

CCEI Scrutiny Recommendations 2023 – NRW’s response

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.

Working with WG, our teams have prepared 10 service level documents relating to:

- Flood Risk Management
- NRW Estate (including the woodland estate)
- Pollution Incident Management
- Enforcement
- Water Quality
- Enabling tree planting
- Freshwater Monitoring
- Marine Monitoring
- Terrestrial Monitoring
- The Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021

These services are currently funded by a combination of funding streams (flood, non-flood, charges and commercial income) and account for 25% of non-flood Grant in Aid.

The documents follow a common template and describe the service, setting out the scope, objectives, exclusions and output and input metrics (£ and FTE – Full Time Equivalent) and then move on to describe three options:

- Current service (as reflected in the 2022/23 NRW Annual Business Plan)
- Reduced service
- Improved service

There are clear choices to be made and to aid this process, policy officials from NRW, working in collaboration with Welsh Government, have recommended one option which they believe represents their shared understanding of the service required to meet our current legislative requirements and duties as well as specific commitments in the Programme for Government and the Co-Operative Agreement with Plaid Cymru. When identifying these recommended service levels, officials focussed on the service levels and meeting our statutory requirements rather than on the specific financial costs or the potential benefits that could be realised through the invest to save proposals.

A table summarising the service level agreements is included with a slide pack that summarises for each service the different options and recommendations. These service level documents are not static and will be regularly reviewed based on feedback from stakeholders to ensure we meet evolving needs. Please accept our apologies that this attachment is currently in English only. The agreed service levels have informed our 2023/24 Business Plan.

Due to the complex nature of the exercise, we would warmly welcome an early opportunity

to discuss this with the Committee members and the Senedd Research team to help you understand the interdependencies, and answer any questions you may have.

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.

Our monitoring and evaluation of the SLAs will draw on evidence and insight from our stakeholder and customer feedback channels including: our consultations, our complaints and commendations processes; our advocacy work with strategic stakeholders; and our broader engagement with the citizens of Wales through our national conversation 'Natur a Ni', to inform our discussions with Welsh Government on the current SLAs and any future agreements with them.

As part of our focus on improving our service to our customers, we have reviewed our Complaints Policy and Procedures - it is now quicker and easier for customers to provide feedback and we can effectively measure the implementation of service improvement recommendations.

In line with the Public Services Ombudsman for Wales (PSoW) we have streamlined our complaint process and reduced our SLA for Stage 1 complaints from 20 working days to 10 working days, focussing on the root cause of the complaint and resolving the issue at first point of contact. Formalised stage 2 complaints are more customer focussed, and we take a proportional approach, ensuring they are resolved effectively and quickly within 20 working days, and identifying mitigation measures to avoid repeat complaints. We are open and transparent in relation to complaint performance and provide quarterly service level information to the PSoW, which is published on their website.

During 2022/2023, 98% of Stage 1 and 90% of Stage 2 complaints were responded to within 20 working days, compared to 88% of Stage 1 and 11% of Stage 2 complaints during 2021/2022. We actively listen to our customers and seek feedback from peer organisations, to ensure we continue to respond to complaints effectively and learn lessons which help us improve our services as an organisation.

Using feedback and insight, we have improved our Access to Information processes and procedures to ensure customers and stakeholders receive timely, accurate and easy to read responses to their requests for information. We also publish information about the requests we receive on our website, to demonstrate openness and transparency. During 2022/2023, 92% of requests were responded to within 20 working days, compared to 76% in 2021/2022.

We continue to develop our ability to listen to customers by promoting Customer Journey Mapping as our continuous improvement approach to services. Colleagues from across the organisation have attended in-house introductory training and we continue to empower and enable a customer focus with our colleague practitioner network.

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.

Since the programme was established, we have provided annual updates on our Adfywio work as part of our written evidence ahead of our annual scrutiny sessions with the Committee.

The ambition of delivering financial and emissions savings will be realised over a number of years as this programme is introducing significant changes to the way we work, and will require significant upfront investment. We have to ensure we are horizon scanning best practice so that what we are investing in now is fit for purpose in the context of our wellbeing objectives and the broader nature and climate emergencies.

The performance of the programme is reported on a quarterly basis as part of our business plan performance management. These dashboards are available publicly as part of our published board papers on our website.

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.

NRW's approach to Placements is set out in our Placement Policy and Procedure. This is the Framework for the recruitment, co-ordination, support and implementation of all placements. As an organisation we are committed to helping to develop a skilled workforce for Wales. We believe that placements give people the opportunity to gain valuable skills and share experience and expertise whilst also making a significant contribution to the success of our business.

