

Agenda

Title of meeting: NRW Board Meeting Day 1 - Public Session

Date of meeting: 13th July 2022

Time of meeting: 12.35-16.55

Venue: Microsoft Teams

Time

Item

**12.35
(5 mins)**

1. Open Meeting

- Welcome
- Declaration of Interests
- Explain conduct of meeting

Sponsor and Presenter: Sir David Henshaw (Chair)

Summary: To NOTE any declarations of interest.

**12.40
(5 mins)**

2. Review Minutes and Action Log
2A. Review Minutes from Public 26th May meeting
2B. Review Public Action Log

Sponsor and Presenter: Sir David Henshaw (Chair)

To APPROVE the minutes of the previous meeting and the action log.

**12.45
(5 mins)**

3. Update from the Chair

Sponsor and Presenter: Sir David Henshaw

Summary: To NOTE the Chair's update to the Board.

**12.50
(15 mins)**

4. Report from the Chief Executive

Sponsor and Presenter: Clare Pillman, Chief Executive

Summary: To NOTE the current position and update the Board on key activities.

Paper ref: 22-07-B07

**13.05
(20 mins)**

5. Update Report of Committees

Sponsors and presenters: Committee Chairs

Audit and Risk Assurance Committee – 9th June and 8th July

Paper ref: 22-07-B08

Evidence Advisory Committee – 7th June

Paper ref: 22-07-B09

Finance Committee – 10th June

Paper ref: 22-07-B10

Flood Risk Management Committee – 1st July

People and Remuneration Committee – 24th June

Paper ref: 22-07-B11

Protected Areas Committee – 21st June

Paper ref: 22-07-B12

Wales Land Management Forum – 6th June

Paper ref: 22-07-B13

Summary: To NOTE the updates from the Board committees, both within and outside of any meetings held.

**13.25
(15 mins)**

6. Finance Update

Sponsor: Rachael Cunningham, Executive Director of Finance and Corporate Services

Presenter: Rob Bell, Head of Finance

Summary: To NOTE the latest financial position

Paper ref: 22-07-B14

**13.40
(30 mins)**

7. Business Plan Performance Dashboard End of Year Report 2021/22

Sponsor and Presenter: Clare Pillman, Chief Executive

Attendees: Caroline Hawkins, Corporate Planning, Performance & Strategic Assessment Manager, Sarah Williams, Head of Corporate Strategy and Programme Management Office; Sue Ginley, Lead Specialist Advisor, Corporate Planning & Performance

Summary: To APPROVE the Business Plan Performance Dashboard End of Year Report 2021/22

Paper ref: 22-07-B15

**14.10
(15 mins)**

Break

**14.25
(20 mins)**

8. NRW's Role in the National Environment Programme for Water Resources and Water Quality Improvements (PR24)

Sponsor: Ceri Davies, Executive Director of Evidence, Policy and Permitting

Presenters: Sian Williams, Head of Operations North West Wales; Ruth Johnston, Lead Specialist Advisor, Water Strategy; Natalie Hall, Sustainable Water Manager

Summary: To DISCUSS Ofwat's water company business plan and NRW's role in the National Environment

Programme for water resources and water quality improvements (PR24)

Paper ref: 22-07-B16

**14.45
(40 mins)**

9. Water Quality Update

Sponsor: Ceri Davies, Executive Director of Evidence, Policy and Permitting

Presenters: Sian Williams, Head of Operations North West Wales; Ruth Johnston, Lead Specialist Advisor, Water Strategy; Natalie Hall, Sustainable Water Manager

Summary: To discuss the update on current water quality work

Paper ref: 22-07-B17

**15.25
(10 mins)**

Break

**15.35
(45 mins)**

10. Regulating the control of Fish-eating Birds: Recommendations

Sponsor: Ceri Davies, Executive Director of Evidence, Policy and Permitting

Presenters: Ben Wilson, Principal Advisor, Fisheries; Sarah Wood, Biodiversity and Ecosystem Resilience Manager; Patrick Lindley, Lead Specialist Advisor, Ornithology; David Mee, Lead Specialist Advisor: Freshwater Fisheries Management

Summary: To APPROVE the recommendations for regulating the control of Fish-eating Birds

Paper ref: 22-07-B19

**16.20
(10 mins)**

11. Welsh Language Annual Report 2021/22

Sponsor: Prys Davies, Executive Director of Corporate Strategy and Development

Presenter: Lyn Williams, Welsh Language Policy Advisor

Summary: To APPROVE the Welsh Language Annual Report 2021/22

Paper ref: 22-07-B20

**16.30
(10 mins)**

12. Public and Private Board Agenda Items

Sponsor: Prys Davies, Executive Director of Corporate Strategy and Development

Presenter: Victoria Painter, Governance and Risk Manager; Daniel Highway, Contractor, Governance and Risk

Summary: To APPROVE the criteria for public and private Board agenda items

Paper ref: 22-07-B21

**16.40
(5 mins)**

13. Proposed Changes to the Statutory and Legal Scheme (SaLS)

Sponsor: Clare Pillman, Chief Executive

Presenter: Colette Fletcher, Head of Governance and Board Secretary

Summary: To APPROVE changes to the SaLS for the Corporate Services Business Board

Paper ref: 22-07-B22

**16.45
(5 mins)**

14. Board Forward Look

Sponsor: Sir David Henshaw

Presenter: Colette Fletcher, Head of Governance and Board Secretary

Paper ref: 22-07-B23

**16.50
(5 mins)**

15. AOB

a) Finance Performance Report to March 2022

Summary: For information

Paper ref: 22-07-B24

16.55

Close Meeting

Unconfirmed Minutes

Title of meeting:	NRW Board Meeting – Public Session Attendees in person at the National Botanic Garden of Wales, Carmarthenshire and via Microsoft Teams
Date of meeting:	26 th May 2022
Present Board Members:	Sir David Henshaw, (Chair) Clare Pillman, Chief Executive Prof Steve Ormerod, Deputy Chair (9:30-9:45 and 11:30 to meeting close) Karen Balmer Catherine Brown Julia Cherrett Geraint Davies Zoë Henderson Prof Calvin Jones Mark McKenna Dr Rosie Plummer Prof Peter Rigby
Present Executive Team Members:	Jacqui Kedward, Head of Internal Audit (deputising for Rachael Cunningham, Executive Director of Finance and Corporate Services) Ceri Davies, Executive Director of Evidence, Policy and Permitting (9:30-9:45 and 11:30 to meeting close) Prys Davies, Executive Director of Corporate Strategy and Development Sarah Jennings, Executive Director of Communications, Customer and Commercial Gareth O’Shea, Executive Director of Operations
Additional Attendees Present:	Clare Jones, Lead Specialist Advisor, Governance Item 6 (Teams) Victoria Painter, Governance and Risk Manager Item 6 (Teams) Miriam Jones-Walters, Specialist Advisor, Land Stewardship Item 7 Andrew Wright, Senior Specialist Advisor, Plant Health and Research Knowledge Transfer, Land Stewardship Item 7 (Teams) Ruth Jenkins, Head of Natural Resource Management Item 7 (Teams) Dominic Driver, Head of Land Stewardship Item 7 (Teams) Elsie Grace; Head of Sustainable Commercial Development Item 7 (Teams) Jeremy Parr, Head of Flood and Incident Risk Management Item 8 (in person) Charlotte Morgan, Wellbeing, Health and Safety Manager Item 9 (Teams)
NRW Observers:	Martyn P Evans, Head of Operations, South West Wales Kate Evans, Public Affairs & Private Secretary Ben Dickinson, Service Change and Configuration Manager Sarah Williams, Head of Corporate Strategy and Programme Management Office Annie Payne, Assistant to Head of DPAS

Jack Tucker, Kickstart Administrative and PA Support
Item 8 (all via Teams)
Wyn Davies, Manager, Flood and Incident Risk Management
Mark Pugh, Principal Advisor, Flood Risk Analysis Group
Ross Akers, Manager, Flood Risk Strategic Planning and Investment
Andrew Wall, Manager, National Flood Risk Services
Keith Ivens, Operations Manager, Flood and Water Management
Tim England, Operations Manager, Flood and Water Management
Dafydd Sidgwick, Lead Specialist Advisor, Strategic Planning and Investment
Mike Evans, Head of Operations, South Wales Central
Lynette Bowley, Senior Specialist Advisor, Media

Public Observers: Kim Waters – Welsh Rivers Union
Steve Griffiths – BASC
David Bean – Countryside Alliance
Gareth Wardell
Nick Day
Susan Brown
Other members of the public

Declarations: Prof Steve Ormerod – Vice President of the RSPB, Cardiff University, Joint Nature Conservation Committee (JNCC)
Geraint Davies – Game & Wildlife Conservation Trust, RSPB, Farmers Union of Wales, National Farmers Union Cymru, National Trust; Landowner with an interest in the Peatland Restoration Programme
Julia Cherrett – British Association for Shooting and Conservation
Karen Balmer – RSPB
Zoe Henderson – Countryside Alliance, Game and Wildlife Conservation Trust
Prof Calvin Jones – Skyline Management Committee Member, Cardiff University Employee
Sarah Jennings – Trustee of National Botanic Garden of Wales

Apologies: Paul Griffiths
Rachael Cunningham, Executive Director of Finance and Corporate Services
Colette Fletcher, Head of Governance & Board Secretary
Prof Steve Ormerod (9:45 to 11:30)
Ceri Davies (9:45 to 11:30)

Secretariat: Jocelyn Benger
Natalie Williams
Rhiannon Spencer

Item 1. Open Meeting

1. The Chair opened the meeting and welcomed everyone. Declarations of interest and apologies were made as noted above.

Item 2. Review Minutes and Action Log

2A. Review Minutes from Public 24th March meeting

2. The minutes from the public March meeting were reviewed and agreed with a minor amendment.

2B. Review Public Action Log

3. The action log was reviewed. Board members queried that there were no actions resulting from the Forestry Safety item at the March Board meeting. The Executive Director of Operations provided an update on ongoing work on this issue. A follow up meeting had taken place with other forestry bodies from across the UK, who were interested in NRW's approach and NRW had been invited to speak at a Health and Safety Executive (HSE) event. The development of actions that could be supported by the Board was welcomed and would be part of the next steps.

ACTION: Actions as a result of the ongoing work on Forestry Safety to be reported to the Board at future meetings.

4. Matters arising were considered and Board members requested an update on Fixed Term Appointees (FTAs). The Executive Director of Corporate Strategy and Development gave an update on the ongoing work in this area. A paper had been presented to the Executive Team (ET) on proposals to change the approach to FTAs, which would create a flexible talent pool, manage retention issues, and reduce reliance on FTA posts. External expertise would be brought in on the best way to manage the approach to ensure equity in the longer term. The next steps were described.

Item 3: Update from the Chair

5. An update was provided on ongoing discussions with the Minister, particularly on the water quality agenda. Work was progressing with the Chairs of Ofwat and the water companies to take this forward to a wider stakeholder group under the leadership of the Minister and First Minister, taking this beyond issues with Combined Storm Overflows (CSOs). The programme for actions regarding CSOs would be available within the next few weeks and was already being implemented. Ofwat and the water companies had agreed to bring forward capital spend as appropriate.
6. The recent Senedd event had been successful and the stakeholder meeting that had taken place on the previous evening had been very valuable. The move out of Covid restrictions and the importance of re-engaging with stakeholders was highlighted.
7. Meetings had taken place with Ministers on Green Recovery and NRW.

Item 4: Report from the Chief Executive

8. The paper was taken as read and the following items were highlighted.
9. The recent event at the Senedd had been very positive with good attendance.
10. Staff were experimenting with different ways of working and teams were getting together. The Board site visits had highlighted the importance of staff connecting in person. The Adfwyio programme was running, with offices starting to open up and the rules were being reviewed.
11. A programme of events was taking place which would facilitate re-engaging in person. Examples included the Royal Welsh Show, Eisteddfod, a number of stakeholder events, the Joint Nature Conservation Committee (JNCC) meeting, and the International Environmental Protection Agencies (EPA) Conference in Paris.
12. This was the first meeting of the new financial year. The July Board meeting would consider the Annual Report and Accounts. The work to bring the budget in within 0.4% of

target was highlighted. There had been good progress on the performance measures and details would be provided at next meeting.

13. NRW had been working closely with the Welsh Local Government Association (WLGA) to deliver a Memorandum of Understanding to build the relationships with local authorities. There had been Welsh Local Government elections during the last period and it would be important to engage with the new councils. The changes at council level were described. Leaders were being announced, which would feed through into the WLGA.
14. Board members discussed the content of the report. NRW's role in coordinating the Natur am Byth project was welcomed and a report on progress was requested for a future meeting. It was agreed that an update on Natur am Byth and the LIFE projects should be provided at a future meeting.

ACTION: Secretariat to add an update on the LIFE projects and Natur am Byth to the Forward Look for a future Board meeting.

15. Board members congratulated the team on the successful enforcement activity and recognised the combined effort involved in this. It was recommended that there should be a track of the full effort and costs involved in this work. The impact of successful enforcement activity was highlighted.
16. The importance of enforcement and the monitoring of this in the area of water quality was emphasised. It was noted that this had been raised in previous meetings and it was requested that this was included within the regular reporting process. The public concerns on this issue were acknowledged and it was suggested that the report could have included further detail on the approach to the risks and dependencies and a waterfall diagram of the action plan, which would enable NRW to be more accountable and transparent. It was agreed that due to the importance of the water quality issue, it would be important to include this as a regular item at future meetings. The Chief Executive confirmed that it would be included as a reporting measure within the Performance Dashboard and provided an update on the work being undertaken internally on the organisation required on this issue and with Welsh Government (WG) on the broader context. An update on water quality would be provided to the next meeting on the governance, actions, and timetable.

ACTION: An update on water quality to be provided to the next Board meeting with a focus on the governance, actions, and timetable.

17. Board members noted the retirement of Bob Vaughan, Sustainable Land Manager, and asked that their thanks and best wishes were passed on. The importance of driving through agricultural change in relation to the environment was highlighted but it was recognised that his particular set of skills and knowledge would be difficult to replace. The Chief Executive recommended that a report on the approach to creating resilience within the team should be provided to the next meeting of the People and Remuneration Committee. It was noted that discussions were ongoing with WG on funding for the enforcement of the agricultural regulations.

Item 5: Update Reports of Committees

18. Catherine Brown as the Chair of the Audit and Risk Assurance Committee (ARAC) updated the Board on work since the last meeting held on 10th March. Work in supporting the team on the production of the final accounts was ongoing.
19. Prof Peter Rigby as the Chair of the Evidence Advisory Committee (EAC) provided an update on work since the meeting held on 18th January. The next meeting would take

place on 7th June in person for the first time. Recruitment to the Committee had been taking place to increase the resilience and expertise, and EAC were very pleased to welcome Dr Tom Nisbet from Forest Research and Prof Melanie Austen from the University of Plymouth who would bring expertise in forest hydrology and marine respectively.

20. Sir David Henshaw as the Chair of the Finance Committee (FC) updated the Board on the meetings held on 14th April and 28th April. The main items were contained within the paper. The next meeting would pick up the value for money discussions and performance dashboard items that were raised in the private Board session.
21. Julia Cherrett deputising for the Chair of the Flood Risk Management Committee (FRMC) updated the Board on the meetings held on 7th April. The details were contained within the paper. It was highlighted that the Flood Recovery and Review Implementation Programme (FRRIP) was rated as Amber, with 32 of the 51 actions delivered for this year, although it was noted that those which had not been delivered were not part of the critical actions. Capital spend on reservoirs had not been discussed and this would be reviewed at the next meeting of FRMC. The Chief Executive updated the Board on a good staff engagement session, involving around 180 staff to update them on the progress on the actions on the FRRIP. It was noted that there had been good support for the rotas which had been one of the recommendations from the FRRIP.
22. Julia Cherrett as the Chair of the People and Remuneration Committee (PaRC) updated the Board on work since the last meeting held on 2nd March. The agenda for the next meeting on 24th June was being prepared and would include items on the following: Wellbeing, Health and Safety, including the Forestry Safety follow up; recruitment and vacancies; review of Adfwyio and Sgwrs; succession and workforce planning, picking up on the audit recommendations; pay awards; deep dive on absence levels. Discussion on FTAs would be included within the section on staff numbers. It was hoped that the new Head of Organisational Development would be in post and able to join the meeting.
23. Dr Rosie Plummer as the Chair of the Protected Areas Committee (PrAC) provided an update on work since the meeting held on 1st February. An update was provided on the Integrated Designated Landscapes Programme relating to the potential new national park. Pre-commencement work had been completed, including liaison with the relevant local authorities, and the funding confirmation had been received from WG on this. As the Board previously agreed that the process should continue, PrAC was now considering this on behalf of the Board for the potential national park. The next stage would be to commence the overall landscape designation process which would move to the evidence-gathering stage. An update on Sites of Special Scientific Interest (SSSIs) was provided. Three new SSSIs had been confirmed without any objections. The next meeting of PrAC would focus on the Integrated Designated Landscapes Programme, the 30by30 target, 2021 performance on protected sites delivery and monitoring, the Peatland programme, and Marine Protected Areas networks.
24. It was noted that the Finance Update paper would be published and discussed in future as part of the public meeting. It was agreed that the finance performance for the year end as noted at the private session would be included as part of July's Board papers.

ACTION: Finance Report to be published with the July public Board papers.

Item 6: Proposed Changes to the Statutory and Legal Scheme (SaLS)

Presenters: Clare Jones, Lead Specialist Advisor, Governance; Victoria Painter, Governance and Risk Manager

25. The Lead Specialist Advisor, Governance gave a brief overview of the content of the paper.
26. The Board considered and agreed to the proposed changes to the SaLS for the Regulatory Business Board.

APPROVED: Changes to the SaLS for the Regulatory Business Board

Item 7: Forestry Strategy

Presenters: Ruth Jenkins, Head of Natural Resource Management Policy; Miriam Jones-Walters, Specialist Advisor, Land Stewardship; Andrew Wright, Senior Specialist Advisor, Plant Health and Research Knowledge Transfer, Land Stewardship; Dominic Driver, Head of Land Stewardship; Elsie Grace, Head of Sustainable Commercial Development

27. The Executive Director of Communications, Customer and Commercial, as joint sponsor of the item, provided an introduction and a brief outline of the planned approach to the discussions.
28. The Head of Land Stewardship explained that there were three items to be considered in light of the overarching themes of integration, pragmatism, and sensitive assertiveness. A pragmatic solution was being sought to NRW's statutory duty and therefore a forestry Regional Advisory Committee (RAC) was proposed. The site visit yesterday had been good and the discussions regarding the pragmatic approach to compensatory planting had been useful. The next steps arising from the strategic discussion in March, and building on that discussion, would be considered, with the focus on the Service Level Agreement (SLA) with WG, prior to moving into the Corporate Plan, and finally the Purpose and Role of the Welsh Government Woodland Estate (WGWE) document. The timeline for this approach would be around two years. The Chief Executive and Chair had been in discussions regarding the approach to governance to ensure that the Board had the correct oversight and input.
29. The Head of Natural Resource Management Policy gave an overview of the paper which proposed the establishment of a forestry RAC and set out the legal and statutory requirements for NRW to have a RAC. It was proposed that this committee would be added to the existing Wales Land Management Forum (WLMF) and established in a way that would integrate with the committee and represent the range of interests included in the Forestry Act. This would be Wales-wide and reflect the economic benefits of managing in a sustainable way. It was explained that one of the reasons for having to address this now was due to the WG Woodland Strategy Advisory Panel being disbanded and replaced by new forestry governance structures.
30. Board members discussed the proposal for a forestry RAC. It was agreed that the name 'Regional Advisory Committee' did not clearly illustrate the purpose. It was suggested that 'Wales Advisory Committee' could be more appropriate. The Head of Natural Resource Management Policy confirmed that the committee could have a different working title.
31. There would be a need to integrate the Terms of Reference of the WLMF and RAC and to ensure that it was easy to find on the website. It was recommended that this should not add to the secretariat burden but would need to be covered effectively. It was suggested that there may be a need to draw across the border for security of membership. The membership of the committee was discussed. It would be important to ensure a balance of membership to cover the range of interests.

