

**Written Response by the Welsh Government to the Report of the Climate Change, Environment and Infrastructure Committee on Natural Resources Wales Scrutiny of Annual Report and Accounts 2022-23**

**Provided by: Julie James MS, Minister for Climate Change**

**Date: 3 July 2023**

Thank you for the report of the Climate Change Environment & Infrastructure Committee's annual scrutiny of Natural Resources Wales annual report and accounts for 2022/23.

I have noted the issues and recommendations raised in the report and have provided the Welsh Government's response below to each recommendation.

**Recommendation 1.** Natural Resources Wales should share with the Committee the detailed Service Level Agreements (SLAs) it has developed in collaboration with the Welsh Government as soon as possible. It should publish high-level summaries of the SLAs in the interests of openness and transparency.

**Accept** – Natural Resources Wales will respond to the Committee directly on this recommendation.

We expect NRW to share with the committee before the summer Recess.

**Recommendation 2.** Natural Resources Wales and the Welsh Government should establish a monitoring and evaluation process for its SLAs. This process should include consultation with stakeholders and regular updates to the Committee on how the SLAs continue to reflect both parties' evolving needs and priorities.

**Accept in principle**– NRW's service level agreements are developed in collaboration with their delivery partners to ensure any proposed SLA's supports the delivery of both NRW's statutory functions and any Ministerial commitment.

NRW's corporate plan [Natural Resources Wales / Our corporate plan to 2030 - Nature and People Thriving Together](#) places an emphasis on the use of monitoring and evidence to enhance their understanding of the state of environment to improve how they meet their customer's needs.

With their corporate plan they have committed to sharing this information in an open, transparent, and readily accessible way. NRW acknowledge new evidence approaches and collaboration will need to be developed so that their key information can be used more effectively. As such, they have committed to continuously innovate to optimise resources and enhance their understanding of the state of the environment, improving how they meet the needs of their customers.

**Recommendation 3.** Natural Resources Wales should provide regular updates on the measurable outcomes and milestones achieved under the Adfywio/Renewal programme and outline future targets.

**Accept in principle** – As part of NRW's new corporate framework they are reviewing and re-assessing at their outcomes and indicators to encourage a more consistent approach for future targets.

**Recommendation 4.** Natural Resources Wales should collaborate with academic institutions and industry partners to develop targeted capacity building and training initiatives, such as internships, apprenticeships, and specialised courses, to address the skills gap in critical areas. NRW should set a timeline for implementing these initiatives and consult with stakeholders to ensure their effectiveness in recruiting and retaining specialist staff.

**Accept in principle**– we believe there is an opportunity to link this recommendation to work within the Economy, Trade and Rural Affairs Committee's "General Scrutiny of the Minister for Economy"; where the Welsh Government has produced a report discussing the future skills needs across the whole Welsh economy and highlighting the need for a collaborative approach across Government and a wide variety of external stakeholders.

NRW already encourages placements within the organisation and offers a number of opportunities for apprenticeships and secondments. NRW plan to provide a highlight summary of some of the work they already do in this space for the committee to consider.

**Recommendation 5.** Natural Resources Wales should provide the Committee with an update on the progress of its Strategic Review of Charging and the proposals for increases in charges/fees.

**Accept** – NRW will provide the committee with their review.

NRW consulted on its [proposed regulatory fees and charges for 2023-24](#) in October 2022, where the consultation covered both proposals for permitting / application charges (SRoC Programme), and inflationary increases relating to its subsistence charges (Annual Review of Charges (ARoC)).

Following NRW's 12-week consultation, they have submitted their proposals for permitting / application charges to the Minister for consideration and approval.

**Recommendation 6.** Natural Resources Wales should include in its advice to the Minister information on the financial implications of its proposed changes to charges/fees on individual applicants.

**Accept** – NRW has engaged with the Minister and the Minister is currently reviewing.

**Recommendation 7.** Natural Resources Wales should provide a summary report to the Committee on the main challenges in achieving good status for all water bodies by 2027 and outline its plans to overcome them. This Report should also include NRW's approach to ensuring the timely implementation and review of the River Basin Management Plans (RBMPs).