The Framework was developed with advice from trade unions, legal representatives drawing on comprehensive research into what other organisations offer. It currently consists of 7 strands split into Paid and Unpaid placements:

- **Apprenticeships (paid)** – A long-term placement of up to 100 weeks with specified study time (days or block release).
- **Paid Placements with External Funding (paid)** - Dependant on funding scheme criteria.
- **Higher Education Placement (paid)** – A long-term placement of up to 100 weeks.
- **Work Placement (unpaid)** – A short-term placement for and up to 6 weeks or 30 days
- **Research Placement (unpaid/contribution)** - A short-term placement for a up to 6 weeks or 30 days, or a long-term placement of 6 weeks or longer, up to 12 months.
- **Student Work Experience Placement (unpaid)** – A short-term placement for a up to 6 weeks or 30 days.

- **NRW Volunteer Placement (unpaid)** - Dependent on placement opportunity and work programme. Any opportunity longer than 12 months requires an annual review.

These opportunities combined with our education and learning programme (educator training, resources, setting support linked to Careers and the World of Work, links with Careers Wales and career advice) provide many opportunities for routes into employment to NRW and the wider sector.

To reduce risk and maximise opportunity, all placements offered by NRW are administered in line with a Placement Policy and Procedure. This is designed to comply with all relevant NRW policies and procedures, legal advice, governance and best practice. We also have a well-established, multi-disciplinary Placements steering group and a growing community of practice.

A number of principles underpin our approach to placements. All placements are advertised to ensure equal opportunities to all and placements do not replace paid staff nor are used to displace an existing paid post. Paid placements are remunerated in line with our commitments as a Real Living Wage employer.

A table of a selection of current and past opportunities under the various strands is provided in Appendix 1. This provides a snapshot, and more detail can be provided if required.

NRW recognises the vital role placements can play in helping to attract, develop and retain people with the right skills, capabilities, commitment and behaviours needed for the current and future organisational success. We also work with the wider environment sector to provide opportunities to secure a workforce equipped to tackle the climate and nature emergencies now and in the future.

A Service Design approach is currently being used to inform the development of a talent management framework of which Placements is a vital component. This project will be concluded in April 2024.

We have and continue to feed into the development, and realisation of, Curriculum for Wales. We are in regular contact with WJEC and Qualifications Wales and hope to sit on the Advisory Board for a number of subjects as part of the 14+ GCSE development (application pending) in order to influence subject content.

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.

The review has been completed and revised charges approved by the Minister have come into force from 1st July. This includes new charges for applications for water quality, waste, water resources, industry regulation, species licensing and reservoir safety applications.

A 6% increase in subsistence has been approved from 1st April for water quality, water resources, COMAH, emissions trading, flood risk applications, non-nuclear radioactive substances, reservoir compliance and materials recycling facilities.

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.

This has already been sent to the Minister as part of our advice package when requesting ministerial approval.

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).

The latest River Basin Management Plans for the Western Wales and the Dee River Basin Districts and the Welsh part of the Cross border Severn River Basin district, and their summaries can be found on our website: [Natural Resources Wales / River basin management plans 2021-2027.](#)

Updated every six years, these set the direction for how we will manage, protect and improve our water environment in Wales. Our rivers, lakes, wetlands, ground waters, estuaries and coastal waters - including those in protected areas - all fall under these plans. Through this process we develop a detailed understanding about the state of our water environment, the pressures acting upon it and what measures are required to improve and protect it by using existing and new evidence.

The River Basin Management Plans detail the improvements which have been made over the last six-year cycle, and outlines the further improvements necessary to prevent further damage to our waters. We have identified ten Opportunity Catchments where we will focus staff resource across NRW's functions to support partners to deliver integrated catchment management solutions.

We believe that the detailed plans and summaries on our website should be sufficient to answer the Committee Member's questions, but if there are any outstanding queries, please do get in touch.

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.

The CoApr SLA includes a requirement for the submission of reports to WG on the progress of our compliance and enforcement, this will include assessment of delivery levels with staff funded by SLA. NRW has committed to update the membership of the Welsh Land Management Forum agricultural pollution sub-group. Collaboration with stakeholders, including farmers and agricultural organisations will form part of the newly recruited CoAPR Officers role.

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.

Following our update to the Committee in December, we are due to release our Storm Overflow Classification guidance on permitting storm overflows in the coming weeks. This will set out our expectations for compliance, and will ensure we can progress the permitting requirements for both unpermitted and those overflows that are currently substandard and unsatisfactory.

We will ensure that the Committee receives a copy of this guidance when it becomes available.

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.

The First Minister's Action Plan 'Relieving Pressures on SAC River Catchments to Support Delivery of Affordable Housing' is a key enabler for this work. It includes a number of actions for NRW and other organisations.