32. Board members expressed concerns that new structures were being set up under the Forestry Act of 1967, which would not therefore include consideration of the Wellbeing of Future Generations Act or the Environment Act. It was recommended that it was checked to ensure there were no clashes with this and that this was represented. It was noted that WG would need to look at the whole of the Forestry Act and the wider agricultural area within the next three to five years but as the legislative programme was very full, there was a need to take a pragmatic approach at this time.
33. Zoe Henderson, as Chair of the WLMF, confirmed her support for the proposal and recommended that updates should be regularly reported to the Board in line with the other Board sub-committee updates.
34. The Board agreed to the formation of a forestry RAC linked to the WLMF, subject to clarification of the membership and terms of reference, regular updates to the Board, and a revised name.

ACTION: Secretariat to add updates from the WLMF to the Board Sub-Committee Updates section of the Board agendas.

APPROVED: The formation of a forestry RAC linked to the existing WLMF in accordance with the requirements of the Forestry Act, subject to clarification of the membership and terms of reference, regular updates to the Board, and a revised name.

35. The Specialist Advisor, Land Stewardship provided an overview of the proposed Section 83 approval for endorsement by the Board. In 2020 Section 83 approval was granted by WG for NRW to acquire 350ha of land for compensatory planting for woodland permanently lost to renewable energy developments. Six sites had been acquired, and demonstrated that NRW could carry out the work and deliver on a range of SMNR benefits while working and engaging with stakeholders. That approval was nearing completion and it was estimated that 260ha would be lost in the near future, hence the proposed Section 83 approval in order to mitigate this loss. It was highlighted that this was a small proportion of the land that came to market in Wales.
36. The Board thanked the team for the site visit to the Brownhill woodland creation site yesterday, which had been very useful and informative.
37. Board members raised some of the difficulties that arose from the language used, which implied that the approach referred simply to 'more trees'. It was suggested that this was a whole land management approach and queried whether the narrative on the next set of land acquisition could be changed to reflect this and emphasise the work on land to address climate resilience, biodiversity improvements and recreational benefits. However, it would be important to ensure that the purpose did not become over-broad and dilute.
38. It was highlighted that there was a lot of ambition for a small area and it was queried whether more should be done. It was recognised that there was a balance between public concerns and the nature emergency, and rather than change the language, it would be important to be transparent, accountable and to demonstrate that concerns had been heard and a response provided.
39. The approach to the land at the end of the lease was queried. The Head of Sustainable Commercial Development confirmed that developers would be expected to remove the infrastructure and reinstate the land. However, it was possible for developers to look for extensions to their lease which would then become a commercial discussion.

40. The Board noted the concerns raised by members of the public prior to the meeting on the type of land purchased for woodland creation.
41. Concerns were raised by Board members regarding the removal of land from farming for these types of compensatory planting schemes. It was emphasised that working together with farmers to develop schemes on existing farms would be a preferred way forward. It was suggested that there should not be a move beyond compensatory planting but there should be support for communities to deliver on this, which would therefore help to protect the Welsh language, heritage, and culture.
42. Board members discussed the approach to land use and highlighted that a clear vision for the diversity of land use would need to be developed and that this could help with public understanding. The decision-making process on the approach to land management was discussed. It was recognised that this was part of a broader piece rather than the compensatory planting which was the focus of the paper. It was recognised that the governance around this issue was an important next step and would be considered as part of the next section of the item.
43. The Board agreed to the endorsement of the Section 83 agreement requesting to purchase a further 260ha by the end of 2025/26, subject to ongoing discussions on the approach to land use and purchases and establishing the governance on this issue.

DECISION: Endorsement of the Section 83 agreement requesting to purchase a further 260ha by the end of 2025/26, subject to ongoing discussions on the approach to land use and purchases and establishing the governance on this issue.

44. The Senior Specialist Advisor, Plant Health and Research Knowledge Transfer, Land Stewardship provided an overview of the paper which followed on from the strategic discussion at the March Board meeting on the WGWE. The issues raised included changes in environmental pressures, and oversight and governance. A multi-year approach was being developed which would include a new SLA commissioned by WG relating to the WGWE. The scope of the SLA would be multi-year, covering the period of the Senedd, and be dynamic and flexible, including an annual review. It was proposed to broaden the SLA to cover the NRW Estate as a whole and include a link to commercial activities and timber income. A set of indicators would be needed to review the trends, and the compensatory planting approach could also be considered for embedding. There would not be the capacity to do the whole review in one go, and so it was proposed that the focus should be on the SLA to establish the funding and achieve a long-term budget commitment, with options for the service to be included within this. This would then feed into the new Corporate Plan, and then Purpose and Role document in 2023-24.
45. Board members discussed the content of the report. Concerns were expressed about the timescale pressure for the SLA and the woodland cover issues that had been discussed. There would be benefits from a holistic look at land cover and National Nature Reserves (NNRs) but there were concerns that the SLA could result in tying matters into place before these issues had been addressed. There were also concerns about agreeing an SLA prior to the new Corporate Plan, which had the potential to be transformative. There was a risk that the SLA would not deliver on the climate and nature emergencies.
46. The Chair and Chief Executive confirmed that discussions had taken place on the creation of a Board sub-committee which would consider all the NRW managed land including NNRs. It would be important to consider and establish the membership and start moving forward on this. There would be a need to be pragmatic regarding the

development of the SLA, which was an important part of the Baseline discussions with WG and an item of political focus.

47. The Board supported the proposal to develop a new Board sub-committee and recognised its importance in doing some of the heavy lifting in the approach to land use. It would be important to think about things differently and take an assertive approach to tackling the climate and nature emergencies while working with communities. It was agreed that work on the SLA should continue.

ACTION: The Chair and Chief Executive to develop the governance on the new Board sub-committee on the approach to NRW managed land.

Item 8: Strategic Discussion on Flood Risk Management

Presenter: Jeremy Parr, Head of Flood and Incident Risk Management

48. The Executive Director of EPP introduced the item which had pulled together the themes resulting from the strategic discussion at FRMC. More detailed discussions would follow at FRMC but this was a key point with the developing Corporate Plan, SLA discussions and looking at strategies and policies with WG. WG representatives would be joining the next FRMC meeting to continue the discussions.
49. Julia Cherrett, deputising for the Chair of FRMC, welcomed the addition of the new members of FRMC and the challenge that they had brought on exploring new ideas. The strategic discussion at the recent FRMC meeting had concluded that there were no easy answers and there was a lot still to explore, including partnership working.
50. The Head of Flood and Incident Risk Management gave a presentation to set the context for the discussion. The numbers of properties at risk from flooding in Wales were shared and this was likely to increase by 34% by 2120. This was expected to include big increases due coastal flooding. The context was set within the climate and nature emergencies and delivering on these. It was important to note that there was no single solution to flooding. There would need to be a focus on the integrated catchment planning and community resilience agenda. Examples of Natural Flood Management interventions were shared and it was highlighted that the maps illustrating this could be viewed on the NRW website. The focus of this discussion would be about the continuum, and what could be done going forward, particularly if more WG funding became available.
51. Board members discussed the item and considered the options presented in the paper. It was noted that with the additional funding there could be scope to do more on resilience. There was an important opportunity with the new Corporate Plan to think differently and consider what the level of ambition should be. It was recognised that for legislative and practical reasons the work that was being done should continue, however, it was also important to consider what could be improved upon or done differently. There was an opportunity to develop a good evidence base and proof of concept for the work going forward and look to create transformational change.
52. FRMC members noted that it was challenging for the committee to influence the upcoming programme of works and narrate the decision-making process. This had been discussed at the last FRMC meeting and work was in progress on this issue.
53. Following the reports from the Storm Dennis flooding, it was suggested that the momentum of communication with the Welsh public should be kept going and developed further. The opportunities for opening up the conversations could follow from the work on the Taff catchment, which was noted as a live and challenging example. The review by Prof Elwen Evans of the Section 19 Reports and NRW's Flood Review and the review of

flood infrastructure by the Infrastructure Commissioner would also help to inform the discussions both within NRW and with others.

54. It was highlighted that there were potential benefits from Natural Flood Management Schemes for dealing with the issues of water quality as well as quantity. This would involve a mix of land uses and therefore the incentives and levers would need to be considered. The importance of working with partners to achieve an integrated approach to water quality and quantity issues was discussed. It was recognised that these were difficult and emotive issues, and there was a need to step into the space of difficult conversations. Work was being done through the WLGA around conversations on adaptation.
55. The options in the paper were discussed. It was suggested that an option somewhere between c) and d) would be the way forward as it would be important to continue with work while reviewing alternatives and working in an integrated rather than siloed way. Value for money and what this might look like would need to be considered. Conversations would need to continue with WG. A pragmatic approach would be needed and there could be a need to acknowledge that it would not be possible to continue with everything that had been done previously.
56. Possible approaches to the issues were explored. It was suggested that stronger building and planning regulations would be important, particularly on developments in areas susceptible to flooding. However, the current challenges around Technical Advice Note 15 (TAN15) were noted. Innovation and examples of best practice at both national and international level could be considered. There was the potential for communications around the new Corporate Plan, Forestry and Flood to be developed and taken forward as one big Welsh conversation on these themes. Resource challenges were noted, and prioritisation would be necessary.
57. A framework for a national conversation could be developed with a commission established to enable this to happen across Wales. NRW's strategic oversight role would be important in providing advice to WG in pushing the need for a national conversation forward. It would be important to include the figures for public consideration and long-term investment requirements and scenarios. There would also be a need to consider the existing tools for deliberative democracy and decision-making that included an evidence base presented in an accessible way to facilitate a discussion about values and priorities.
58. Thanks were offered to the Flood Risk Management team.

Item 9: Wellbeing, Health and Safety Annual Report 2021-22

Presenter: Charlotte Morgan, Wellbeing, Health and Safety Manager

59. The Executive Director of Corporate Strategy and Development introduced the Wellbeing, Health and Safety (WHS) Annual Report 2021-22. The Annual Report evidenced the progress that had been made in a number of areas, including securing the ISO 45001 accreditation, to support the WHS agenda, including ensuring that there was strategic senior leadership across the organisation. This strategic leadership included Board engagement on WHS, such as the recent discussion on forestry safety and the engagement with wider sectoral interests. The aim was to continue that focus over the coming year.
60. The WHS Manager highlighted key areas within the report. The positive attitude and professionalism of the team had helped to achieve the ISO 45001 registration to the management of occupational health and safety standard. There had been an increase in incident reporting following the lifting of Covid restrictions and a positive increase in Near

Miss reporting. A positive working relationship and collaborative partnership had been established with the Health and Safety Executive (HSE) and Forestry Commission.

61. Board members discussed the content of the report. It was suggested that the role of the mental health champions should be included along with information on their impact. The WHS Manager confirmed that there were over 90 staff mental health champions who met on a monthly basis and initiatives were put in place following the content of these discussions.
62. The improvements in incident and Near Miss reporting were welcomed. The role of the online portal AssessNET in capturing data trends and lessons learnt from incident and Near Miss reporting was recognised. An active monitoring report on these was included in the information produced. This would be discussed at the next WHS Forums and a breakdown would be considered at the next meeting of PaRC.
63. The serious incidents relating to contractors were discussed. It was queried whether the procurement processes were sufficient to ensure the competency of contractors. The WHS Manager confirmed that there was a procedure and policy in place to ensure that all contractors had to pass a WHS pre-qualification questionnaire assessment which included assessment of the monitoring of their sub-contractors. It was confirmed that support and guidance were offered to contractors as necessary, but they would not be included on the framework if they failed the assessment.
64. The importance of the WHS of the public on the NRW Estate was discussed, particularly in relation to mountain-biking. The WHS Manager confirmed that NRW were involved in the Public Safety Risk Assessment Arena which looked at the Visitor Safety Group principles and there was a process in place to ensure that public safety signage was appropriately assessed.
65. It was queried whether the wellbeing improvements and positive impact offered by the NRW Estate could be included in the WHS Report in addition to the physiological issues. It was confirmed that a number of studies had taken place on the wellbeing benefits of the Estate and it would be important to include these in future reporting.

ACTION: The WHS Manager to add information on the impact of the NRW Estate on wellbeing to the list of items for inclusion on future WHS Reports.

66. The staff survey was discussed. This would be sent out to staff in the autumn. It was noted that it could be difficult to compare the results for pre and post pandemic responses due to a change in the approach to the survey.
67. The Board approved the WHS Annual Report 2021-22 and thanks were offered to the WHS Manager and her team.

APPROVED: The Wellbeing, Health and Safety Annual Report 2021-22

Item 10. Board Forward Look

Presenter: Natalie Williams, Team Leader, Board Secretariat

68. The Forward Look for the July meeting was noted. It was proposed that the meeting would take place over one day. There would then be a separate session on the Corporate Plan.

Item 11: AOB

69. The Chair thanked all those involved in the lunchtime site visit which had been very informative.

70. The Chair informed the Board that Prof Calvin Jones had agreed to chair the newly created Board sub-committee on the approach to land use.

71. The changes to the SaLS for the Corporate Services Business Board had been agreed by correspondence.

APPROVED: Changes to the SaLS for the Corporate Services Business Board

72. The Board approved NRW's Modern Slavery Statement 2022-23.

APPROVED: NRW's Modern Slavery Statement 2022-23

- Board meeting closed -

Item 12. Public Q&A Session

73. The Chair welcomed members of the public and explained the conduct of the session. The Chair invited questions from the public.

74. Members of the public asked questions of the Board and responses were provided.

- Public Meeting closed -

Board Meetings

Action No.	Meeting Category	Meeting Date	Item No	Para No	Paper Sponsor	Action	Owner	Due	Status	Notes/Updates
2	Public	26/11/2020			Prys Davies, Director of Corporate Strategy and Development	ACTION: Executive Director of Operations to discuss with Head of North East Wales Operations having a future discussion with the Board on the 4-hour limit on incidence response.	Gareth O'Shea, Executive Director of Operations South	23/06/2022	Ongoing	Added to the list of potential strategic discussion items, Place presentations, Evidence sessions and site visits. Suggest this is the strategic discussion item for the Sept Board meeting and we delay the theme wrap up on previous strategic discussions to accommodate. Added to Forward Look for November. To be considered as part of the item on Place Presentation cross-cutting themes, moved to July 2022 Board
3	Public	24/03/2021	4	10	Clare Pillman CEO	ACTION: Secretariat to canvass availability for a Board Development Day in July to focus on reflection and future challenges post-Covid.	Secretariat	07/07/2022	Ongoing	The Chair has confirmed that Board Development Days to be on hold until face to face meetings are possible. A suitable date in 2022 to be confirmed.
25	Public	24/03/2022	11	58	Sarah Jennings Executive Director CCC	ACTION: An initial plan on taking the Digital Strategy forward to be developed and brought to a future Board meeting.	Catrin Hornung, Head of Communications and Customer Relations	01/09/2022	Ongoing	On the September Board agenda
36	Public	26/05/2022	2B	3	Sir David Henshaw	ACTION: Actions as a result of the ongoing work on Forestry Safety to be reported to the Board at future meetings.	Gareth O'Shea, Executive Director of Operations	23/06/2022	Ongoing	
37	Public	26/05/2022	4	13	Clare Pillman CEO	ACTION: Secretariat to add an update on the LIFE projects and Natur am Byth to the Forward Look for a future Board meeting.	Secretariat	17/06/2022	Completed	LIFE Projects update added to the Board Forward Look for November. Natur am Byth on the Board Forward Look for January.
38	Public	26/05/2022	4	15	Clare Pillman CEO	ACTION: An update on water quality to be provided to the next Board meeting with a focus on the governance, actions and timetable.	Sian Williams, Head of Operations North West Wales	23/06/2022	Completed	On July Agenda
39	Public	26/05/2022	5	23	Sir David Henshaw	ACTION: Finance Report to be published with the July public Board papers.	Rob Bell, Head of Finance / Secretariat	23/06/2022	Completed	On July Agenda
40	Public	26/05/2022	7	33	Ceri Davies, Executive Director EPP; Sarah Jennings, Executive Director CCC	ACTION: Secretariat to add updates from the WLMF to the Board Sub-Committee Updates section of the Board agendas.	Secretariat	23/06/2022	Completed	
41	Public	26/05/2022	7	46	Ceri Davies, Executive Director EPP; Sarah Jennings, Executive Director CCC	ACTION: The Chair and Chief Executive to develop the governance on the new Board sub-committee on the approach to NRW managed land.	Chair and CEO	30/09/2022	Ongoing	The Head of Governance and Board Secretary to develop the Terms of Reference for the new committee. The Chair to discuss the wider membership of the committee with Prof Calvin Jones.
42	Public	26/05/2022	9	64	Prys Davies Executive Director CS&D	ACTION: The WHS Manager to add information on the impact of the NRW Estate on wellbeing to the list of items for inclusion on future WHS Reports.	Charlotte Morgan, WHS Manager	01/09/2022	Ongoing	

Board Paper

	Paper Details
Paper title:	CEO Report
Paper Reference:	22-07-B07
Paper sponsored by:	Clare Pillman, Chief Executive
Paper Presented by:	Clare Pillman, Chief Executive
Purpose of the paper	Information/Discussion

Introduction

Senior Staff Recruitment

1. I am pleased to say that Sarah-Ellen Stacey has now been appointed as Head of Organisational Development, and that Victoria Rose-Piper has also been appointed as our Head of Business Support Services and Adfywio. Both have been covering these roles temporarily but are now confirmed in their roles permanently. These two roles will have a vital part to play in the delivery of the transformative change we want to see as we look ahead to our next Corporate Plan. The Head of ICT role interviews will take place on 6 July.

External Engagement

2. Face to face engagement continues to grow as we see more and more in-person events being arranged. I enjoyed taking part in the Hay on Wye Festival during the Whitsun break, where Darren Moorcroft (CEO of the Woodland Trust) and I responded to the question of whether trees are the solution to climate change. In June, I also took part in a panel debate chaired by Amber Rudd at the Da Byw Conference in North Wales which explored the future of farming in Wales, alongside Llyr Gruffydd MS, Chair of the Climate Change, Environment and Infrastructure Committee at the Senedd, Teresa Dent from the Game and Wildlife Conservation Trust, Patrick Holden from the Sustainable Food Trust, Sam Rowlands MS, and James Owen, Director Land Management Reform at Welsh Government.