**Accept in principle** - The Water Framework Regulations are implemented via River Basin Management Plans (RBMP). These plans outline the challenges to meeting good status by 2027 and the actions needed to achieve this.

The plans can be accessed via this link - [Natural Resources Wales / River basin management plans](#)

**Recommendation 8.** Natural Resources Wales should regularly review the adequacy of staffing levels and resources for enforcing agricultural pollution regulations and Report on its findings. NRW should also strengthen collaboration with stakeholders, including farmers and agricultural organisations, to promote sustainable practices that minimise pollution.

**Accept** - The level of support provided to NRW, to support the delivery of the compliance and enforcement of the 2021 Regulations beyond 2024-25 will be subject to NRW reviewing the implementation of the 2021 Regulations, which will be carried out in consultation with the Welsh Government in 2024.

The 2024 review would ensure NRW are delivering its statutory duties effectively and will provide necessary evidence of the need to either maintain or enhance funding to ensure NRW are meeting the statutory requirements of the 2021 Regulations.

The strengthening of collaboration with stakeholders is an essential aspect of tackling agricultural pollution and improving the resilience and sustainability of the sector.

**Recommendation 9.** Natural Resources Wales should demonstrate progress in bringing unpermitted storm overflows within the regulatory regime and expedite the review of Storm Overflow Classification guidance. Additionally, NRW should continue working closely with water companies to improve infrastructure and reduce the

frequency and impact of sewer overflows. NRW should report on progress six months after the publication of this Report.

**Accept** – Together, the Welsh Government, NRW, Ofwat, Dŵr Cymru (DCWW) and Hafren Dyfrdwy (the partner organisations) established a Better River Quality Taskforce to set out detailed plans to drive rapid change and improvement in water quality.

The Taskforce published five storm overflows action plans for Wales in July 2022. These plans set out clear objectives and measurable outcomes for delivering improvements to overflow management from the immediate through to the long term.

NRW work with the water companies to develop Drainage and Wastewater Management Plans. The plans will look at ways to address existing and future pressures on the sewer system, including population growth and climate change, to build a more resilient wastewater and drainage infrastructure. These measures will relieve pressure on the sewer network by slowing down the speed at which surface water enters the sewer system, further minimising discharges from Combined Sewer Overflows (CSOs).

DCWW having commissioned a programme of investigation for all unpermitted assets, and NRW's expectation that all water companies in Wales will ensure all unpermitted storm overflows meet satisfactory standards over the course of the asset management plan period (2025-30). The update paper is available to view at [Briefing note from Natural Resources Wales in relation to a recommendation made by the Committee in .pdf \(senedd.wales\)](#).

As part of [Environmental regulation of overflows: action plan \[HTML\] | GOV.WALES](#), the Storm Overflows Report is being developed to assess the policies of the two water companies in Wales (DCWW and Hafren Dyfrdwy) relating to CSOs. A near final version of the report has been shared with the Better River Quality Taskforce for consideration, and it is currently being finalised for publication.

**Recommendation 10.** Natural Resources Wales should provide further details on the progress and effectiveness of the SAC rivers project and the national nutrient calculator. NRW should also engage with local communities and stakeholders to develop and implement catchment-scale solutions for nutrient management.

**Accept in principle** – We support the recommendation but note this needs a holistic collaborative approach from all relevant stakeholders, of which NRW is not solely responsible for.

The First Minister's River Pollution Summit is a key enabler for this work, developments across a range of actions including an All-Wales Nutrient Calculator and local engagement via the initiation of Local Authority Nutrient Management Boards. Reporting on progress is already in place via the SAC river Pollution Ministerial led group.

Welsh Government lead the development of a unified nutrient calculator to directly aid planning decisions on nutrient neutrality which will have the ability to take account of catchment-level data, local features, and needs.

