



Climate Change, Environment and Rural Affairs Committee Annual Scrutiny of Natural Resources Wales 2018.

Briefing on key issues and progress made since November 2017.

Contents

- 1.** Introduction
- 2.** NRW Remit Letter
- 3.** NRW Commercial Activity
- 4.** Corporate Plan and Business Plan Performance
- 5.** Self Policing
- 6.** Grants and Funding Programmes
- 7.** Financial Position and Savings
- 8.** Implementation of legislation
- 9.** Brexit
- 10.** NRW Chair and Board Members

1. Introduction

- 1.0. Natural Resources Wales' (NRW) purpose is to pursue sustainable management of natural resources. We embed the principles of sustainable management of natural resources throughout the way we work, and by applying these principles we maximise our contribution to the Well-being of Future Generations (Wales) Act Goals.
- 2.0. The natural environment of Wales is exceptional and inspiring. It is the foundation for our health, well-being and prosperity. We are fortunate to lead a team of dedicated and passionate people who use their expertise and experience to make a difference to the environment, people and economy of Wales.
- 3.0. Our staff continue to work hard to deliver against our remit: maintaining our UKWAS accreditation, developing our role within each of Wales' Public Services Boards, launching our new Vital Nature strategy and responding to environmental incidents across Wales, with Storm Callum and several large fires of significance this year.
- 4.0. We were pleased to receive additional funding from Welsh Government to support priorities relating to natural resource management, restoring biodiversity and managing National Nature Reserves across Wales. A buoyant timber market has also increased our recent timber income which we are now able to use across the Welsh Government's Woodland Estate to support woodland and habitat creation as well as estate management through repairing current and building new infrastructure.
- 5.0. We welcome the opportunity to present to the Committee during its annual scrutiny of NRW.

2. Remit Letter

A summary of the actions taken to deliver the priorities set out in NRW's 2017/18 remit letter.

- 6.0. A summary of actions taken to deliver the 2017/18 priorities can be viewed in Annex 1 (page 17).

A summary of actions you have put in place to deliver the priorities set out in 2018/19 remit letter.

- 7.0. A summary of actions planned to deliver 2018/19 priorities can be viewed in Annex 2 (page 30).

3. NRW Commercial Activity

Re-organisation of Commercial Services

- 8.0. As part of our organisation wide redesign it was agreed that NRW should increase its focus, capability and specialist resource in commercial and business development. NRW are recruiting a new Head of Commercial with experience and competence in wider commercial strategy, business development and operations and this function will be located within an enhanced Finance, Commercial and Corporate Services Directorate (to provide links with financial governance and bring the whole supply chain together).
- 9.0. The following functions will be the responsibility of the new Head of Commercial:
- Commercial Strategy, marketing plans and business development
 - Commercial standards, governance and contracting activities
 - Current commercial, marketing and business development activities within timber harvesting and marketing, laboratory, and energy
 - Procurement and partnership funding
- 10.0. These functions are being brought together to strengthen NRW's capacity to better exploit its commercial capacity, within a strong governance framework. The main drivers being:
- Single point of focus on commercial development and enterprise to maximise contribution to NRW outcomes (SMNR and financial)
 - Better integrated supply chain from procurement through to sales, with focus on customer relationships
 - Common framework of governance across key enabling services, while removing barriers to trade
- 11.0. The operational delivery elements of the energy, timber and laboratory will be located in Operations (in line with our place-based principle), but the overarching commercial strategy development and culture change is led from this department.
- 12.0. The restructure will provide effective procurement and commercial leadership and direction in support of NRW's objectives, including managing, in an integrated way, our use of the Wales Procurement Service and facilitating compliance with applicable current EU & WG legislation in relation to commercial and procurement activities.

Independent Review of Timber Sales

- 13.0. Grant Thornton were appointed in August 2018 to carry out a thorough independent review of the NRW forestry function in relation to the sale of timber and contract management. The review was completed in January 2019 resulting in a formal report with key findings that are linked to an NRW Timber Sales Governance Action Plan.

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- 14.0. The review built on the lessons and recommendations of work already carried out within NRW, along with those by WAO and the Public Accounts Committee. Its key purpose is to ensure that the governance issues identified are not repeated.
- 15.0. The key findings of the review can be summarised under the following headings:
- Sales contract governance
 - Financial reporting
 - Wider organisation
 - Other
- 16.0. Delivery of the Action Plan is of the highest priority and it being managed by a specific project team utilising project management methodology and governance. The actions are being delivered at pace and can be summarised as follows:
- Actions that are already in progress or have been delivered – such as public law training and changes to the Financial Scheme of Delegation
 - Short-term actions (deliverable by 31 January) – such as not letting any standing sales plus contracts, development of contract monitoring reports, introduction of revised terms and conditions, new overarching policy document
 - Medium-term actions – such as system changes (TMP), development of financial reporting, audit of contract files

4. Corporate Plan and Business Plan Performance

- 17.0. We published our latest Corporate Plan to 2022 in March 2018. Our new plan is structured around our well-being objectives to take on board new legislation – the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.
- 18.0. Our annual Business Plan outlines in more detail what we are planning to deliver each financial year towards our corporate plan objectives. Below is a link to our latest corporate dashboard that tracks business plan and corporate plan delivery 2018/19. This is reported quarterly to the NRW Board.
- 19.0. [NRW Performance Dashboard 2018/19](#)

5. Self Policing

- 20.0. During the period 1 April 2017 to 31 March 2018, 15 environmental incidents relating to our work (or our contractors) were reported and reviewed. During the period 1 April 2016 to 31 March 2017, 10 environmental incidents. During the period 1 April 2015 to 31 March 2016, 18 environmental incidents.
- 21.0. Of the 2017/2018 incidents only one was classed as 'high'. The circumstances were that NRW received a report of fish in distress on Hendre Lake, St Mellons, Cardiff. Investigations found that salinity levels within the lake and adjacent Tarwick Reen were elevated.

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- 22.0. The sea outfall was confirmed as leaking/being damaged during the rising tide on 5th February. Due to the difficulties accessing the flap valve on the structure the inspection was carried out by a specialist contractor 6th February.
- 23.0. No enforcement action was taken as investigation concluded that the incident may have been caused due to unknown third-party interference.
- 24.0. There were 74 self-permitting decisions between 1 Jan 2018 and 31 December 2018, and were a mixture of abstraction licences marine licences, flood risk permits, Sites of Special Scientific Interest assents and herbicide authorisations.
- 25.0. Water Abstraction licences are issued by the Water Resources Permitting Team and their permitting process and legislation requires the submission of our decision documents to Welsh Government for scrutiny and the option to 'call in'. Welsh Government officials have been consistently satisfied with our determination of the applications. Once we receive Welsh Government officials' response, they are sent to the Executive Director for Evidence, Policy and Permitting for approval i.e. the Team Leader does not sign them off which is the process and level of delegation for non-NRW applications.

6. Grants and Funding Programmes

- 26.0. In May 2017 NRW's Board approved a new strategic approach to fund Natural Resources Management projects from 1 April 2018. This is an interim approach before a full call for grant funding following publication of Area Statements at the end of 2019. The NRW Open Call for SMNR Funding was launched in November 2017 for 18 months funding projects up to December 2019, with an available budget of £3m to meet the following four headline challenges:
- Ensure land and water is managed sustainably in an integrated way & reduce the risk from environmental hazards such as flooding & pollution
 - Improve the resilience and quality of our ecosystems through habitat management, biodiversity and connectivity
 - Help people to live healthier and more fulfilled lives through improved access to the outdoors for health & wellbeing
 - Promote the sustainable use of natural resources to support the economy and develop skills and learning.
- 27.0. NRW received 73 full applications which were assessed by the relevant Area Panel / All Wales panel. 62 were approved.
- Total value of projects proceeding (with 2 still awaiting final sign off) = £5,138,232
 - Total agreed NRW contribution = £2,415,109
 - Average intervention rate = 48%
- 28.0. We are now undertaking a lessons learned exercise and consulting with our stakeholders in order to make any required improvements in advance of future grant calls.

7. Financial Position and Savings

The latest financial position of the body.

Financial Year 2018-19

Revenue Budget

- 29.0. In 2018-19, our Non-Flood Grant in Aid allocation from Welsh Government was reduced by 5% compared to a standstill allocation in 2017-18 (£3m reduction). Our Flood Grant in Aid allocation remained at the same cash level. We also have inflationary and pay pressures as well. To help, we have continued to realise reductions in our operating costs as we reduce the dependency on our legacy bodies and have made savings through tough controls on recruitment and other operational budgets and through our positive income position.
- 30.0. The Job Evaluation scheme has had a significant impact on our budget which we have managed through a variety of actions including reducing staff numbers by 50.
- 31.0. Since NRW was created, Welsh Government has provided additional in-year funding (capital as well as revenue) to support us taking on new responsibilities, transformation and dealing with emergency situations such as dealing with tree health problems (see Table 2). We are dependent on the additional allocations to meet new pressures with our baseline funding reducing.

Capital Budget

- 32.0. Our biggest capital programme is for flood and coastal risk management. Currently, we spend between £15m and £20m per annum and the total is £19m this financial year. That capital programme contains approximately 180 projects. The main construction projects are at Pontarddulais, Crindau Pill, Roath & Rumney and Llanfair phase 3. The programme also pays for significant IT investment.
- 33.0. We also receive a much smaller allocation for non-flood works – usually £0.8m plus another £0.9m for Wales Coast Path improvements. This is a significant issue for NRW and insufficient for us to afford the significant infrastructure improvements required to ICT, Laboratory and Reservoirs. Recently, WG made changes to the legislation that meant a significant improvement programme was required for bodies of water now being categorised as reservoirs without NRW having the means to fund the investment required within our baseline. WG have provided us with additional funding for both 2018-19 and 2019-20 but with no guarantee of funding in the following years.

Commercial Income

- 34.0. Following a period of buoyant timber prices related to the sale of timber from the Welsh Government Woodland Estate, we have a surplus of timber income that can be re-invested back into management of the estate to help secure its future productive potential and improve resilience. The scale of the surplus is very positive

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with the buoyant market conditions remaining through this year. Welsh Government have allowed us to increase the carry forward limit of timber income so that we can make the best decisions on the use of that funding. A strategy on how to utilise this funding will be incorporated into our Business Plans for the next two financial years and will optimise the benefits that can be realised. It will include additional investment in forest infrastructure, creating more woodland and planting more trees.

Overall Position

- 35.0. Our latest financial position was reported to the NRW Board in November 2018.
- 36.0. In summary, our latest financial position for 2018-19 is positive with the most significant challenge being effectively managing our budget when the organisation is going through a major change programme.

Financial Year 2019-20 and beyond

- 37.0. Our indicative Grant in Aid allocation for the next financial year was a further 5% reduction in Non-Flood Revenue and a cash standstill allocation for Flood. In December Welsh Government confirmed a further £0.8m of funding for non-Flood functions which means that the reduction in funding is now 3.7%.
- 38.0. Due to recent changes in legislation and policy and anticipated financial pressures in the coming years, we are re-designing the organisation which in parts of the organisation will be with less staff than we have now (especially are those areas funded by Non-Flood Grant in Aid). We expect our change programme to be complete in 2019. This will have an impact on our ambitions on meeting the aspirations set out by Welsh Government on the Sustainability of Natural Resources in Wales.
- 39.0. We are also determined to be an efficient and effective regulator and we have maintained our charges and fees at or significantly below the levels in real terms that our predecessor body raised in 2012-13. For 2019-20, we will be raising some charge regimes in line with inflation for the first time in NRW. We are consulting on a greater increase on the Water Resources Abstraction charge due to the need to part fund DCWW's reservoir improvements as set out in our legal agreements with them.
- 40.0. We have an emerging issue surrounding the increase in employer's pension contributions for the Civil Service Pension Scheme by approximately 7% - that will cost us an additional £2.2m per annum. We have been in discussion about having budget cover for at least 2019-20.
- 41.0. Otherwise, the impact of pay awards and inflation also cost us between £2m and £3m per annum.
- 42.0. For our commercial activities, we will be implementing our Enterprise Plan, which will ensure that we optimise our commercial opportunities and activities support the sustainable management and use of natural resources. We are expecting the good

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market conditions to continue and that has allowed to increase our investment in the Woodland Estate and ensure we retain our forest certification.