3. I have also had meetings with several key stakeholders, including David Clubb, the Chair of the Infrastructure Commission; Cllr Andrew Morgan, Leader of RCT Council; Chris Llewelyn from the Welsh Local Government Association; and Dr Nerys Llewelyn Jones, Interim Environmental Protection Assessor for Wales.

Communications & Digital

4. Over May and June, the communications team has capitalised on the opportunity to highlight our work to tackle biodiversity decline and the wider nature and climate emergencies. On World Environment Day, we showcased the work of the National Peatland Action Plan and other nature-based solution projects such as the Greener Grangetown and Pen y Cymoedd Habitat Restoration projects.
5. World Oceans Day also provided us with the opportunity to highlight our work across the network of Marine Protected Areas and our ongoing marine recruitment drive. The EU LIFE programme also celebrated its 30th anniversary in May, where we worked with partners to relive and share the successes of the wealth of LIFE projects delivered in Wales during this period.
6. The summer events calendar is now underway. NRW attended the Royal Welsh Grassland event, using the opportunity to meet the agricultural community and partners. We are working with teams across Wales to advise and promote face to face public engagement sessions on a number of consultations and projects.
7. Messaging around responsible recreation, the Countryside Code and accessible cycling and walking trails at our sites continued around half term and Bank Holiday weekends. And with more instances and reports of blue green and seasonal algae, we have been proactive in our external communications to highlight the differences in naturally occurring substances and pollution.
8. Behind the scenes, we also worked closely with National Trust Cymru's communications team to manage messaging around the announcement of the transfer of the management lease of Hafod.
9. Communications around our enforcement activity has continued apace throughout May and June. Several high-profile court outcomes and the sanctions imposed for a range of activities, including waste offences, illegal cockle poaching and gold panning, have secured widespread coverage in regional and national media. Colleagues have also contributed to a range of media features on topics including metal mines legacy and water quality.

Strategic Issues

State of Natural Resources Report (SoNaRR) - Feedback from users and planning for SoNaRR2025

10. It has been fourteen months since the final products for SoNaRR2020 were published. We have listened to feedback on the web pages and made a few changes to help with navigation. There is more to do to help the users find what they need. We are adding relevant case studies to showcase best practice for achieving the sustainable management of natural resources. We have also published an animation to explain SoNaRR main messages on the NRW website.
11. SoNaRR2025 is set up as a project under the Programme Management Office and we are using lessons learned and information gathered from users to start to plan the next report, due in December 2025.
12. Following an online workshop with Welsh Government Policy staff on 16 May 2022 we will look to adapt the format of presenting information in a way which is more meaningful to end users. A preferred format of shorter narrative, sector specific summaries and the ability to drill down into the detailed evidence is emerging from our discussion with officials. There is also support for the development of an outcome and indicator framework for the Sustainable Management of Natural Resources (SMNR). This is expected to lead to the identification of indicators of SMNR to be included within SoNaRR in the future. We will continue the engagement with users as we plan the SoNaRR2025 project and agree the method for the next assessment.

Withdrawal of EDF's marine licence application for dredge/disposal activities

13. On 10 May EDF NNB GenCo (HPC) Ltd withdrew their marine licence application (DML2110) to dispose of capital and maintenance dredged sediment at Cardiff Grounds disposal site from the foreshore of the Hinkley Point C development. This therefore brings the matter to a conclusion for NRW in terms of marine licensing.
14. A recent Judicial Review of the Marine Management Organisation (MMO) determination of a marine licence variation granted to EDF NNB GenCo (HPC) Ltd's (which enabled the disposal of the same dredged arisings to a marine disposal site close to Portishead) was recently dismissed in its entirety by the Courts.
15. EDF have confirmed that dredge/disposal operations recommenced in April to the Portishead (English Waters) site and are progressing well.

16. We have informed Welsh Government (WG) officials of EDF's decision and they have briefed the Minister. All Members of the Senedd and some Local Authority Leaders have also received a written update from Mike Evans, South Wales Central Head of Operations.

WG End-to-End Review of Marine Licensing

17. Following WG's marine deep dive, the review has been commissioned to identify opportunities for improving and streamlining the licensing process whilst ensuring statutory requirements are maintained and the sustainable development of the Welsh marine area. To achieve this objective, it will involve broad stakeholder engagement to consider the perspective of all users and development of an evidence base.
18. The review will take account of work already being delivered in partnership with the marine renewable energy Consenting Strategic Advisory Group (a stakeholder group created by WG) and its Science and Evidence Advisory sub-group to improve the marine licensing process in support of novel and complex marine renewable energy developments. Out of scope: marine licence exemptions; appeals; enforcement of marine licensing.
19. The End-to-End Review is split into five phases, with each phase representing a month in time. Phase 1 was project start up and inception (April 2022). We are in Phase 2 at present (May 2022) although starting to input into Phase 3 on case study selection for an in-depth appraisal. Phase 4 will involve communication of the initial findings and Phase 5 involves the publication of the Review's recommendations. The Review is due to report at the end of September to WG and NRW.

Designated Landscape Programme and potential National Park

20. All pre-commencement work is complete, including developing landscape designation process guidance, initial scoping of the area under consideration, discussions with relevant local authorities, and confirmation of funding from WG. The Board previously agreed in principle to continue with the process once these stages were complete / confirmed. The Protected Areas Committee (PrAC) has now agreed on behalf of the Board the next stage in the National Park work, which is to confirm commencing the overall landscape designation process. This will move NRW to the evidence gathering stage, including undertaking an assessment to determine whether an area in North-East Wales qualifies for designation as a new National Park.
21. The outcome of the assessment stages will be brought back to the Board for consideration and a decision on whether or not to commence the statutory designation process and proceed with a public consultation.

Nuclear – Generic Design Assessment

22. NRW and partners have commenced the first 'official' meeting with Rolls-Royce to discuss their application for Generic Design Assessment or 'GDA' which if approved will provide UK regulators (Office of Nuclear Regulation (ONR), Environment Agency (EA) and NRW) with confidence that any new nuclear power plant built in Great Britain meets high standards for:
- safety
 - security
 - environmental protection and
 - waste management.
23. If approved the design can be 'rolled out' within the UK. The regulators carry out GDA before the power plant has begun construction. This means we can identify any potential regulatory design or technical issues early and ask the reactor designer to address them. Understandably the process is quite lengthy and can take around four years.
24. The Radioactivity and Industry Policy team are fully engaged with the process, and we have a charging agreement in place for the work we undertake. We have held pre-meetings with both Office of Nuclear Regulation and Environment Agency prior and met with the 'Requesting Party' (Rolls Royce) to progress their application. Our policy team is building its resilience and NRW are playing an active role in the process. Rolls Royce have publicly stated they are interested in deployment of their technology at Wylfa and their timescales for construction are ambitious and we may see new nuclear in Wales before 2030 should the design and permit be approved.

Working with Welsh Revenue Authority

25. The Welsh Revenue Authority (WRA) has delegated its functions under the provisions in the Tax Collection and Management Act to NRW in so far as they relate to Landfill Disposals Tax (LDT). This is in accordance with the Memorandum of Understanding (MoU) between the WRA and NRW on working arrangements including the full funding of the NRW LDT Team.
26. NRW is required to provide an annual statement to the WRA that provides assurance on the delivery against MoU delegated duties to enable WRA Board to sign off their accounts. The Chief Executive has sent a letter for the period of 01 April 2021 to 31 March 2022 which confirms NRW continued arrangements as set out in the agreed MoU and that all relevant Key Performance Indicators (KPIs) were met at end of year.
27. The Landfill Disposals Tax working arrangements between our two organisations worked well throughout the pandemic period and continues to work well, demonstrating the professionalism and dedication of our staff and can be hailed as an example for others to follow. Moving forward into the 2022 / 2023 year, we will be revising the

current KPIs to reflect the progress made to date upon unauthorised landfill disposals tax and our increasing focus on work to tackle the misdescription of waste material destined for landfill. The WRA will be releasing their revised Corporate Strategy 2022-2025, which highlights the partnership working with NRW.

Forestry Safety Review

28. We are progressing actions flowing from the Forestry Safety Review discussion at the March 2022 Board meeting. These are brigaded in Land Stewardship Risk 2: Failure to get everyone home safe every day from the NRW Estate." with oversight via Strategic Risk 3, Health and Safety of NRW Staff, NRW Contractors, NRW Visitors & Tenants.
29. We discussed joint work across the state forestry sectors at our recent UK Forestry Directors Meeting, and Dominic Driver has written an article on the conclusions of the Board discussion for the Institute of Chartered Foresters "Trees" magazine.

Operational Issues

Pengwern Vale

30. As part of our Northeast Area Statement work, over the last year we have been working with the Clwydian Range and Dee Valley AONB to engage with community groups and stakeholders in Pengwern Vale near Llangollen. The ambition is to create a vision of how the community can make itself more resilient to the impact of our changing climate and mitigate both the climate and nature emergencies. We have now created a visualisation of the changes the community would like to see over the medium to long term. During the summer we will be running drop-in sessions for locals to look at posters of this vision and feedback what they think. We will then help the community form individual projects and seek funding for them.

Kronospan Public Consultation of consolidated permit

31. We have completed our determination and consolidation of the existing (Wrexham CBC and NRW) permits for the Kronospan site, following the Welsh Government Direction in 2018. We had a duty to ensure that all current activities were thoroughly assessed and comply with Best Available Techniques, before completing our determination. The consolidated permit provides a legally robust baseline for NRW taking on overall environmental regulation of the site.
32. Operations and Permitting staff have been keeping local community groups, Kronospan, Wrexham CBC and politicians updated on progress so far. A four-week public consultation on our draft decision commenced on Thursday 16 June and will run until Sunday 17 July. The site is of high public interest and so we are expecting significant interest in this milestone event, as NRW prepare to take over sole regulation of the site from Wrexham CBC. A Communications Plan has been developed and actions include face-to-face drop in events held over two days.

Working with Dŵr Cymru/Welsh Water (DCWW) on Improving Reservoir Safety

33. As managers of the Dee Regulation system, we are working closely with DCWW to support the delivery of important Measures in the Interest of Safety (MIOS) at Celyn reservoir. To enable safe delivery of this work, there is a need to reduce levels in the reservoir and maintain them throughout the period of work. Work is due to begin in Autumn this year and will continue over the winter and into 2023. The Hydrology and Water Resource Management team who manage the day-to-day operations on the Dee have had to determine how to achieve and maintain these lower reservoir levels while not impacting on the environment and public water supply and how it may affect the management of flood risk and other stakeholders such as recreational users. The proposed operational plan has been shared with the Dee Consultative Committee and the reservoir drawdown plan will be implemented to enable Welsh Water to complete their safety work.

Reservoir Telemetry Project

34. Work is taking place at a number of NRW reservoirs to improve monitoring and safety as part of the reservoir programme. Installation of CCTV and hydrometry and telemetry along with access steps, paths and improved security is taking place at key reservoir sites across north Wales. This will allow duty offices and asset managers to identify whether there are any potential problems at our reservoirs and whether there is a need to visit the site to inspect reservoir condition, record water levels and instigate emergency procedures if required.

Kenfig Nature Reserve

35. The Kenfig Corporation Trust (KCT) and Natural Resources Wales (NRW) have signed a five-year management agreement to protect the many rare species of wildlife at Kenfig National Nature Reserve (NNR).

36. The reserve is an exceptional site in conservation terms, comprising about 1,300 acres of managed sand dunes and wetlands on the coastline of South Wales between Porthcawl and Port Talbot.

37. It supports, arguably, one of most important sand dune systems in the UK with a significant population of the extremely rare fen orchid. The site also includes the clear waters of Kenfig Pool which, at 70 acres, is the largest natural lake in South Wales. Management of the site reverted to KCT following the end of Bridgend County Borough Council's management lease in January 2020. KCT as landowners and NRW as custodian of the Welsh landscape have been working closely to put in place arrangements to manage the protected site. The agreement includes work to manage the grazing of the site by livestock and controlling vegetation growth to maintain a mobile dune system – important for rare dune wildlife to thrive.

Formal reopening of the Cwmcarn Forest Drive

38. Dignitaries have been invited to celebrate the official reopening of Cwmcarn Forest Drive, on 6 July 2022, a year after it was reopened to the public to enjoy.
39. The site has been transformed as a result of a successful collaboration between Caerphilly County Borough Council, Natural Resources Wales and the local community. The forest drive itself had been closed for six years as we dealt with *Phytophthora Ramorum* at the site. The refurbishment of the drive, which included resurfacing the drive, improving safety of the site, and upgrading car parking areas represented an investment of over £2m from NRW.
40. Cwmcarn Forest now boasts a wide range of new and improved facilities including the new-look Forest Drive, state-of-the-art accommodation, and an award-winning visitor centre, all set within the beautiful backdrop of mixed woodland, lakes and common land, where visitors can enjoy breath-taking views over the Severn Estuary, and the iron age hilltop fort of Twmbarlwm.
41. The event will offer an opportunity to have a guided tour of the site and hear how the areas are used by thousands of visitors each year.

Internal Business

Internal Governance

42. The Executive Team took steps to further strengthen our internal governance arrangements in April in their approval of three key documents. As these arrangements become fully embedded, it is hoped that they will provide a source of advice and a steer for staff on robust decision-making and record-keeping, so we can evidence sound, conscientious decision making at all levels of the organisation, safeguarding NRW in the face of potential challenge.
43. Our Governance Operating Model (GOM) is the framework for decision making at NRW. Collectively, our decision-making 'framework' of documents aim to facilitate and embed good governance around decision-making at an organisational level by:
- Providing advice and guidance as to how to reach robust decisions and how to evidence this
 - Providing clarity as to who has authority delegated to them to approve key business documents (Delegated Authority Schedule)
 - Providing clarity as to who can make decisions/approvals in relation to the Statutory and Legal framework in which we operate (SaLS)
 - Providing clarity as to who can make financial and legally binding contractual commitments (MoM)

- Providing clarity as to who should be Responsible for, accountable for, consulted with and informed about certain key decisions (RACI)

44. The Delegated Authority Schedule is a further, new component within our Governance Operating Model that provides clarity as to whom the Chief Executive has delegated authority to within the organisation to approve key documents such as strategies, policies, and guidance.
45. It sets out a schedule indicating which groups of role holder/ individual role holders to whom authority has been delegated, to approve key business documents, in the areas of the business noted. The document should be read and used in conjunction with the principles of delegation set out within the GOM.
46. Distinct from the framework document with Welsh Government, our new governance Framework does not replace existing documents setting out our legal responsibilities, such as the Statutory and Legal Scheme (SaLS) and therefore does not provide an exhaustive list of legislation relevant to our work. Our Governance framework is an internal document that sets out the strategies, governance policies, decision-making structures, and accountabilities through which our governance arrangements operate.
47. The governance framework sets out the roles, responsibilities, and procedures for the effective and efficient conduct of the business and minimises risk to the organisation.

#TeamNRW Day

48. On 15 June 2022 we held our fourth #TeamNRW Day – our first face to face event since the pandemic. The brief was to provide a space for people to rebuild connections, celebrate our achievements and to look to the future, with a focus on ensuring the event was also meaningful for an online audience.
49. The day, bookended by formal speeches and award ceremony, was designed to be informal and create a space for conversation and engagement, with some talks available for those who wanted to take part. There was a strong online content throughout the day featuring live links with sites across Wales and interviews with attendees broadcast live.
50. The formal part of the day featured an address from Baroness Tanni Grey Thompson who joined us live online and built on the themes explored in Sir David's and my speeches. It was great to have Tanni join us and the feedback on her speech has been fantastic.
51. We also announced our #TeamNRW Award winners featuring a new special recognition award (Diolch) where we look for people outside of NRW worthy of recognition. This year we said 'Diolch' to Phil Thomas who has been measuring rainfall every month for the past 20 years.

52. We estimate around 400-500 people attended in person with a further (circa) 300 people joining online. We will be doing further evaluation but the initial response from attendees and some who dialled in being incredibly positive. This summed up the impact the day had – ‘NRW is a great organisation to be part of, not least because of its great people!’

Renewal

53. The Renewal programme had a strong presence at #TeamNRW day with each workstream having a stand and engaging with colleagues. Our Facilities colleagues displayed a series of design concepts for hybrid workspaces, which was well received by all. The next step is to trial some of these flexible spaces in our offices.

54. Fleet colleagues provided a practical introduction to Electric Vehicles with two of our NRW Nissan Leaf’s being used to give demonstrations.

55. Our transport workstream has delivered two contracts for supply of Hydrogenated Vegetable Oil (HVO) fuel for use in our plant. This replaces red diesel and reduces CO₂ emissions by up to 91% when compared to diesel.

56. Social distancing in our offices and depots will be eased over the coming months. Facilities Teams will use the British Occupational Hygiene Society’s ventilation tool to update building assessments and take the necessary mitigation actions required to ease restrictions.

Forward Look

Monday 18 - Thursday 21 July – Royal Welsh Show

Saturday 30 July - Saturday 6 August – National Eisteddfod, Tregaron

Wednesday 17 August – Board Update Call

Thursday 8 September – Audit and Risk Assurance Committee

Tuesday 13 September – People and Remuneration Committee

Thursday 15 September – Finance Committee

Tuesday 20 - Thursday 22 September – NRW Board Meeting

Paper Title:	Audit and Risk Assurance Committee (ARAC) Update
Paper Reference:	22-07-B08
Paper Sponsored By:	Catherine Brown - ARAC Chair
Paper Presented By:	Catherine Brown

Purpose of Paper:	Information
Recommendation:	To note the update

Issue

1. This paper provides an update to the Board following the ARAC meeting on 9 June 2022. The minutes from the meeting can be made available to any Board member interested.
2. Issues that in the opinion of the ARAC Chair should be brought to the attention of the whole Board are highlighted below.

Update

Draft Annual Report and Accounts (2021-22)

3. The Committee reviewed the information submitted in support of the Annual Report and Accounts to ensure its compatibility with the financial reports and also that it materially aligned with our understanding of the organisation's position.

Finance Report

4. The Committee were updated on the findings of the review carried out into Memorandums of Agreements and the arrangements being put in place to deal with non-compliant partnership arrangements and will be further briefed at their next meeting
5. A full report will be provided to ARAC in September 2022 on the issues associated with the implementation of the new laboratory system and organisation learnings from it.

Annual Senior Information Risk Owner update

6. A vast amount of work had been undertaken during the course of the year and ARAC thanked all those involved.

7. The Committee have requested that consideration be given to an audit across the organisation around the application of the records management policy, in order to understand what can be done to help improve compliance.
8. The Executive Director of Corporate Strategy & Development is also considering the most appropriate forum and timing for a Board discussion on data quality.

Risk Management and Corporate Governance update

9. A quarterly Risk Management update was provided to ARAC. As part of the next update the Committee have requested:
 - further information around the process that is in place for identifying and feeding issues into the Business Board Risk Registers;
 - a summary of the risks associated with the under delivery of the Capital Programme for reservoirs and how the impacts from any underspend will be addressed.

