

Llyr Gruffydd MS  
Chair, Climate Change, Environment and Infrastructure Committee  
Welsh Parliament  
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24<sup>th</sup> December 2025

Annwyl Llyr,

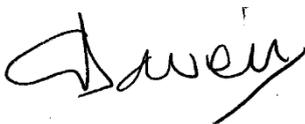
## Update on Committee Recommendations

Following our Annual Scrutiny earlier this year, I write to provide you with further updates on your committee's recommendations, as requested in your report.

In addition to the written evidence that we have provided, we set out below our response to the recommendations from the previous scrutiny session relating to recent developments with our Visitor Centres, the conclusion of the negotiations with HMRC and adequacy and use of funding for flood management as requested. Should you require any further information on any of these matters, please do let us know.

Thank you once again for your interest in our work, and your committee's constructive recommendations.

Yours sincerely



**Ceri Davies**  
Prif Weithredwr Dros Dro  
Interim Chief Executive Officer

Croesewir gohebiaeth yn Gymraeg a byddwn yn ymateb yn Gymraeg, heb i hynny arwain at oedi.  
Correspondence in Welsh is welcomed, and we will respond in Welsh without it leading to a delay.

## **Recommendation 2**

NRW must urgently provide a credible plan to reopen all three visitor centres. This must include clarity about its vision for the future of the visitor centres, the service levels it wishes to see, and a financially viable strategy and timetable to achieve this. This should be provided to the Committee within three months.

The work to maximize the use of our Visitor Centre sites continues at pace.

At Ynyslas, we are pleased to confirm that a Community Management Agreement has been formally established with Borth Community Hub, effective from 4 August 2025. This marks a significant step forward in supporting local stewardship and strengthening community-led initiatives in the area, particularly through their expanded outreach programmes.

For Bwlch Nant yr Arian and Coed y Brenin, we successfully launched our marketing documentation packs on 28 November. Ahead of this, we hosted informal bidder open days at both sites during October, which were well received by prospective bidders. To ensure we attract a broad range of bids - from micro, small businesses and larger operators - the initial bid stage will last for 12 weeks followed by evaluation of bids and competitive dialogue stages. Our aim is to identify a preferred bidder early in the 2026–27 financial year. The timeline for reopening the visitor centre buildings will depend in part on the successful bidder and any additional investment they may wish to make on site.

In the meantime, paths, trails, car parks, and toilets remain open, managed by NRW, and our land management teams continue vital work to protect wildlife and maintain these special sites.

## **Recommendation 8**

Following the conclusions of the negotiations with HMRC, NRW should provide a full update on the outcome as soon as possible, together with a full explanation of how this money will be paid back through efficiency savings and without impacting on frontline services.

Following finalisation of agreement with HMRC, the final total liability was confirmed at £14.6m, for which Welsh Government kindly provided the budget cover for in 2024-25. We have already returned £4.4m in 2024-25 and a further £1.46m in 2025-26. Importantly, no specific reductions to services were required to accommodate the £1.46m repayment.

We are currently in discussion with Welsh Government about making a further contribution to reduce the liability in this financial year. If agreed, this could reduce the remaining balance to a level that allows full clearance by 2028-29 or sooner.

Our approach was to plan the contribution early enough in our planning cycle for 2025-26, ensuring frontline services were protected. While we appreciate there is an opportunity cost involved - where we could have used the £1.46m for other priorities – the reality is that, following a period of very strict recruitment controls, and the unexpected additional funding

received last autumn, we would not have been able to use this amount effectively this financial year.

## Climate Change Environment and Infrastructure Committee

### Annual scrutiny of NRW, 2024-25 (CCEIC report of May 2025)

#### Recommendation 4

NRW should ensure that it monitors and evaluates the **adequacy** and **use** of funding for flood management. It should report back to the Committee within six months to ensure that this informs next year's Welsh Government budget decisions.

#### Introduction and context

Flooding is a major and growing risk in Wales, with 1 in 7 properties at risk. Recent events such as Storm Claudia (Monmouth, 2025) and Storm Bert (RCT, 2024), show the complexity of the challenge even where defences exist.

Reducing risk requires collaboration across sectors and communities, but budget pressures mean that activities must be prioritised. Additional investment, including green private finance, could lower risks and economic costs.