In 2021 NRW established an internal SAC rivers project to provide strategic oversight and co-ordination across 6 workstreams. The workstreams include priorities in relation to our statutory duties as well as those NRW specific tasks included in the First Minister's Action Plan.

The Action Plan includes the development of an All-Wales Nutrient Calculator. NRW produced the specification for this work which has now been procured by Welsh Government. NRW sits on the steering group and will be involved in the testing of the calculator.

NRW is also committed to reviewing permits for water discharge permits of 20m³/day or more in SAC rivers.

NRW is a member of each of the Nutrient Management Boards, where stakeholders and communities will be involved in discussions particularly in relation to catchment scale nature-based solutions for nutrient management. NRW are also exploring the provision of a database, setting out projects in development or completed so that evidence is effectively shared, to draw out lessons learnt and understand the effectiveness of different approaches. NRW is also exploring the acceptability of citizen science data in decision making.

Progress reports are provided to the SAC river pollution Ministerial led group, as well as through the NRW Annual Business Plan Performance Report.

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.

NRW's Chair, Sir David Henshaw, continues to chair the Better River Quality Taskforce and provided an update to the Committee on progress against the recommendations set out at the Committee session in December 2022.

As mentioned previously, progress is being made against the NRW actions on the 5 action plans for storm overflows, with guidance due to be issued shortly.

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.

Welsh Government's Programme for Government 2021-2026 makes a commitment to "Begin to designate Wales' inland waters for recreation, strengthening water quality monitoring". NRW are committed to supporting this ambition and welcome funding from WG to establish a project group and to scope a project plan for delivery.

The project is likely to include identifying freshwater sites used by the public for bathing and recreation; land ownership and access rights; infrastructure and signage needs and maintenance; health & safety and water quality.

NRW and Welsh Government are making progress developing pilot sites, which will allow for new landowners and local authorities to learn how to manage a bathing water during a season and allow for comms and customer engagement to be managed effectively. During the pilot, existing processes and support will be evaluated and recommendations will be provided at the end of the pilot season, for amendments and support.

Recreational access to inland water is part of NRW's continuing work to promote responsible recreation, in particular through the issuing of the Countryside Code and related Family of Codes in Wales. The Family of Code includes a 'waterside code' and codes for canoeing, angling and wild swimming. NRW has recently issued a Promotion Strategy and Action Plan to guide our promotion of the Countryside Code; the Plan includes a commitment to work closely with stakeholders, as well as working with Natural England to ensure the Code is promoted to Wales and England audiences. NRW also support the UK 'Check, Clean, Dry' initiative, aimed at preventing the spread of invasive non-native species (INNS).

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.

The Section 18 report is a report of progress against Welsh Government's National Flood and Coastal Erosion Risk Management Strategy, and so is a factual report on past performance. It does not impact the planning and production of flood risk management initiatives, and such initiatives draw on other information (e.g. flood risk maps), which are readily available. Flood risk plans and initiatives are described in other documents, such as Risk Management Authority Flood Risk Management Plans and Strategies, and production of these has not been hampered by this delay.

The delay was agreed by all parties, including Welsh Government and Welsh Local Government Association, and is a one-off. As stated by WG, a key factor was practical workforce pressure (on all parties), but also it will allow more time for a better product to be produced. The section 18 report is on schedule to be published in Autumn 2023.

It should be noted that whilst this is the first report on the second cycle (2020) National Strategy for FCERM, there have been 3 previous reports on the first cycle (2011) National FCERM strategy. These are available on NRW's website, as are NRW's flood risk management annual reports.

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.

The action plan from the Biodiversity Deep Dive is being developed for 'Team Wales' delivery. NRW is leading the delivery of some of the actions but not all of them. The Minister has 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.

NRW provided updates as part of this report and continue to attend and update on action delivery as part of the Ministerial led Core Deep Dive Groups meetings which are happening at 3 monthly intervals. NRW remain actively engaged with the Welsh Government policy leads in this area.