Organisational Assurance Mapping Exercise update

10. ARAC were provided with an update from representatives of Deloitte in relation to the work being undertaken around assurance mapping which aims to secure improvements across all areas of the organisation.

Internal Audit update

11. Whilst an improved position on 2020/21, the draft Internal Audit Annual Opinion for 2021/22 is that assurance over controls remains "limited". Further work is required to deliver planned improvements around governance, risk and control in order to achieve a moderate internal audit opinion. It was nonetheless recognised by ARAC that there was continuing progress, and everyone was keen to build on the good work by staff and managers to date to keep building on the progress that has been made.
12. The Committee reviewed five Internal Audit Reports. Four of which offered a moderate internal audit opinion (*The Land Agency Function; Waste Permits; Quality of Sample Monitoring for Freshwater Chemistry and Ecology and; Commercial Development - Energy Portfolio Delivery*).
13. The Key Stakeholder Engagement Audit Report offered a moderate assurance opinion with regards to the customer stakeholder group and a limited assurance opinion in respect of the overall organisation. ARAC welcome the pragmatic approach taken by Internal Audit on this occasion and wishes to note that the report has identified that this area requires stronger strategic Board leadership.
14. ARAC will review the Whistleblowing Audit Report, which is currently expected to offer a limited assurance opinion, in July 2022 once Management have had the opportunity to consider the findings.
15. The Committee requested that consideration be given to some form of performance indicator for reducing the documentation burden within NRW, to ensure that documents are fit for purpose and they are capable of being used effectively.

Closed Session

16. ARAC members held their annual closed session with the Accounting Officer.

NRW Board Paper

Date of meeting:	13 th July 2022
Title of Paper:	Evidence Advisory Committee (EAC) Update
Paper Reference:	22-07-B09
Paper sponsored by:	Peter Rigby – EAC Chair
Paper presented by:	Peter Rigby
Purpose of the paper	Information
Summary	To note the update

Issue

1. This paper provides an update to the Board following the Evidence Advisory Committee (EAC) meeting on 7th June 2022. The minutes from the meeting can be made available to any Board member interested.

Update

Standard Committee Business

2. EAC had their first meeting in person.
3. Dr Tom Nisbet and Professor Melanie Austen had been appointed as new members of EAC.

Behavioural Insights and Pollution from Construction

4. EAC were presented with an overview of the ongoing work in South Central Wales to reduce pollution as a result of construction. The Committee discussed the approach and next steps for the Behavioural Insights team. The pressures identified in the wider system were also discussed.
5. EAC suggested that research could be conducted into the practices of companies and developers to identify problematic practices, but also how they would avoid pollution.

Adaptive Management

6. An overview was provided of NRW's Adaptive Management and the next steps. EAC discussed the evaluation of the need to articulate the risks involved and whether a risk management approach was required. How to communicate adaptive management to affected communities was also discussed, as well as the opportunities for learning both organisational and within individual teams and projects.
7. Examples were provided of case studies within protected areas and Net Zero was highlighted as an example of where adaptive management was important.

NRW's Evidence Research Reports

8. EAC were presented with an overview of the latest research on natural flood management (NFM) and how it would be used to inform future flood risk and land management policies using a combined and collaborative approach.
9. An overview of sustainable land management was also provided and outlined NRW's role as a land manager. The Committee discussed the evidence for small catchments and floods; the need to consider the biodiversity benefits; and how to incentivise the expanding woodland to gain multiple benefits.

NRW's Approach to Citizen Science

10. EAC discussed the potential benefits to NRW from working with citizen science groups, such as: engagement and education; wellbeing; generating useful data; development of citizen science methods; and support. There were discussions for NRW to develop a partnerships with appropriate organisations.
11. The issues identified when working with citizen science were outlined and there were plans to work with scientists to deliver the wider benefits and receive high quality data. The Committee also discussed the nature of the evidence produced; the extent to which it was essential to synthesise evidence; and how the benefits would be captured.

Open Science Data

12. An overview of Open Science Data, including the statutory obligations to relevant legislation was presented. NRW data was published in a number of places such as: DataMap Wales; Data.Gov.UK; and WG's new portal for publishing new metadata. There was an opportunity to showcase the use of the data, including how it would drive and inform environmental change. Additional case studies and opportunities would be developed on the Wales Digital Data and Technology blog.
13. EAC discussed how NRW could improve access to academic data and identify areas of improvement. The Committee suggested that the teams could reach out to the Open Research team in the Open University to discuss the challenges faced.

Peatland Programme

14. EAC discussed the proposals to upscale the Peatland Programme; including how to measure and demonstrate the service delivered around the key outcomes. An overview

was presented on the recent progress on the restoration activity and the upscaling challenge. The Committee also discussed how the programme could be extended to other forestry bodies in the UK and be done as a collaborative approach.

EAC Governance / AOB

15. An update had been provided regarding Environment Platform Wales and a further update regarding academic engagement would be brought back to EAC in October.

Board Paper

Paper Title:	Finance Committee update
Paper Reference:	22-07-B10
Paper Sponsored By:	Sir David Henshaw - Finance Committee Chair
Paper Presented By:	Sir David Henshaw

Purpose of Paper:	Information
Recommendation:	To note the update

Issue

1. This paper provides an update to the Board following the Finance Committee meeting on 10 June 2022.

Update

Baseline Exercise update

2. An update was provided on phase three of the Baseline Exercise work including the progress that had been made around the evolving work streams, the approach taken around defining Service Level Agreements and developing an Invest to Save bid.
3. The Committee offered various feedback that would strengthen the information being prepared for Welsh Government, to assist them with their decision making around where they would like NRW to focus its efforts and the service levels that could be provided.
4. A high level summary of NRW's budget for 2023/24 was also provided and the Committee discussed some of the immediate pressures that were facing the organisation.

Annual Report and Accounts 2021-22

5. The Committee reviewed the draft Performance Report section of the Annual Report and Accounts.

Strategic Review of Charging

6. Committee members were updated on the Strategic Review of Charging programme and some of the proposed fees that were being considered. Following a discussion the

Committee recommended pursuing full cost recovery, given that the organisation had been significantly under recovering for some time.

Programme Management Office update

7. An update was provided on the work of the Programme Management Office (PMO), including performance during 2021/22 and the ambitions going forward. The Committee suggested that the wider Board may also find it helpful to receive a brief update on the aspirations of the PMO.

Contract Management Support Service update

8. The Committee were updated on the recently launched Contract Management Support Service (CMSS), including the progress that had been made to date, the immediate priorities for the CMSS and any areas of focus in the longer term.
9. The Finance Committee will continue to be updated on the work of the CMSS until this area of the organisation is embedded.

Board Paper

Paper Title:	People and Remuneration Committee (PaRC) Update
Paper Reference:	22-07-B11
Paper Sponsored By:	Julia Cherrett - PaRC Chair
Paper Presented By:	Julia Cherrett

Purpose of Paper:	Information
Recommendation:	To note the update

Issue

1. This paper provides an update to the Board following the PaRC meeting on 24 June 2022. The minutes from the meeting can be made available to any Board member interested.
2. Issues that in the opinion of the PaRC Chair should be brought to the attention of the whole Board are highlighted below.

Update

General Update

3. The Committee were provided with an update on People and Remuneration Committee (PaRC) issues by the Executive Director of Corporate Strategy. This included:
 - The change in the structure of People Management which had been rebalanced now the new Head of Organisational Development was in place. Learning and Development was now under the Wellbeing, Health and Safety Manager.
 - The new roles that had been created from additional budget were outlined. Additional funding had also been allocated for ICT systems and for issues that had arisen from specifically the People Strategy and strategic risks brought to PaRC.
 - The People Transformation Programme which would be a programme of change providing a holistic approach. The newly appointed Programme Manager would ensure that there was good governance and structure, and that the customer and NRW's values were the focus.

4. PaRC welcomed the new structure and the appointment of the Programme Manager. PaRC asked that key vacancies were recruited early to ensure there was overlap between the new and old post holder.

Management Information/ Sickness Absence

5. The Committee were provided with the figures for Management Information and sickness absences.
6. Committee members discussed bench marking with other organisations for roles that were particularly difficult to recruit for and to ensure NRW were competitive.
7. The Committee discussed sickness absence and it was noted that as an organisation NRW were below the average sickness rate for the Public Sector and Wales. The discussion included how to train managers to deal with sickness and the challenges of a hybrid environment. The recent trend for organisations to focus on wellbeing rather than the sickness absence was noted.

Wellbeing, Health and Safety Update

8. PaRC were provided with an update on the Wellbeing, Health and Safety Interim Report. There had been an increase in mental health referrals, but this had been seen as a positive as it indicated that people felt they could reach out for help. There was an update on the Public Health Wales Health Standard reassessment and there had been a page set up to signpost staff to financial wellbeing assistance.

Learning & Development including ISO 45001

9. The Wellbeing, Health and Safety (WHS) Manager provided PaRC with the overview of the learnings of the ISO45001 standard and reminded PaRC of the non-conformities and the results after a revisit by the auditors. The WHS Manager outlined the development plan for the Training team at NRW.
10. PaRC welcomed the Plan and noted that progress was being made.

Adfywio/ Renewal Programme

11. The Committee were provided with an update on the Adfywio Programme and specifically the Supporting Staff workstream. PaRC were also updated on the development on the easing of social distancing restrictions on offices.
12. The Committee raised issues such as contracts for different types of workers within NRW, how productivity was being thought about and measured, and the benefits and draw backs of home working.

Welsh Language Annual Report

13. PaRC welcomed the Welsh Language Annual Report. There had been some progress made although capacity was still an issue and this would need to be considered if there was to be an ambition beyond compliance in this area.

14. PaRC suggested the team should be more assertive in asking the Board to show leadership in this area, but also suggested ways to get more people involved in prompting Welsh.

Review of Risk

15. PaRC were asked to review the Risk and Risk Appetite Statements for the People risks at NRW: SR10 – Resourcing (including recruitment); SR06 – Staff Resources (Capability); SR03 – Health and Safety of NRW Staff, NRW Contractors, NRW Visitors and Tenants.

Customer Experience & Engagement Strategy Six-monthly Update

16. PaRC were provided with the six-monthly update on progress on the Customer Experience and Engagement Strategy. The work had been considered in a more holistic way across Digital, ICT, and Organisational Development and was being driven through the customer lens. Other updates were provided on the Customer Hub restructure, the Tone of Voice Programme, and the Customer Journey Mapping work. PaRC also discussed the recent Perceptions Audit.

Internal Audit Item

17. The three recent audits were outlined which included managing: Poor and Negative Behaviour; Training, Learning and Development; Corporate Culture. It was noted that extra resource had been confirmed and work was continuing on the Workforce Planning Audit. This would continue to be reported as part of the People Transformation Programme. PaRC were asked to note the progress being made.
18. PaRC noted the progress and thanked the Head of Internal Audit for her engagement with Leadership Team Group generally and on assurance issues.

Revised Terms of Reference Approval

19. PaRC agreed broadly with the revised Terms of Reference, but there would need to be further discussion on some areas.

Annual Remuneration Report

20. PaRC considered and endorsed the Annual Remuneration Report.

PaRC Governance

21. PaRC considered the forward look and agreed to a change in approach, so upcoming agendas would deal with issues in strategic groups rather than as individual items.

Pay Policy Statement

22. PaRC considered and endorsed the Pay Policy Statement.

Board Paper

Paper Title:	Protected Areas Committee (PrAC) Update
Paper Reference:	22-07-B12
Paper Sponsored By:	Rosie Plummer - PrAC Chair
Paper Presented By:	Rosie Plummer
Purpose of Paper:	Information
Recommendation:	To note the update

Issue

1. This paper provides an update to the Board following the PrAC meeting on 21 June 2022. The meeting minutes are available on Diligent for access by all Board members.
2. Arising from the meeting and to keep the Board informed, the Chair provides an update on matters the Committee has discussed, including any matters for particular attention.

Update

Integrated Designated Landscapes Programme

3. PrAC were advised that funding had been confirmed by Welsh Government (WG), over a three-year period to proceed with the work associated with the proposed National Park. In due course it is expected that NRW will need to recruit to key roles to deliver the work required. This includes establishing and commencing the landscapes designation assessment process, as well as evidence gathering to determine whether the potential area would be suitable as a new designation.
4. Training for Board members around their roles and responsibilities during the assessment and determination process will be arranged so as to include new Board members currently being recruited.
5. The Committee noted the importance of the NRW Board being sighted on the range of issues and opportunities that may impact the work, in order to properly judge how to take matters forward. Other important considerations currently underway include the Biodiversity Deep Dive, the review being carried out in response to the Glover Report, progression of the Sustainable Farming Scheme, and the prospects for extended green energy installations. All have potential implications for the designation process considerations, and for Wales' protected landscapes more generally.
6. PrAC consider it important that NRW's role and remit in respect of potential designations and during this process be clearly articulated to stakeholders and in public forums. As such, it has requested that NRW's Specialist Solicitor provide some wording

to clarify NRW's position as an independent objective advisor, tasked with gathering and evaluating the evidence and accordingly making a recommendation to WG on the suitability or otherwise of any area as a new National Park. The final decision for which rests with WG.

Other matters

7. During the meeting, the Committee received updates on a number of programmes underway, many of which are interlinked, including:
8. The Biodiversity Deep Dive being led by WG. PrAC noted that without associated investment there are risks as to whether real change to address bigger, systemic issues can be effected.
9. The 30 by 30 target, around conserving and effectively managing 30 percent of the world's land and sea areas by 2030, and the recommendations within the British Ecological Society Report on the change that required to achieve the target.
10. The opportunities and issues that may arise following the consultation exercise in relation to the Nature Recovery Green Paper.
11. The programme of work associated with the Biodiversity and Ecosystems Resilience Fund - Nature Networks for 2021-22 and 2022-23.
12. The Terrestrial Monitoring Programme within NRW, ongoing progress and the strategic work being undertaken.
13. The Marine Protected Areas Network Completion Project being carried out on behalf of WG. It was noted that following some delays with the Project, this has now officially been paused until the conclusion of the Biodiversity Deep Dive can inform any recommendations.
14. An update on the Peatland Programme and its implications for Protected Areas was also received.
15. Presentations were received on the special features and designations for each of three recently approved Sites of Special Scientific Interest:
 - Malthouse Grasslands & Little Hills Farm SSSI, Swansea;
 - Mynydd Epynt SSSI, Powys;
 - Chwarel a Mwyngloddfa Penarth SSSI, Denbighshire.

PrAC took particular note of the specific challenges and opportunities associated with the designation process on each site and for managing their particular circumstances and features.

16. No protected sites notification meetings are planned for the remainder of 2022. Protected Sites Legal Training for PrAC members will be held in February 2023, to coincide with the provisional arrangements for any protected sites notification requirements as well as the recruitment of any new Board and committee members.
17. NRW's Specialist Solicitor, who routinely attends PrAC and is well sighted on its business has been asked to update PrAC in October 2022 on legislative changes and prospects that have implications for the Committee's remit.

Board Paper

Title of Paper:	Wales Land Management Forum Update
Date of meeting:	13 July 2022
Paper Reference:	22-07-B13
Paper sponsored by:	Zoe Henderson, WLMF Chair
Paper prepared by:	Marc Williams, Specialist Advisor: Agriculture
Paper presented by:	Zoe Henderson, WLMF Chair
Purpose of the paper	Information

Wales Land Management Forum

1. The Wales Land Management Forum (WLMF) meetings take place four times per year, and they provide an opportunity for Natural Resources Wales (NRW) and other WLMF membership organisations to share information, identify common interests and work together in a collaborative way on strategic land management issues.

[Natural Resources Wales / Wales Land Management Forum](#)

Update

6 June 2022 Meeting

2. Last year a themed workshop was planned for the WLMF with a focus on Climate Change and with that success another workshop was organised for this meeting with soils as the main theme.
3. There were a range of presentations and discussions from Confor, the National Peatlands Action Programme, Farmers' Union of Wales (FUW), Farmer-led project funded by the Agriculture and Horticulture Development Board (AHDB) and the Biotechnology and Biological Sciences Research Council (BBSRC), and the PROSOILplus Project by the Institute of Biological, Environmental & Rural Sciences (IBERS), Aberystwyth University. All these presentations provided different perspectives along with recent research that has been undertaken across the range of land management regimes in Wales. Soils are becoming an increasingly important topic as a value for the production of food and fibre, for biodiversity and to help mitigate climate change is being recognised.

4. The first presentation covered soil conservation from a forest operations perspective. The three areas to be considered for soil conservation include planting, harvesting (this can cause the most damage to soils), and the re-stocking operation to reduce the overall soil disturbance and retain carbon. Opportunities for training and development in the forestry sector were recognised as needed.
5. The second presentation covered the National Peatland Action Programme, which was launched in 2020. This programme will help to manage existing peatlands and restore the carbon sequestering condition – as well as helping to slow the decline in their loss. There will be an opportunity to integrate the programme into the forthcoming Sustainable Farming Scheme (SFS) and Payment for Ecosystem Services (PES) such as the Peatland Code. The programme has established a Development Grant for future peatland restoration projects for landowners and organisations.
6. The FUW presentation focussed discussions around three themes including cross compliance and regulation, soil management to optimise crop growth and business profitability, and carbon storage and future markets. They recognise that the key message is the need to value, maintain and protect the existing huge carbon stores in soils, as opposed to being focused solely on increasing sequestration.
7. There was a presentation on a project that was instigated by and co-designed with a group of livestock farmers in Wales. The group of farmers wanted to enhance the sustainability and resilience of livestock production relying on grassland whilst maintaining ecosystem services such as carbon sequestration and biodiversity provision. The project has raised more questions than answers. However, it has created a benchmark to move forward into further research and to explore the historic data that is available. The final report was published in May 2022.
8. The PROSOILplus Project, led by IBERS in Aberystwyth University, has an aim to safeguard soil and optimise nutrient use efficiency from soil on livestock farms in Wales. The project supports farmers to work together to develop innovative soil management practices. The research work is conducted at controlled sites at IBERS for science validation. This approach strengthens the links between agriculture, research and innovation.
9. Once the meeting minutes have been reviewed and formally agreed by members, they are published on the WLMF page on the NRW website.

WLMF Sub Group on Agricultural Pollution

10. The primary purpose of the Group is to identify opportunities to eliminate agricultural pollution in Wales whilst maintaining a thriving farming sector following five key themes (advice & guidance, voluntary approach, regulation, innovation, and investment), and working in collaboration with a range of agricultural and environmental stakeholders.

[Natural Resources Wales / The Wales Land Management Forum Sub Group on Agricultural Pollution](#)

Update

25 April 2022 Meeting

11. NRW provided an overview of the Water Quality Improvements for the Special Area of Conservation (SAC) River Project as well as an update on the creation of the Nutrient Management Boards across the failing SAC rivers. Work is ongoing with Dŵr Cymru Welsh Water (DCWW) looking at source apportionment on a whole catchment basis and reports are due to be published at the end of August. There was an ask to the WLMF Sub Group members on how they can contribute with this work.
12. The Country Land and Business Association (CLA) gave a brief overview of the CLA Nutrient Neutrality Guidance Note which has been shared with their members and the document is still being updated as the situation changes. The overall purpose of the note is to give members a legal context, explain the problem in reasonable detail, identify all the key catchments that are affected and what it means for members if they trying to develop some of their buildings. There are concerns amongst CLA members with phosphate issues and nutrient neutrality requirements.
13. Welsh Government continue to work on the Frequently Asked Questions (FAQ) document for Tenanted land associated with the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021.