The establishment of Nutrient Management Boards will support several Programme for Government Commitments. This includes our commitment to strengthen water quality monitoring and build 20,000 new low carbon social homes for renting. Nutrient Management Boards are expected to gather evidence for their respective SAC rivers, engage with local communities and stakeholders to develop and implement solutions for nutrient management through the development of a Nutrient Management Plan.

**Recommendation 11.** Natural Resources Wales should continue its work with the Better River Quality Taskforce and keep the Committee updated about the progress of action plans.

**Accept** – The Better River Quality Taskforce, chaired by Sir David Henshaw, has been established to drive rapid change and improvement to water quality. The Taskforce is made up of representatives from Welsh Government, NRW, and water companies, with industry stakeholders providing independent advice to the taskforce and offering insight and challenge from a stakeholder and consumer perspective.

In July 2022 the Taskforce published a storm overflows roadmap for Wales. These plans set out clear objectives and measurable outcomes for delivering improvements to overflow management from the immediate through to the long term.

The Minister for Climate Change intends to produce a written Ministerial statement to update on the work of the task force by the summer recess.

**Recommendation 12.** Natural Resources Wales should expedite the development and testing of criteria for inland bathing waters and provide a clear timeline for their implementation. NRW should also engage with local authorities and tourism organisations to promote the responsible use of inland waters for recreation.

**Accept in principle** - We support the recommendation but note NRW is not solely responsible.

The Programme for Government makes a commitment to begin designation of Wales' inland waters for recreation and strengthening water quality monitoring.

NRW are working with stakeholders, including Local Authorities, organised swim groups and local community groups to continue to improve water quality and recreational water opportunities across Wales. This includes early policy development for increased designation of inland bathing waters in Wales.

Natural Resources Wales, through their dedicated Inland Bathing Waters programme lead, are responsible for delivering the pilot bathing season and engaging widely with stakeholders in supporting the PFG commitment.

**Recommendation 13.** Natural Resources Wales should ensure that the delay in publishing the first Report on the National Strategy for Flood and Coastal Erosion Risk Management does not impact the planning and implementation of flood risk management initiatives. NRW should address any reasons for the delay in future reporting cycles to ensure timely information sharing with stakeholders and the public.

**Accept –** NRW reports on collective progress in implementing the National Strategy via a Section 18 report every two years after publication of the Strategy. The report due in autumn 2022, has been postponed until autumn 2023 due to workforce pressures. The extension was agreed following discussions with the Flood & Coastal Erosion Committee and the Welsh Local Government Association. On completion the Flood and Coastal Erosion Committee will then review the report.

The last published section 18 report was in 2020 which covers the progress undertaken in implementing the previous national strategy.

The Welsh Government agreed to the proposed reporting extension of one year, giving NRW a wider 2.5-year period of information to report. The reasoning behind the extension was to also provide wider Risk management Authorities additional time to work on some of the data collections required, specifically supporting mapping, having all agreed this must be one of the priorities.

Any delay in reporting on the Section 18 would not hinder or impact the planning and implementation of flood risk management initiatives, this report specifically concentrates on monitoring progress. The extended period has now provided wider evidence over a larger period on implementation of the National Strategy Measures.

**Recommendation 14.** Natural Resources Wales should provide updates on the progress and effectiveness of the action plan developed in collaboration with stakeholders for biodiversity conservation. NRW must continue to work closely with the Welsh Government to develop primary legislation, and a comprehensive

framework of nature recovery targets for Wales and should regularly report to the Committee on its role in this regard.

***Accept in principle***– NRW are not solely responsible for the action plan developed from the biodiversity deep dive but are responsible for a number of the actions.

NRW remain actively engaged with the Welsh Government policy leads in this area, who provide the Minister with updates on progress. The Minister agreed to provide 6 monthly updates on the action plan recommendations. The first six monthly update was published on 22 May and is available here- [\*Biodiversity deep dive: progress update October 2022 to April 2023 | GOV.WALES\*](#)