- 43.0. We have also agreed with our Sponsorship Department to have a more participative approach to agreeing our priorities and the associated funding settlement for 2020-21 onwards and have participated recently in a workshop recently hosted by Welsh Government on Terms of Government plans and funding settlements.

Details of any cases made to Welsh Government for additional funding over and above your budgeted financial allocation for both 2017-18 and 2018-19 to address pressures and new responsibilities.

Additional Funding

- 44.0. Additional Grant in Aid allocated by the Welsh Government for use in 2017-18 and 2018-19 was as follows:

Table 2

Funding allocated for:	2017-18 £m	2018-19 £m
Flood Risk Management Capital Programme	4.0	0.0
Tree health	3.5	3.7
New legislation, responsibilities and services	1.8	5.3
Flood Risk Management Revenue	1.5	0.0
Welsh Government policy priorities (marine, waste and river basin priorities in 2017-18 and the same in 2018-19 plus LIDAR (£2.2m))	0.3	3.5
Regulated activities not recovered through charges	0.4	0.0
Metal Mines Remediation	3.3	0.0
Emergency Tree Felling Scheme	0.4	0.0
Carbon Positive	0.0	0.4
Laboratory systems	0.0	0.2
BREXIT	0.0	0.3
Flytipping Action Wales	0.2	0.2
Total	12.5	13.6

Note: we are expecting confirmation of further funding for BREXIT in 2018-19

The latest information on the cash and non-cash realisable savings achieved by the body, including details of the costs and benefits realised by the organisation since it was established, the future forecast of costs and benefits and any reasons for deviation from those anticipated.

The latest Business Case position

45.0. Our Audit Risk and Assurance Committee (ARAC) has signed off the benefits realisation tracking report for the Business Case¹ which justified the establishment of NRW as a single environmental body in Wales.

Comparison of Original Business Case, Revised Welsh Government Target and Current forecast of the position by the end of Year 10 (2022/23)

Table 3

all figures in £m	Original Business Case	Welsh Government Revised Target	Final position forecast at 31 March 2018
Cash Benefits	127	127	141
Costs	-69	-66	-78
Net	59	61	63
Net Present Value	42	41	44

46.0. The document reports on the benefits realised from the creation of NRW. It compares actual benefits with the Welsh Government's 2011 Business Case that identified ways in which a new organisation would achieve better outcomes, better delivery for Wales and better value for money.

47.0. This final benefits report follows the Wales Audit Office (WAO) report, "The development of Natural Resources Wales"², which concluded "NRW adopted a sound and well-structured approach to meeting the significant challenges presented by its creation, ensuring continuity in delivering its wide range of functions and with a clear focus on achieving the intended benefits". It also noted that "NRW had made good progress towards achieving the financial savings intended from its creation" and "had learned from progress made and challenges faced".

48.0. Since the WAO's report, we have maintained our core functions and made significant steps in fulfilling our new purposes, for example publishing the State of Natural Resources Report, being active partners on Public Service Boards, and adopting new collaborative ways of working in the lead up to preparing Area Statements.

49.0. We have established NRW as a standalone, integrated organisation that has started to deliver better outcomes. Although there is still a lot of work to fully realise NRW's

¹ "Single Environment Body in Wales Business Case". Welsh Government. 29 November 2011. Retrieved 9 October 2017.

² "The development of Natural Resources Wales". Wales Audit Office. February 2016. Retrieved 9 October 2017.

potential, we have already delivered all the changes necessary to achieve the qualitative and quantitative benefits required by the Business Case.

- 50.0. By the end of March 2018, we had made changes that will accumulate £141m of cash realisable benefits by 2022-23, compared with the £127m Business Case target. A further set of productivity improvements in place by the end of March 2018 will accumulate £30m of non-cash realisable benefits by 2022-23, compared with the £31m Business Case target. The total of £171m combined cash and non-cash realisable benefit compares with the Business Case's target of £158m.
- 51.0. Although the actual cost of creating NRW was £78m instead of the Business Case estimate of £69m, the extra cost is more than offset by the extra £14m of cash-realizable benefit.
- 52.0. This has been achieved against a backdrop of decreasing Grant in Aid for NRW from Welsh Government, and the benefits realised have helped to mitigate the impact of the reduction in funding.

8. Implementation of legislation

An update on the cost of delivery of NRW's functions under both the *Environment (Wales) Act 2016* and the *Well-being of Future Generations (Wales) Act 2015*, including any financial pressures.

- 53.0. We have received additional monies from Welsh Government to support the changes required under the new legislation. In 2017 we received £1.4 million and £0.8 million in 2018/19. We have submitted our bid to Welsh Government for 2019/20 for an additional £775k. We are awaiting feedback on this request. We continue to seek a longer-term settlement to reflect the costs associated with the new legislation, rather than an annual bid which is agreed at the start of the new financial year. This would allow us to plan our resources and finances in a more sustainable, long-term basis.
- 54.0. Separately NRW has committed £4 million over 2 years, to support the new ways of working in our Operational Place teams. This is intended to support development of joint project proposals with PSB partners and development and delivery of priorities identified in the Area Statement process.

An update on progress to date in delivering NRW's functions under these Acts.

Learning and Development Programme

- 55.0. 1300 staff have now attended the SMNR Level 2 Training Course. Staff can secure accreditation through the qualifying body Agored Cymru to support their continuing professional development. To date 100 staff are working to secure accreditation. Staff from Welsh Government, Environment NGOS, Local Authorities and the FGC Office have also attended these courses, with positive feedback received. Level 3 training is under development to equip staff with the knowledge and skills to apply

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the approach set out in the Statutory Guidance. SMNR is being built into the corporate learning and development programme including induction, Team Leader, Manager and technical development frameworks for functional teams.

- 56.0. The learning and development programme has supported staff to better understand the purpose and intent of both the Environment (Wales) Act 2016 and the Well-being of Future Generations (Wales) Act 2015. As a result, we are seeing evidence of staff actively applying the new ways of working and are developing a suite of case studies and films that can support the learning of others.

Public Service Boards

- 57.0. We are actively participating with all Public Services Boards across Wales supporting the collaborative development of the responses to the Well-being Plans and objectives through specific initiatives, projects and proposals. For example, in Newport we help facilitate groups looking at Green Infrastructure and Sustainable Travel for the city.

Strategic Environmental Assessment and Sustainability Appraisal

- 58.0. New guidance has been prepared to enable environmental assessment of our projects to be used as a tool to embed SMNR within the development and delivery of our projects. Staff training will be rolled out in 2019/20 to support this work. Work is also underway to develop new guidance to embed SMNR in our Strategic Environmental Assessment (SEA) processes, the aim is to use SEA as a tool to help us demonstrate that the plans we prepare such as River Basin Management Plans and Flood Risk Management Plans explicitly consider our SMNR purpose and maximise contributions to our well-being objectives.

Payment for Ecosystem Services

- 59.0. We have developed a paper setting out NRW's potential roles supporting PES schemes in Wales, including encouraging the development of a "Green Market Place" in Wales to support the delivery of SMNR opportunities by others in the public, private and third sectors.

Development of new NRW policies and approaches

- 60.0. In developing new NRW policies and approaches we have explicitly considered the objective of SMNR and applied the SMNR principles. We have done this for example in:
- The preparation of the corporate plan and business plan for 2019/20;
 - Vital Nature - NRW's strategic Steer for biodiversity to 2022;
 - Review of the use of firearms on NRW Managed Land;
 - Evidence to support Fisheries Byelaws;
 - Preparation of the report Tackling Agricultural Pollution – Progress Report of the Wales Land Management Forum sub group on agricultural pollution;
 - Opportunity maps that reflect the priorities in the Natural Resources Policy;
 - NRW's response to the Welsh Government Consultation: Brexit and our Land;

- Being a Place-based organisation is at the heart of our new organisation design and structures; SMNR and the new ways of working are reflected in all role descriptions across the organisation; Leadership Team are expected to lead and enable engagement with communities, PSBs and local authorities to build innovative solutions that support resilient, healthy ecosystems and the wider well-being benefits to communities.

Biodiversity Duty

61.0. At the Royal Welsh Show we launched “Vital Nature”. This document sets out our strategic steer, ambition and intended ways of working to delivering our biodiversity and ecosystem resilience duty under Section 6 of the Environment (Wales) Act 2016. Through our corporate and business planning process we expect all teams and functions across NRW to contribute to supporting biodiversity and ecosystem resilience. We have committed an additional £0.8million in 2019/20 to support this work.

Statutory Guidance on Part 1 of the Environment Act

- 62.0. In November 2018 Welsh Ministers published Statutory Guidance on Part 1 of the Environment (Wales) Act. The Guidance draws on information already in the public domain, such as the Explanatory Memorandum for the Environment Bill, and information that has already been subject to scrutiny by members of the Assembly. Welsh Government led the preparation of the Guidance and NRW and FGC officials were given the opportunity to discuss the emerging guidance and provide technical input and feedback. We were pleased to work with WG in this way.
- 63.0. For NRW the Statutory Guidance confirms that our purpose, as set out in section 5 of the Environment Act gives us a general duty to pursue the sustainable management of natural resources and apply the principles of SMNR, in the exercise of our functions. The Guidance confirms that SMNR is the core purpose of NRW reflecting that high quality natural resources and healthy resilient ecosystems underpin well-being. The statutory guidance makes clear that evidence provided on the application of NRW’s general purpose to pursue SMNR in the exercise of its functions is the key means by which we provide evidence on the implementation of the Sustainable Development Duty in the WFG Act.
- 64.0. The Annex to the statutory guidance recognises that fully embedding the requirements of the new purpose across all the roles and functions of NRW will take time. Welsh Government has committed to working with NRW through a joint programme to consider the detail of the application of the purpose and the changes that may be required to NRW policies, procedures and guidance. NRW and WG recognise that through this process we may identify barriers to the full application of the purpose and may require to legislation and/or Welsh Government guidance. The Guidance includes a requirement on NRW to report on progress through the Annual Report.
- 65.0. Since publication of the Guidance we have identified five broad areas to start applying the SMNR purpose in line with the decision flow chart set out in the annex to the guidance. These are:

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- Environmental Permitting under the EPR regulations;
- Forestry EIA regulations and Glastir decision making;
- Marine licensing – particularly with respect to marine mortality thresholds;
- The application of the impending HIA regulations to our functions;
- Flood Risk Management.

66.0. Given our work with the FGC Office (see section 1.3) we are focussing as an immediate priority on applying our SMNR purpose to environmental permitting under the EPR regulations.

67.0. We will report on progress through the Annual Report.

An update on the discussions with the Future Generation's Commissioner on environmental permitting.