16 May 2022 Meeting

14. This was our first in-person meeting since the start of the lockdown. Due to the continuation of the Avian Influenza all-Wales Prevention Zone, a site visit to a poultry farm could not be undertaken.
15. The Wye & Usk Foundation provided a presentation on the work that they are currently undertaking with farmers including a discussion about some of the challenges, issues and risks encountered with poultry farms.
16. The outcome of the Judicial Review related to the Control of Agricultural Pollution Regulations had been announced. Work will continue on the proposed Alternative Measures by the WLMF Task and Finish Group.
17. The in-person meeting was an opportunity for the members to review the WLMF Sub Group aims and to discuss the direction of the group, agreeing future common goals.
18. The next WLMF Sub Group newsletter is being collated and will be published ahead of the Royal Welsh Agricultural Show.
19. Once the meeting minutes have been reviewed and formally agreed by members, they are published on the WLMF Sub Group page on the NRW website.
20. The next WLMF Sub Group meeting is 11 July 2022, to discuss the work currently undertaken by the WLMF Task and Finish Group on Alternative Measures.

NRW Board Paper

Date of meeting:	13 July 2022
Title of Paper:	Finance Performance Report
Paper Reference:	22-07-B14
Paper sponsored by:	Rachael Cunningham, Executive Director of Finance and Corporate Services
Paper prepared by:	Rob Bell, Head of Finance, Andrea Morgan Business Finance Manager
Paper presented by:	Rob Bell, Head of Finance
Purpose of the paper	Endorsement (Approvals) / Discussion (Financial Performance)
Summary	<p>To approve:</p> <p>Managing our Money Amendment - Covid-19 Payments in Advance (removal).</p> <p>To consider</p> <p>Financial performance to the end of May 2022.</p>

Background

Financial Performance to 31 May 2022

1. May's financial performance is compared to the latest forecast, which remains at £241.9m, and is the same as the original budget that was approved by the Board at its meeting in May.
2. Income at the end of May was £45.6m in line with the forecast to date. Expenditure was £27.9m against a forecast of £28m. Expenditure is as expected at this time of the year. The same time last year, we had expenditure of £26.1m.
3. The Finance Report has been amended to provide more detail on progress across the different types of expenditure and programmes. Annex A summarises the key messages in respect of:

- Performance to end of May 2022.
- Commentary by exception on how we are progressing against budget for the different types of expenditure.
- Forecast changes.

This is the first report of the year in this new format, and we are still in the process of making improvements. Over the next couple of months, we will develop the narrative descriptions of variances to date, include an analysis of non-staff costs and make further adjustments to the 'RAG' (Red Amber Green) rating.

4. Key messages regarding our income budget are:

- Income budget for Grant in Aid includes the temporary funding promised from Welsh Government (WG) of £7.3m based on evidence of need. In the next iteration of the budget report the forecast will have reduced by £0.3m as we made more progress on LIDAR last year than expected, meaning we need less funds in 2022-23.
- Timber income is £6.3m and in line with budget. At this early stage in the financial year, that gives us confidence of achieving the £40m included within the budget.
- The budget does not yet reflect the sale of Forest Holidays – we will be discussing with WG whether some of those funds will be re-invested into recreation priorities in NRW and / or offset against the additional Grant in Aid provided by WG.
- The budget includes a bigger programme of externally funded projects this year.
- All subsistence charges have been issued for the financial year and we expect no significant variance to the original budget.

5. Key messages regarding our expenditure budget are:

- All profiles have now been processed on MyNRW with just a couple that need to be adjusted during the remainder of June. Finance have supported Directorates in compiling their profiles.
- Staff – spend to the end of May was £16.7m against a budget of £17.1m. The underspend is reflective of staffing levels running at a vacancy rate of approximately 10% against a budget of 6% although a considerable amount of the vacancies is in ring fenced project related posts. Directorates can re-prioritise due to the impact that vacancy level will be having on delivery taking into consideration the funding source.
- Non-Staff budgets – overall budget is fairly similar to last year's with a lot of fixed costs included. It does also include more variable elements such as Forest Operations – and the budget has been set at a similar level to spend over the last few years. We are slightly ahead of budget at the end of May and will re-forecast any significant risks in June / July.
- Overall, we have £70.2m budgeted for capital and revenue projects – 26% more than we spent last financial year (£55.6m).
 - Flood Capital Programme – the current level of over-programming is just £2.5m and indications at this stage are that we will not require the current level of funding allocated by WG. This is being considered by the Head of Flood at the moment and could lead to a reduction in funding this year of up to £5m. Within the programme we were commencing delivery of schemes at

Stephenson Street (Newport) and Ammanford (Carmarthenshire), with work likely to continue beyond this financial year as these are complex and substantial projects. For both projects we were unable to satisfy ourselves that the tenders offered value for money. We are now looking at procuring through Sell2Wales. We have taken account of the relative risks within the wider programme to inform our approach on how much funding to release, we have included a scenario of losing a further 20% of our programme in that thinking. A more detailed report will be considered by the Flood Risk Committee on 1 July (before the Board).

- Non-Flood Capital Programme – 3rd year of this programme; progress is slightly ahead of plan - £1m spend against budget of £0.8m. We are still awaiting the signed grant offer letters and anticipate using the full year budget.
- Externally funded projects – we now have several projects in progress at the same time, resulting in an overall budget of 8.5m.
- ICT D&I budget is currently £6.4m, with spend to date of £0.3m.

6. Contained within the expenditure budgets are:

- Undistributed project budgets of £0.6m (revenue). This is mostly due to project budgets allocated that have not been assured and therefore project codes not allocated.
- Undistributed salary budgets of £5.7m. This is due to a provision for the pay award (£1.6m), budget to be distributed for additional marine posts pending WG confirmation of the business case (£0.7m), and budgets approved for posts not yet created (£2.5m). There is still a further balance in the salary budget which is sensible to retain whilst inflation levels are still so high and there are further staff falling into the incident management rota which could incur further compensation payments of £0.2m.
- Undistributed allowances budgets of £0.5m which will be allocated to Directorates in July.
- The central level of over-programming is £4.1m. There are further over-programming budgets in various other programmes.

7. This month the forecast remained at £241.9m.

Approvals

8. The table below provides detail in relation to transactions which require Executive Team approval:

Item	Description
Managing our Money Amendment - Covid-19 Payments in Advance removal	Approval sought to remove the Covid-19 Payments in Advance section within Managing our Money. As part of our measures to assist the supply chain during the COVID crisis, it was agreed that we can consider paying suppliers in advance following the relevant guidance. Now that the crisis phase of the pandemic has passed these measures are no longer required.

Risks and opportunities

9. We hold a risk in the Finance and Corporate Services Risk Register for 'in year spend'. This also links to SR01 (Insufficient Funding – Medium Term). With a larger budget this year, there is a slightly increased risk to utilising the budget – but the increase is mostly funded from WG 'ring fenced' programme budgets so if we forecast early enough then WG will be able to take appropriate action.
10. The additional £7.3m funding from WG is contingent on the outcome of the service level exercise and we will agree with WG if any additional unbudgeted income will be used to mitigate that – for example, the sale of the Forest Holiday site and if timber income exceeds the £40m budget.
11. We have a much larger externally funded programme this year so challenges will exist in delivering to plan against all those projects but, in addition to that, these programmes will be impacted by inflation and in some cases exchange rate changes. The Natur Am Byth programme has already identified an increase in total programme costs and have held positive discussions with other funders about bridging that gap.
12. We are holding a contingency for the impact of inflation and supply chain issues, but most will be felt outside of our core funding and will need to be found from within programmes – therefore it will be more of a matter of requesting additional funding or re-prioritisation within the programme. Most programmes contain multiple projects, so inflation impacts are likely to be managed.

Wider implications

13. The wider implications are:
 - (a) **Finance:** This report is about the financial performance of NRW. There are no significant re-prioritisations of the budget needing to be considered at this stage, as the budget has only recently been finalised.
 - (b) **Wellbeing of Future Generations Act (WBFGA):** Every component of the budget contributes to one or many of our Well-being Objectives.

Next Steps

14. We encourage budget and project managers to notify Finance of any changes to forecast which can then be considered within Leadership / Directorates.
15. Finance will review risks within the budget every month and instigate targeted re-forecasting where we are aware that changes are required. We will also undertake more significant re-forecasting exercises on a periodic basis for items such as staff budgets. Programmes such as Development and Innovation (D&I), Flood and Non-Flood capital are re-forecasted every month.
16. This report will be presented to Executive Team / Leadership Team and WG Sponsorship meeting as well as the Board.

17. If there are any re-prioritisation decisions, they will be communicated through Finance in a timely manner and will be in line with Managing our Money.
18. This report is produced every two months for the Board. The Financial Performance annex is produced every month for Executive Team.

Recommendation

19. Board to scrutinise financial performance to end of May 2022.
20. Board to approve changes to Managing our Money.

Index of Annexes

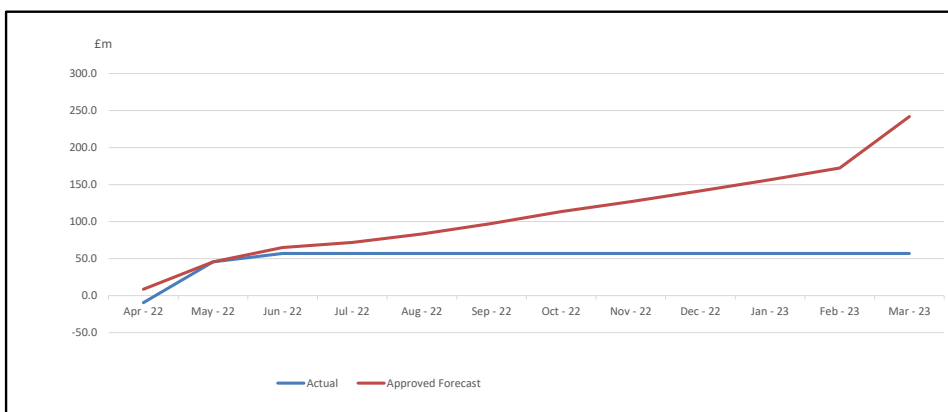
Annex A – Financial Performance Report

NRW Board & Executive Team Budget Performance Report as at May 2022

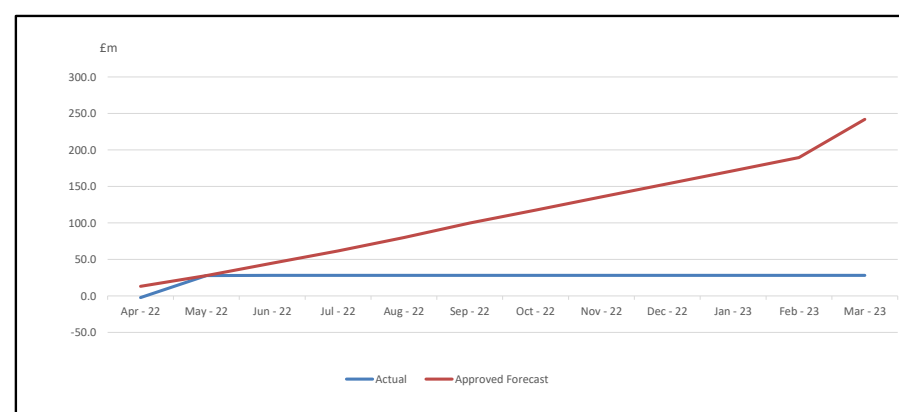
SECTION 1: NRW Financial Performance Summary

Section 1. Summary	Actual YTD £m	Approved Forecast YTD £m	Variance YTD £m	Var YTD %	Approved Forecast FY £m	Remaining Budget %	Original Budget FY £m	Commentary
Income	45.6	45.6	0.0		241.9	81%	241.9	Income is as expected, the main risk that's been highlighted is in respect of the Flood capital programme where it is unlikely that we will use all the Grant in Aid allocated by Welsh Government (£22.3m).
Expenditure	27.9	28.0	-0.1		241.9	88%	241.9	Expenditure overall is as expected, the only risks being the Flood Capital Programme and staff costs where vacancy turnover is running over target by 4% and Directorates should look to reprioritise any underspends towards achieving their delivery targets.

Income



Expenditure



SECTION 2: NRW Financial Performance by Account Type

Section 2.1: INCOME by Account Type	Actual YTD £m	Approved Forecast YTD £m	Variance YTD £m	Var YTD %	Approved Forecast FY £m	Remaining Budget %	Original Budget FY £m	Commentary
Charges	22.4	22.3	0.1	0%	39.0	43%	39.0	All subsistence charges have been raised and income to date is as expected. The majority of the remaining budget is income collected by Environment Agency on our behalf which we will receive towards the end of the year.
Commercial	6.7	6.8	-0.1	-1%	59.3	89%	59.1	Timber Income is £6.3m, at this stage we anticipate income for the whole year to be in line with the budget of £40m. There is a budget for retainable energy income which will need to be re-assessed as last years outturn was greater than forecast.
European & external Grant in aid	0.1 16.5	0.0 16.5	0.0 0.0	63% 0%	9.2 133.6	99% 88%	9.6 133.9	Although red, minor variance to date. The budget includes the temporary funding of £7.3m from Welsh Government. This will reduce by £0.3m because less funding is required for LIDAR this financial year. There is a risk in respect of the Flood capital programme where it is unlikely that we will use the Grant in Aid allocated (£22.3m).
Brought forward	0.0	0.0	0.0	0%	0.8	100%	0.3	
TOTAL: NRW	45.6	45.6	0.0	0%	241.9	81%	241.9	

Section 2.2: EXPENDITURE by Account type	Actual YTD	Approved Forecast YTD	Variance YTD	Var YTD	Approved Forecast FY	Remaining Budget	Original Budget FY	Commentary
	£m	£m	£m	%	£m	%	£m	
Staff	16.7	17.1	0.4		107.2	84%	104.6	Main variance is due to vacancy levels running at 10% compared to a budget of 6%.
Non Staff	6.8	6.3	-0.6		64.5	89%	64.2	Main variances are on bought in services, materials and ICT costs. They will be reviewed in June/July.
Revenue Projects	1.3	1.5	0.2		19.2	93%	21.9	Nominal variances to date across a number of projects.
Capital Projects	3.1	3.1	0.0		51.0	94%	51.3	Overall expenditure as per budget to date, but due to delays in significant projects we expect to reduce the forecast of the Flood Capital programme.

Expenditure Performance further analysed:

Section 2.2.1: Expenditure Staff by detailed Account	Actual YTD	Approved Forecast YTD	Variance YTD	Var YTD	Approved Forecast FY	Remaining Budget	Original Budget FY	Commentary
	£m	£m	£m	%	£m	%	£m	
Trajectory	17.7	18.6	1.0	5%	116.3	85%	112.0	Current vacancy levels are running at 10% compared to a budget level of 6%. £0.6m is due to vacancies on core posts, Directorates should look to reprioritise any underspends towards achieving their delivery targets.
Workforce Recharges	-1.7	-2.3	-0.6	27%	-15.0	89%	-13.1	There are vacancies on project related posts which will need to be considered by the Project Managers.
Other Staff	0.7	0.8	0.1	16%	5.9	88%	5.6	Travel & Subsistence (£1.2m) budget needs to be re-assessed now that we don't have any restrictions, likely to be saving
TOTAL: NRW Staff	16.7	17.1	0.4	3%	107.2	84%	104.6	

Section 2.2.2: Expenditure Non Staff by Programme	Actual YTD	Approved Forecast YTD	Variance YTD	Var YTD	Approved Forecast FY	Remaining Budget	Original Budget FY	Commentary
	£m	£m	£m	%	£m	%	£m	
Categorisation being developed within MyNRW to allow us to report in July.								
TOTAL: NRW Non Staff	6.8	6.3	0.5	9%	64.5	89%	64.2	

Section 2.2.3: Expenditure Revenue Projects by Programme	Actual YTD	Approved Forecast YTD	Variance YTD	Var YTD	Approved Forecast FY	Remaining Budget	Original Budget FY	Commentary
	£m	£m	£m	%	£m	%	£m	
Revenue Project Programme - Core Activities	0.1	0.0	0.0	-77%	1.1	93%	1.1	- Nominal variances against to date budget across a number of projects.
Revenue Project Programme - Options Fees	0.3	0.3	0.0	10%	2.4	89%	2.4	- Project Managers to advise Business Finance on any changes to forecast as soon as possible. Business Finance will also review performance on a risk based approach.
Revenue Project Programme - External Funded	0.4	0.5	0.1	17%	6.3	94%	6.2	- Core activities budgets are in the process of being moved from project budgets to non staff.
Revenue Project Programme - Flood Risk	0.0	0.0	0.0	0%	0.1	98%	0.1	- Other revenue projects budget has dropped from £5m to £1.7m due to budget allocation being recategorised into other programmes and also to staff costs.
Revenue Project Programme - Grants & Partnership	0.3	0.3	0.0	2%	2.7	89%	2.8	- All 'red' rated variances to date are relatively minor in value.
Revenue Project Programme - Non Flood	0.0	0.1	0.1	100%	0.8	100%	0.5	
Revenue Project Programme - WG Grants	0.2	0.2	0.0	4%	1.7	91%	1.7	
Revenue Project Programme - Unfunded Pressure Bid (Internal funded)	-0.1	0.0	0.1	1039%	2.0	103%	1.6	
Revenue Project Programme - Other	0.1	0.1	0.0	-21%	1.7	92%	5.0	
Revenue Project Programme - Water Resource	0.0	0.0	0.0	84%	0.4	99%	0.4	
TOTAL: NRW	1.3	1.5	0.2	16%	19.2	93%	21.9	

Section 2.2.4: Expenditure Capital Projects by Programme	Actual YTD	Approved Forecast YTD	Variance YTD	Var YTD	Approved Forecast FY	Remaining Budget	Original Budget FY	Commentary
	£m	£m	£m	%	£m	%	£m	
Capital Project Programme - Options Fees	0.7	0.7	0.0	2%	3.0	77%	3.0	- Nominal variances against budget to date.
Capital Project Programme - Reservoir Compliance	0.2	0.0	-0.1	-275%	2.1	91%	2.5	- ICT D&I programme £0.3m behind budget due to timing of contractor invoices.
Capital Project Programme - External Funded	0.0	0.0	0.0	-4%	2.2	99%	2.4	- Flood risk programme is ahead of profile but due to delays in significant projects (primarily Stephenson Street & Ammanford due to us not being satisfied that the tenders offer value for money, we will now be re-tendering) we expect to reduce the level of the overall programme (possibly by up to £5m).
Capital Project Programme - Flood Risk	0.6	0.5	-0.1	-31%	18.9	97%	18.7	
Capital Project Programme - WG Grants	0.0	0.1	0.1	100%	1.2	100%	1.0	
Capital Project Programme - Non Flood	1.0	0.8	-0.2	-25%	14.8	93%	14.1	- Non Flood Capital programme - we expect to receive all the grant offer letters soon and progress is as expected.
Capital Project Programme - ICT D&I	0.3	0.7	0.4	57%	6.4	95%	6.3	- The reservoir compliance budget has been adjusted downwards, the budget being re-prioritised elsewhere within land stewardship.
Capital Project Programme - Water Resources	0.0	0.0	0.0	0%	1.6	100%	1.6	
Capital project Programme - Other	0.3	0.3	0.0	1%	0.7	64%	1.8	All 'red' rated variances to date are relatively minor in value.
TOTAL: NRW	3.1	3.1	0.0	0%	51.0	94%	51.3	

**SECTION 3:
NRW Financial Performance by Directorate**

Section 3.1: INCOME by Directorate	Actual YTD	Approved Forecast YTD	Variance YTD	Var YTD	Approved Forecast FY	Remaining Budget	Original Budget FY	Commentary
	£m	£m	£m	%	£m	%	£m	
Communications, Customer and Commercial	0.0	0.0	0.0		19.8	100%	19.8	Although red, minor variance to date.
Corporate Strategy & Development	0.0	0.0	0.0		0.0	2%	0.0	
Evidence Policy & Permitting	0.0	0.0	0.0		17.4	100%	16.4	Although red, minor variance to date.
Finance & Corporate Services	38.3	38.2	0.1		153.1	75%	153.1	This includes charge income and Grant In Aid.
Operations	7.2	7.4	-0.1		51.5	86%	52.5	This is mostly commercial income.