NRW's Long Term Investment Requirements report ([Natural Resources Wales / Long-term Investment Requirements for Flood Defences in Wales](#)) shows that capital investment needs to be 3.4 times the current levels to keep pace with climate change and revenue needs are likely similar. Government alone cannot meet this, so we are defining priorities and exploring private sector and green finance through our Growth and Value Strategy.

Flood risk management needs multi-year budgets and sustained expertise to plan and deliver effectively.

#### On the *use* of revenue and capital funding for flood management

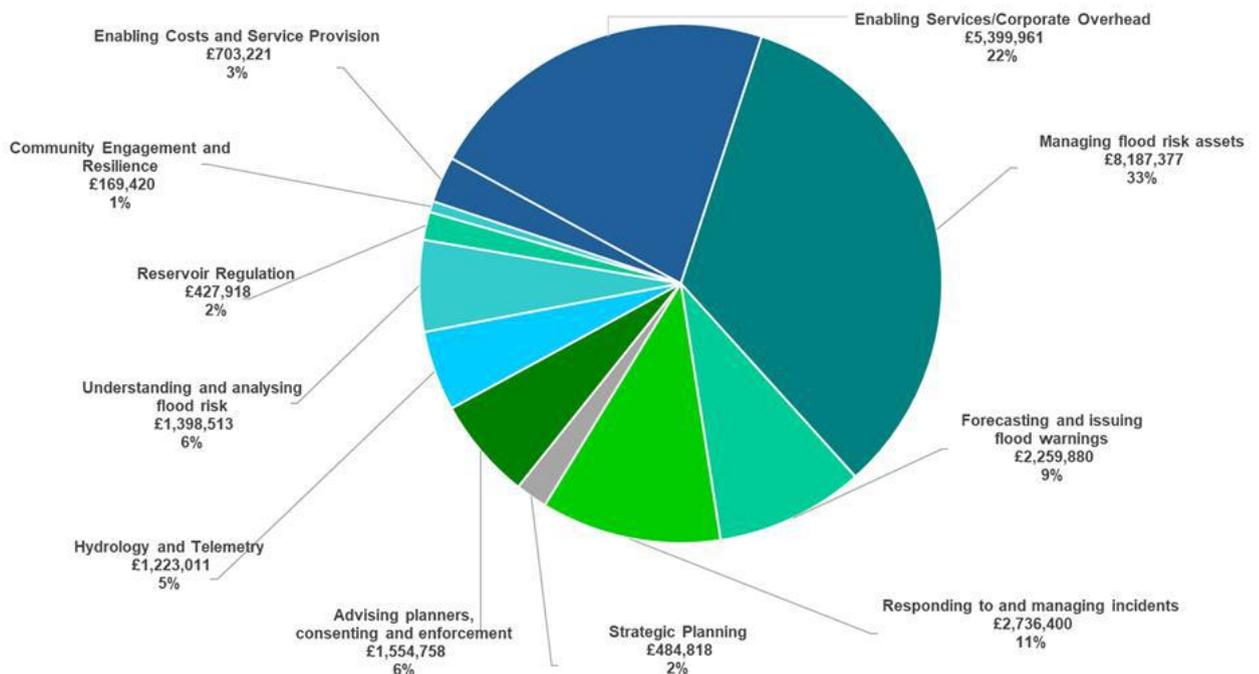
NRW reports annually on flood funding use in our Flood Risk Management Annual Report, shared with Welsh Government and published online: [Natural Resources Wales / Flooding reports, evidence and data](#). The 2024/25 report is available here: [Natural Resources Wales / Flood risk management annual report 2024 to 2025](#)

NRW receives Welsh Government Grant in Aid (GIA) for its Flood Risk Management (FRM) activities.

- Capital funding (bid annually) supports projects like new or upgraded flood defences, river level gauging stations and flood warning infrastructure. In 2024/25 the capital GIA budget was £22.5m, delivering schemes such as Lliswerry, Newport, reducing risk to over 1,000 properties, as well as a new Wales flood warning system.

- Revenue funding covers core services - asset maintenance, operation of our network of rainfall and river monitoring stations, flood forecasting and warning, and planning advice. NRW received £24.5m in 2024/25. The pie chart below (taken from the Annual Report) shows the breakdown of investment by activity categories. From 2025/26, flood GIA is no longer ringfenced and forms part of our general GIA. Inflationary pressures have been recognised in allocations.