Appendix 1. NRW Placements

| Placement strand | Past | Current | Future |
|------------------|--|--|---|
| Apprenticeships | <p>Long running scheme of Integrated workforce placements studying the Environment and Conservation Level 2 Framework</p> <p>Forestry programme studying the Trees and Timber Level 3 Framework</p> | <p>6 x Enforcement apprentices studying Environment and Conservation Level 3 Framework.</p> | <p>Integrated workforce x 12 studying the Environment and Conservation Level 2 Framework from September 2023 – funding dependant.</p> <p>Development of further programmes, funding dependant.</p> |
| Higher Education | <p>Annually offered Forest Operation placements for up to 5 sandwich students studying a degree in Forestry and Land management Natural Resources Wales / We're looking for our next Forestry students – could it be you?</p> <p>Marine Specialist Monitoring team placement opportunity Our Work Diving into marine conservation: on placement with #TeamNRW (sharepoint.com) offered for 18 months.</p> <p>Year 1 of 5 Flood and Water Management students placed throughout the Flood Risk Management portfolio</p> | <p>Annually offered Forest Operation placements for up to 5 sandwich students studying a degree in Forestry and Land management Natural Resources Wales / We're looking for our next Forestry students – could it be you?</p> <p>Marine Specialist Monitoring team placement opportunity Our Work Diving into marine conservation: on placement with #TeamNRW (sharepoint.com) offered for 18 months.</p> <p>Year 2 of 5 Flood and Water Management students placed throughout the Flood Risk Management portfolio</p> | <p>An area to which more parts of the business are looking. It supports the university whilst providing valuable staff resources to NRW.</p> <p>Forest Operations funded for up to 3 further years.</p> <p>We are in early talks with the University of South Wales about their Network 75 programme Network75 University of South Wales</p> <p>Potential of future employment with</p> |

| | | | |
|---------------------------------------|---|--|---|
| | | 12 Waste Regulatory Reform Programme placements across Wales recently recruited, | NRW for the Waster Regulatory placements |
| Paid placements with external funding | Kickstart - 50 roles offered and 24 filled, hosted across Wales and work area with a number securing permanent roles post scheme. | | Actively engaging with a variety of schemes to ascertain if suitable. |
| Research | Ongoing research placements across the organisation. | Partnership with EPW. Training – epwales.org.uk £50K allocated to fund PhD placements during 22/23. 15+ opportunities across MSc and PhD and in a diverse range of topics e.g., Designs to support population health and well-being and Assessing Welsh Fishing activity | Continue to grow this area and strengthen partnerships with Universities across Wales and beyond. Considering: Academi Wales and their 'All Wales Public Service Graduate Program' Develop partnership with EPW around evidence needs and careers advice offer. |
| Student Work experience | Due to the pandemic interest in this strand had ceased. | Summer 2023 – 26 placements offered to learners aged 15 and over across Wales including fisheries, visitor centre, land management and hydrometry and telemetry | The summer 2023 placements scheme will be evaluated with a view to expanding the offer next year and beyond. |
| Work Experience | A number of placements offered to help those looking for a career change which has included ex-servicemen and the | | An area which can be adapted and progressed as required. |

| | | | |
|------------|--|--|--|
| | Welsh Governments Esgyn/Lift programme | | |
| Volunteers | Ongoing boat, shore and diving support volunteer programme | <p>20 boat, shore and diving support volunteers based in South West Wales</p> <p>Gower Scheme – 12 volunteers working on general conservation land management</p> <p>Natural Resources Wales / NRW Gower Volunteer</p> | Lots of potential for more schemes across Wales. Early talks with Probation Service. |

Workstream 1: Service Level Agreements



Service Level Agreements developed



- Managed estate
- Enabling tree planting
- Water Quality
- New Control of Agricultural Pollution Regulations
- Incident Management & Enforcement
- Flood Risk Management
- Monitoring
 - Freshwater
 - Marine
 - Terrestrial

Approach to Service Levels

- Jointly developed an SLA template - keeping it simple
 - Descriptor, exclusions, objectives, output and input metrics (£ & people)
 - Three options:
 - Current service
 - Reduce service
 - Improve service
 - Opportunities for process improvement/ efficiency invest to save

SLA Summary Heatmap



| Service | Current | Reduced 1 | Improved 2 | Improved 3 | Improved 4 |
|-------------------------------|-----------|-----------|------------|------------|------------|
| NRW Estate | Recommend | | | | |
| Pollution Incident Management | | | Recommend | | |
| Enforcement | | | Recommend | | |
| Agri Pollution Regulations | | | | Recommend | |
| Water Quality | | | Recommend | | |
| Flood Management | | | | | |
| Enabling Tree Planting | | | Recommend | | |
| Monitoring – Freshwater | | | Recommend | | |
| Monitoring – Marine | | | Recommend | | |
| Monitoring - terrestrial | | | Recommend | | |

Commitment to additional SLAs – Potential list



- Biodiversity – including inland fisheries
- Marine
- Water Resources
- Air
- Sustainable land management scheme
- Area Statements/PSBs
- Climate/decarbonisation
- Development Planning Advice Service