68.0. NRW is committed to building a constructive and positive relationship with the Future Generations Commissioner's (FGC) Office. The new "products" that each organisation is tasked with leading in the Welsh legislation are mutually supportive, reinforcing new ways of working across the public service in Wales. We have welcomed the opportunity to work with the Office to explore the role and purpose of environmental permitting and the application of the Well-being of Future Generations (Wales) Act and the Environment (Wales) Act. The discussions have been wide ranging, including:

- the principles underpinning the development of environmental permitting legislation over the last 20 + years;
- how NRW's well-being objectives relate to environmental permitting and support the well-being goals;
- current permitting practices, including public engagement and consultation on permit applications and the additional engagement options triggered for high profile or contentious cases;
- the interface between land use planning and permitting, and recognition that getting developments in the right place is the role of the planning system;
- NRW's approach to embedding the SMNR purpose, including our commitment to avoiding a "tick box" mentality; the role of the SMNR Level 2 training for all staff; the role and ambition for Area Statements and how they will support the next round of well-being assessments and plans by PSBs;
- how the WFG Act and Environment Act are mutually supportive, and agreement to work together and with WG on the preparation of the Essentials Guide to SMNR and Well-being;
- specific environmental permitting case work, to illustrate our decision-making processes.

69.0. As an outcome of the discussions we committed to preparing a "matrix" to show the line of sight between environmental permit decision-making, the well-being objectives and the SD principle. Through the summer we met a number of times to discuss the emerging matrix and their feedback. In November we recognised that we needed to consider the steer from the statutory guidance to ensure that the matrix was aligned to the approach. We wrote to the FGC suggesting that we meet in the New Year to discuss our emerging thinking and the potential programme of

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work to applying the statutory guidance to our functions. In the meantime, we understand that the FGC Office and Welsh Government officials have met. We await the outcome and are committed to working with them both to take forward this important work. We await the outcome of these discussions and are committed to working with them both to take forward this important work.

- 70.0. We have also recently reviewed the communications and engagement undertaken by NRW and WG (when marine licensing was a WG responsibility) with regards to the marine licence to dispose of dredged sediment from the Hinkley C site in Cardiff Grounds. This is as a result of the high levels of public concern about the licence. The review has made recommendations that we will look to implement across NRW's licensing and permitting and takes into account the principles of the new legislative framework.

An update of NRW's progress on developing Area Statements.

- 71.0. Over the last 12 months we have focused on pulling together the evidence we hold as well as evidence from PSB Well-being assessments and plans, to explore the Natural Resources Policy challenges in more detail at a place-based level. Area Profiles include a suite of maps, information and case studies and will be shared on our website from? The area profiles will be continually added to as other public, private and third sector organisations share their evidence to build a picture of the challenges, priorities and opportunities in that place.
- 72.0. In Spring 2018 we set out the intention to identify emerging themes or "initial areas of focus" on which we could focus involvement with stakeholders. All of the themes reflect the challenges and priorities set out in the Natural Resources Policy and are starting points for further conversations.
- 73.0. We have now identified emerging themes in each Area. In South West Wales for example these are:
- Supporting health outcomes by protecting and enhancing existing natural resources and habitats, bringing nature into our towns and cities and making our rural areas more accessible.
 - Un-sustainable rural land management with a particular focus in Carmarthenshire and Pembrokeshire.
 - Opportunities to reverse the decline in biodiversity through the planning system, community involvement and sustainable land management.
 - Working with others to reduce our global footprint and ensuring our ecosystems and communities adapt and are resilient to a changing climate.
- 74.0. Some of these themes are common to other parts of Wales, whereas some are Place specific. Our next step is to work out what's preventing positive action. We plan to explore the root causes and consider what interventions might be appropriate at the local, regional or catchment, and national scale to address these themes.
- 75.0. We plan to start engagement on the area statements themes from late February at a local and national level. National engagement will use both existing meeting fora as well as bringing people and organisations together through facilitated workshops

on specific topics and themes through the National Environment Act Implement Group, co-chaired with Welsh Government. A national “critical friends” group is being established with sector representatives and academics to support our work on Area Statements. Local engagement will continue in place, building on existing local networks and developing new connections.

- 76.0. The emerging themes are informing NRW’s Operational Business Planning Process – each Operational Area is using the information to help plan and prioritise staff time and resources for 2019-20 financial year. This demonstrates our commitment to embed Area Statements as a key part of our ways of working.

9. Brexit

An update on the implications of Brexit for NRW

- 77.0. Since November we have stepped up our planning for a “no deal” Brexit to ensure that NRW is able to maintain Business as Usual, managing and mitigating the impact of the contingency plans of the sectors we work with and regulate on the environment of the contingency plans.
- 78.0. The risk of disruption to the flow of goods through the ports may result in companies developing their own contingency plans to stock pile key inputs to or outputs of their production processes to maintain continuity of product supply to markets. This stock piling may pose a pollution risk. In addition, companies may seek additional permits/authorisations.
- 79.0. Of particular concern is the potential inability of waste materials to leave the country. This may lead to stock piling at existing facilities in Wales. There may also be increased illegal activity such as fly tipping incidents that we and local authorities will have to respond to.
- 80.0. We are committed to working in a flexible and agile way to respond to the range of issues that may arise in a no deal scenario. Our operational staff are already actively involved in Brexit no deal planning at local resilience fora across Wales and we anticipate that this activity will increase.
- 81.0. We have identified initial strategic business continuity concerns and populated a Brexit No Deal Action Plan (Risk Register), that we will continually review and update as we have greater certainty about the issues likely to emerge from a no deal. This covers our own business continuity preparedness.
- 82.0. We have prepared a communications plan to support engagement with sectors as well as lines to take for our operational staff.

An overview of the work undertaken by the body to prepare for Brexit

- 83.0. Brexit will have an impact on the breadth of our organisation. Over 600 EU directives and regulations impact on our remit covering Habitats Directive, Water

OFFICIAL

Framework Directive, Environmental Permitting Regulations, Waste, Climate Change and Environmental Assessment. As well as environmental outcomes, it will also impact on us as an employer and as a procurer of goods and service. NRW and its predecessor organisations have been successful in securing over 44.7 million Euros in funding from European sources.

- 84.0. We've established a formal BREXIT programme, chaired by our Director of Evidence, Policy and Permitting, which provides updates to each NRW Board meeting. We continue to attend the Minister for the Environment, Energy and Rural Affairs' roundtable meetings and support the seven working groups. Brexit is at the fore in our discussions at a strategic and policy level with Welsh Government, Environment Agency, Natural England, Forestry Commission, SEPA, SNH, and Irish EPA.
- 85.0. About 125 corrective Statutory Instruments relate to our remit are currently passing through the Parliamentary process and once complete will maintain the status quo of the environmental legislation that we work with. UK organisations are taking on some new responsibilities previously undertaken by the Commission. This means that we may need to establish stronger relationships or new relationships going forward. We are keeping a watching brief on the Draft Environment (Principles and Governance) Bill and in particular the proposals for a new Office for Environmental Protection.
- 86.0. NRW staff have been seconded to work in Welsh Government on new land management and marine fisheries proposals.
- 87.0. We were provided with an additional £288k from Welsh Government in 2018/19 to support our work on Brexit. We have also prepared a bid for £3.7 million over a 3-year period. We are awaiting the outcome of this submission.
- 88.0. £700k has also been made available from Welsh Government to ensure that our regulatory process is robust in the event of a no deal exit update templates, documentation and the IT infrastructure which underpins the preparation and processing of permits.

10. NRW Chair and Board Members

- 89.0. Following the early resignation of Diane McCrea as Chair of NRW in July 2018, the then Cabinet Secretary for Energy, Planning and Rural Affairs appointed Sir David Henshaw as Interim Chair of NRW from 1 November 2018 for a period of 12 months.
- 90.0. Recruitment of five new NRW Board Members, to replace those with terms ending in October 2018, has also been completed. Julia Cherrett, Catherine Brown, Professor Steve Ormerod, Dr Rosie Plummer and Professor Peter Rigby began their terms on 1 November 2018 with Geraint Davies joining from 1 January 2019. Their profiles are available on our website: <https://naturalresources.wales/about-us/our-chair-board-and-management-team/members-of-our-board/?lang=en>

Annex 1

A summary of the action taken to deliver the priorities set out in NRW's 2017 – 18 remit letter

1. In the clear policy context set by “Taking Wales Forward”, the associated Welsh Government Well-being objectives and the publication of the Welsh Government’s Natural Resources Policy, NRW should publish its Corporate Plan 2017-18 / 2021-22 during late summer early Autumn of 2017, detailing the associated well-being objectives. This should set out how NRW will work to deliver the new policy and legislative framework, demonstrating the ways in which the priorities and policies contained within the Natural Resources Policy are being integrated into the approach of delivery within NRW and providing a compelling and empowering vision for staff and stakeholders.

Our Corporate Plan ‘Managing today’s natural resources for tomorrow’s generations’ was launched at the Senedd on 21 March 2018 by our Chair and then new Chief Executive Clare Pillman.

It is based on our seven Well-being Objectives and links closely with NRW staff to show how our work ‘on the ground’ contributes towards achieving them. It explains how we will fulfil our purpose – pursuing the sustainable management of natural resources – set out in the Environment (Wales) Act 2016 and how we aim to maximise our contributions to the seven Well-being Goals set out in the Well-being of Future Generations (Wales) Act 2015. The Corporate Plan was launched in March 2018 rather than the Summer of 2017 so that it could be fully aligned with Welsh Government’s Natural Resources Policy. This policy and its national priorities – nature-based solutions, renewable energy and resource efficiency and taking a place-based approach – and how we can help deliver them is detailed in the plan.

The Corporate Plan is available in several formats - a full and summary version, online and in Easy Read format.

2. Begin to develop work locally towards the production of area statements, working closely with Welsh Government and Public Service Boards, together with local and national stakeholders to identify and deliver local opportunities and benefits in line with the priorities set by the Natural Resources Policy.

Developing Area Statements - We are co-producing seven Area Statements as a requirement of the Environment (Wales) 2016 Act, working with a wide range of stakeholders. They cover six geographical areas across Wales and the marine environment. Providing an evidence base for PSBs and others the Area Statements will help identify opportunities and challenges where the local natural environment can help address a wide range of issues or prevent them from worsening or happening in the first place. Area Statements will help PSB members and others to consider the long term, focus on prevention and identify opportunities to collaborate and integrate their work, involving others such as the local communities the PSBs serve, as well as seeing the natural environment as ‘part of the solution’. All 19 PSBs’ Well-being Plans approved by our NRW Board (some with conditions). The marine Area Statement is also being developed to support delivery of Welsh Government’s Welsh National Marine Plan.

OFFICIAL

Planning meetings were undertaken between September and December 2017. A workshop was then held January 2018 with staff from across NRW to consider the Future Generations Commissioner's recommendations relating to data and evidence. The findings from that workshop have been compiled into a report (March 18). Ongoing action is to take these messages into the appropriate areas of business activity via the relevant Business Boards as appropriate. This then should ensure that evidence and data provision to Public Services Boards (PSBs) meets their needs.

Between September and December 2017, a discussion was held with the PSB practitioners group on the governance recommendations in the Future Generations Commissioner's report. This supported a discussion around PSB governance to bring about a common understanding of the issues and potential action and take back into PSB discussions. The outputs from the discussion will also inform any discussion between the Board and Future Generations Commissioner on governance at PSBs and inform the wider business as relevant. A support document has been provided to NRW PSB reps and the PSBs on Climate Change. This was produced in consultation with Future Generations Commissioner and Public Health Wales. More bespoke support has continued to be provided to some PSBs/NRW reps. PSB practitioner sessions have now started to focus on discussion topic, to allow greater understanding and consistency on message on specific topics. This has included the Carbon positive project and Climate Change guidance, and a session has been planned across February and March 2018 on Economy, to be run in April 2018. This will also involve Board members.

The FAQ on the new biodiversity duty Section 6 has been circulated to PSB reps.

