much talk of planning reforms, which is a constant theme to those involved in projects, but nothing substantive has really materialized.

It was a ghastly journey – delays, negativity, huge risk, and little joy throughout. I had the sense that I was trapped, getting to the point where I could not afford to go on, yet knowing that there was so much to lose for so many people if I gave up. We did not lose and I am proud to be part of the amazing business that Bluestone is today.

So, ‘the How’, how we made it happen. In short, we had to endure a very painful and costly twelve years. Is it appropriate for new development today to go through that ordeal? Innovators, ‘do-ers’ like me, funded by the public purse, are hugely affected by the slow-turning wheels of bureaucracy and process.

Economy and environment

Now onto my subject – economy versus the environment. I chose this title carefully and purposefully but actually I should not be here talking about the ‘economy versus the environment’ but rather the economy *and* the environment. Over the course of the evening, I aim to demonstrate to you that these two pillars of our society, so often pitted against each other, should not be opponents, but, going forward, **MUST** be made to work in harmony for the benefit of us all. Indeed, it is not realistic to have a thriving environment without a strong economy, and a strong economy is of no benefit if our environment is no longer able to support the people living in it. We need to look globally to get the full picture because both the environment and the economy are under threat.

There are indeed some very scary facts about the human impact on the environment:

- The global, average temperature has already risen by 0.8°C and we are on track for an increase of almost 4°C by 2100, threatening a scale and intensity of floods, droughts, storms, and sea-level rise that humanity has never before witnessed.
- Around 40% of the world’s agricultural land is now seriously degraded and, by 2025, two out of three people worldwide will live in water-stressed regions.
- Meanwhile, over 80% of the world’s fisheries are fully or over-

exploited and a refuse truck's worth of plastic is dumped into the ocean every minute. At this rate, by 2050 there will be more plastic than fish in the sea.

Economic indicators are not all good news either:

- Many millions of people still lead lives of extreme deprivation. Worldwide, one person in nine does not have enough to eat.
- In 2015, six million children under the age of five died, more than half of those deaths due to easy-to-treat conditions like diarrhoea and malaria.
- Two billion people live on less than \$3 a day and over seventy million young women and men are unable to find work.

Meanwhile, the world has become extraordinarily unequal: as of 2015, the world's richest 1% now own more wealth than all the other 99% put together. These are already overwhelming facts, but growth projections add to the challenge ahead:

- Global population stands today at 7.3 billion and is expected to reach almost ten billion by 2050, levelling off at around eleven billion by 2100.
- Global economic output – if you believe business-as-usual projections – is expected to grow by 3% per year from now until 2050, doubling the global economy in size by 2037 and almost trebling by 2050.
- The global middle class – those spending between \$10 and \$100 a day – is set to expand rapidly, from two billion today to five billion by 2030, bringing a surge in demand for construction materials and consumer products.

Confidence is at an all-time low. In 2017, a Gallup State of the Global Workplace report said that '85% of employees are not engaged or actively disengaged at work'. The economic consequences of this global 'norm' are approximately seven trillion dollars in lost productivity. Mental health problems are a growing public health concern. They are prevalent not just in the UK, but around the world and are one of the main causes of the overall disease burden worldwide. Mental health and behavioural problems (e.g. depression, anxiety, and drug use) are reported to be the primary drivers of disability worldwide, causing over forty million years of disability in twenty to twenty-nine-year olds. It is estimated that one in six people in the past week experienced a common, mental health problem.

It is more than just the relentless pursuit of growth, profits, and pay. It is about following systems, processes, and procedures that no longer work or inspire us anymore. The economy relies on people, effectively operating people to drive the economy. Maybe those people also need some respite enjoying the countryside.

So, the perception that the economy is all-powerful is misguided – it is as vulnerable and fragile as the environment, but in totally different ways. The wording of my presentation – 'the economy versus the environment' – conjures up a duel,

an ongoing slugging match: how can the increasingly pressurized environment stand up against relentless economic pressures, fuelled by a rapidly growing population which is polluting the atmosphere, water, and land?