SLA Summaries



Pollution Incident response SLA

Scope

- NRW's pollution incident response activities

| Service level | Outputs |
|-------------------|--|
| Current | Assessment of 8000 reports of environmental incidents, response to 1400 high risk incidents. Operation of 24/7/365 incident response service |
| Reduced Option 1 | Raise threshold of high impact and/or stop all work on lower impact incidents and/or reduce out of core hours activities. |
| Improved Option 2 | As current + address knock-on impact on other core activities of responding to incidents |
| Improved Option 3 | As 2 + fill gaps in current service provision + invest in preventative work |
| Improved Option 4 | As 3 + and lower threshold of response to include a proportion of low impact incidents, and/or investigate more lower impact incidents |

Budget and Risks



| | Current | Reduced Option 1 | Improved Option 2 | Improved Option 3 | Improved Option 4 |
|-------------|----------------------|------------------|-------------------|-------------------|-------------------|
| Staff (FTE) | 48*, plus 38 ** | 48 | 86 | 106 | 126 |
| Budget | £2.1m*, plus £1.5m** | £2.1m**** | £3.6m*** | £4.4m*** | £5.2m*** |

*core planned staff resource/budget funded from incident management allocations

** unplanned staff resource/budget from environment and regulatory teams

*** fully from incident management allocations, reallocating £1.5m back to env/reg effort (so in reality costing an additional £1.5m)

**** £1.5m reallocated back to env/reg work and not replaced by incident budget (so in reality costing an additional £1.5m)

Reduced Service Risks

- Significantly more pollution impacts, on health, environment, economy
- Significant reputational risks to WG and NRW

Enforcement

Scope

- Enforcement responses across full range of NRW regulatory regimes to stop offending, restore/remediate or punish/deter

| Service level | Outputs |
|-------------------------------------|--|
| Current | <i>1000+ enforcement responses (Advice, Warning, Formal Caution, Prosecution or Civil Sanction) following;</i> a. non-compliance with permit/consent/registration conditions (40%) and/or; b. illegal activity e.g. where no authorisation in place (60%) Variable enforcement activity & outcomes across regimes |
| Reduced Option 1 (nominal -20%) | Stop: More offending will receive lesser enforcement responses Reduce: Process improvement, support for regulatory reform e.g. wider ability to utilise civil sanctions |
| Improved Option 2 (nominal +20%) | As current + increased delivery against enforcement priorities, intelligence analysis & targeting organised/serious crime, process improvement, regulatory reform, improving systems & data architecture, collaboration with other enforcers |

Budget and Risks

| | Current | Reduce Option 1 | Improved Option 2 |
|-------------|---------|-----------------|-------------------|
| Staff (FTE) | 60 | 48 | 72* |
| Budget | £3.1M | £2.5m | £3.7M |

* Proposed phasing 30%/70% over 2 years

Reduced Service Risks

- Erosion of public confidence in our enforcement capability
- Illegal/non-compliant activity likely to increase
- Support for other enforcement bodies (e.g. police, rural inspectorate) is withdrawn, weakening their enforcement capability
- Reduced capability to modernise our enforcement approach and tools
- NRW not delivering or supporting the climate and nature emergencies.

The Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021 (CoAPR)



Scope

Provision of applied evidence, compliance and enforcement, internal/external statutory advice and guidance in relation to the introduction and implementation. Note substantial increase in regulatory requirement from 1 Jan 2023

| Service level | Outputs |
|---------------|---|
| Current | No inspection programme. Limited cross compliance (XC) inspections with WG. Incident related enforcement. Provision of limited advice and guidance. Agri Regulatory Campaign (ARC) former Dairy project |
| Reduced 1 | As above, without XC inspections and ARC |
| Improved 2 | In addition to current: a) Inspection programme high risk agri activities. 8 year return period b) Complex cross compliance inspections attend with WG |
| Improved 3 | In addition to current a) <i>Inspection programme of high risk agri activities 4 year return period</i> |
| Improved 4 | In addition to current: a) Inspection programme of high risk agri activities 4 year return period AND lower risk activities 8 year return period |

Budget and Risks



| | Current | Reduce 1 | Improved 2 MVP | Improved 3 | Improved 4 Ambition |
|-------------|----------------|----------|----------------|------------|---------------------|
| Staff (FTE) | 4.6 + 12.8 ACR | 2 | 31.2 | 51.2 | 77.7 |
| Budget | £360k | £0.1 | £1.56m | £2.53m | £3.84m |

Reduced Service Risks

- Unable to support the transitioning to measures into the Control of Agricultural Pollution Regulations.
- Increase in agricultural pollution incidents.

