

Julie James AS/MS  
Y Gweinidog Newid Hinsawdd  
Minister for Climate Change



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref MA/JJ/0323/23

Llyr Gruffydd MS  
Chair, Climate Change, Environment and Infrastructure Committee

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21 April 2023

Dear Llyr

I am writing to provide the Committee with an update on Recommendation 30 of the Committee's Scrutiny of the Welsh Government Draft Budget 2023-24, published in February. This recommendation relates to the Welsh Government providing the Committee with details on how and when Natural Resources Wales's (NRW) funding gap will be addressed, including an update on progress in resolving the historic problem with pension liability.

As you are aware, I have previously signalled to the Committee my intent to close the funding gap on a permanent basis, which included addressing NRW's pension liability. I have reviewed budgets within my MEG, in discussion with Cabinet colleagues, with a view of addressing NRW's funding gap, whilst ensuring there is a minimal impact to other Programme for Government (PfG) commitments and Ministerial priorities.

As a result of the reprofiling work, I am pleased to inform the Committee that I have agreed to provide NRW with a further £18.2m of funding to draw down upon in 2023-24 subject to a business plan which is aligned with the activities they have set out in their Service Level Agreements. My intention is to formalise these arrangements in the first supplementary budget in June so there is no uncertainty to the level of funding they will receive in 2023-24.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

It is my intention as part of the 2024-25 draft budget exercise to baseline this £18.2m to NRW's allocation. Recognising that the fiscal context remains incredibly challenging and will need to be subject to the 2024-25 budget process. My hope is that if we can achieve this it will both resolve NRW's funding gap and address NRW's pension liability which forms part of the £18.2m.

Yours sincerely

A handwritten signature in blue ink that reads "Julie James". The signature is written in a cursive, flowing style.

**Julie James AS/MS**  
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