Section 3.2: EXPENDITURE by Directorate	Actual YTD	Approved Forecast YTD	Variance YTD	Var YTD	Approved Forecast FY	Remaining Budget	Original Budget FY	Commentary
	£m	£m	£m	%	£m	%	£m	
Communications, Customer and Commercial	1.3	1.4	0.1		14.9	91%	14.5	This is mainly staff related.
Corporate Strategy & Development	1.4	1.5	0.1		10.8	87%	9.1	
Evidence Policy & Permitting	10.0	9.4	-0.7		69.5	86%	60.0	Due to mainly to Flood Capital over-programming.
Finance & Corporate Services	2.9	3.2	0.3		29.0	90%	33.3	This is mainly staff related.
Operations	12.3	12.6	0.3		117.8	90%	125.1	This is mainly staff related.

Expenditure Performance further analysed:

Section 3.2.1: EXPENDITURE by Leadership	Actual YTD	Approved Forecast YTD	Variance YTD	Var YTD	Approved Forecast FY	Remaining Budget	Original Budget FY
	£m	£m	£m	%	£m	%	£m
Head of Finance	-0.5	-0.7	-0.1	20%	-3.4	84%	1.5
Head of Legal Services	0.3	0.3	0.0	9%	1.9	85%	1.9
Head of Sustainable Commercial Development	0.6	0.6	0.0	-3%	9.4	94%	9.4
Head of ICT	2.0	2.1	0.1	4%	17.3	88%	17.6
Head of People Management & WHS	0.4	0.5	0.1	16%	4.1	89%	3.4
Head of Business Support Services	1.3	1.6	0.3	21%	14.0	91%	13.4
Head of Communications and Digital Transformation	0.3	0.4	0.1	30%	2.5	89%	2.2
Head of Organisational Development	0.2	0.1	0.0	-48%	1.0	85%	0.7
Head of Governance and Board Secretary	0.3	0.3	0.0	12%	1.8	85%	1.9
Head of Natural Resource Management Policy	4.8	4.7	-0.1	-2%	36.3	87%	38.6
Head of Regulation & Permitting	1.5	1.5	0.0	-1%	9.5	84%	8.7
Head of Knowledge & Evidence	0.9	1.0	0.0	4%	6.0	84%	5.8
Head of Flood & Incident Response Management	1.2	0.6	-0.6	-92%	6.3	80%	-3.1
Head of Land Stewardship	1.2	1.2	0.0	-4%	8.8	86%	7.4
Head of Operations - North East Wales	1.5	1.7	0.1	8%	13.1	88%	11.5
Head of Operations - Mid Wales	1.8	1.7	-0.1	-3%	15.7	89%	15.4
Head of Operations - North West Wales	1.5	1.4	-0.1	-6%	11.5	87%	10.7
Head of Operations - South Central Wales	2.6	2.8	0.2	7%	34.3	92%	18.3
Head of Operations - South East Wales	1.6	1.5	-0.1	-7%	10.2	84%	9.5
Head of Operations - South West Wales	2.3	2.4	0.1	5%	24.4	91%	24.7
Head of Operations - Development, Planning & Marine Services	0.9	0.8	-0.1	-7%	6.8	87%	6.4
Director Of Finance & Corporate Services	0.0	0.0	0.0	4%	0.2	84%	0.2
Director Of Operations	0.1	0.2	0.1	63%	1.7	96%	28.6
Director Of Evidence Policy & Permitting	0.4	0.4	0.0	10%	2.6	85%	2.5
Director Of Corporate Strategy & Development	0.0	0.0	0.0	-38%	0.2	71%	0.2
Director Customer Communications & Commercial	0.2	0.3	0.0	14%	1.6	86%	1.6
Head of Customer	0.2	0.2	0.0	-2%	1.4	86%	1.3
Head of Internal Audit and EMS	0.1	0.1	0.0	26%	0.6	91%	0.5
Head of Corporate Strategy & Programme Management Office	0.2	0.2	0.0	-11%	1.8	89%	1.0
Head of Business Transformation	0.0	0.0	0.0	100%	0.4	100%	0.0
Sub Total: Operations	27.9	28.0	0.1	0%	241.9	88%	241.9

Section 3.2.2: Expenditure Staff Trajectory by Directorate	Actual YTD	Approved Forecast YTD	Variance YTD	Var YTD	Approved Forecast FY	Remaining Budget	Original Budget FY	Commentary
	£m	£m	£m	%	£m	%	£m	
Communications, Customer and Commercial	0.9	1.0	0.1		6.2	85%	6.2	Staff costs below budget due to level of vacancies, the Directorate to reprioritise underspend.
Corporate Strategy & Development	1.1	1.1	0.0		7.1	84%	6.5	Current vacancy levels in line with budget.
Evidence Policy & Permitting	5.1	5.5	0.3		32.7	84%	31.3	Staff costs below budget due to level of vacancies, the Directorate to reprioritise underspend.
Finance & Corporate Services	0.4	0.5	0.2		6.2	94%	5.9	Staff costs below budget due to level of vacancies, the Directorate to reprioritise underspend. The % variance is skewed because F&CS hold the LGPS pension credit.
Operations	10.2	10.5	0.3		64.2	84%	62.2	Staff costs below budget due to level of vacancies, the Directorate to reprioritise underspend.

SECTION 4: NRW Changes to Full Year Forecast

Section 4.1: INCOME by Funding Type	Opening Budget £m	April Approved Forecast £m	May Approved Forecast £m	Change In Forecast £m	Changes in Forecast		
					Programme Re-allocation £m	ET Approved budget allocations £m	Monthly Income Forecast Changes £m
Charges	39.0	39.0	39.0	0.0			0.0
Commercial	59.1	59.1	59.3	0.2			0.2
European & external	9.6	9.6	9.2	-0.4			-0.4
Grant in aid	133.9	133.9	133.6	-0.3			-0.3
Brought forward	0.3	0.3	0.8	0.5			0.5
TOTAL: NRW	241.9	241.9	241.9	0.0	0.0	0.0	0.0

Section 4.2: EXPENDITURE by Directorate	Opening Budget £m	April Approved Forecast £m	May Approved Forecast £m	Change In Forecast £m	Changes in Forecast		
					Programme Re-allocation £m	ET Approved budget allocations £m	Monthly Expenditure Forecast Changes £m
Communications, Customer and Commercial	14.5	14.5	14.9	0.4	0.0	0.4	0.0
Corporate Strategy & Development	9.1	9.1	10.8	1.6	0.0	1.5	0.1
Evidence Policy & Permitting	60.0	60.0	69.5	9.5	7.7	1.4	0.4
Finance & Corporate Services	33.3	33.3	29.0	-4.3	0.1	-3.9	-0.5
Operations	125.1	125.1	117.8	-7.3	-7.8	0.5	0.0
TOTAL: NRW	241.9	241.9	241.9	0.0	0.0	0.0	0.0

Section 4.3: COMMENTRY

Significant changes to forecast during current month

- Income changes (Commercial) - increase of £0.2m to include recovery of staff seconded costs.
- Income changes (European & External) - reduction £0.4m in line with latest project forecast.
- Income changes (GiA) - Flood Risk Capital GiA has been reduced by £0.5m and Non Flood Capital has increased by £0.2m, a net reduction £0.3m.
- Income Changes (Brought Forward) - use of charge balances have been brought into the budget to fund additional staff costs £0.5m.
- Expenditure Changes (CCC) - new pressures have been approved by ET in April (£0.4m) for Revenue Projects.
- Expenditure Changes (CSD) - new pressures have been approved by ET in April increasing staff costs (£0.6m), revenue projects (£0.3m) and non staff (£0.7m).
- Expenditure Changes (EPP) - new pressures have been approved by ET in April of £1.4m; increasing staff costs (£0.4m), Capital projects (£0.8m), non staff (£0.1m) and revenue projects (£0.1m). Also includes programme costs being re-allocated from Operations to EPP (£7.7m) following the review of the Flood and Non Flood Capital Programmes with a net reduction in the overprogramming on Flood Capital held in EPP. The overall funding for Flood Capital Programme reduced by £0.5m whilst the funding for Non Flood Capital increased by £0.2m. Other changes included an increase in Land Stewardship allocation to EPP (£0.7m) and increase in staff costs of £0.2m.
- Expenditure Changes (F&CS) - new pressures have been approved by ET in April increasing non staff costs (£0.4m) and capital projects (£0.1m), together with a forecasted increase in staff costs (£0.3m). The total overprogramming has increased to £4.1m after ET approved funding to be allocated to business pressures in April of £4.5m. We also re-distributed Market Forces and Pay Protection pay budgets to Directorates.
- Expenditure Changes (OPS) - New pressures have been approved by ET increasing staff costs (£0.3m) and non-staff (£0.2m). The review of the distribution of programmes has resulted in a reduction of £8.2m on the Flood Capital programme, offset by an increase in Non Flood £0.2m and Land Stewardship £0.2m.

NRW Board Paper

Date of meeting:	13 July 2022
Title of Paper:	Business Plan Performance Dashboard 2021/22 and Internal Performance Report 2021/22
Paper Reference:	22-07-B15
Paper sponsored by:	Clare Pillman, Chief Executive
Paper prepared by:	Sioni Davies, Advisor, Corporate Planning and Performance; Caroline Hawkins, Corporate Planning, Performance and Strategic Assessment Manager
Paper presented by:	Executive Team
Purpose of the paper	Scrutiny
Summary	<p>The Board is requested to scrutinise NRW performance for the final quarter of 2021/22 and specifically consider:</p> <ul style="list-style-type: none"> • Progress against each measure reported on the Business Plan Performance Dashboard • Progress against each measure reported on the Internal Performance Report

Background

1. The Business Plan Performance Dashboard is one of the Board's principal means of scrutinising delivery. It was developed in parallel with the of 2021/22 Business Plan working with the Board, Executive Team and Leadership Team. The annual Business Plan relates to our Corporate Plan to 2022; our new Corporate Plan will be published in Spring 2023.
2. The Business Plan Dashboard Performance Report can be seen at Annex 1 and consists of:
 - **Dashboard** providing an overview of performance against the 2021/22 measures set out by the strategic priorities reflected in our Business Plan.
 - **Topics index** set out by strategic priority to help navigate the report
 - **Summary for each Topic** reflecting progress

- **Details for each specific measure** with their year-end position, and previous quarter positions
3. The Internal Performance Report can be seen at Annex 2 and covers 11 internally focused measures. The Internal Performance report was introduced in Quarter 3 and consists of a summary page providing an overview of the year end position against the 2021/22 measures by heading.

Assessment

4. The Board is requested to scrutinise the Business Plan Performance Dashboard Report, noting the key issues below. Further detail can be found in the report itself (Annex 1):

	Quarter 1 (1 April – 30 June 2021)	Quarter 2 (1 July to 30 Sept 2021)	Quarter 3 (1 Oct – 31 Dec 2021)	Year End (to 31 st March 2022)
Red	3	3	2	2
Amber	10	10	9	6
Green	21	21	19	22
Total	34	34	30	30

5. **Two measures** are **Red** at the end of the year. These are:
- ‘River Basin Management Plans (RBMP) and water related investigations’
 - ‘Progress the Customer Experience Strategy’

The RBMP work has been reported as Red throughout the year due to competing priorities including storm overflows and work on phosphates in SAC (Special Areas of Conservation) rivers, as well as work carried over from 2020-21. We considered work on storm overflows and phosphates to be an even higher priority than that in the measure, so we made the conscious decision to divert the resource we had to address those concerns.

Some planned activity on Customer Experience Strategy this year was delayed due to issues securing a supplier and needing to tender multiple times. Consultants were appointed in March 2022 and the work will continue for 12 months.

6. **Six measures** are **Amber** at year end. These are:
- ‘Climate Emergency Action across NRW’
 - ‘Area of new woodland created on the NRW estate’
 - ‘Implement Flood Review recommendations’
 - ‘Delivering targeted action for declining species or those on the edge of extinction’
 - ‘Progress of our work to reduce pollution from metal mines’
 - ‘Implement Covid-19 Renewal programme’

Of note, for the ‘Area of new woodland created on the NRW Estate’, only 27ha out of the planned 150ha were planted due a decision to delay the start of planting to

the autumn to allow for further stakeholder engagement. At year end, 'Implement Flood Review recommendations' has some outstanding actions to be completed and these will be delivered in the 22/23 programme of work.

7. There are **22 measures** that are **Green** at year end, some to note are:

- 'Actions undertaken to restore Welsh peatlands' delivered and exceeded the target of 600ha on the NRW estate by completing 785ha of peatland restoration activities.
- 'Develop Natur a Ni / Nature and Us' measure completed the development of the campaign products, survey launch, webinars and focus groups.
- 'Deliver NRW's combined health and educator training' has been agreed with a supporting action plan and steering group to oversee deliverables for the duration of the plan.

We are particularly pleased to report three measures which are now Green which have been Amber for a considerable period of time. 'Maintain flood risk assets in high-risk systems at target condition' is now Green (previously Amber) at 98.1%; the first time we have exceeded our 98% target. Our target to respond to High Category incidents within four hours has now been met due to concerted effort by the Incidents team. 'Priority actions undertaken on protected sites to improve condition of features' is Green (previously Red last year).

8. The Board is requested to scrutinise the Internal Performance Report, noting the key issues below. Further detail can be found in Annex 2.

	Quarter 1 (1 April – 30 June 2021)	Quarter 2 (1 July to 30 Sept 2021)	Quarter 3 (1 Oct – 31 Dec 2021)	Year End (to 31 st March 2022)
Red			1	1
Amber			1	2
Green			9	8
Total	N/A	N/A	11	11

- Of the 11 measures listed in the Internal Performance Report at Annex 2, one measure is Red ('Non-conformity or Corrective Action Requests from internal EMS (Environmental management Systems)'). Any issues raised are reported and reviewed by relevant internal groups, and by our external auditors.
- Two measures are Amber ('Staff absence' and 'Enforcement response') and eight Green. We are very pleased that 'Payments Performance to our suppliers' measure, Red last quarter, is now Green for year end with 96% invoices paid within 30 days for March.

Risks and opportunities

9. If the performance information provided does not accurately reflect progress towards delivery of the Business Plan, and the operation of NRW as an organisation, then the Board will be unable to fulfil their role to scrutinise delivery.

Wider implications

- (a) **Finance:** There are no significant financial implications in providing the performance report itself, however part of our quarterly review obviously considers allocation of our resources and finance and performance papers are therefore closely linked.
- (b) **Equality:** The relevant Equality Impact Assessment covers our Well-being Statement, Business Plan 2020/21, and Corporate Plan up to 2022 (now 2023) and was updated in March 2021.

Next Steps

10. Both performance reports will be discussed with Welsh Government and submitted to the Minister for Climate Change. They will be published on the Natural Resources Wales website.
11. We welcome any comments or views from the Board.

Recommendation

12. The Board is requested to scrutinise and agree the Business Plan Performance Dashboard Report and the Internal Performance Report - and confirm suitability for publication.

Index of Annexes

- Annex 1 – Business Plan Performance Dashboard 2021/22
- Annex 2 – Internal Performance Report 2021/22

Annex 1: Business Plan Performance Dashboard 21/22

The green, amber or red status* of each of our [Business Plan](#)'s dashboard measures.

Respond to the Climate Emergency

Measure	Year end	Page
Climate emergency action across NRW	Amber	6
Verification of Glastir Woodland grant scheme applications	Green	8
Area of new woodland created on the NRW Estate	Amber	9
Actions undertaken to restore Welsh peatlands	Green	11
Implement Flood Review recommendations	Amber	13
Maintain flood risk assets in high risk systems at target condition	Green	14
Properties with reduced or sustained protection through capital work	Green	15

Respond to the Nature Emergency

Measure	Year end	Page
Biodiversity action across NRW	Green	18
Priority actions undertaken on protected sites to improve condition of features	Green	20
Actions undertaken on National Nature Reserves on NRW managed land to improve	Green	21
Delivering targeted action for declining species or those on the edge of extinction	Amber	22
Number of UKWAS Corrective Action Requests and Observations open and progress...	Green	24
Progress of our work to reduce pollution from metal mines	Amber	25
Support implementation of the Welsh National Marine Plan	Green	27
Progress NRW actions in Wales Marine Protected Area network management actions plan	Green	28
Deliver remaining water related investigations & develop new River Basin Management Plans	Red	30

*The [key to green, amber or red performance assessment](#) is on page 59 of this report

Developing and using our evidence with partners to advocate for and deliver SMNR

Measure	Year end	Page
Develop Natur a Ni / Nature and Us campaign products for launch	Green	33
Promote, advocate and encourage use of State of Natural Resources Report	Green	35
Use of Area Statements within NRW to embed priorities and opportunities	Green	37

Developing NRW into an excellent organisation that serves the communities of Wales

Measure	Year end	Page
Response to incidents (initial category 'High', within 4 hours)	Green	40
Performance of regulated sites and water quality discharges	Green	42
Deliver NRW's combined health and educator training	Green	44
Develop and implement a People Strategy for NRW	Green	46
Equality, Diversity and Inclusion action	Green	47
Progress the Customer Experience Strategy	Red	49
Deliver our Stakeholder Engagement Plan	Green	50
Implement our Commercial Strategy	Green	52
Timber volume offered to market / sold / dispatched	Green	53

Responding to the Covid-19 pandemic and the UK Leaving the European Union, taking opportunities for a green recovery

Measure	Year end	Page
NRW's contribution following EU Exit	Green	56
Implement Covid-19 Renewal programme	Amber	58

Note: During 2021/22, five internal measures previously reported via this dashboard were moved into a new report which works alongside this dashboard. A dashboard measure for 'Natur a Ni' has also been added in-year

Direct link to each Topic in this report (*links below / right*)

Respond to the Climate Emergency

- [Reducing Our Carbon Footprint \(page 5\)](#)
- [Creating New Woodland \(page 7\)](#)
- [Restoring Peatland \(page 10\)](#)
- [Managing Flood Risk \(page 12\)](#)

Respond to the Nature Emergency

- [Putting Nature at the Centre \(page 17\)](#)
- [Protecting Habitats and Species... \(page 19\)](#)
- [Managing Land Sustainably \(page 23\)](#)
- [Managing the Sea Sustainably \(page 26\)](#)
- [Managing Freshwater Sustainably \(page 29\)](#)

Developing and using our evidence...