Discussions with Area Statement colleagues based on the Recommendations doc have been held, including on factors for well-being as set out by the Future Generations Commissioner's report and considering the links to SoNaRR and indicators.

3. Work with Welsh Government to prioritise the evidence needs identified in the State of Natural Resources Report 2016 and agree approaches as to how these may be best delivered, and develop proposals for outcome indicators to measure and monitor the extent to which the sustainable management of natural resources is being achieved across Wales at the national and local level, building on the positive outputs from the scoping of options for a future natural resources monitoring framework.

We have worked with Welsh Government to agree a method for prioritising evidence needs for assessing SMNR. The evidence gaps identified in the first SoNaRR in 2016 were the starting point for this work, but as work progressed through the year it became clear that we needed to understand better how we are going to assess SMNR in the future, before we can identify the evidence we will need.

The method for assessing SMNR has now been developed building on the approach taken in the first SoNaRR. We will follow this method to identify the evidence we need during the production of Area Statements, and the second national assessment of SMNR for the next SoNaRR (due December 2020).

Indicators of SMNR will be part of the assessment of SMNR we present in SoNaRR2020. This work started in 2017 and by March 2018 we had a "long list" of potential Indicators for SMNR. We are continuing to work on identifying suitable Indicators of SMNR with the intention to publish our proposal in the Interim report to SoNaRR II due in December 2019.

4. Work closely with the Welsh Government to complete the review of the role and purpose of the Welsh Government Woodland Estate in the context of the principles and objectives of SMNR.

We published the '[The purpose and role of the Welsh Government Woodland Estate](#)' at the Royal Welsh Agricultural Show last summer. We're now working on developing baseline data for the performance indicators.

5. As a Category 1 Responder, continue to work closely with the Welsh Government to ensure Ministers are provided with appropriate situation reports and briefing on emergency preparation, response and recovery in relation to high category environmental incidents as specified in NRW's Incident Categorisation Guidance.

As a Category 1 Responder:

- we continue to work closely with the Welsh Government,
- attend preparedness meetings such as Wales Resilience Forum and Wales Resilience Partnership Team,
- and provide Welsh Government with situation reports and briefings on emergency response and recovery in relation to high category environmental incidents as specified in our Incident Categorisation Guidance.

We have continued to liaise and work closely with colleagues in Welsh Government, particularly through regular contact with the Resilience Team and Flood and Coastal Erosion Risk Management Team, as well as other policy leads.

NRW representation by senior management at the Wales Resilience Forum has continued, these meetings are attended by NRW Chief Executive Clare Pillman, or one of our Executive Directors on her behalf.

NRW also has representation on each of the Welsh Local Resilience Forums (LRFs), attending the meetings and taking part in joint LRF training courses.

Meetings with the Wales Resilience Partnership Team are regularly attended by the Incidents and Emergencies Manager or a member of the Incidents and Emergencies Team when necessary.

Situation reports (SITREPS) and briefings are provided to Welsh Government as standard when we are responding* to and recovering from high** category incidents. SITREPS are created for any high category incident (and incidents we consider to be significant), all of which are cascaded to Welsh Government via the WG Resilience Team as agreed.

*Our immediate response to high level impact incidents will be to take appropriate actions to mitigate harm to people, communities and the environment of Wales. Our response may or may not include attendance.

**High Level Impact Incident: an incident whose impact requires an immediate response, both in and out of normal office hours, to mitigate the impact of the incident.

6. Improve community resilience through the priority flood risk management schemes and Flood Awareness Wales programme. Continue to build evidence on flood risk from all sources through new flood risk assessment mapping and delivering the National Flood Asset Database and a comprehensive flood forecasting and warning service.

We delivered a significant capital works programme which ensured our flood risk assets remained in good condition and ready to benefit the communities they protect, we also completed work to further reduce the risk of flooding to communities such as Leckwith (Cardiff) benefitting 868 homes and St Asaph (Denbighshire) benefitting 293 homes and 121 businesses.

Our flood awareness work has led to five new community flood plans being developed this year and 100% of the existing community flood plans maintained, this work ensures the plans are still up to date and fit for purpose should they be needed.

We held four events for Flood Plan Leads and Wardens across Wales at their request, bringing them together with other Risk Management Authorities, National Flood Forum and Charities. The aim was to increase networking for communities with flood plans in Wales; explain health and safety, Insurance and liability responsibilities for Volunteers and to clarify these for the future. We identified further support that may be required and highlighted what organisations could provide. We also aimed to increase awareness and practical advice on flood resilience measures including Property level protection, training and insurance including Flood Re. These were well-attended with 23 communities represented from across Wales. The next planned event will be held in May 2018.

There are 966 flood plans in place for communities and individual businesses and 263 flood plan wardens support the community plans. We have also made 13,594 people more aware and prepared for flooding through local and national engagement work.

Delivery of the new Flood Risk Assessment for Wales progressed well in 2017/18 with collaboration with the other Risk Management Authorities supporting the review of updated modelling outputs, assessing the level of flood risk across Wales, the key products of this work will deliver against the actions required from the next cycle of Floods Directive in 2018/19.

The development of the National Flood Risk Asset database progressed well with further information being incorporated from the other risk management authorities. This information will allow for more effective management of these assets in the future and help to strengthen our understanding of flood risk and the assets which reduce the risk of flooding in Wales.

We also continued to deliver our other key flood risk management activities including our ongoing services such as providing flood forecasting and warnings across Wales, our asset maintenance programmes, development and planning advice, enhancements to our flood maps and preparation for flood risk incidents.

7. Work jointly with Welsh Government to strengthen action to tackle waste crime as identified in the Waste Crime working group and Fires at Waste Sites Action Plan.

Strengthening the regulatory framework

We provided our views to the Cabinet Secretary and continue to explore, with Welsh Government officials, additional regulatory approaches, powers and funding that we believe would improve our ability to undertake waste regulation effectively and encourage the Sustainable Management of Natural Resources.

Recent changes to the Environmental Permitting Regulations have improved our ability to take action against waste operators who pose a fire risk, for example, by suspending the inputs of combustible material. We have also taken steps to ensure that we are refusing permit applications of operators that have failed to demonstrate their competence. Two waste permits have been refused since 2017. Recent amendments to legislation enable NRW to restrict access to premises handling waste that pose a serious risk of pollution or of fire, and to require the removal of waste being kept unlawfully at abandoned sites.

We are also working with Welsh Government to strengthen the 'Operator Competence' requirements for those within the waste industry through legislative and guidance changes. By raising the bar for competence, we can make it more difficult for poor operators to enter the industry and remove those who are having a negative impact on the environment and our communities.

Tackling waste crime

We commissioned experts to undertake a waste crime review, this estimates that criminal activities and the impact on the Welsh economy was between £15.2 – 32.4 million in 2015/16, through undercutting legitimate waste businesses, reducing tax take and imposing costs on those who have to clear up after waste criminals.

NRW are a co-contributor to the Life+ SMART Waste Project. We are currently participating in innovative trials aimed at making European environmental agencies more effective at tackling waste crime. For example;

- Intellishare – the project is trialling the creation of a system to share intelligence amongst UK and Irish environmental agencies. The initial focus is likely to be the identification of cross border waste criminals.
- Remote sensing trials are underway that aim to develop a predictive model that helps identify areas particularly vulnerable to illegal waste activities. A second part of this trial will be to use the model, alongside satellite imagery, to identify and assess illegal sites.
- A further remote sensing trial is underway aimed at testing the effectiveness of using satellite technology to detect stockpiles of certain wastes. The trial is currently focused on tyres and plastics.
- Assessments have been started concerning waste crime linked to the activities of waste brokers and waste carriers.
- Horizon scanning and competitive behaviours toolkits are being developed that are aimed at helping environmental agencies to better assess the impacts of future trends and events.

Strengthening our approach to Fires at Waste sites

At permitted waste sites, the focus on poor performing sites and high-risk fire sites continues.

- Our Fire Prevention and Mitigation Plan Guidance has been revised and republished.
- Conditions that require an operator to produce a Fire Prevention and Mitigation Plan in line with our guidance have been added to standard rule permit sets and new bespoke permits and variations. A permit review programme has been undertaken to add the fire condition to 38 existing high risk bespoke permits. This has now moved on to the medium risk bespoke permits.
- We have received and assessed 26 fire prevention and mitigation plans with new or variation applications and 2 of these applications have been refused because of an inadequate FPMP.
- To date, 43 FPMPs have been submitted for existing bespoke and standard rule permits and we have developed a checklist to help our officers to assess these FPMPs.
- Two secondees from the Fire & Rescue Services (FRS) in North and South East assisted in assessing Operators' fire prevention and mitigation plans and carrying out joint site visits with our Officers. The secondees also delivered training sessions to our officers on the changes to the FPMP guidance. We have also developed an "FPMP query database". This is an internal tool used to record queries on interpreting the guidance or technical queries and will be used to inform the next revision of the guidance.

8. Develop enterprise activities within your Governance Framework with milestones for income generation, exemplifying the sustainable management of natural resources, and working with partners and communities, including tourism opportunities linked to the Welsh Government marketing approach for the Year of Legends in 2017 and Year of Sea in 2018.

In 2017, we promoted 10 walks with legendary links for people to explore the landscapes which inspired some of Wales's ancient stories. We picked five places to encourage people to explore landscapes linked to Wales's ancient stories. These included two National Nature Reserves and three woodlands across Wales. Each place had information available at site about its legendary links and we promoted these places via a dedicated section on our website and social media posts that tied in with the themes within Visit Wales's campaign calendar.

NRW has used the Year of the Sea to encourage people to go out and visit our coastal sites and use the Wales Coast Path. We are promoting 10 coastal places for people to discover the shores of Wales. They include a mixture of National Nature Reserves with sand dunes, forests near beaches and Wales' only Marine Conservation Zone. Again, the media and social media campaigns tied in with Visit Wales' calendar.

Year of the Sea was also used as a focus to inspire people to find out more about why Wales' marine life is important, what makes it special, and what we can do to improve its condition for future generations. We showcased a different marine species every week during this special year, produced vlogs to explain our work and used this content as a backdrop for our stand at events during the summer months.

From our social media and website analytics we had 4,000 direct hits to Year of the Sea website section, and our 344 social media posts resulted in 7,400 click throughs and a reach of 5.2million.

9. Continue to identify opportunities to support community development and enterprise through volunteering and continuing support for the Lift programme and continue to support community energy projects and community forests on the Welsh Government Woodland Estate, where appropriate.

The Spirit of Llynfi is a community woodland project developed on the former Coegnant Colliery site. It had already been identified as a prime location for new woodland planting and in 2014 we successfully applied for funding from the Welsh Government Nature Fund to transform it into a community woodland and manage the land in a different way, yielding a wide range of benefits. At the same time the Upper Llynfi Valley was identified as one of the most health deprived areas in Wales by the NHS. When we began the project, we consulted extensively with local people to ensure the woodland reflected the needs of the community. Between November 2015 and March 2016, 60,000 trees were planted on the site including 7,500 planted by local schools and community volunteers. They included a wide range of native broadleaved species together with orchard fruit trees. The aim was to increase the biodiversity of the site as well as creating an attractive backdrop to the valley. The site has continued to flourish with a wide range of new projects, often taken forward by the Llynfi Woodland Group - local people with a passion for their environment.

Onshore wind:

- Pen y Cymoedd officially opened by First Minister and £25m Community Trust Fund in place. Lesley Griffiths, Cabinet Secretary also visited during FY17/18. (more detail on this below)
- Alwen Project – during the year we have been worked closely with the Developer working towards agreeing terms for the Option Agreement formalising the commitment allowing up to 15% of the value of the project to be locally owned.