Water Quality

Scope

- **Our work to support and pursue the sustainable management of water**

| Service level | Outputs |
|---------------|--|
| Current | <p>NRW Business Plan</p> <ul style="list-style-type: none">• working with WG to set and implement sustainable water management policy, develop and implement plans for improving the quality of our Water environment, working collaboratively with stakeholders• Over the last 18 months water quality issues have been the subject of intense public and political scrutiny, and we have had to significantly re-prioritise and adjust our workplans to respond, leading to minimal service or less in some other areas of our water quality work whilst we instigated SAC Rivers projects. |
| Reduced 1 | <p>Stop: less than minimal level of service, cease critical projects such as SAC Rivers with consequences for development and programme for Government commitments (or decisions elsewhere on stopping other lower priority services elsewhere, with consequences to be defined).</p> |
| Improved 2 | <p>*Preferred Option: As current + CSO roadmap commitments, new obligations including DWMPs, further work on SAC Rivers, chemicals and ramping up to deal with Pr24, support for Programme for Government commitments around Inland BW</p> |
| Improved 3 | <p>As 2 + being in a position to replicate the improvements made to bathing waters around the coast inland, initiating a “decade of River Restoration”</p> |

Budget and Risks



Cyfoeth
Naturiol
Cymru
Natural
Resources
Wales

| | Current | Reduced 1 | Improved 2 | Improved 3 |
|-------------|---------|-----------|------------|------------|
| Staff (FTE) | 46.5* | 37.2 | 131** | 219 |
| Budget | £2.2m* | £1.7m | £6.3m** | £10.3 |

* + 26 FTA posts temporarily funded by NRW, at a cost of £1,026,429 for 2022/23 plus £215k non-staff costs, (to support work on SAC rivers, some of our new or enhanced obligations and to support the start of a review of water quality work)

** proposed phased of 50% / 50% profile over 2 years.

Risks of a reduced service or not further enhancing current service

- Failure to deliver programme for Government commitments – inland BW, new homes
- SAC Rivers Project works stops affecting planning and development and Programme for Gov commitments around building of new homes.
- Water Quality status remains static or further declines, with consequences for biodiversity, ecosystem resilience and public services it provides.
- We are unable to respond to public and political concern around the status of Water Quality
- Reduced support leading to inability to support changes in legislation, policies etc

Flood Management

Scope

- All NRW flood risk management activities



**Cyfoeth
Naturiol
Cymru
Natural
Resources
Wales**

| Service level | Outputs |
|---------------|---|
| Current | Manage 500km of defences, 4000 assets, operate, maintain and improve assets. Flood warning service for 130,000 customers, 190 locations. Regulate 380 reservoirs, operate and maintain 340 river gauges, deliver flood modelling and mapping, advise on flood risk. All on a prioritised risk basis (no or reduced activity at medium/lower risk sites) |
| Reduced 1 | Stop: All community/resilience work, all collaborative work, enforcement work, reduce all other activities. Retreat to core high risk asset and basic flood warning services. |
| Improved 2 | As current + address gaps in current service provision e.g. we are doing ~25% less than optimal maintenance now |
| Improved 3 | As 2 + respond to climate change and improve service delivery (e.g. expand flood warning coverage) |
| Improved 4 | As 3 + more on integrated catchment planning and community resilience and adaptation planning and delivery |

Budget and Risks



| | Current | Reduced 1 | Improved 2 | Improved 3 | Improved 4 |
|-------------|---------|-----------|------------|------------|------------|
| Staff (FTE) | 357 | 321 | 429 | 501 | 573 |
| Budget | £36m | £32m | £43m | £50m | £58m |

Reduced Service Risks

- Flood risk increases drastically: more people and livelihoods at risk, including risk to life, more often;
- Significant social, health, economic and environmental impacts and disbenefits to Wales;
- Opportunities for multi-benefits and to respond appropriately to climate and nature emergency disappear;
- Huge reputational risks to WG and NRW

Managed Estate

Scope

- Welsh Government's Woodland Estate (WGWE) & National Nature Reserves
- Land Stewardship and Commercial Teams

| Service level | Outputs |
|-------------------|--|
| Current | As NRW Business Plan Climate change adaptation: upgraded infrastructure (roads, tracks, bridges, culverts, coal & waste tips over 40 years Market up to 750,000m ³ timber (<i>in line with current forestry staff capacity</i>) |
| Reduced Option 1 | Stop: Formal recreation, visitor centres, new tracks Keep: Safety, liabilities and climate change programmes Reduce: All other programmes including biodiversity |
| Improved Option 2 | As current + faster climate change adaptation through infrastructure improvements over 15 years. Increase commercial recreation opportunities |
| Improved Option 3 | As 2 + enhanced biodiversity, recreation and safety work |
| Improved Option 4 | As 3 + market up to 850,000m ³ timber (<i>in line with our plans to increase forestry staff skills & capacity</i>) |