### 2024/25 Revenue Spend on Flood Risk Management



Flood risk is rising with climate change, requiring ongoing service development. Details of outcomes and future objectives are in the Annual Report and Flood Risk Management Plan 2023–2029 on our website: [Natural Resources Wales / Flood risk management plans 2023 to 2029](#)

## On the *adequacy* of revenue and capital funding for flood management

Flooding is a major risk for Wales, requiring collective action and sustained investment to adapt to climate change and extreme weather. NRW prioritises funding across functions within annual Welsh Government GIA allocations, aligned to our Corporate Plan to 2030. Historic austerity and recent inflation have reduced NRW's real-term funding despite recent uplifts in 2024/25 and 2025/26. While current budgets enable significant outcomes, they require strict prioritisation and annual settlements limit long term planning.

Our Long Term Investment Requirements for Flood Defences in Wales report ([Natural Resources Wales / Long-term Investment Requirements for Flood Defences in Wales](#)) shows capital investment must increase 3.4 times current levels if our existing assets are to keep pace with climate change. Every £1 spent delivers £5 to £13 benefit. Capital also funds investment in gauging stations, ICT systems and services (such as flood warning system), operational plant and fleet and around 17% of our staff salaries.

Revenue funding supports core services – maintenance, monitoring, forecasting, planning advice – but has faced sustained pressure. Between 2022-2025, inflation and pay costs drove NRW's Case for Change programme, delivering £11m of savings, including £1m from flood risk management.

Flood risk in Wales will continue to rise, requiring multi-year budgets, diverse funding sources and wider interventions delivered in partnership with communities and organisations.

### **Asset management: reducing the likelihood of flooding**

#### *Summary key outcomes and benefits:*

- We maintain 3,900 flood assets including 455km of raised defences, reducing the flood risk to 90,000 properties across Wales;
- In 2024/25, we completed over 14,000 asset inspections and over 20,000 maintenance tasks to keep structures fit for purpose;
- We invest our capital budget to replace, upgrade and build new defences;
- We operate our assets during floods (closing gates, installing temporary defences etc) to minimise impacts;
- We focus on the highest risk locations to reduce flooding likelihood.

#### *Opportunities:*

We prioritise maintenance and operational incident response activities based on flood risk, focussing on systems with the greatest benefits. This means less work on assets that protect fewer properties. There is a balance to be struck between proactive maintenance and reactive repairs, which affects asset longevity. Our Long-term Investment Requirements report ([Natural Resources Wales / Long-term Investment Requirements for Flood Defences in Wales](#)) shows that fully maintained defences could deliver £26.6bn in

lifetime benefits. Climate change adds further pressure, requiring us to do more adaptation planning and delivery.

## **Forecasting and warning: reducing the impacts of flooding**

### *Summary key outcomes and benefits:*

- We have 368 flood warning areas, covering 130,000 properties, with flood forecasts for 89 coastal and 112 river locations;
- In 2024 / 25, we issued 622 flood alerts, 217 flood warnings and two severe flood warnings. Floodline handled 1,163 calls, and our flood warnings and alerts webpage had 1,392,763 visits;
- Forecasting provides vital lead time for responders and the public to act and reduce the impacts of flooding. We have invested nearly £6m in a new flood warning system to replace an ageing system and to allow for further enhancements to the service in the future.

### *Opportunities*

Some areas of Wales do not have a specific flood warning service, and improvements in accuracy and timeliness are needed. Continuous improvement and investment are essential to adopt the latest data and capabilities and respond to the changing risks. Enhancing rainfall forecasts and introducing probabilistic forecasting would improve clarity on flood likelihood and strengthen incident preparation. These improvements, in partnership with the Met Office and Flood Forecasting Centre will require additional investment from Wales.

## **Development control: stopping the risks from increasing**

### *Summary key outcomes and benefits:*

- We responded to 2,100 flood risk related planning consultations to prevent inappropriate development on flood plains;
- We issued 204 flood risk activity permits, to regulate works undertaken by others on rivers and avoid worsening flood risk.

### *Opportunities:*

Our advice to planners and developers focuses on developments with the greatest flood risk, fulfilling our statutory consultee role. Limiting inappropriate development in at-risk areas and promoting sustainable development in appropriate locations is critical to reducing future flood risk.