Small scale hydro:

- Community hydro: Cwm Saerbren is a 24Kw community scheme on the NRW Managed Estate developed by Llangattock & Welcome to our Woodlands Group and constructed by The Green Valleys Hydro (TGV Hydro) facilitated by the EDP. Environment Minister Hannah Blythyn visited the scheme in south Wales in February 2018.

Wales largest onshore windfarm officially opened by First Minister. The Pen y Cymoedd wind farm, on NRW managed land at the top of the Rhondda and Neath valleys, has now been developed by Vattenfall and comprises 76 turbines producing enough electricity annually to power the equivalent of 188,000 homes or 15 per cent of Welsh households. Our Energy Delivery Programme Team has worked closely with Vattenfall since 2005 to make this 228 megawatts renewable energy project a reality. It is one of the first projects under our Enterprise Plan's Energy Development Portfolio to be completed and has brought significant economic benefits for Wales with 52% of the £400 million investment to build the project going to Welsh businesses and securing work for more than 1,000 Welsh workers over the past three years. Operational since spring 2017, the project will continue generating fossil fuel free electricity until at least 2037. Our collaboration with Vattenfall to deliver this project not only

OFFICIAL

stimulates positive economic change for Wales but also puts NRW at the forefront of the Welsh Government's low carbon economy, climate change and green growth programmes – all aligned to our purpose of managing the environment and natural resources sustainably.

Cyfle

Cyfle is NRW's scheme for the recruitment, co-ordination, support and management of all placements, including paid placements (Apprenticeships, Higher Education Placements) and unpaid Placements (Work Placements, Student Work Experience Placements, Research Placements, NRW Volunteer Placements). An internal consultation for the Cyfle Placement Scheme Policy and Procedure is being held during October 2018 with the aim of ET approving the scheme in November and it being launched in January.

As part of the offer for work placements, NRW participated around the Welsh Government Lift work experience programme launched in mid-2014 in Community First areas. Of the 9 Community First Clusters across Wales, 4 NRW offices were identified that were suitable to host Lift placements. Working with Facilities and Fleet Teams 3 Contribution Statements were drafted. Lessons have been learnt from our involvement in the scheme. We had two successful 10-week placements in Bangor and Buckley. Lift has now been superseded by Communities for Work Plus and NRW needs to determine its involvement in this programme.

We have worked alongside the External funding team to ensure that access to land is included in the Open call for collaborative working - highlighting that it is not only funding that NRW can offer when working collaboratively with organisations /communities. As a result, 57 Expressions of Interest requested access to NRW managed land. Several in each area including some All Wales Expressions of Interest. After scoring from the panels 33 have been invited to Full Application. 10 of those are potential longer-term partnerships and the other 23 are more general access. We've had input from land managers including Local Area Managers, National Nature Reserve Managers and Land Agents at each stage. Feedback from colleagues and external partners is good so far. Part of trialling this way of working goes some way to address some of the issues raised at the Working Together with Communities Workshops held in Coed y Brenin and Garwnant in December 2016, it has also been an opportunity to address some issues that NRW staff have when they are approached by community groups. The next phase will be to create a template agreement for land access.

Seven position statements on activities on NRW managed land have been completed following targeted consultation. The Statements are on: Equestrian Access; Recreational Motor Vehicle Driving; Mountain Biking and Cycling; Dogs on Our Land; Education Visits; Foraging, Filming and Photography. The second phase of position statements are currently out for internal consultation and are on: Running and Walking; Open Fires; Gold Panning and Metal Detecting; Camping and Overnight Parking; Rock and Winter climbing; Unmanned Aircraft.

10. Play a key role in implementing the Marine Plan and the delivery of its general duties and functions as part of the work under the Marine Transition Programme

NRW submitted a formal response to the statutory consultation on the Welsh National Marine Plan, and the accompanying Habitats Regulations Assessment and Sustainability Assessment in March 2018. The response was developed with input from a number of internal specialists and informed by input from NRW Board members.

Following the consultation, NRW has continued to provide advice, from the perspective of both our regulatory and advisory roles, on consolidation and revisions of Plan content and policy following, with an expectation that the final Plan will be adopted in Spring 2019.

WG have also now established a Marine Plan Public Authorities Decision-Makers Group designed to raise awareness amongst key decision-makers about the requirements on them under marine planning and act as a forum for discussions between WG as the planning authority and key Public Authority users of the plan. As a key marine decision maker, NRW is an active member of this group.

Internally, NRW is actively developing a programme of guidance to support implementation of the Plan.

11. Identify and capitalise on opportunities to work in closer partnership with Local Authority environment teams, the Agriculture Inspectorate and other regulators to discharge your and their respective regulatory duties where they interact, for example, to address statutory nuisances or local air quality, agricultural pollution, or simply where expertise residing in one regulator may provide assistance to another.

Wales is now the largest producer of free range eggs in the European Union: there are now two hens for every one person in Wales. While this is good for the economy it can have a detrimental effect on air quality and wildlife because of the high levels of ammonia that intensive livestock units can produce. Ammonia is toxic: its build up can lead to species loss and can cause significant damage to habitats. We issue permits for larger poultry units and we are a statutory consultee for applications considered by local authorities. While ammonia emissions have stabilised across the UK generally, they have increased significantly in Wales largely due to the expansion in poultry numbers. Because of this we have been working closely with colleagues in other UK agencies to investigate and quantify the impact of air pollution from livestock units. As a result of this work we will be establishing new air quality thresholds and will use this to underpin our permitting role and support our advice on planning applications.

As a result of this work we have established new air quality thresholds and are using these to underpin our permitting role and support our advice on planning applications. The new thresholds came into effect on 01 April 2017 and both external and internal guidance documents have been updated to reflect the new thresholds. Training sessions for our permitting officers and planning liaison officer were held to support the launch of the guidance. Representatives from the planning departments of Local Authorities where intensive poultry farms are concentrated e.g. Powys were also included within these training sessions. We are monitoring the impact of the new guidance and will review / refine the guidance as appropriate by March 2018. The introduction of the new thresholds has caused some concern within the agricultural community and we are having continuing

dialogue to ensure that the industry understands the reasons for the new thresholds. Any further refinement to the guidance documents will be supported by a launch event to ensure that the industry understands the changes and has time to adjust to the requirements.

12. Continue to support the Fly-tipping Action Wales programme by working with Local Authorities and others to enable the delivery of the Welsh Government's fly-tipping Strategy. This would include the sharing of intelligence, maintaining communications with stakeholders and continuing to tackle large-scale illegal dumping of waste, as defined in the Fly-tipping Protocol. These actions would support the Welsh Government's strategic aim of a Wales which is "free from the unacceptable social, economic and environmental harm caused by fly-tipping". Provide support and advice to Local Authorities when undertaking their duty to address contaminated land.

Our engagement with the younger generation in Wales includes the use of our 'Catch a Fly-tipper' resource for key stage 2 children, interactive game for school children that sees "waste materials" "fly tipped" in the school yard, and the children take on the role of environmental detectives to ascertain the identity of the culprit. This resource that delivers against key stage 2 subject and numeracy targets has been distributed to all 22 local authorities and the library service has already utilised it as part of an activity day with children to celebrate the re-opening of one of their libraries. To encourage schools to use this resource, partnership working with local authority waste management teams will enable delivery as part of community activities; such as litter picks, by supplying the school with their own litter picking packs for the children to use. We have also engaged Construction Academies to include duty of Care messaging in their curriculum, this is ongoing.

In 2017/18 Fly-tipping Action Wales overtook responsibility for overseeing the validation of fly-tipping data entered into Waste Data Flow (WDF) and undertaking mid-year/ end-of year checks to ensure the data could be released in a timely fashion and be as accurate as possible. FtAW organised a WDF workshop for LA's in March 2018 to help promote the importance of capturing accurate data and to improve understanding of the reporting guidance. We have worked in partnership with WRAP Cymru to investigate if LA collection frequencies and closure of Household Waste Recycling Centres increases fly tipping incidents.

We want everyone to know how they can help to prevent fly-tipping and how they can report it. We have used existing networks and local champions to share our message that fly-tipping is socially unacceptable. Fly-tipping is linked with low value Local Environmental Quality and has a detrimental effect on the mental well-being of those living in an area. Using the Future Generations Well-Being goals as a guiding principle it is crucial fly-tipping is tackled in communities where the problem is most prevalent - analysing FlyMapper incidents identify hotspot areas within areas to work. Communicating with residents and businesses about waste issues and raising awareness of their Duty of Care, has proven successful when working in partnership. We have also worked with housing associations and partner organisations to coordinate community clearance days, engaged tenants to instil pride in their community through the transformation of spaces and encouraged

OFFICIAL

responsible waste management through the dissemination of information direct to households. This work is ongoing.

FtAW has worked in collaboration with Rent Smart Wales to incorporate fly-tipping messaging within their training for landlords and website. We have also provided bilingual posters to universities across Wales to use in their communal areas and house share accommodation and we have run targeted social media activities to engage with students online. Being able to continue our work with university and college students to ensure they understand the Duty of Care message about managing their waste is crucial to prevent the seasonal fly-tipping that occurs in these areas. We undertook a survey to better understand the nation's perception of fly-tipping. One of the most significant findings of the survey was that 6 in 10 people in Wales still believe there are barriers in getting rid of your waste legally. To help change this perception we have promoted 3rd sector recycling organisations as an alternative to traditional LA disposal routes. In 2017 we have developed a media package in collaboration with and for our partners which focuses on the Duty of Care message and encouraging households to recycle unwanted gifts or household items. This is a preventative, sustainable alternative that we want to encourage more communities in Wales to take advantage of, we will utilise Facebook, Twitter, and YouTube to achieve this. We have also promoted our work with Private land owners this year and have highlighted how Welsh Water / Dŵr Cymru has adopted FlyMapper technology to crack down on fly-tippers on its land. Through our social media channels and via the national media we are also helping to promote partners' successes such as successful prosecutions and community engagement.

FtAW developed in house e-learning training package that enforcement colleagues in NRW, and all 22 La's in Wales have been provided with. This sustainable resource can be accessed and delivered at any time. Research with Skills for Justice to develop an enforcement qualification stalled due to Skills for Justice not securing crucial funding to continue. Therefore, the enforcement qualification was not delivered.

We will continue to run the working group meetings (Enforcement, Private Land and Making Fly-tipping Socially Unacceptable) to deliver the actions from the Fly-tipping Strategy and promote the on-line forums. We aim to improve the use and increase membership for the Knowledge Hub groups. Fly-tipping Action Wales is a member of the Chartered Institute for Waste Management (CIWM) Re Use Group. We wish to continue working to promote the reuse of waste and resources in order to stop wastes from being fly-tipped. We are also involved with WRAP's Reuse Networking and Information Sharing events. We have extended the membership and currently working with the private land group exploring an insurance policy with NFU Cymru to protect private land owners affected by fly tipping.

To enable us to understand how to implement a preventative approach to fly-tipping issues in Wales, we need to have a robust data set on which to base our programmes. We need to know where and when incidents of fly-tipping are taking place and we need to demonstrate whether current policies, practices and interventions are impacting on levels of fly-tipping. The FlyMapper system we developed in partnership with Zero Waste Scotland is beginning to give us improved data and enabling us to target resources to the areas of greatest need and monitor whether our interventions are making a difference. To date, there have been over 26,000 incidents of fly-tipping logged via FlyMapper. It can provide us with up to date reports based on location, waste type, waste size, date and

organisation. Analysis of the photos on the system can also identify incorrect recording practices, allowing us to provide advice to waste officers and improve the quality of the data being captured. Working closely with the authorities and organisations using the system, FlyMapper has been developed into more than just a tool for collecting data, it is enabling some teams to work in a more efficient way. The addition of a notification feature for example is helping some Local Authorities to work smarter between teams. We continue to work in close collaboration with users of the system (for example Local Authorities, Merthyr Valley Homes, Dŵr Cymru and NRW) to further develop features based on user feedback and future priorities.