In one corner we have economic drivers, flexing muscles of development, progression, and prosperity. In another corner we have the environment – often perceived as the downtrodden underdog that should be protected at all costs. Unfortunately, my experience of this match is that the referees – in my case Planning Authorities, statutory and non-statutory consultees, and an army of environmentalists – do not have the understanding of the wider issues, find it difficult to be neutral or objective, and, perhaps not surprisingly, are biased towards their own ideals; they have little enlightenment on these broader issues, but significant power.

Throughout my career I have been in this ring many times, and it has left me somewhat jaded. It has invariably been a frustrating experience, where I have endeavoured to reason with what appears to be closed minds and have faced both negativity and, at times, hostility. How and when are we going to create a balanced, ‘Can-Do’ process to get things done? We have a process that actively discourages progressive development. People like me, who genuinely want to make the right things happen in, particularly, rural communities, now have very little appetite to submit projects, especially in national parks or other sensitive areas.

You may say, well, you should not be doing that anyway in a national park. However, twenty percent of Wales is within a national park and four percent are designated ‘Areas of Outstanding Natural Beauty’ – therefore a quarter of Wales has very restricted development rights. Half a million people live in these areas and they deserve a voice and improved lifestyles. Furthermore, millions of people visit these areas annually – a principal purpose of the national park.

My earlier analogy of the boxing ring, with the environment in one corner and the economy in the other, is illustrative of a concept that is fundamentally flawed as these two should not be in the ring together; they should not be opponents. It is my passionate belief that a strong, vibrant economy will lead to a better-managed and more sustainable environment. Due to the pressures that we put on the environment, simply due to our own increasing existence, we must manage the environment, improve habitats, reduce pollution, farm less intensively, all of which costs money. Without a strong economy underwriting these costs, pressure on the environment will increase not decrease. Whether we like it or not there will always be demand on our precious countryside for housing, roads and infrastructure, food and energy production, and leisure opportunities.

The wilderness left to its own devices for the privileged few, with some notable exceptions, is not an option, nor is ‘nimbyism’ – it is now an unrealistic indulgence. Whether we like it or not, wind turbines and solar PV farms are going to feature increasingly in our landscape. In 1990, ninety percent of our electricity came from coal-fired power stations – today it is less than six percent. The rest comes from wind, solar PV, biomass, and nuclear power. Even areas of wilderness with public access require managing, and managing requires maintenance, which also costs money.

The Wellbeing of Future Generations Act (2015), now enshrined in law, was

established to deliver *sustainable* development by promoting four key pillars: economic, social, environmental, and cultural well-being. So yes, it considers environmental factors, but, crucially, it places these on an equal footing with the other three pillars of the act.

Progress at last, I thought. However, in reality, the act is flawed. The interpretation of bodies such as the National Parks appears to be that any perceived compromise on the environment from an ecological perspective does not have to be tolerated, in effect, making the Wellbeing Act unworkable in this context – notwithstanding the good intentions of those who drafted the act. That stance appears to have been endorsed politically when, in the March 2018 National Assembly, the Environment Minister reassured all parties that there would be no change to the purposes of the national parks, to:

- 1 Conserve and enhance the natural beauty, wildlife and cultural heritage.
- 2 Promote opportunities for the understanding and enjoyment of the special qualities of national parks by the public.

When national parks carry out these purposes they also have the duty to ‘seek to foster the economic and social well-being of local communities within the national parks’.

I am not suggesting for one moment that these special areas should all be fully developed, but much good could – and should – happen in development terms. A more pragmatic approach would benefit the economy and, therefore, the environment in turn. Furthermore, as already highlighted, many people live and work in the national parks and want to continue to do so. Nature needs to be nurtured. I make this statement in the context of this discussion. Sometimes there is a very good case for leaving nature to its own devices, but more often than not there is benefit from nurturing nature – maintaining sea defences, undertaking woodland management, water course management (e.g. the Somerset levels). There is no straightforward answer, but a knee-jerk, negative reaction is endemic and unrealistic going forward.

Bluestone is a good example of where economic development has benefited the environment and where the commercial development has nurtured nature. During the planning process, a Cardiff University study concluded about the site that it was ‘an ecological desert’ due to years of intensive farming. I am confident that now it would be a very different story, especially given our attention to such issues. For example:

- We have invested hundreds of thousands of pounds opening our resort with managed, woodland footpaths, and we have a dedicated environmental team, Sustainability Manager, and Resort Ranger.
- We have just opened a dedicated Rangers Lodge to further the knowledge and enjoyment of our guest’s outdoor experience.
- Since opening, we have planted 0.3 million trees and shrubs on the site.