- [Improving and presenting evidence... \(page 34\)](#)
- [Work with Partners and communities using Area Statement \(page 36\)](#)

Developing NRW into an excellent organisation...

- [Responding to and Managing Incidents \(page 39\)](#)
- [Regulation – permitting, regulating and... \(page 39\)](#)
- [Benefitting Communities \(page 43\)](#)
- [Developing our Organisation \(page 45\)](#)
- [Understand and improve our Customers' Experiences \(page 48\)](#)
- [Making the Most of Commercial Opportunities \(page 51\)](#)

Responding to the Covid-19 pandemic...

- [Providing Advice and Guidance \(page 55\)](#)
- [Delivering our Covid-19 Renewal... \(page 57\)](#)

Each topic report (*linked above / left*) reflects a short summary of recent progress in relation to that topic and also states the Business Plan dashboard measures related to that topic.

Priority: Responding to the Climate Emergency

Responding to the climate emergency through coordinating action and delivery in relation to climate adaptation and mitigation, including natural resources impacts and opportunities to reduce Wales' carbon footprint and contribute to [achieving a net zero Carbon Wales by 2030 \[note: external link\]](#).

Our NRW Business Plan sets out the following topics in relation to this priority:

- [Reducing Our Carbon Footprint](#)
- [Creating New Woodland](#)
- [Restoring Peatland](#)
- [Managing Flood Risk](#)

The following pages reflect recent progress on each of those topics, along with the latest performance position in relation to the Business Plan dashboard measure/s for each.

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Topic: Reducing Our Carbon Footprint

Topic summary progress:

- We are progressing the development of low carbon pathway reports for our transport, and procurement systems with a view to decarbonise. However, we have not been able to progress the built estate pathway report since our last update. This will continue during 2022/23.
- We have also submitted our emissions report to Welsh Government, (WG).
- An Organisation Change programme has been completed to establish a stand alone Climate Change and Decarbonisation team and senior specialist advisor.
- Work commenced to review governance and strategic risk management for climate change in NRW.
- We have new programmes to deliver restoration of peatlands (both on the NRW Estate and working with partners across Wales) and a woodland creation programme seeking to expand the existing woodland Estate and support appropriate woodland creation elsewhere.
- We have also embedded decarbonisation action in the Adfywio Programme, for example, by developing a set of Built Estate principles for decarbonisation (and adaptation).
- Overall, across the programme/business areas there has been less delivery than planned this year, dependencies on delivery across NRW in different functions and in year pressures have been the cause. We have reviewed governance to establish clearer lines of responsibility at a Leadership Team Group level, reorganising these dependencies.

Topic owner: Ruth Jenkins

Business Plan dashboard measure/s for this topic:

- [Climate emergency across NRW](#)

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Measure: Climate emergency action across NRW

The measure reflects activity being undertaken on the Climate emergency across NRW: through the delivery of our climate change decarbonisation programme.

Latest position (to end of March 2022):

- Our final milestone for this year is to produce an outcome report on the delivery of the top ten priority areas of the Climate Change and Decarbonisation Change Programme, (CCDCP). Whilst we have completed this specific milestone activity (we reported on progress over the past 24 months to the Executive Team at its meeting on the 31st January 2022), there have been issues with delivery of the overall climate change and decarbonisation change programme due to vacancies and dependencies on delivery across NRW in different functions.
- Over the last year we have produced: a CCDCP Work Programme endorsed by the CCDCP Board with an associated climate change risk owned by Leadership Team Group and have created a new Climate Change and Decarbonisation Team to give greater prominence within NRW of our work on decarbonisation and climate risk and adaptation.
- **This measure is amber at year end** to reflect the programme overall.

What we are doing next:

- We will now continue our work in developing an Adaptation Plan for NRW, commencing with an Adaptation Report that establishes our current actions. We will also progress developing our plans for how we decarbonise our transport, built estate and procurement by 2030, and will roll-out carbon literacy training across NRW to support behaviour change and innovation. We will also continue to refresh the governance for the climate change and decarbonisation change programme to drive delivery and risk management across the organisation.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 as we progress the development and delivery of decarbonisation and climate change adaptation policy and actions across NRW.

Measure owner: Ruth Jenkins

Q1	to Q2	to Q3	Year end
Amber	Green	Amber	Amber

See [here](#) for key used for green, amber or red status

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Topic: Creating New Woodland

Topic summary progress:

- We are playing a key role in delivery and support for the 39 Recommendations from the Ministerial "Deep Dive" on woodland creation and timber use. We are reporting to WG on progress on those recommendations on which NRW are leading.
- We continue to provide WG with advice, technical guidance and support, including support on their Woodland Creation work and the upcoming Agricultural Bill and Sustainable Farming Scheme.
- We continue to progress woodland creation on the WG Woodland Estate.

Topic owner: Ruth Jenkins

Business Plan dashboard measure/s for this topic:

- [Verification of Glastir Woodland grant scheme applications](#)
- [Area of new woodland created on the NRW Estate](#)

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Measure: Verification of Glastir Woodland Grant scheme applications

This measure reflects NRW work to verify applications for Glastir Woodland Creation (GWC) and Glastir Woodland Restoration (GWR) Grant Schemes. This includes reflection of the number of plan applications and area (in hectares) verified for the relevant scheme rounds.

Latest position (to end of March 2022):

- Our **final milestone for this year is to provide the number of applications and area.** We have completed this milestone activity:
 - For GWC Round 9, 174 (1,064.19ha) received, 153 (766.79ha) completed, 12 progressing, 7 withdrawn, 2 returned unverified.
 - For GWC Round 10, 75 (647.33ha) received, 45 (197.99ha) completed, 26 progressing, 1 withdrawn, 3 returned unverified.
 - For GWC Round 11, 44 (405.90ha) received, 4 (4.83ha) completed, 39 progressing, 1 withdrawn.
 - For GWR Round 9, 31 (284.65ha) received, 14 (99,17ha) completed, 16 progressing, 1 withdrawn.
- Over the last year, we have had to with the applicant's agreement, reduce the proposed plantable areas by 12% (GWC9), 5% (GWC10) and 10% (GWC11) due to the presence of protected priority habitats and/or deep peat to comply with the UK Forestry Standard.
- **This measure is green at year end.**

What we are doing next:

- We will now continue to verify GWC Rounds 9, 10 and 11 plus GWR Round 9.
- This measure is likely to form part of our Business Plan dashboard reporting for 2022/23 as we have agreement from Welsh Government to a rolling three-year programme of work and funding for the 2022-23 financial year.

Measure owner: Ruth Jenkins

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Measure: Area of new woodland created on the NRW Estate

This measure reflects the area of new woodland created on the NRW Estate (hectares acquired / identified if already in ownership and hectares planted). It covers the contribution of NRW's land estate to woodland creation and progress on the commitment to the [Welsh Government Woodland Estate \(WGWE\)](#) being bigger in 25 years than it was in 2018.

Latest position (to end of March 2022):

- Our **final milestone for this year is 150ha acquired/identified and 150ha planted**
- We have not completed this milestone activity. We have acquired/identified 157ha and planted 27ha.
- Over the last year, we have made good progress identifying land for planting, as well as looking after the sites we planted last year. Timescales for planting were tight due to difficulty securing land last year, we successfully planted one site but made the decision to delay a total of 105ha of planting at two of our sites to the Autumn to allow for further stakeholder engagement.
- **This measure is amber at year end.**

What we are doing next:

- We will now carry out planning, including community engagement, so that we are to plant the sites acquired this year in 2022/23. We will work to complete on the three sites that are currently with solicitors and continue identifying land for planting, including through mechanisms other than land acquisition.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 as woodland creation is a key activity in improving the resilience of the NRW estate to cope with climate change.

Measure owner: Dominic Driver

Q1	to Q2	to Q3	Year end
Green	Green	Green	Amber

See [here](#) for key used for green, amber or red status

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Topic: Restoring Peatland

Topic summary progress:

NRW is continuing to progress work on its peatland restoration programme and has delivered against targets. We are ensuring that peatlands are sustainably managed and safeguarded to recover their critical biodiversity resource, store carbon, reduce greenhouse gas emissions and play their role as a component of Natural Flood Risk Management.

Projects led by NRW in 2021/22:

- Five Year National Peatland Action Plan programme - Delivering 600ha of restoration activity annually and co-ordinating effort on peatland restoration in Wales.
- LIFE Welsh Raised Bogs - Working to restore seven of the best examples of raised bogs in Wales.
- Pen Y Cymoedd - Restoration works as mitigation for the development of the Pen y Cymoedd windfarm (Aims to restore 1500 hectares over 25 years).
- Progressing a new LIFE bid for Quaking Bog restoration project.
- Lowland peatland survey.
- NRW is also a partner in a number of other regional projects co-ordinated through place teams.
- We continue to progress conversion of degraded peatland on the NRW Estate to build a longer-term programme of work to deliver healthy wet “bog” to help combat climate change.

Topic owner: Ruth Jenkins

Business Plan dashboard measure/s for this topic:

- [Actions undertaken to restore Welsh peatlands](#)

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Measure: Actions undertaken to restore Welsh peatlands

We are embarking on a national programme of peatland restoration across Wales. This measure reflects actions taken to [restore Welsh peatlands](#), including on the NRW Estate. It includes an update on the number of hectares of peatland restoration activity undertaken on the NRW Estate and other land.

Latest position (to end of March 2022):

- Our **final milestone for this year is 600 ha of peatland restoration activity undertaken (including up to 170 ha on the NRW estate).**
- We have completed this activity. We have delivered peatland restoration activities on: 238ha of National Nature Reserves that NRW manages, 61 ha on the Welsh Government Woodland Estate, 313ha through Land Management Agreements with private landowners and 173ha through NRW grant awards to our partners.
- Over the last year, we have delivered a total of 785 ha of peatland restoration activity.
- **This measure is green at year end.**

What we are doing next:

- We will now start issuing tenders for groundworks in 22/23, allocate grant awards to Strategic Allocated Fund partners, launch the new peatland map and grant scheme through NRW social media channels to drive restoration, and prepare and publish a full report on year 2 delivery.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23. Building on this work we are working with Welsh Government to build a longer-term programme which will support outcomes for Net Zero 2030, biodiversity and water quality and resource management working with others internally and externally.

Measure owner: Ruth Jenkins

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Topic: Managing Flood Risk

Topic summary progress:

- Our **Capital Programme** delivered on the target number of properties benefitting from capital work (1081 against target of 800), with good progression in other projects. Final out-turn was slightly below the full budget of £17m, due mainly to global supply issues with some fleet and equipment. The reservoir work at Llyn Tegid continues to progress well on site, as does preparation work for significant schemes in Newport and Ammanford. As is common for construction work, there are significant risks and uncertainties with key projects, which require careful ongoing management. The 2022/23 programme, at £23.5m, will be the highest ever for NRW, as it contains several projects under construction.
- The **Flood Recovery and Review Implementation Programme** progressed well during the year, but we did not achieve delivery of the target of all of the 51 short or medium term recommendations. 11 remain for completion, plus the more complex and longer-term tasks. Staff capacity remains a significant issue, for this and for all flood risk work. There are recruitment challenges for all flood authorities, in a competitive external market with scarce specialist skills. We continue to do what we can to address this, but still 24 of the 52 new (or backfill) posts remain unfilled at year end.
- Our **Improvement Programme** contains 30 active projects across the range of our activities. Several are significant ICT projects which are delivering core customer-facing systems.
- Our **Revenue Maintenance Programme** met our target of 98% of assets in high risk systems at target condition, for the first time in several years.
- We have continued to address the relevant recommendations from the 'Toddbrook review' into **reservoir safety**, as we seek to do more to go beyond compliance to ensure safety.
- We continue to push for recognition of and action against the challenges ahead, particularly in regard to the need for significant **adaptation** in response to the **Climate Emergency**.
- Overall, much significant work continues to be delivered. The main challenge is volume of work and rising external expectations, with high workload on our staff. Recruitment is challenging, with skills shortages across the industry.

Topic owner: Jeremy Parr

Business Plan dashboard measure/s for this topic:

- [Implement Flood Review recommendations](#)
- [Maintain flood risk assets in high risk systems at target condition](#)
- [Properties with reduced risk or sustained protection through capital work](#)

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Measure: Implement Flood Review recommendations

This measure is the delivery status against the recommendations identified in our Review of the February 2020 floods. These were the most significant floods in Wales since the 1970s, and our review into our own performance identified areas for improvement and recommended actions. The Flood Recovery and Review Implementation Programme (FRRIP) was established to manage and track delivery of the recommendations.

Latest position (to end of March 2022):

- Our plan included delivery of the 51 short/medium term actions scheduled for the end of March (out of 74 total actions). At year end, we have delivered 40 of these 51, and this measure is Amber, due to not fully achieving the plan. Overall, we have delivered 46 of the 74 review actions, plus 18 recovery actions.
- The delays in delivering the outstanding 11 actions are the result of ongoing risks and issues that the programme team are managing. These include ongoing recruitment issues (due mostly to shortages in the market), competing demands on staff resource, some delays in delivering our ICT projects and also in delivering the required training for staff. There have also been issues beyond NRW's control, such as global supply chain issues on some plant and equipment.
- The possibility of not achieving the target was reflected in the amber status throughout the year. Steps were taken to optimise delivery, and issues/risks managed where possible, but some risks did materialise and impacted delivery.

What we are doing next:

- There are plans to deliver the 11 outstanding actions over the coming months, with majority in Q1, and we will track progress. Delivery of the remaining actions continues, including tracking of the benefits through to realisation. The plan is for closure of the programme by Q4 22/23 when the short and medium term actions are all completed. Closure reports will be produced, and longer term actions will be transferred to existing business delivery mechanisms.
- This measure will continue to form part of our Business Plan dashboard reporting for 2022/23.

Measure owner: Jeremy Parr

Q1	to Q2	to Q3	Year end
Amber	Amber	Amber	Amber

See [here](#) for key used for green, amber or red status

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Measure: Maintain flood risk assets in high risk systems at target condition

NRW owns and/or maintains 3,500 assets in high risk systems, forming part of the national flood defence infrastructure, providing benefit to thousands of properties in Wales. It is vitally important that these assets are maintained, as a poor condition asset anywhere within the system can impact that location – it is only as good as its weakest link.

Latest position (to end of March 2022):

- Our **year end target of 98% of flood risk assets** in high risk systems at target condition. We have achieved the year end target of 98% of flood risk assets in high risk systems at target condition, and **the measure is green at year end**.
- At a Wales level, 3477 of the 3544 assets (98.1%) are at required condition to perform their function. This means that 67 (1.9%) remain below required condition. Many of these require long term fixes and are part of ongoing work.
- We have made progress throughout the year, which started with 92 assets in Wales below required condition.
- This is against a backdrop of a challenging Winter where our assets had to face up to 3 named storms within a week and some of the highest ever recorded flows in some catchments.

What we are doing next:

- We will now continue to embed a culture of focus on this measure and evaluate the data behind some of the longer-term fixes to establish achievable action plans.
- Our assets are inspected on a rolling basis, so performance can go down if inspections reveal assets below target condition that are not fixable in the immediate term. So, it will be challenging to remain 'green'. We will work to get better real time data from inspections, and from action plans so we can respond swifter to worsening asset conditions.
- We are implementing an improved asset defect reporting procedure into our database in Q1.
- This measure will continue to form part of our Business Plan dashboard reporting for 2022/23 and it also is a component part of Strategic Risk on the Executive Team Risk Register.

Measure owner: Mike Evans

Q1	to Q2	to Q3	Year end
Amber	Amber	Amber	Green

See [here](#) for key used for green, amber or red status

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Measure: Properties with reduced flood risk or sustained protection through capital work

This measure reflects the number properties benefitting from a reduced level of flood risk (moving from a higher risk category to a lower through a new scheme or improvement works) or sustained level of flood risk (through capital maintenance work).

Latest position (to end of March 2022):

- Our **final target for this year is 800 properties**. We have surpassed our target of 800 properties and the measure is green at year end.
- We have delivered reduced or sustained risk benefits to 1081 properties this financial year. This comprises of 242 properties that have moved from a higher risk category to a lower one through new flood defence schemes (Leckwith - Cardiff) and improvement works (Cadoxton - Vale of Glamorgan), and 839 properties with a sustained level of flood risk from capital maintenance projects across Wales.

What we are doing next:

- We are continuing to develop projects that will contribute to delivery of this target in future years.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23.

Measure owner: Jeremy Parr

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Priority: Responding to the Nature Emergency

In 2018 NRW published its first nature strategy '[Vital Nature](#)'. Since then we've been delivering our annual action programmes to improve the conservation status of [protected sites](#). With partners we're delivering the Sands of Life dune project and a wide range of other projects. Through all our work we deliver direct and collaborative action to improve biodiversity and ecosystem resilience, protect habitats, species and natural resources, manage water, land and sea sustainably and minimise pollution.

Our NRW Business Plan sets out the following topics in relation to this priority:

- [Putting Nature at the Centre](#)
- [Protecting Habitats and Species – Terrestrial, Freshwater and Marine](#)
- [Managing Land Sustainably](#)
- [Managing the Sea Sustainably](#)
- [Managing Fresh Water Sustainably](#)

The following pages reflect recent progress on each of those topics, along with the latest performance position in relation to the Business Plan dashboard measure/s for each.

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Topic: Putting Nature at the Centre

Topic summary progress:

On the 21st of June 2021 the Senedd took the “historic step” to declare a nature emergency for Wales, one of the very first parliaments in the world to do so. NRW is progressing the priorities of the Vital Nature Strategy and Work Programme, putting biodiversity and ecosystem resilience at the very centre of our work. Examples include:

- Working with Welsh Government to develop Nature Networks, a Welsh 3-year costed programme to enhance biodiversity and build ecosystem resilience with protected sites at its core.
- Working with and supporting partners such Wales Biodiversity Partnership, Public Service Boards, Wales Environment Link and the Local Nature Partnerships to maximise opportunities for biodiversity.
- Contributing to updating the Nature Recovery Action Plan - the biodiversity strategy for Wales.
- Delivering the objectives within Area Statements.
- Natur a Ni / Nature & Us, a project to involve the people of Wales in a national conversation about the future of our natural environment - Vision for 2050.
- In addition, working on programmes to embed nature based opportunities and management of high value nature conservation sites.