13. Continue to support the delivery of the Glastir Sustainable Land Management Scheme in accordance with the Section 83 Agreement and Rural Development contracts NRW holds with the Welsh Government.

The work of the Glastir team has focused on increasing woodland cover whilst at the same time delivering 'added value' that complements the delivery of our SMNR and well-being benefits.

In terms of the new planting and the restoration of plantations on ancient woodland sites (PAWS), the team has enabled over 700 hectares of new woodland and ancient woodland restoration in 2018, with an additional 88 hectares awaiting verification by Welsh Government

Woodland Restoration

- GWR 5 – 88.05ha
- GWR 6 – 131.94ha

Woodland Creation

- GWC 4 – 261.80ha
- GWC 5 – 191.80ha
- GWC 6 – 206.93ha

Work to streamline our practices, produced a range of new guidance and amended many Glastir scheme rules, is enabling a simpler, more consistent verification process for both the Woodland work and the support given to Welsh Government for the broader Farming Glastir support programme.

14. Take forward as part of the Welsh Revenue Authority (WRA) Implementation Programme, the delivery of Landfill Disposals Tax (LDT) compliance and enforcement functions, in the context of Tax Collection and Management (Wales) Bill and LDT Bill provisions.

NRW accepted the delegation of some of the Welsh Revenue Authority (WRA) Landfill Disposal Tax powers, our role is compliance and enforcement, and the skill set we bring is our existing knowledge of landfill operations, as well as dealing with waste crime and a developing strategic view of the waste industry. The delegation arrangement is in place for an initial two years to allow a review to take place. We have a MOU in place and an

OFFICIAL

Information Sharing Agreement is being set up - key to the success of the partnership and manages how and when we share information and intelligence.

The NRW Landfill Disposals Tax team has been set up and is fully funded by the WRA. The team is working well, and feedback from the WRA has been positive. This team will provide expert advice, undertake compliance risk assessment for the Welsh Revenue Authority (WRA). This team will also assist in the investigation of avoidance or evasion. The team have been actively advising the relevant parts of NRW such as the waste and industry regulation teams about the WRA and their role as a team.

We continue to work with the WRA to refresh the governance arrangements to ensure effective working at a strategic and operational basis. The introduction of the ability to charge LDT onto unauthorised disposals, presents an opportunity to work together to more effectively tackle waste crime. We are working with WRA to develop principles for a joint approach to tackling illegal waste disposal. WRA were interested in the sorts of cases that we prosecute and what the decision process looks like in deciding when or when not to prosecute. WRA were also interested in when we use the Proceeds of Crime Act in relation to illegal disposal. NRW and WRA are working together to compile a base line of illegal disposal sites as at April 2018.

15. Employ, and provide support as host, for the two members of the Wales Biodiversity Partnership Support Team.

The WBP Support team continued to be hosted as an integral part of NRW's Biodiversity strategy and policy team within EPP to help enhance WBP linkages within NRW and with others. Initial planning commenced for the 2018 WBP Conference and we helped establish a Steering Group with key partners which NRW then chaired to support conference planning and development work. We continued supporting Local Nature Partnerships through regular LNP meetings as a forum for sharing good practice, networking and direct liaison with us and Welsh Government representatives - particularly in relation to the S6 Biodiversity and Resilience of Ecosystems Duty and the Planning Policy Wales update. We continued providing support to key WBP groups including the Nature Recovery Action Plan Implementation Group and its standing task and finish groups. We helped refresh the Wales Biodiversity Partnership evidence gaps project and its transformation into the Biodiversity and Ecosystem Evidence and Research Needs Programme. Good practice documents correlating nature recovery local actions with the Well-being of Future Generations (Wales) Act Goals were produced and circulated to the Environment Minister and all Public Service Board leads. Biodiversity input was also provided to the development of Public Service Board well-being plans. We co-ordinated input to the annual Wales Nature Week with wildlife themed events across Wales and maintained Wales Biodiversity Partnership communications including production of a monthly newsletter, social media etc alongside preparing a refresh the Wales Biodiversity Partnership website and WBP branding.

Annex 2

A summary of actions you have put in place to deliver the priorities set out in 2018-19 remit letter

1. Developing a more robust, competitive and self-sufficient agricultural sector

Through developing our focus on delivering sustainable management of natural resources (SMNR) whilst simultaneously providing a new economic rationale for land managers we have created the Wales Land Management Forum (WLMF) agricultural pollution sub-group. This is a unique and wide-ranging partnership, working in accordance with SMNR principles with the ambition of eradicating agricultural pollution across Wales. NRW provides both the chair and the secretariat together with additional technical and policy support.

Lying at the heart of the sub-groups' work has been the development of a mutual understanding of the root causes of agricultural pollution.

An interim report on the work of the sub-group was delivered to the Cabinet Secretary in early April 2018. A total of forty-five recommendations span five workstreams adopted by the sub-group:

- Ensuring that the formal regulatory regime is sufficiently robust to achieve the outcomes required;
- Developing a voluntary, farmer-led approach to nutrient management;
- Providing better advice and guidance which can then be taken up by farmers;
- Improving the existing range of investment opportunities;
- Identifying and promoting innovation.

Work to develop an Action Plan and feed and implement the recommendation and the outcomes of the sub-group to land managers across Wales continues. Results of the work is also being fed into WG as they develop the next stages of their consultation: Brexit and our land.

Additionally, we are:

- Supporting and providing evidence in relation to post Brexit Land Management and regulatory programme for the agricultural sector.
- Supporting Welsh Government in the development of Brand Wales and the underpinning sustainable brand values for the primary production sector
- Supporting Welsh Government in relation to the development of Climate Smart Agriculture
- Through working with Farm Assurance Bodies in England and Wales (Red Tractor and Farm Assured Welsh Livestock) to influence the industry in relation to delivering wider Corporate Social Responsibility
- Through developing environmental resilience in relation to water; working with the stakeholder group, Wales Land Management Forum sub-group on agricultural pollution, to deliver a programme of works to deliver significant change in water quality and agricultural incidents.
- Supporting Welsh Government in the contingency planning for agriculture
- Supporting Welsh Government in relation to the delivery of the European requirements for cross compliance with respect to basic payment scheme.

- Contributing to the strategic direction of the Farming and Forestry Connect advisory service for farmers and foresters.
- Supporting and Advising Welsh Government in relation to delivery of current Rural Development Schemes. Supporting and advising Welsh Government in the development of monitoring and evidence programmes, decision support tools and action to protect, restore and better manage soils and safeguard Wales' best and most versatile agricultural land to improve soil quality, productive capacity and its resilience to degradation.
- Supporting Welsh Government in the co-ordination and embedding of best practice for the sustainable management of soils, including the management of soil structure, organic matter (carbon), erosion, acidity and nutrients.]

2. Responsible marine management and a fair deal for the fisheries industry;

Support **sustainable management of the marine environment** by delivering our Marine Programme, including working on:

- Developing an integrated delivery model for marine, working to deliver a single, prioritised Marine Programme, including establishing Head of Business for Marine and an integrated Marine Operations Service
- Preparing for implementation of the first Welsh National Marine Plan, through:
 - providing ongoing advice and support to WG on finalisation of marine plan content and policies;
 - developing guidance to support NRW's delivery of the WNMP through our regulatory and advisory functions, including marine casework advice and determination;
 - advising on and influencing plans for the sustainable development of individual marine industry sectors, such as offshore wind
 - provide training for staff.
 - Advising Government on the development of a Marine Evidence Strategy for Wales
 - Supporting effective marine spatial planning through development of good quality spatial data to inform decision-making, e.g. through the 'Sustainable Management of Marine Natural Resources' project, funded by the European Maritime and Fisheries Fund and Welsh Government, is developing the environmental evidence base in relation to tidal stream energy, wave energy and aquaculture resources in the Welsh marine area. In particular, the project is examining how use of these resources may affect marine protected areas and other sensitive species and habitats.

Integrating development and delivery of the marine Area Statement, NRW Marine Commissioning Plan, Welsh National Marine Plan and Natural Resources Policy marine-related priorities and embedding a consistent approach to coastal adaptation in all areas.

- This includes provision of advice on the relationship between the Welsh National Marine Plan and marine Area Statement.
- Also commencing external stakeholder engagement and developing issues and opportunities in relation to three key marine themes.
- Providing advice to Government on the completion of the network of marine protected areas (MPAs), including the use of the Marine Conservation Zones designation to complete the network.
- Supporting the development and delivery of the Wales MPA Network Management Framework and Action Plan, including Delivering collaborative projects to improve the

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management and condition of the MPA network such as: Welsh fishing activity project assessments, assessment of impacts of non-licensable activities, and developing our approach to reporting on the condition of sites.

Protect the environment through effective **permitting of regulated activity** including air, land, fresh & marine waters, people, species and habitats (this contributes to a variety of targets including marine)

European Maritime and Fisheries Fund Project - Effective marine spatial planning requires good quality spatial data that can be used to inform decision-making. To help meet this requirement, the 'Sustainable Management of Marine Natural Resources' project, funded by the European Maritime and Fisheries Fund and Welsh Government, is developing the environmental evidence base in relation to tidal stream energy, wave energy and aquaculture resources in the Welsh marine area. In particular, the project is examining how use of these resources may affect marine protected areas and other sensitive species and habitats.

We also have a measure linked to this on our 2018/19 Business Plan Dashboard "Working with others to develop our Area Statements". We monitor this through the year, reporting progress to the NRW Executive Team and Board every quarter.

3. Exceeding our £7 billion target on turnover in the food and drink sector;

We continue to develop Source Protection Zones (SPZs) for groundwater abstraction for the food and drink sector, such as the Brecon Carreg boreholes. We apply the policies associated with these through the planning and permitting regimes, steering high risk activities away from vulnerable locations. We have updated incident response manuals to ensure that the team is consulted when pollution incidents occur in SPZs and we prioritise rapid remediation at these sites.

We ensure protection of groundwater supply for the food and drink sector through our licensing regime; we assess any new applications to ensure that regional resources are available, and that derogation of existing supplies will not occur. We are developing new policies and process for groundwater aspects of New Authorisations to ensure protection of existing, previously unlicensed, supplies for the sector, such as at Prince's Gate.

4. Developing a responsive planning system which delivers our ambitions for good quality homes, jobs and the environment;

The land use planning system is a strategic delivery mechanism for achieving NRW's vision, objectives and priorities for managing the environment and natural resources sustainably. We contribute to the delivery of this priority through

Informing and advising on Government Policy and Legislation

- Providing evidence-based advice to support the Welsh Government's review of Planning Policy Wales, and their preparation of a National Development Framework
- Providing evidence-based advice to inform the Welsh Government's proposed new consenting regime for major infrastructure

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- Supporting Welsh Government on its revision of TAN 15 and the development of guidance on a new consenting regime for SUD`s
- Providing advice to the Law Commission on its report to reform planning law in Wales
- Providing advice to Welsh Government on its revisions to the Local Development Plan Manual to help embed and integrate SMNR with the development plan system
- Working with Welsh Government to organise workshops with Local Planning Authorities to discuss the interface between Strategic and Local Development Plans and Area Statements.
- Providing evidence-based advice to inform BEIS on a new National Policy Statement for Nuclear Powered Generating Stations
- Providing advice to PINS on its review of Advice Note 11

The NRW Development Planning Advice Service (DPAS)

The operational DPAS supports sustainable development through the provision of Planning Advice:

- Responding to planning consultations within statutory or other agreed deadlines and prepare the Development Planning Advice Service: Annual Report to Welsh Ministers
- Working within a framework of guidance, process and procedures to ensure national consistency.
- Commencing review of our planning work programme and guidance to reflect Planning Policy Wales edition 10 and the statutory guidance on NRW`s General Purpose to ensure SMNR is fully embedded in our process, guidance and decision making
- Commencing preparation of guidance on embedding biodiversity in our planning advice to ensure our duty under section 6 of the Environment Act is delivered.
- Commencing preparation of an NRW position statement on green infrastructure and work programme to embed delivery across NRW.
- Continuing to improve and expand the NRW charged discretionary development planning advice service to meet the financial income target and help ensure capacity to continue to provide technical and specialist advice, marine industries work now included within the scope of the DAS.
- Geoscience provide specialist advice on land contamination issues ensuring that land is brought back into beneficial use without posing unacceptable risks to controlled waters/the environment. Providing this service ensures that the aims of Planning Policy Wales in relation to land contamination are met.