## **Hydrology, hydrometry and telemetry: fundamental data for good decision making and optimising interventions**

### *Summary key outcomes and benefits:*

- We maintain and operate a network of 253 rain gauge stations, 333 river level or flow monitoring stations and 135 groundwater level monitoring stations, with over 600 telemetry outstations for near-real time data;

- Good hydrological data is the key to flood (and wider water) management decisions; enabling accurate risk assessment, cost-effective solutions and appropriate asset design;
- This data is used for a variety of purposes, by NRW and by others, including for the design of flood defences, and for the issuing of flood warnings;
- We are nearing the completion of a £6m investment by Welsh Government in a new telemetry service, to future proof data services.

*Opportunities:*

Continued investment is needed to upgrade, operate and maintain, our Hydrometry and Telemetry services and resources. Expanding further our network would ensure comprehensive data coverage across Wales. This supports good decision-making about investment for the future, to respond to, and adapt to, climate change. The data benefits the entire sector including other Risk Management Authorities, private sector consultants and the public.

**Understanding and analysing flood risk: to manage flood risk, and optimise the interventions and investment, we need to know where is at risk and the extent of that risk**

*Summary key outcomes and benefits:*

- We map and model present and future flood risk to inform, with 274,000 properties in Wales at risk of flooding;
- We provide Wales-wide mapping tools online so that the public and developers can check flood risk and take appropriate action.

*Opportunities:*

We map and model flood risk, prioritised on a risk basis. Detailed modelling helps identify effective interventions. Making more data openly available would allow more people and organisations to make informed decisions and take action to reduce flood risk.

**Community engagement and resilience: helping communities be more aware and take action to help themselves**

*Summary key outcomes and benefits:*

- We maintain key information on our website on what individuals, communities and businesses can do to help manage flood risk;
- We support 76 community flood plans and a network of community flood plan leads;
- Our approach is centred on providing information and resources through our website, working with strategic partners and supporting the flood community volunteer network across Wales, including enabling them to share experience and best practice.

*Opportunities:*

Greater impact could be achieved through stronger partnerships with local organisations best placed to engage with communities. Additional investment would allow us to provide better information and resources and expand collaboration to build resilience.

## **Reservoir regulation: ensuring safety from low-likelihood significant-consequence dam failure and sudden inundation of flood waters**

### *Summary key outcomes and benefits:*

- We regulate 405 reservoirs for compliance with the safety legislation and operate 13 flood storage and 25 other fully compliant reservoirs ourselves.

### *Opportunities:*

We have a statutory duty as the reservoir regulator for Wales. Our aim is that in future this regulatory work is fully funded through permit fees. There are proposed improvements to reservoir regulation (partly in response to the incident at Toddbrook, Whaley Bridge in 2019) which will require additional financial support, delivering greater public safety assurance.

## **Strategic planning: dealing with long term challenges**

### *Summary key outcomes and benefits*

- We manage a capital programme of investment, totalling £236m from 2013/14 to 2024/25, reducing risk to over 7,500 properties across Wales;
- We also manage various programmes of work including Maintenance Programme, Improvements Programme, National Habitats Creation Programme, FRM Research and Development Programme, all of which deliver benefit to communities and partner organisations;
- We plan and monitor FRM performance, with reporting such as our Annual Report, Section 18 reports, NRW's Flood Risk Management Plan and the Long-term Investment Requirements report (all available through NRW's website: [Natural Resources Wales / Flooding reports, evidence and data](#)).

### *Opportunities*

These areas cover strategic, cross-cutting work - capital and revenue investment and expenditure planning, skills development, ICT, biodiversity and habitat creation, natural flood management as well as strategic oversight of flood risk management.

We are assessing how we can deliver more in the areas of *integrated catchment work, nature-based solutions, adaptation and community engagement*. There is scope to explore and optimise our various roles – as an operator, regulator, advisor and facilitator – to work in partnership with a range of organisations including Local Authorities, Water Companies and Welsh Government departments as well as communities. Working with others, we need to identify resources for this vital work and we are developing plans to prioritise investment in these areas.

## **Final comments**

We invest our flood budgets across a range of activities that help reduce flood risks to the people and environment of Wales. We monitor and report transparently on this investment. Like all other public bodies, we work within the budget available and prioritise

accordingly. However, climate change is increasing the scale and complexity of flood risk which demands sustained investment and innovation to keep pace. Our focus will remain on directing resources to the activities and locations that are likely to deliver the greatest benefits.