

Annual Scrutiny of Natural Resources Wales 2025-26: Written Evidence

15th December 2025

Delivering on Our Wellbeing Objectives

Natural Resources Wales is committed to ensuring people and nature thrive together. To achieve this, our work is guided by three Wellbeing Objectives: nature recovery, climate resilience, and minimising pollution. These objectives shape our priorities and actions for a healthier, more sustainable Wales.

Despite a period of significant change, we have continued to make strong progress. Through evidence-based approaches, innovation, and collaboration, we are delivering real impact - from restoring rivers and habitats to enabling industrial decarbonisation and improving flood resilience. We've included a few notable highlights below to demonstrate this work, but this is by no means an exhaustive list of progress.

Looking ahead, we remain focused on building on this progress throughout 2026. Working with partners across Wales, we will continue to deliver outcomes that matter: resilient communities, thriving ecosystems, and a cleaner, greener environment for future generations.

Nature Wellbeing Objective

Our nature recovery work is delivered through flagship programmes such as NACE and the LIFE Projects, including LIFE Dee River and Four Rivers for LIFE. These initiatives apply the principles of Sustainable Management of Natural Resources (SMNR) and build strong partnerships at local, regional, and national levels.

With £117 million forecasted to be invested by the end of 2025-26, we are restoring habitats and improving biodiversity through programmes for water quality, marine environments, forests, peatlands, fisheries, and mine remediation. This includes the National Forest Programme, the National Peatlands Action Programme, and targeted work on metal mine remediation.

Delivery has been practical and impactful:

- 26 miles of riverbank fencing to protect habitats
- 20,000 trees planted to create riparian corridors
- Over 8,000 tonnes of boulders and gravel introduced to improve riverbed structure
- 10 in-river barriers removed or adapted to restore fish migration routes

We have also strengthened delivery mechanisms - introducing new grant types, improving land management agreements, and signing MOUs with partners such as the Mine

Remediation Agency. These improvements make us a more efficient and effective partner, ensuring long-term benefits for nature recovery across Wales.

Climate Wellbeing Objective

Tackling the climate emergency is central to our mission. We are enabling industrial decarbonisation, pioneering innovative permitting for carbon capture, and improving flood resilience services.

Our dedicated Industrial Decarbonisation Team, established in 2023, supports Wales's highest-emitting sectors - steel, cement, Liquefied Natural Gas, and power generation - on their journey to net zero. We are actively enabling projects such as:

- Tata Steel's Electric Arc Furnace in Port Talbot
- Green hydrogen production hubs at Pembroke Power Station and Milford Haven
- Carbon capture initiatives by RWE and Dragon LNG
- The UK's first Carbon Capture and Storage permit for Padeswood Cement Plant, capturing 800,000 tonnes of CO₂ annually

We have introduced digital twin technology to model complex CCS operations and co-produce enforceable permit conditions and developed a Targeted Operating Model (TOM) to accelerate permitting for major projects without compromising regulatory integrity.

For adaptation, we launched the new Flood Warning Information Service in July 2025, replacing the previous EA-managed system. This bespoke service offers bilingual alerts, multi-channel delivery, and user-driven customisation - designed around customer needs and built to evolve over time.

Pollution Wellbeing Objective

Minimising pollution is essential to protect Wales's environment and public health. We are addressing legacy issues such as abandoned metal mines, improving marine and freshwater quality, and strengthening our response to pollution incidents.

Abandoned metal mines remain the principal cause of waterbodies failing to meet Water Framework Directive standards, impacting over 700 km of rivers. Through Welsh Government's NACE funding, we have delivered:

- Monitoring at 88 sites
- Feasibility studies at 21 sites
- Detailed design at 15 sites
- Remedial works at 8 priority locations, including major interventions at Cwmrhediol

We are also building public awareness through the Y Môr a Ni Ocean Literacy Framework, working with partners such as Welsh Government, Cardiff University, and the Marine Conservation Society to strengthen Wales's relationship with its coasts and seas.

Finally, we are transforming our incident response model from reactive to strategic - prioritising major incidents, prevention, and intelligence-led approaches. This ensures resources are targeted where they deliver the greatest environmental benefit, supported by new tools and cultural change across teams.

An Update on the Case for Change Impacts

Over the past year, NRW has navigated a period of significant change, ensuring that the organisation has a financially sustainable and affordable structure that is aligned to the delivery of the Corporate Plan. The change was informed by a detailed prioritisation exercise, where we focussed on those things only, we can do and have the greatest impact on delivering for Nature, Climate and Pollution prevention. The changes have resulted in changes and impacts across the organisation, but we worked hard to minimise these and maintain our focus on delivering the Corporate Plan. A specific update on Visitor Centres, which were particularly impacted by the Case for Change, is provided later in this document.