Budget and Risks

| | Current | Reduced Option 1 | Improved Option 2 | Improved Option 3 | Improved Option 4 |
|-------------|---------|------------------|-------------------|-------------------|-------------------|
| Staff (FTE) | 409.1 | 300.5 | 424.3 | 424.3 | 424.3 |
| Budget | £51.7M | £41.5 M | £56.9M | £58.8M | £59.3M |

Reduced Service Risks

- Lack of formal recreation facilities resulting in unmanaged visitors access across the estate, increasing the liabilities and cost of claims, reduction in health benefits, and knock-on implications to private enterprises reliant on NRW visitors experience.
- Stopping forest track building will lead to inability to access for future management, impacting delivery of climate resilience and nature recovery activities;
- Delaying forest track building leading to just in time delivery increasing risk of damage and costs if track is used before it beds in;
- Reduced support leading to inability to support changes in legislation, policies etc
- Increased risks of catastrophic failure of infrastructure, flood risk, large scale tree & habitat loss, soil erosion and peatland loss resulting from significant climatic events such drought, fire, windblow and pests/disease.

Enabling tree planting

Scope

- WG verification service (of WG grant funding for woodland creation)
- NRW Liaison Officers to support WG National Forest programme
- Other services to support woodland creation, including Plant!, implementing recommendations of the Ministerial Deep Dive, forestry regulation, and forestry policy, strategy, advice, guidance and evidence.



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| Service level | Outputs |
|-----------------------------|--|
| Current | <ol style="list-style-type: none">1) Target 2,000 ha verified (£9M of grant funding)2) Delivery of 30 National Forest Sites by 2024/25 and Plant!3) All other areas delivered on time and within budget |
| Reduced 1 | <ol style="list-style-type: none">1) Target 400 ha verified (£2M of grant funding).2) Delivery of 30 National Forest Sites by 2024/25 and Plant!3) Do minimum / stop work across all other areas. |
| Improved 2 | <ol style="list-style-type: none">1) Target 4,500 ha verified (£20M grant funding)2) More workstreams, e.g. Sustainable Land Management Framework guidance, enhanced evidence capabilities. |
| Improved 3 (recommended) | <ol style="list-style-type: none">1) Target 7,500 ha verified (£30M grant funding)2) Delivery of 50 National Forest sites (i.e. plus 20)3) More workstreams, e.g. integrated spatial planning, green finance development, casework conflict resolution, skills |

Budget and Risks

| | Current | Reduced Option 1 | Improved Option 2 | Improved Option 3 |
|-------------|---------|------------------|-------------------|-------------------|
| Staff (FTE) | 31.66 | 12.95 | 43.79 | 64.51 |
| Budget | £2m | £0.8m | £2.6m | £3.6m |

Note: NRW liaison officers to support WG's National Forest programme is a fixed 3 year level of service, and is common across Current, Reduced Option 1 and Improved Option 2. Improved Option 3 is an enhanced option, but has not been discussed with WG.

Reduced Service Risks

- NRW's role to promote and facilitate tree planting will be significantly reduced.
- WG's ambition to expand tree cover to deliver climate mitigation targets will not be delivered
- Lack of support across all areas so inability to respond to changes in legislation, policies etc

Freshwater Monitoring and Analysis



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Scope

- Chemical and biological monitoring of rivers, lakes, groundwaters and bathing waters
- Whole monitoring and analysis cycle – network/programme design, sample collection, laboratory analysis, data processing/validation, data management, data analysis/synthesis

| Service level | Outputs |
|---------------|--|
| Current | Sampling and analysis of freshwaters is close to the absolute minimum level of compliance for most statutory monitoring and reporting duties. Only 63% of WFD water bodies are able to be classified. The frequency and spatial coverage of sampling is not sufficient to provide a comprehensive evidence base on state and trends of water quality in Wales. |
| Reduced 1 | Stop: lab method development for new pollutants; national trend analysis of water quality parameters; evaluation of water quality improvement schemes Reduce: sampling and analysis of WFD water bodies (50% are classified), bathing waters and SAC rivers; quality assurance of monitoring data; |
| Improved 2 | As current + increased sampling and analysis in WFD water bodies (75% are classified), bathing waters, SAC rivers, and new inland recreational water designations. |
| Improved 3 | As 2 + additional sampling and enhanced data analysis / synthesis provides comprehensive evidence base. 100% of WFD water bodies classified; bathing waters monitored at WHO recommended frequency. Instrumented catchments allow real-time collection and communication of water quality parameters |