Working in Partnership and collaboration

- We are working in partnership with Welsh Government and Planning Officers Society Wales to prepare guidance on a whole system approach to Planning and Permitting to help ensure a strategic approach to the siting, location and design of development so that issues are addressed systematically upfront as opposed to at the permitting stage. (There is an intention to expand this grouping to include the Office of the Future Generations Commissioner and Public Health Wales)
- We have a Joint Improvement Project with Local Planning Authorities in North Wales designed to clarify respective roles in supporting decision making, identify and help address skills gaps and capacity, such as landscape training, and the provision and availability of guidance and procedural material .Planning Officers Society Wales will commence roll out of the project on an all Wales basis before the end of the financial year.

- We have regular meetings with Welsh Government, PINs and Planning Officers Society Wales, the Wales Local Government Association and with national stakeholders such as Renewables UK Cymru and the Minerals Product Association to inform each other of strategic and organisational issues together with feedback on operational delivery.
- We also have a measure linked to this priority on our 2018/19 Business Plan Dashboard “Planning consultation (response& quality/satisfaction)”. We monitor this through the year, reporting progress to the NRW Executive Team and Board every quarter.

5. Reducing our dependence on fossil fuels and increasing use of renewable energy

We contribute to the delivery of this priority through addressing **climate change** by supporting renewable energy production and facilitating public sector decarbonisation:

- Providing evidence-based advice to support the development of Welsh Government’s decarbonisation policy, in particular the Low Carbon Delivery Plan and advising on GHG emissions accounting and reporting for Welsh public sector to help deliver the ambition for a carbon neutral public sector by 2030
- Providing support to PSBs to inform emissions accounting and reporting that will enable the development of plans for mitigation reduction.
- Complete assessment of NRW’s net carbon status and mitigation options assessment and development of the Carbon Positive Enabling and Action Plans in order to progress decarbonisation across NRW
- Undertake strategic and site-based feasibility assessment for installation of EV charging infrastructure at 3 visitor centres and 5 main NRW offices.
- Deliver a site-based assessment of feasibility for seven wind, solar and hydro self-supply options identified previously through a strategic assessment of renewables potential on the NRW Estate undertaken by the Carbon Positive project.
- Working with Welsh Government to prepare guidance on landscape sensitivity assessment in relation to renewable energy development to help ensure the right development in the right place.
- Working with Welsh Government and the British Hydropower Association to prepare Siting and Design guidelines (technical guidance) and ‘How to Apply` (application process guidance) to help ensure the right hydropower development in the right place.
- Supporting Welsh Government in the preparation of the Energy Summit planned for 31 January 2019
- Working with Welsh Government to ensure a common evidence base to underpin NRW’s area statements and Welsh Government’s Renewable Resources Area Statements.
- Supporting Welsh Government through the provision of strategic evidence and advice to inform the development of the Crown Estates potential new offshore wind opportunities in Wales.
- Deliver our renewable energy programme including working with developers to progress wind energy projects, and exploring the market potential for other renewable energy technologies on the land we manage
- Progress through the construction phase of two large wind energy projects at Brechfa Forest and Clocaenog Forest measured by installed capacity / turbines installed
- Continue working with WG and stakeholders to identify mechanisms for community involvement and ownership in renewable energy projects on the NRW Managed Estate

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- Determine the commercial potential of Energy Parks integrated with wind farm developments by progressing with a programme of hydro, battery storage, solar, biomass and other energy technologies

Onshore wind on the NRW Managed Estate:

- Alwen Project - we continue to work with the Developer to get the Option Agreement signed;
- Brechfa Forest West - Hannah Blythyn officially opened the 28 turbine / 57MW wind farm in August and the £11m community fund was launched at the same time. Produces enough power for 38,800 homes annually;
- Clocaenog Forest - construction continues on this 27 turbine / 96MW project with associated community fund;
- Y Bryn Project - EDP put this 50MW+ onshore wind development opportunity in south Wales to open market with Developer submissions expected in December. Local ownership is a key element of marketing opportunity.

Small scale hydro schemes facilitated by EDP on NRW Managed Estate:

- Several Developer led schemes (est. installed capacity 400kW) are being facilitated on the NRW Managed Estate;
- A self-build programme of 5 schemes (where NRW is Developer) is being scoped.
- The Cabinet Secretary officially opened the 55kW Corwen community hydro scheme in north Wales in May 2018 developed by the Corwen Electric Company.

Developer Event:

- NRW's annual Developer Event hosting renewable energy Developers and WG energy officials is taking place in November in and around Swansea.

We also have a measure linked to this on our 2018/19 Business Plan Dashboard "Renewable energy programme". We monitor this through the year, reporting progress to the NRW Executive Team and Board every quarter.

6. improving animal health and welfare.

- We responded to the WG's consultation on the 'Agreement on International Humane Trapping Standards' and we will adopt any changes required for our licensing regime when necessary, depending on the outcome of that consultation.
- We consult staff in WG's Office of the Chief Veterinary Officer (OCVO) to ensure that any badger licence applications we receive are not likely to result in a spread of Bovine Tuberculosis (bTB) and have provided advice on the licensing around WG's ongoing management of bTB in wildlife on farms with chronic herd breakdowns.
- We have liaised with WG officials regarding the disease risk around wild boar in Wales.
- We consult WG OCVO on the disease risk of wildlife translocation proposals and licence applications, including beaver and red squirrel
- We have provided advice to WG OCVO

7. Becoming best in the world at recycling;

There are several ways we contribute to the delivery of this priority

Regulation of waste facilities

NRW is responsible for providing a risk-based approach to regulation of the waste industry to ensure the sustainable management of our natural resources for human and environmental well-being. We seek to achieve this directly through delivery of our regulatory duties, using powers and tools available as set out in legislation; and indirectly through wider interventions such as raising awareness with waste producers to ensure they are taking steps to segregate, classify and manage their waste responsibly.

In response to the Chinese restrictions on imports of 24 categories of recyclables and solid waste as part of a campaign against “foreign garbage” and environmental pollution we prioritised compliance inspections at material facilities permitted sites in Jan 2018 to assess the potential impacts and advised Welsh Government regarding any concerns and developments.

Through regulatory duties and by providing advice and guidance we will work to ensure that those we regulate understand and comply with regulatory requirements including relevant energy and resource efficiency requirements.

Monitoring role for Landfill Allowance Scheme and Local authority recovery targets

NRW is the designated monitoring authority for the Local Authority Recovery Targets and Landfill Allowances Scheme. Local authorities are required to provide us with evidence that their diverted waste has met the relevant criteria to demonstrate that they have met these annual targets.

This places greater importance on Welsh local authorities to follow the flows of materials after they have been collected and to accurately report data on intermediate sorting facilities, reject rates and end destinations. We work with local authorities to identify and report the end destinations of the waste that they collect as far as practicable. This continually improves the confidence and integrity of the published local authority waste statistics.

For example, in relation to the management of waste wood we are working with the Environment Agency and other organisations to address concerns we have with the segregation, classification and destination of waste wood. We have highlighted these concerns to the Welsh Local authorities to ensure that they are managing their waste wood appropriately and there is consistency in reporting this material for Local Authority Recovery Targets.

Managing our resources

We have an accredited ISO14001 environment management system. We already actively manage our waste within our offices and facilities aiming to minimise waste at source and ensuring any waste we do produce is stored securely, segregated and transferred for recycling where possible.

NRW are working with the Clean Seas Partnership contributing to tackling marine litter and we signed the Volvo Ocean Sea pledge to minimise our disposal plastic use.

Our Corporate Plan launched in 2018 makes a commitment to promote successful and responsible business by putting steps in place to work towards a circular economy and zero waste in Wales.

Working with others

NRW continues to work with Welsh Government and represent NRW at the stakeholder groups for the EU Circular Economy package review and WG Circular Economy stakeholder events.

We provide advice and co-ordinate input to various working groups related to re-use, prevention and the circular economy from across Natural Resources Wales. We support the development of initiatives by WRAP Cymru such as

- Project Board member on Re-use alliance TAG
- Support to the Critical Raw Materials project

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- We support Wales's ambition to create a circular economy that moves away from the current linear model, where materials are fed in to the economy at the start and discarded at the end.
- Whilst increasing recycling rates is important, it is essential that mechanisms and drivers are put in place to encourage prevention and re-use of waste as recognised by Welsh Government's waste prevention programme.
- We rely heavily on exports to recycle/recover waste produced and collected in Wales – this is under pressure from the China restrictions with more countries also moving to impose similar restrictions.

Geoscience contributes to the CL:AIRE Definition of Waste Code of Practice (DowCoP) initiative which enables the reuse of soils on and between different development sites. The DowCoP offers a sustainable alternative to materials going to landfill where it can be demonstrated that they are suitable for use. Our role is to oversee that risks to controlled waters are addressed. Since April 2017 DowCoP declarations relating to over 250,000m³ of material have been received, potentially preventing this volume going to landfill.

We also have a measure linked to this on our 2018/19 Business Plan Dashboard "Impact of industry and waste sites". We monitor this through the year, reporting progress to the NRW Executive Team and Board every quarter.

8. Improving and expanding the woodlands of Wales;

Promote and support sustainable business by managing timber productivity: Implement year two of our five-year timber marketing plan by delivering the all Wales timber harvest and subsequent replant programme

- Thin around 2700ha and clear fell around 2000ha of woodland
- Offer 850,000 m³ timber to market in 2018/19 – approximately 150,000 m³ timber from thinning and 700,000 m³ from clear felling. Of the 850,000 m³ total programme,

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approximately 700,000 m³ will be offered from our core programme and 150,000 m³ from standing sales plus

- Deliver annual core restocking programme of 1000 ha and monitor against the land awaiting restocking
- Deliver *P. ramorum* restocking programme of up to 800 ha
- Provide the necessary infrastructure to deliver the harvesting programme and meet environmental standards

Improve the resilience of our ecosystems and promote **sustainable and diverse woodlands** through their sustainable management by:

- Implement and monitor our Native Woodland and Planted Ancient Woodland Site (PAWS) action plan
- Remove threats from 580 ha of ancient woodland sites
- Undertake silvicultural thinning for gradual transformation of 275 ha of plantation back to native woodland
- Retain independent forest certification to the UK Woodland Assurance Standard (UKWAS) demonstrating our timber is sustainably managed for customers and other stakeholders

Protect ecosystems by monitoring and addressing tree and plant health issues on the Welsh Government Woodland Estate, including *P. Ramorum* by:

- Uphold compliance of the plant health programme
- Continue tree clearance of 800ha of larch and subsequent replanting programme
- Carry out plant health assessments and issue plant health notices on time

We also have measures linked to this on our 2018/19 Business Plan Dashboard “Sustainably managed timber to market (incl. long term timber contracts)”, “Land is restocked for sustainable forest management (including PAWS and timber production)” and “Monitoring and addressing tree and plant health issues”. We monitor these through the year, reporting progress to the NRW Executive Team and Board every quarter.