Towards the end of the Case for Change, Ministers confirmed that in 2025/26, NRW would receive an additional £25m in funding – comprising ring-fenced project funding alongside an increase in baseline Grant in Aid. Around £4m of this additional Grant in Aid funding has been directed to priority areas such as water quality, biodiversity, evidence monitoring and flood risk management, helping to mitigate potential impacts of restructuring on service delivery.

Critically, this additional funding also enabled us to mitigate the impacts of the Case for Change on our staff. Whilst the Case for Change proposals placed 113 of our colleagues at risk of redundancy, 81 secured other roles within NRW with 26 leaving the organisation through voluntary redundancy, and one leaving through compulsory redundancy. We provided dedicated support throughout, including outplacement services for those leaving the organisation.

Having concluded the implementation phase of the Case for Change, our focus has now moved on to ensuring we are well-positioned and resilient for the future. We are turning lessons from the case for change into practical actions and strategic improvements. Our priorities are to:

- Strengthen our resilience against external pressures such as inflation, changing political priorities, and fluctuations in funding.
- Create an agile, responsive organisation that reduces the need for major change programmes in the future.
- Improve multi-year planning to give clarity and transparency for our people and stakeholders.

By acting now, we will ensure we are sustainable and resilient, maintaining our ability to deliver, whatever the future brings.

An update on Visitor Centres

NRW has launched a marketing exercise to find partners who can enhance visitor experiences while protecting nature at Bwlch Nant yr Arian, near Aberystwyth, and Coed y Brenin, near Dolgellau.

We are inviting proposals to run the Visitor Centres and surrounding areas, with options for additional buildings and land. This follows the success of Borth Community Hub, which now delivers activities, workshops, and food and drink at the Ynyslas Nature Hub at Dyfi Nature Reserve.

The marketing exercise launched in November 2025 and runs until Summer 2026, giving community groups, small enterprises, start-ups, and commercial businesses the time, support, and opportunity to make a bid for long-term, sustainable partnerships.

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.

Implications of the Independent Water Commission Report and Associated Water Industry Reform

We welcomed the Independent Water Commission's review as a key step toward creating a water system fit for the future. NRW engaged fully throughout, including submitting a formal response, and we are pleased the recommendations reflect the Welsh context.

The report sets out significant reforms, and while government implementation plans are still being finalised, NRW is actively advising Welsh Government and DEFRA to ensure outcomes benefit Wales' environment and communities. We look forward to responding to the forthcoming Green Paper and contributing to the joint England-Wales transition plan, which will include a dedicated chapter for Wales.

Key implications for NRW include:

- **New Economic Regulator and Systems Planning:** Welsh Government intends to establish a dedicated regulator with water system planning functions. NRW supports this proposal and will work to ensure integration with our environmental planning and regulatory roles.
- **Water Company Planning:** Changes to investment planning will require NRW to adapt processes to maintain statutory duties and influence environmental outcomes.
- **Legislative Review:** Proposals include updates to Water Framework Regulations, Urban Waste Water Treatment Regulations, and approaches to self-monitoring and asset resilience. NRW will ensure changes maintain environmental standards and deliver improvements.
- **Cross-Border Alignment:** We will work with Welsh Government to manage implications for collaboration across the England-Wales border.
- **Transition Planning:** A shared transition plan will ensure continuity of essential functions and strong environmental regulation during change.

These reforms are complex but present an opportunity to modernise regulation, strengthen resilience, and deliver long-term benefits for Wales. NRW will continue to work closely with Welsh Government to ensure implementation is realistic, well-resourced, and aligned with environmental priorities.

NRW's Work on Protected Sites for Nature Recovery

The Global Biodiversity Framework (GBF) sets ambitious targets, including “30 by 30” - protecting and effectively managing 30% of land, freshwater, and sea by 2030. Welsh Government is implementing this through the UK Biodiversity Strategy and the Ministerial Biodiversity Deep Dive recommendations, and NRW is central to delivering these commitments.

Our Corporate Plan places protected sites at the heart of nature recovery. We are improving site condition and resilience by working with landowners, occupiers, and stakeholders, while advocating for transformative change across sectors such as food, energy, and transport to scale up recovery and financing.