- Already this year we have planted 1300 hedge plants as part of the Pembrokeshire Nature Partnership's Habitat Connectivity Plan and we now play host to beehives, managed by the Pembrokeshire Bee Keepers Association.
- Furthermore, we have been pioneering in our use of biomass. Our sub-tropical waterpark is heated entirely by biomass – at the time of opening in 2008 it was the only facility of its kind in the world.
- The heating and hot water of the sixty-five lodges we added to the resort in 2016 are also powered by biomass. Between the two biomass plants, we produce over 7000mwh of carbon neutral energy per year. Not only is biomass largely considered a carbon neutral energy source, but all our woodchip is grown and processed by local farmers and purchased by Bluestone at a cost of £450,000 per year – a win for both the local economy and the environment.
- We also take great care regarding waste management. We divert 97% of our waste from landfill and aim to become a 'Zero to Landfill' organization within twelve months.

One area where, I acknowledge, we have not made enough strides is our electricity consumption, which remains our single greatest energy requirement. However, we are currently working in collaboration with a neighbouring farmer to develop an off-grid energy facility, producing electricity from a combination of wind, solar and battery storage power – some 3-5 megawatts of green energy. These are just some examples of the conservation measures that we take, but they all carry significant cost and resources that can only be afforded through strong financial performance.

During the many years we spent fighting to make Bluestone happen, very few people wanted to believe Bluestone could make such a positive difference – environmentally, economically, or otherwise. I understand, of course, that at the time the Bluestone development was a controversial application. It was the biggest planning application to be considered within a national park in the UK and understandably strong views prevailed on both sides. I think to some extent they still do. But, ten years on, was it the right decision to approve the application? What have we achieved?

As well as the environmental benefits previously covered, annually, we have 150,000 staying guests (47% having never visited Pembrokeshire before) and a further 100,000 day-guests through the waterpark. Turnover is approaching £30 million per year. We employ 700 local people year-round and last year we gave the staff 30% of the share capital of the business, worth some £20 million. Not only do they participate in ownership, but they benefit from annual dividend payments, in addition to their remuneration package. This July we will celebrate our tenth birthday and with the business in a great place, we have plans to add more sustainable projects.

How valuable are sustainable jobs in a rural environment? They should not be provided at any cost, but, at some environmental cost, I think a balance is acceptable, indeed necessary. Very few people in Pembrokeshire could or indeed would argue now that the benefits of Bluestone do not outweigh the negative issues. So, what

needs to change to deliver a better environmental and economic landscape in our precious country of Wales, or indeed the UK?

There are no easy answers but what I do know is that it is time to take some big leaps and radically re-think our strategy. Daunting though that may be, during our one-thousand-year history on this planet we have advanced significantly – cognitively, morally, and psychologically. This progression has *not* been by continuous evolution but by giant leaps. In a relatively short space of time humanity has gone through the tribal age, the age of agriculture, the scientific/industrial age, and the technological age. Therefore, change is possible, and above all else, essential. As Frederic Laloux puts it in his book, *Reinventing Organisations*:

Our way of conducting business has outgrown the planet [...] We are playing a game of brinkmanship with the future, betting that modern technology will heal the scars modernity has inflicted on the planet [...] The very survival of many species, ecosystems, and perhaps the human race itself hinges on our ability to move to higher forms of consciousness and from there collaborate in new ways to heal our relationship with the world and the damage we've caused.

So how do we put things right?

Some of the greatest minds, if they were sitting with us today, could give us some prompts. Henry Ford once said, 'If you always do what you've always done, you'll always get what you've always got.' Einstein said, 'You cannot solve a problem from the same level of consciousness that created it.' Time, then, for some radical change.

At a national level, we require some radically new models and ideas to deliver our objectives, and these can only be achieved by involving some forward-thinking individuals that see collaboration, not conflict, as the way forward. It is imperative that they have a foot in both the economic corner and the environmental corner. Not an easy task!