In September 2018 our Board approved an umbrella woodland creation programme and a woodland creation action plan to ensure focused attention on this issue going forward. The woodland creation programme will ensure the appropriate governance and resources are in place to deliver current projects and identify further opportunities for woodland creation and tree planting in Wales. The action plan is structured around four key themes:

- Supporting Welsh Government commitment to woodland creation targets
- Committing to a combination of woodland creation delivery models
- Co-ordinating NRW’s approach to meet the woodland creation target ambition
- Increasing our advocacy and advisory capacity.

There are many specific actions under each of these themes, including:

- Working with Welsh Government to develop a woodland creation scheme delivering economic resilience and public goods benefits, e.g. natural flood mitigation, carbon, air quality, supply of home grown timber. This forms part of Welsh Government’s proposals contained within the Brexit and Our Land consultation.
- Working to ensure that woodland creation is a core part of NRW’s 2050 vision for the natural environment and is incorporated in to Local Well-Being Plans (via PSB representatives) and Area Statements.

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- Seeking the involvement of a member of NRW's Board to act as a "Champion for Trees and Woodlands" to help raise the profile of woodland creation and support all types of woodland creation programmes and projects, both on the WGWE and elsewhere in Wales.

Under the umbrella woodland creation programme (and as per the action plan), work is underway on two specific projects.

- **New woodland planting** linked to the energy delivery programme on the WGWE. The woodlands will be UK Forestry Standard compliant and are designed primarily to replace the productive and carbon sequestration elements of at least 350 hectares of permanent woodland loss due to the energy delivery programme. The selection of suitable land will focus on the ability to deliver multi-purpose benefits whether by extending existing woodlands in the WGWE portfolio or by creating woodlands where there is currently very little.
- **Commemorative planting** to mark the centenary of the end of WW1 (11th November 1918) and the creation of the Forestry Commission (1st September 1919). This will be a three-year project and we will facilitate the establishment of 730 community-led, individual tree planting projects of 100 trees per community council in Wales. We will seek the opportunity to improve habitat connectivity by encouraging collaborative working across community councils to enlarge existing woodlands. We will establish a brand which reflects the dual commemorative purpose and awareness raising could be effectively achieved via our Area Statements and Public Services Boards roles.

Following the launch of our report on the [Purpose of the Role of the Welsh Government Woodland Estate](#) at the Royal Welsh Show in July 2018, we are working to communicate the priorities within the report to staff and stakeholders. Work will also commence in early 2019 to refine and gather data on the Performance Indicators contained in the report, so that we can monitor and report on progress by us and others against delivery of the purpose and role and the ten key priorities.

Work is ongoing to produce a Forest Management Plan template for use by woodland owners, agents and managers in Wales. We are currently in a pilot phase and NRW's Permitting team have written out to the agents involved in the pilot that we'll start to consider their initial applications in October. Once the pilot phase has been completed and evaluated we will publish the various documents on our website. This piece of work will contribute to the themes under the woodland creation action plan.

Following a period of buoyant timber prices related to the sale of timber from the Welsh Government Woodland Estate, it is anticipated that there will be a surplus of timber income that can be re-invested back into management of the estate to help secure its future productive potential and improve resilience. The scale of the potential surplus is currently being determined, and then work will be planned to optimise the benefits that can be realised. It is likely to include additional investment in forest infrastructure.

NRW is involved in a pioneering new project in mid-Wales called [Summit to Sea/O'r Mynydd i'r Môr](#). The project will bring together one continuous, nature-rich area, stretching from the Pumlumon massif – the highest area in mid-Wales – down through wooded valleys to the Dyfi Estuary and out into Cardigan Bay. Within five years it will comprise at least 10,000 hectares of land and 28,400 hectares of sea. The idea of the project is that it will show that there can be a different future for the land and sea, that works for both

people and nature. It's an initiative that aims to restore flourishing ecosystems and a resilient local economy, on a scale never before seen in Britain. The project has recently secured £3.4 million of funding over five years via the [Endangered Landscapes Programme](#). It is one of only eight projects across Europe to receive this funding. It will support a significant, sustained effort to create new opportunities in the project area, and infrastructure to deliver change into the future. It will also help us to bring in additional investment and develop other economic opportunities to sustain the work over the longer term.

The other partners involved in the project are Rewilding Britain, The Woodland Trust, The Wildlife Trusts, RSPB, Wales Wild Land Foundation, The PLAS Marine Special Area of Conservation, The Waterloo Foundation, The Marine Conservation Society, The Whale and Dolphin Society and ecodyfi.

NRW has put forward £2m+ of potential work we could do on land that we manage (principally the Welsh Government Woodland Estate) including work to restructure the forests, restore ancient woodland sites, restore peatland, improve visitor centre facilities, improve recreational facilities and undertake fish barrier improvement works. We are in discussion with partners to prioritise and agree what gets funded and how we structure our involvement in this existing project.

9. Tackling poor air quality;

- Permits that consider and control emissions that affect air quality, along with providing planning and other advice to partners, including the impact of air quality on ecosystems;

We continue to ensure that emissions to air are controlled so that there is no detriment of human health or ecosystems as a result of new and expanding developments while still allowing economic growth.

We have requested information from all our combustion sector customers so that we can work towards upgrading their permits to ensure that their emissions to air are minimised so contributing to improvements in Air Quality.

We continue to support WG and governmental organisations to improve Air Quality where an issue has been identified Citizen Science. In August we presented our findings on the sources of nickel pollution in the Tawe valley to an NGO group. This enabled us to work together with others to appropriately focus our work to reduce nickel pollution in the area. We have monitored and analysed data for Benzo(α)pyrene emissions from Port Talbot steelworks enabling WG to respond to queries from the EU.

We are actively involved in a citizen science project to monitor particulate contamination in the vicinity of Junior schools in Cardiff. We have worked with Cardiff City Council to develop literature to inform and help the school to carrying out monitoring in the vicinity of their school. We have also been able to contribute towards the purchase of particulate monitors for use by the pupils. In some cases, once the pupils have monitored for a month no park zones will be implemented at drop off/pick up times for a month. Data will be returned to the school once the monitors are analysed by Ricardo consultants and then removed to see how air quality is affected.

Our schools citizen science project is part of an EU wide initiative by the European Environmental Agencies forum and we will be attending a discussion forum in Copenhagen in October to share experiences and learn from other agencies across Europe.

We continue to support the development of the Area Statements ensuring that Air Quality improvements are included within the PSB plans wherever needed. We also have a measure linked to this on our 2018/19 Business Plan Dashboard “Air quality action”. We monitor this through the year, reporting progress to the NRW Executive Team and Board every quarter.

10. Improving understanding of the value of nature, including through national parks and areas of natural beauty

We are working with WG and the Designated Landscapes to develop and agree a programme of work to deliver the WG policy statement ‘Valued and Resilient: the WG Priorities for Designated Landscapes’. A meeting is scheduled to discuss this on 31 January 2019.

We are working with WG and AONB`s in response to the request from Hannah Blythyn on issues to be addressed to provide greater parity of AONB`s compared to National Parks. We worked with the designated landscapes to prepare a joint report, submitted to the Minister on 2 October 2018 followed by a meeting with the Minister on 14 November 2018 where a request was made for further work on resourcing. This was completed and submitted for WG consideration on 18 December 2018.

We work with NRM colleagues to investigate and improve groundwater dependent terrestrial ecosystems under WFD Programmes of Measures. This includes undertaking a programme of baseline monitoring at 9 damaged or ‘at risk’ sites across Wales, identifying pressures and working with colleagues to identify solutions. Examples of this would be the work we are undertaking at Merthyr Mawr SAC and the alkaline fen SACs on Anglesey.

We work with ecology specialists in EPP to identify designated groundwater dependent sites that are poorly understood and under pressure; we work in partnership to monitor the highest priority sites, providing hydrogeological expertise. We sit on the UK Wetland Task Team, made up of the other UK regulators, Natural England and British Geological Survey, which aims to produce a consistent approach to investigation and assessment of groundwater dependent wetland sites across the UK.

We also have measures linked to this on our 2018/19 Business Plan Dashboard “Implementing ‘Vital nature’ - Restoring, creating and improving habitat and enhancing biodiversity” and “Build ecosystem resilience by improving the conservation status of the features on protected sites working with our partners”. We monitor these through the year, reporting progress to the NRW Executive Team and Board every quarter.

11. Reversing the decline in biodiversity.

Develop and implement Vital Nature: We have developed Vital Nature: Making the connections between biodiversity and the people and places of Wales, our Strategic Steer for Biodiversity. It represents a statement of our priorities, our intended direction of travel and ways of working to help maintain and enhance biodiversity and build ecosystem resilience. It has been developed alongside our Corporate Plan to 2022 and through a series of goals and high-level commitments establishes a high-level framework to drive forward action in line with the Nature Recovery Action Plan (NRAP).

- Restoring, creating and improving habitat and enhancing biodiversity.
- Deliver a step change in the way we work, to embed maintaining and enhancing biodiversity and building ecosystem resilience into all the functions of our organisation so they are considered at all stages of decision-making, planning and project delivery.
- Use a range of tools and measures available to NRW to work directly and with others on designated sites to achieve their conservation objectives. This includes statutory consenting and assenting in relation to works affecting SSSIs, the assessment of plans and projects affecting European sites, compliance and enforcement work, management agreements with landowners and direct management activities on land owned or managed by NRW.
- Working in partnership with others, facilitated by the sharing information on the issues and actions required to take positive action to address conservation management issues and build ecosystem resilience. This includes delivering an annual work programme of actions to improve the conservation status of features on protected sites.
- Transform our designated sites ICT systems to support collaboration with organisational stakeholders more efficiently.
- Explore ways of bringing in additional financial resources to tackle the challenges, for example bringing in external funding with applications to EU LIFE fund and Heritage Lottery Fund, and innovative approaches such as Payment for Ecosystems Services (PES) and Green Marketplace initiatives.
- Develop our understanding of the concept of ecosystem resilience and ways to assess it, and develop the data and evidence base to support that understanding, recognising the key importance of assessing the state of biodiversity in defining and assessing ecosystem resilience and how it may change over time.
- Use our expertise to identify and communicate opportunities and benefits in promoting the re-creation and restoration of natural habitats and wildlife populations, in particular through the Area Statement process.
- Seek to maximise positive opportunities for maintaining and enhancing biodiversity through our engagement with the development planning system and with the developing National Marine Plan for Wales, including through our role as a consultee on the development of the planning framework itself and the preparation of plans, as well as our role a statutory consultee and regulator of individual projects and developments.
- Work with key partners to improve river habitats across Wales, in particular through developing River Restoration Plans (RRPs), bringing together evidence from multiple sources to define constraints and enable prioritisation of resources to best effect. The particular focus will be on restoring impoverished habitats, removing barriers to ecological connectivity and establishing Atlantic salmon as a key indicator species for the condition of our rivers.

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Protect the environment through effective **permitting of regulated activity** including air, land, fresh & marine waters, people, species and habitats:

- Continue to develop Green Marketplace to support the development of Payment for Ecosystem Services

We also have a measure linked to this on our 2018/19 Business Plan Dashboard “Implementing ‘Vital nature’ - Restoring, creating and improving habitat and enhancing biodiversity” and “Retain forest certification against UKWAS “. We monitor these through the year, reporting progress to the NRW Executive Team and Board every quarter.