

# P-06-1478 - Comprehensively review NRW and its failure to deliver its statutory obligations to protect Wales

Y Pwyllgor Deisebau | 18 Tachwedd 2024  
Petitions Committee | 18 November 2024

Reference: SR24/9803-1

**Petition Number:** P-06-1478

**Petition title:** Comprehensively review NRW and its failure to deliver its statutory obligations to protect Wales

**Text of petition:** For more than a decade, I believe that the agency mandated to protect the Welsh environment has seen a decline in its capacity to undertake its statutory purpose.

Polluted Welsh rivers (the arteries of the natural world) should be rescued and given a new lease of life.

A comprehensive review of failing prosecutions and inaction needs to take place in order to protect Wales for future generations.

The vast majority of NRW staff work diligently to protect the Welsh environment with the resources they have.

Over complicating matters and undertaking unnecessary projects leads to reduced financial means and a lack of action in priority areas.

We call on the Welsh Government to undertake a comprehensive review of how projects are resourced and to eliminate wasteful spending to maximise results on the basic issues we face in the Welsh environment today.

This includes, but is not limited to, the protection and restoration of Welsh river systems for the benefit of the natural world and the people who enjoy them.



# 1. Background

Natural Resources Wales (NRW) was established in 2013 following the merger of the Countryside Council for Wales, Environment Agency Wales and Forstry Commission Wales.

It has a wide range of operational and regulatory responsibilities, and is the principal Welsh Government adviser on natural resource issues. As a Welsh Government Sponsored Body, it is accountable to the Welsh Ministers through the Sponsorship Minister – currently Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs Huw Irranca-Davies MS.

## 1.1. Criticism of NRW

NRW has faced recent public criticism on a number of aspects of its work.

This includes its response to issues at Whithyhedge landfill site, where gas emissions have impacted communities living around the site. NRW has been criticised for its approach to enforcement, including by Channel 4's Dispatches programme in June. NRW has published information and regular updates on its investigation of issues at the site

Similarly, two former NRW employees spoke to the S4C programme Y Byd ar Bedwar (broadcast in July 2024) about their experiences working for the regulator and concerns about monitoring and enforcement of river pollution incidents. The former employees alleged multiple failings by the regulator.

NRW has faced criticism of how it responds to and investigates water pollution incidents. In response it has published information on its approach to managing water quality.

In July, NRW said it is “pursuing several formal investigations, including potential prosecutions relating to incidents and issues of [water industry] permit compliance”. It provided evidence to the Senedd's Climate Change, Environment and Infrastructure (CCEI) Committee in October.

## 1.2. Reviews of NRW and its activities

NRW has undertaken, or been subject to, a number of reviews of its activities since its establishment.

In 2015 the Welsh Government commissioned the then **Better Regulation Delivery Office** to undertake **a review of NRW against the 'principle of good regulation'**,

The organisation also undertook a review of its response to **storms Ciara and Dennis**, which hit Wales in February 2020 causing widespread flooding. The outcome of the review **was published in October 2020**.

In 2022, the Welsh Government **told the CCEI Committee** that it had asked NRW to undertake a fundamental baseline review of its resources against its statutory functions and Programme for Government commitments. Subsequently, **in January 2023**, the then Minister for Climate Change, Julie James acknowledged that this had identified "a gap in NRW's funding". NRW's **Annual Report and Accounts for 2022-23** set out how the baseline review had been used to develop Service Level Agreements (SLAs) in ten key areas identifying the resources required for service delivery. NRW recently told the CCEI Committee that SLAs will no longer be taken forward, and it is now **focusing on developing 'multi-year plans'** instead.

Most recently, in July this year, **NRW launched a consultation** with its trade unions on proposals for changes to its staffing structure. Referred to as the 'case for change'.

The NRW board met on 5 November to make the final decision on the outcome, with staff informed on 6 November. NRW also **published details of the outcome**. This includes achieving savings of £12m, scaling back some services such as closing its **library, as well as cafes and shops** at visitor centres and removing 233 posts (113 of which are unoccupied currently).

## 2. Welsh Government action

The Welsh Government provides the majority of NRW's funding through Grant in Aid and other grants. In 2022/23 **59% of NRW's income** came from the Welsh Government, with the remainder raised through charges (17%), commercial/other income (21%), and European/external funding (2%). Its total expenditure of £272m in 2022/23 exceeded its income of £234m, implying a £38m deficit.

As noted above, gaps in NRW funding have been identified and work undertaken to consider how these might be managed. However, information published by NRW (and subsequently removed following the 6 November announcement) estimated a funding gap of £9m in 2024/25, which will "grow by circa £4m in

2025/26 to £13 million, with a further £4 million added in 2026/27. This means that by 2026/27 the gap will exceed £17 million if we take no action.”

On 21 October the Welsh Government issued a written statement highlighting that NRW’s Annual Report and Accounts for 2023-24 include details of HM Revenue and Customs’ (HMRC) investigations into NRW’s historic compliance with off-payroll working requirements. The accounts make clear that a “without prejudice” payment of £19m has been made to HMRC in relation to potential liabilities “following HMRC’s ongoing enquiry”.

The Cabinet Secretary’s letter to the Chair regarding this petition notes that Welsh Government officials meet NRW regularly to monitor and analyse performance.

### 3. Welsh Parliament action

NRW’s performance has been discussed extensively in the Senedd. In particular, CCEI Committee undertakes and reports on annual scrutiny of the regulator, as well as one off sessions in response to specific topical issues.

Most recently, in early October the Committee held a short evidence session with NRW on water company environmental performance and potential prosecutions, the issues raised in Y Byd ar Bedwar and the ‘case for change’ work.

The recent ‘case for change’ proposals have been the subject of two recent Plenary debates; one in response to the CCEI Committee’s NRW annual scrutiny report, and the second in response to a petition calling for a stop to the closure of NRW visitor centres.

Every effort is made to ensure that the information contained in this briefing is correct at the time of publication. Readers should be aware that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.