Key Actions and Progress Include:

- **Active Designation:** In the past two years, we designated three new SSSIs and extended two existing sites, bringing 4,740 hectares under statutory protection. We also published new Conservation Advice Packages and Condition Assessments for major Marine Protected Areas. Following Audit Wales' report on SSSI designation, we are developing a strategic approach to spatial measures for nature recovery, integrating SSSIs with other conservation tools such as Naturfa (Other Effective Area-Based Conservation Measures). We have also contributed evidence to the Interim Environmental Protection Assessor for Wales and are preparing for legislative changes.
- **Strategic Investment:** Over the last five years, NRW has invested £95 million from Welsh Government through our Nature and Climate Emergency (NaCE) Programme, delivering projects that enhance National Nature Reserves (NNRs), improve SSSIs, Upper Wye Restoration Project and tackle water quality issues to benefit rivers and species.
- **LIFE Projects:** Major collaborations such as LIFE Dee River (£6.8m), Four Rivers for LIFE (£9.1m), and LIFEQuake (£4.67m) have restored habitats, improved fish passage, tackled invasive species, and enhanced water quality.
- **Natur am Byth:** Our flagship species recovery programme has already engaged 42,000 people and shows positive signs of recovery for many threatened species.
- **Annual Land Management Support:** We invest £1.2m annually in sustainable land management practices across 300+ holdings, helping maintain and improve SSSI condition.

Future Focus

Through ENCA, we lead work to embed transformative change for nature across Europe, recognising that achieving GBF targets requires greater capacity and financing beyond public and voluntary sectors.

To achieve 30 by 30 and long-term nature recovery, we need transformative change across multiple systems - including food, energy, and transport - while working with all sectors to scale up capacity and secure sustainable financing.

This means planning and prioritising site designation and management, alongside new mechanisms, and promoting a nature-positive culture that strengthens ecological resilience across Wales.

We are also exploring opportunities to extend protection and management of land, freshwater, and sea to accelerate biodiversity recovery. Our work includes assessing applications for consent, undertaking Habitats Regulations Assessments, using site management incentives, and taking enforcement action where necessary.

Progress Update on the Development of the Common Warnings Framework and Other Flood Forecasting Measures

Common Warnings Framework

NRW is playing a key role in developing the UK-wide Common Warnings Framework (CWF), building on lessons from the 2020 floods in Wales. This partnership brings together flood agencies across the UK, the Met Office, and the Flood Forecasting Centre to ensure consistent, authoritative weather and flood warnings and improve collaboration to save lives.

Our shared goals:

- Speak with one voice and maintain an authoritative national position.
- Develop and share warning methodologies.
- Make messages easier to share and reuse.
- Keep saving lives as the primary focus.

The need for this structured collaboration has grown following major flood events and rapid changes in technology and communications. Amongst the key updates to date are:

- We are aligning risk matrices used in severe weather and flood guidance to improve consistency and clarity. Prototypes tested with responders have been approved, and implementation planning is underway.
- We have agreed a common approach to flood warning data so that major platforms (e.g., Google Alerts) can share our warnings. We are upgrading our systems to deliver international standard Common Alerting Protocol (CAP) -compliant data by spring 2026.

Other flood forecasting improvements

NRW continues to strengthen flood forecasting through close collaboration with the Met Office and Flood Forecasting Centre. Our focus is on introducing probabilistic ensemble forecasts to improve accuracy and resilience.

- **Reasonable Worst-Case Scenarios:** Enhanced data will improve risk assessments and communications, going live in spring 2026 as an interim step before full probabilistic forecasting.
- **Probabilistic Forecast Ensembles:** We have requested full ensemble data from the Met Office and expect trial data soon. This will inform a transformation programme to embed probabilistic forecasting into public warnings, supported by user research to ensure clarity and trust.
- Future stages will require investment in systems, training, and model coverage to fully realise these benefits. We are working with Welsh Government to secure

resources, recognising that climate change and increasing flood risk demand ongoing innovation and investment.

Management of NRW's Forestry/Timber Budget over time and the Arrangements for Welsh Government Underwriting this

NRW manages the Welsh Government Woodland Estate (WGWE) and National Nature Reserves to deliver sustainable land stewardship, aligned with the UK Woodland Assurance Scheme and UK Forestry Standard. This ensures responsible woodland management, environmental benefits, and the production of certified timber for the Welsh timber sector.

Funding Model and Stability

The WGWE is funded through a mix of Grant in Aid, timber income, renewable energy revenues, and Welsh Government grants for specific activities. Timber income typically ranges between £31 - 36m annually, but market volatility can impact returns. To provide stability, Welsh Government introduced the Timber Funding Model, underwriting annual income to protect against short-term fluctuations and enable confident planning.

We facilitate renewable energy development on the WGWE, ensuring full cost recovery and compensatory planting to maintain certified woodland standards and prevent deforestation.

Future Planning

We are finalising our Timber Sales and Marketing Plan (2026–2031) to set harvest levels and routes to market, ensuring compliance with UKWAS and delivering diverse, resilient woodlands. In addition, we are exploring new financing options for nature and climate action as part of our upcoming Growth and Value Strategy, working with Welsh Government to maximise opportunities for Wales.