On a more regional level, the culture and communication between the private and public sector – both economically and environmentally – must change. There needs to be more integration and understanding between them, more common objectives and strategies for delivery of those objectives. Planning policy is open to too much interpretation. This ambiguity is used on both sides to support opposing arguments and further enhance conflicting positions. This once again leads to the legal system becoming referee, managing the effects not the cause. Planning policy does not just involve planning departments and officers; statutory and non-statutory consultees have significant impact. Welsh government could manage the process more clearly and with a firmer hand instead of invariably letting process prevail.

I genuinely would love to see change – positive change, change for the good of the environment as well as the good of the economy. Unfortunately over the last thirty years that I have been involved with developing projects, I have seen little change and, indeed, one gets the sense that the position is worsening with more regulation and more control but without the balance I have spoken of above. As free thinkers and creators of new and transformational schemes, we are being suffocated

by what appear to be risk-averse and process-led officials who appear to have little accountability and an attitude which follows the theme of ‘more of the same’. I have come to the conclusion that to continually fight an outdated system from a common-sense point of view will never work. It is time to change the system.

As the ingenious twentieth-century inventor Buckminster Fuller once said, ‘You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.’ I believe that the only way forward is to reinvent the wheel. ‘What if we started economics not with its long-established theories, but with humanity’s long term-goals?’ It sounds like great business sense. Kate Raworth, author of *Doughnut Economics*, acclaimed as one of the best business books of 2017 by the *Financial Times* and Forbes for its radical arguments on how the way we live could be made fairer and more sustainable, states,

Humanity’s journey through the twenty-first century will be led by the policymakers, entrepreneurs, teachers, journalists, community organizers, activists and voters who are being educated today. But these citizens of 2050 are being taught an economic mindset that is rooted in the textbooks of 1950, which in turn are rooted in the theories of 1850. Given the fast-changing nature of the twenty-first century, this is shaping up to be a disaster.

Humanity’s twenty-first century challenge is to meet the needs of all within the means of the planet to find a ‘safe and just space’ – in other words, to ensure that no one falls short on life’s essentials, from food and housing to healthcare and political voice, while ensuring that collectively we do not overshoot our pressure on Earth’s life-supporting systems, on which we fundamentally depend, such as a stable climate, fertile soils, and a protective, ozone layer. The ‘doughnut’ of social and planetary boundaries is an approach to framing that challenge, and it acts as a compass for human progress this century.

I believe that we should judge the future on the future, not on the past or the present. We need to look at what the future holds for us as a nation and decide whether we like what we see. If not, then we need to determine the best course to deliver what we do want. Plodding along looking backwards, doing things the way we have always done things is a recipe for disaster.

There are some key players who can help shape the future, some great emerging thinkers and strategists – I believe we ignore them at our peril. Collaboration is everything if we can only get the right people around the table. We need to corral the future leaders who have the forward-thinking attitude needed to bring about the required leap forward at all levels, in all sectors.

The biggest challenge, however, is not getting the right people in the room nor them producing a radical plan; it is effecting change in a meaningful timeframe that is going to be the biggest challenge of all. When I was asked by Robert John to speak to you all this evening, my instant reaction was to find a valid excuse as to why I could not: “‘I do not particularly relish public speaking.” “You are a daunting lot to stand in front of.” “I have a very challenging day job.” “I prefer the simpler life of Pembrokeshire to the frenetic pace of London.”” However, Robert has been

a good friend to me and Bluestone, providing articulate reasoning especially when I am being unreasonable. He has an amazing network of influential people and a very sharp legal and accountancy brain – so I owed him anyway. More relevantly, I saw an opportunity to stir the pot positively and to get an august group of people to ponder, think, talk, lobby, and get, if not the world, then maybe Wales and the rest of the UK engaged in the future dynamics of the economy *and* the environment, not the economy *versus* the environment.

I most certainly do not have all the answers; my voice is often not listened to. I have not got it right all of the time. By pushing the boundaries as we do we will always make mistakes. It is, however, my intention in my own small way in Pembrokeshire to make the county a better place in my lifetime from an economic and environmental perspective. Every positive thing that we learn we are happy to share. I am advised that you all have an interest in Wales, and, I presume, our future. So, it is your problem as well as mine; so, please let us get engaged and see if we can actually effect change in a positive and meaningful way.