

Clare Pillman
Chief Executive, Natural Resources Wales

31 January 2020

Dear Clare,

Natural Resources Wales

Thank you for your recent attendance to the Public Accounts Committee on 20 January 2020 when we considered the progress Natural Resources Wales has made on implementing actions for improvement following qualification of NRW's 2017–18 Annual Accounts.

The Committee were reassured by the significant progress made by NRW in addressing the issues identified previously by the Auditor General for Wales and subsequently by external auditors Grant Thornton. We are impressed with the way in which yourself and Sir David Henshaw have led the organisation through its difficulties demonstrating a strong grasp of the problems.

Further to your evidence, and with reference to the Auditor General's Supplementary Memorandum which states in Appendix 1, paragraph 1.35 that industry representatives raised concerns regarding "the quality, transparency and consistency of mensuration data held by NRW for the areas within SS+ contracts, and the way in which this data was presented by NRW was a particular cause for concern and constituted a significant risk for potential buyers". We seek further clarification of the following:



- Details of the methodology used by NRW to estimate the likely timber yields in coupes to be sold.
- The reasons why the estimated timber yield specified in many Standing Sales+ contracts varied significantly from those achieved in practice (see paragraph 2.8 and Table 6 of the Supplementary Memorandum).
- The extent to which NRW's approach to mensuration is industry standard, i.e. is the same methodology used by the Forestry Commission and Forestry and Land Scotland?
- How NRW is doing to improve the quality of the mensuration data it holds.

I look forward to receiving your response.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Darren Millar". The signature is fluid and cursive, with a long horizontal stroke at the end.

Darren Millar AM
Chair (Temporary)