Budget and Risks

| | Current | Reduced 1 | Improved 2 | Improved 3 |
|-------------|---------|-----------|------------|------------|
| Staff (FTE) | 102.8 | 82.2 | 126* | 199 |
| Budget | £5.5m | £4.5m | £6.7m* | £11m |

* recognised need to go further to meet WG stated ambition (something between options 2 and 3)

Reduced Service Risks

- Failure to meet Programme for Government commitments to strengthen water quality monitoring and to increase inland recreational water designations
- Failure to collect sufficient samples to meet statutory monitoring and reporting duties
- Insufficient evidence to support SoNaRR and SMNR, and to inform our response to the nature and climate emergencies
- Reputational damage from having insufficient up-to-date evidence on the condition of freshwaters and trends in pollutants
- Likelihood of deterioration in the condition of the freshwaters due to a lack of evidence to inform management of pressures and impacts
- Enhanced public health risks resulting from fewer bathing water samples being taken
- Economic risk if bathing waters lose Blue Flag status due to insufficient sampling or inaccurate classification based on limited number of samples

Marine Monitoring

Scope

- Marine chemical, biological and physical monitoring focussed on Marine Protected Areas (MPAs) to provide evidence of environmental condition and trends.
- All components of the monitoring and analysis cycle – network and programme design, sample collection, laboratory analysis of samples, data processing and validation, data management, and data analysis and synthesis, MPA condition reporting

| Service level | Outputs |
|---------------|---|
| Current | Only 5% of marine MPA features are monitored adequately, 17% partially. Condition reporting confidence moderate/poor. WFD monitoring just sufficient to provide data confident classification results for those elements at 'high' risk. |
| Reduced 1 | Stop/Reduce by 15% - <5% MPA habitat features monitored. Poor confidence levels. Non-compliant with statutory reporting duties. WFD monitoring only just sufficient to provide data confident classification for the highest risk elements. |
| Improved 2 | 50% of MPA habitat features get monitored adequately. MPA condition reporting with good confidence. WFD monitoring at required level for all WFD elements and sufficient to achieve a data confident classification. |
| Improved 3 | 80% of MPA features get monitored adequately. MPA condition reporting with v. good confidence. All WFD waterbodies 'at risk'/ 'probably at risk' monitored for data confident classification. |

Budget and Risks

| | Current | Reduced 1 | Improved 2 | Improved 3 |
|-------------|---------|-----------|------------|------------|
| Staff (FTE) | 24.3 | 20.8 | 42 | 57 |
| Budget | £3.05*m | £2.6*m | £6.5*m | £10.4*m |

Reduced Service Risks

**includes estimated lab costs*

- Insufficient sample data to meet statutory reporting duties (eg. WFD,HD)
- Lower confidence associated with assessments leading to increased potential for challenge when used as evidence inform permitting and policy decisions, or reporting on status/ classification.
- Level of uncertainty remains high therefore more cautious approach to permitting.
- Economic/ reputational risks from the resulting increased burden of monitoring/ survey falling on developers instead (eg marine renewables).
- Deterioration in condition of MPAs due to lack of evidence to inform management – climate and nature emergency. risks

Terrestrial Monitoring

Scope

- All components of the terrestrial monitoring & analysis cycle covering design, sampling, data processing, validation, data management, analysis, synthesis and reporting.



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| Service level | Outputs |
|---------------|--|
| Current | Monitor 30% of terrestrial protected site features within 5 a year cycle. Size & quality of evidence base will remain largely unchanged. |
| Reduced 1 | Reduce service to 15% of terrestrial features. Failure to update condition data for c. 85% of features, leading to significant deterioration in our evidence base. |
| Improved 2 | Monitor 60% of terrestrial features within SACs, SPAs & SSSIs over a 5-year programme cycle. |
| Improved 3 | Monitor 90% of terrestrial features within SACs, SPAs & SSSIs over a 5-year programme cycle. |

Budget and Risks



| | Current | Reduced 1 | Improved 2 | Improved 3 |
|-------------|---------|-----------|------------|------------|
| Staff (FTE) | 15.67 | 8 | 33 | 64 |
| Budget | £0.72m | £0.37m | £1.98m | £3.71m |

Reduced & Current Service Risks

- Lack of delivery - number of features lacking assessments will rise significantly.
- Poor resilience - due to limited skills, staff and infrastructure.
- Failure to innovate - reduced resources will prevent investment in innovation.
- Reputational damage - will have significant reputational issues given the current nature and climate emergencies.
- Environmental damage - risks deterioration in the condition of the Welsh environment.
- Reduced confidence in reporting -Weaker evidence will result in a fall in the confidence we can have in inferences