Topic owner: Ruth Jenkins

Business Plan dashboard measure/s for this topic:

- [Biodiversity action across NRW](#)

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Measure: Biodiversity action across NRW

This measure reflects how we in NRW are responding to the nature emergency and putting biodiversity at the core of our work. We are doing this by identifying the priorities NRW needs to focus on and establishing a programme to help manage and track Vital Nature delivery through our wide range of roles

Latest position (to end of March 2022):

- Our **final milestone for this year is to provide a progress delivery report to BREG (our Biodiversity and Resilient Ecosystems Sub-group) on the 2021-22 Vital Nature Biodiversity work programme**
- We have completed this milestone activity. We have produced a Biodiversity Programme for 22-23 to capture all our biodiversity work across NRW's operational and strategic functions. Progress reports on the delivery of the updated programme have regularly been reported to the Biodiversity and Ecosystems Resilience Sub-group and it remains a standing agenda item.
- Over the last year, we have held workshops and meetings to raise the profile of the Biodiversity Programme.
- **This measure is green at year end.**

What we are doing next:

- Over the next year, we will continue to review and update the Programme and we will begin to utilise it as a resource management tool.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 with updated milestones.

Measure owner: Ruth Jenkins

Q1	to Q2	to Q3	Year end
Amber	Green	Amber	Green

See [here](#) for key used for green, amber or red status

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Topic: Protecting Habitats and Species

Topic summary progress

Guided by our strategic steer 'Vital Nature' we will address the nature emergency. Highlights from the programme include:

- Providing technical specialist support for the development of £9.8M Nature Networks Fund in collaboration with Welsh Government and the National Lottery Heritage Fund.
- Delivering positive management for protected sites through a management agreement programme.
- Delivering species and habitats restoration projects (e.g., LIFE projects, Invasive Non-Native Species Pilot Project)
- NRW direct management action delivery continues through EU LIFE funded projects: Sands of LIFE, New LIFE for Welsh Raised Bogs, LIFE Dee River, and new projects to be launched LIFE Quake and 4 Rivers for LIFE.
- Action benefitting National Nature Reserves managed by other bodies.
- Development of advice to inform a Welsh Government funded prioritised programme of multi-year investment to build ecosystem resilience across ecological networks with protected sites at the core.
- Supporting 'Natur am Byth' species recovery project (development phase is now underway following NLHF application was approval in June).
- Implementing biosecurity within NRW and sharing best practice and tools externally.

Topic owner: Martyn Evans

Business Plan dashboard measure/s for this topic:

- Priority actions undertaken on protected sites to improve condition of features
- Actions undertaken on National Nature Reserves on NRW managed land to improve
- Delivering targeted action for declining species or those on the edge of extinction

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Measure: Priority actions undertaken on protected sites to improve condition of features

Improving protected site condition is essential for maintaining biodiversity and building ecosystem resilience. This measure reflects how we are progressing with actions to improve protected sites to fully provide ecosystem service benefits and function as a core component of a resilient ecological network - enabling habitats and wildlife to thrive.

Latest position (to end of March 2022):

- Our **final milestone for this year is 80% of actions completed or underway**
- We have completed this activity. 94% of actions in the work programme were reported as underway or complete by 23 March 2022, with 86 underway and 154 complete.
- This programme has received additional Welsh Government capital funding this financial year, managed through the Biodiversity and Ecosystem Resilience Fund (BERF) which is focussed on Section 16 land management agreements with owners and occupiers, the Dynamic Dunes Project, Protected site management in Areas of Outstanding Natural Beauty, curlew, river restoration and marine projects.
- **This measure is green at year end.**

What we are doing next:

- The Nature Networks Programme will be launched by Welsh Government in 2022. This three-year programme will focus supporting delivery towards building Resilient Ecological Networks, centred around the protected sites network. NRW has an important role in delivering the programme, through direct management designated sites on the NRW estate (National Nature Reserves and Welsh Government Woodland Estate), and working with stakeholders on protected sites (e.g., through S.16 management agreements and grants).
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 as part of a set of indicators relating to action to address the nature emergency.

Measure owner: Martyn Evans

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Measure: Actions undertaken on National Nature Reserves on NRW managed land

This measure reflects how much we are doing to maintain or enhance the ecological condition of the 56 NNRs in our direct care. We report on the number of priority planned management actions and the number of NNRs receiving significant investment to improve condition via these actions.

Latest position (to end of March 2022):

- Our **final milestone for this year** is for at least 80% of the planned priority actions to be completed resulting in **significant investment in at least 50 of the 56 NNRs in our direct care**.
- We have now **completed this milestone** activity. 428 actions were planned for completion across 51 NNRs by end Q4. Of these, **365 (85%) are Green** (i.e.: complete by year-end), 4 Amber, 36 Red with 23 not reported.
- **The measure is green** with 85% of planned priority works now completed.

What we are doing next:

- We will be celebrating and building on this success to consolidate the benefits while continuing to monitor progress closely. Where planned actions have not been carried out, we will identify the reasons why and work across teams to make further improvements.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 with further development to focus on progress on key works needed to further develop the biodiversity and cultural value of the 56 NNRs in NRW's direct care.

Measure owner: Dominic Driver

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Measure: Delivering targeted action for declining species or those on the edge of extinction

This measure reflects actions to address biodiversity loss and build ecosystems resilience - what we are doing as targeted actions for declining species or those on the edge of extinction in Wales. Unless we reverse biodiversity decline and build resilient ecosystems, our well-being and that of future generations will suffer.

Latest position (to end of March 2022):

- Our **final milestone for this year is to report on development of priorities for Declining Species Programme**
- Unfortunately, staff resource had to be withdrawn from this to deal with the ambitious timelines set by the Joint Nature Conservation Committee's (JNCC) 5-year review of species on schedules 5 and 8 of the Wildlife and Countryside Act. However, we have developed a framework for the Species Programme, and made good progress in identifying priority NRW work areas for declining species, protected species and Invasive Non Native Species. We will be progressing this work next year, but will need to prioritise the 'deep dive' on biodiversity with Welsh Government initially.
- Over the last year, priority species action has included development and publication of the Wales Action Plan for the Recovery of Curlew, publication of the Otter Survey Wales report with recommendations for future action, completed species assessments for Section 7 and Quinquennial Review (QQR) 7, completed surveys and undertaken management for some of our rarest species (e.g. southern damselfly, marsh fritillary, large mason bee and petal wort)
- **This measure is amber at year end.**

What we are doing next:

- We will now continue to work with partners to develop the Partnership Natur am Byth Heritage Lottery Fund application and review species priority actions once the Section 7 list of priority species has been published by Welsh Government.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 with updated milestones. We will continue to explore the opportunities for declining species recovery through our grants and land management supported programmes.

Measure owner: Ruth Jenkins

Q1	to Q2	to Q3	Year end
Green	Green	Green	Amber

See [here](#) for key used for green, amber or red status

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Topic: Managing Land Sustainably

Topic summary progress (i.e. overview of work undertaken against this topic):

- For Planning, Landscape and Energy, we rolled out training to Development Planning Advisory Service Operations staff to support publication of new guidance on our role in Environmental Impact Assessment scoping. Our Operational Guidance Note (OGN) 70, which sets out our statutory role in the planning application process and how to undertake it, has been updated and endorsed by the Planning Technical Group for publication. We reviewed our existing OGN and Guidance Notes to check currency and identify risks and timetabled their update during 22/23. We responded to two Welsh Government consultations (proposed extension of permitted development rights and the National transport delivery plan) and engaged in the renewable energy and Town Centre Deep Dives.
- For the Welsh Government Woodland Estate, we continue to progress actions to close any Corrective Action Requests or Observations arising from the annual UK Woodland Assurance Standard audit and to prepare for the next audit.
- NRW has provided WG with substantial evidence and advice to support its agricultural bill proposals and the new Rural Development Plan replacement (SFS). This has included a detailed interventions spreadsheet to support WG directing land managers on improvements that cover all of NRW's remit. We have continued to provide support to the sector environmental Non-Governmental Organisations and Government in developing new approaches to manage diffuse pollution utilising our regulatory principles.

Topic owner: Sian Williams

Business Plan dashboard measure/s for this topic:

- Number of UK Woodland Assurance Standard (UKWAS) Corrective Action Requests (CARs) and Observations (Obs) open and progress towards closing them.
- Progress of our work to reduce pollution from metal mines

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Measure: Number of UK Woodland Assurance Standard (UKWAS) Corrective Action Requests (CARs) and Observations (Obs) open and progress towards closing them.

Being certified via UKWAS shows we [sustainably manage the Welsh Government Woodland Estate \(WGWE\)](#) reaching Forest Stewardship Council® (FSC®) and Programme for the Endorsement of Forest Certification (PEFC) international standards. Wales' state forests have been certified via UKWAS since 2001 and we aim to keep it that way.

Latest position (to end of March 2022):

- In 2021, we retained certification with 1 major CAR, 1 minor CAR and 5 Obs, fewer than in 2020 and we want fewer still.
- Our auditors assess evidence of closure. They have closed the major CAR. Work is in progress to close out the 1 minor CAR and 4 of the Obs at the 2022 audit. 1 Obs will remain open during the period of the certificate with evidence of progress being provided annually.
- **This measure is green at year end**, due to us retaining certification this year.

What we are doing next:

- Build on the good result to further embed progress on the quality of our sustainable forest management.
- Continue to work on closure of CARs and Obs.
- Prepare staff and systems for the 2022 audit scheduled for November in North West and South Central regions.

Measure owner: Dominic Driver

Q1	to Q2	to Q3	Year end
Amber	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Measure: Progress of our work to reduce pollution from metal mines

This measure reflects progress with the assessment and remediation of high risk sites, in line with our Metal Mine Strategy - Delivering a safe local environment and improvements to local air and water quality and ensuring the sites are safe.

Latest position (to end of March 2022):

- Our **final milestone for this year is to further 16 preliminary assessments**. We have completed this milestone activity. We have completed: 46 Catchments and Mines preliminary assessments plus one for Pandora; two outline designs; four detailed designs (including one for Llyn Geirionydd water access) and ground investigations at multiple sites. We have built flow monitoring structures at Nant-y-Mwyn, blow-out attenuation works at Cwm Rheidol and completed adit capture / Teifi outfall construction at Abbey Consols and the south channel at Frongoch. Site works continue at Dylife.
- **This measure is amber at year end**. Over the last year, we have achieved 9 of the 12 milestones (9/11 allowing for the transfer of Cae Conroi to NRW's flood programme), therefore as not all of the initial planned work was undertaken, the measure is amber. However, we have taken the opportunity to enable work to be brought forward to fill the gap created and hope to fulfil all this year's objectives in the subsequent year.

What we are doing next:

- We will now move forward with our 2022-23 programme to complete 14 Preliminary Assessments, 8 Outline Designs, 5 Detailed Designs, 1 Research, Development and Innovation Trial and Construction of 15 assets.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 as we have achieved in-principal agreement from Welsh Government to a rolling three-year programme of work and to funding for the 2022-23 financial year.

Measure owner: Sian Williams

Q1	to Q2	to Q3	Year end
Amber	Amber	Red	Amber

See [here](#) for key used for green, amber or red status

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Topic: Managing the Sea Sustainably

Topic summary progress (i.e. overview of work undertaken against this topic):

- Our work on the topic Managing the Sea Sustainably is coordinated via NRW's Marine Programme. Progress continues to be made in all key work areas including delivering: implementation of the Welsh National Marine Plan; NRW's Offshore Renewable Energy Programme; NRW's Integrated Coastal Management Programme, with a focus on coastal squeeze; plan and project level marine casework advice; blue carbon work programme; work on practical marine and coastal restoration and ecosystem resilience; contributing to the Wales green / blue recovery programme; implementation of the Marine Area Statement; Marine Protected Area (MPA) condition improvement projects and MPA network management actions; technical support to WG in identifying new Marine Conservation Zones to complete the Welsh MPA network; marine monitoring and reporting; the prioritised marine evidence programme; management of the Dee and Burry Inlet cockle fisheries and the Dee Conservancy.
- Whilst across the programme most work is on track, many areas are dependent on single-year funding. A number of areas have been flagged in the baseline exercise in terms of delivery risk due to resources, and also in the 3-year Grant in Aid (GIA) budget bidding exercise, including MPA management and restoration, marine monitoring, and, critically, the Offshore Renewable Energy Programme which is due to grow as a result of new technologies - for the latter progress has been made in confirming existing suite of roles as permanent, and a business case has been made for additional resources needed to keep pace with sector growth.
- A suite of marine projects has been secured via the Nature Network Fund which will lead to tangible improvements in the management and ultimately condition of MPAs. Progress also being made with all Welsh Government renewable energy deep dive actions.

Topic owner: Rhian Jardine

Business Plan dashboard measure/s for this topic:

- [Support implementation of the Welsh National Marine Plan](#)
- [Progress NRW's actions in the Wales Marine Protected Area network management actions plan](#)

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Measure: Support implementation of the Welsh National Marine Plan

This measure reflects progress in relation to Welsh National Marine Plan (WNMP) implementation including the need to support proportionate decisions that take full account of environmental, social and economic considerations under the new planning framework.

Latest position (to end of March 2022):

- Our **final milestone for this year is to sign-off priority products**
- We have completed this milestone. Enhancement and Restoration Principles has been finalised and signed off by Marine Programme Planning and Delivery Group (MPPDG). This guidance is complemented by the evidence report published in July 2021: 'Restoring Marine and Coastal Habitats in Wales: Identifying Spatial Opportunities and benefits.'
- We have also completed the proportionality 'challenge' checklist, which supports marine advisory staff in ensuring their advice is proportionate. The Marine Advice Handbook (first iteration) will be taken to the April MPPDG for approval.
- **This measure is green at year end.**

What we are doing next:

- We will continue to work to capture relevant guidance and evidence in the WNMP Implementation Table, and to deliver shared priorities.
- We will continue to support development of the spatial approach to planning including Strategic Resource Areas (as per Renewable Energy Deep Dive recommendation) through provision of spatial environmental evidence.
- This measure is likely to continue for 2022/23 as NRW are a key delivery body for the WNMP, next financial year marks the first 3-year review period for the marine plan, so there will be increased external scrutiny of this aspect of our work.

Measure owner: Rhian Jardine

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Measure: Progress NRW's actions in the Wales Marine Protected Area network management actions plan

This measure reflects progress with [Marine Protected Areas network](#) management actions. The marine protected area network is a key tool in developing greater resilience in the marine environment and is an integral consideration for all developments in the marine area, through Wales National Marine Plan policy (WNMP).

Latest position (to end of March 2022):

- Our **final milestone for this year is to sign off and report on final delivery**. We have completed this milestone activity. We have completed all relevant projects and sent the evidence to Welsh Government.
- Over the last year we have produced two new reports on Blue Carbon in the MPA network and a series of infographics to explain this complicated issue to stakeholders. We have produced a strategic review of saltmarsh grazing across the network highlighting what is needed improve this issue on our sites. We have also produced a report on bait digging management options across the MPA network and improved signage at the Gann. All of these reports will be important going forward to help manage the MPA network.
- **This measure is green at year end.**

What we are doing next:

- We will now continue with work on the Action Plan and Annual report, and we have funding for another project next year. Nature Networks funding has been secured for a suite of MPA condition improvement projects. We are planning a spend of £3.275 million over three years on 10 projects addressing a range of marine pressures and opportunities including saltmarsh restoration, non-natives, coastal squeeze and marine litter.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 as we will still be engaging with Welsh Government on this important area of work for improving management across the MPA network.

Measure owner: Rhian Jardine

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Topic: Managing Freshwater sustainably

Topic summary progress (i.e. overview of work undertaken against this topic):

- During 2020 and 2021, we saw increased public awareness of the quality of Wales' rivers and sea. We recognised that we need to review our future ambition and priorities for delivering better water quality in Wales, in line with the Ministerial ambition outlined in the Programme for Government. Sian Williams is leading this work, and our Review will develop further during 2022/23.
- There are several pieces of work already under way, including establishing the Special Areas of Conservation (SAC) Rivers Programme to assess the causes and consequent actions required to bring the SAC rivers back into favourable condition. An increase in attention around storm discharges from sewers, led to the formation of the Better River Quality task force in Wales, the first output from which will be the Storm Overflow roadmap and action plan to be launched shortly. We participated, alongside OFWAT and the Water Companies in a Senedd review to Storm Discharges, and their report was published on 15th March. Within the report there are a number of actions for NRW, and we will deliver against these in line with the timescales stipulated.
- We continue to work closely with government, regulators and water companies on water company planning work in preparation for the Periodic Review of prices (PR24), developing our approach to the National Environment Programme and the new drainage and wastewater management plans and advising on the ever expanding programme of water resources planning work.
- We will work alongside Welsh Government, other regulators, academics, and other interested parties to develop a clear ambition that will help deliver what is needed to ensure water is managed sustainably, helping to tackle the climate and nature emergencies.

Topic owner: Sian Williams

Business Plan dashboard measure/s for this topic:

- [Deliver remaining water related investigations and develop new River Basin Management Plans](#)

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Measure: Deliver remaining water related investigations and develop updated River Basin Management Plans

This measure on water related investigations and [River Basin Management Plans](#) (RBMPs) reflects how we are progressing delivery of the current RBMPs, to protect and improve Wales' water environment and set the strategic direction for the updated Plans (2021- 2027).

Latest position (to end of March 2022):

- Our **final milestone for this year is to review and respond to the draft RBMP consultation stakeholder responses to inform Cycle 3. This measure is Red at year end.** Regardless of the red status, significant effort since 2017 has delivered 2,268 of 2,597 (87%) investigations required in the Water Framework Directive plan period.
- We have published the consultation response to the Dee and Western Wales RBMPs and used responses to finalise these Plans. We have also worked with the Environment Agency to consult on the draft Severn RBMP. However, we are red at year end because we have not delivered all the remaining water related investigations, because of:
 - Competing priorities, including storm overflow and phosphorus in Special Areas of Conservation workstreams
 - 25% of investigations were carried over from 2020/21 due to covid adding further pressure
 - A lack of appreciation at the start of the year of the complexities of the remaining water related investigations

What we are doing next:

- We will now work to ensure that the Dee and Western Wales RBMPs are ready for publication in July and the Severn RBMP by end of December. Once published we will focus on delivery, including measures in Opportunity Catchments.
- The reporting aspects of RBMPs have now moved to a wider water reporting measure. There is also a specific measure on the implementation of actions in opportunity catchments and national measures.

Measure owner: Sian Williams

Q1	to Q2	to Q3	Year end
Red	Red	Red	Red

See [here](#) for key used for green, amber or red status

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Priority: Developing and using our Evidence with Partners to Advocate for and Deliver SMNR

Developing and using our evidence with partners and communities to advocate for and deliver the sustainable management of natural resources (SMNR) through [state of natural resources reporting](#), area statements and joint working to improve the resilience, well-being and connection of nature and people: using evidence, sharing evidence and developing evidence.

Our NRW Business Plan sets out the following topics in relation to this priority:

- [Creating a Shared Vision for the Natural Environment for 2050](#)
- [Improving and Presenting Evidence about the Natural Environment](#)
- [Work with Partners and Communities using Area Statements](#)

The following pages reflect recent progress for those topics, along with the latest performance position in relation to the Business Plan dashboard measure/s for each.

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Topic: Creating a Shared Vision for the Natural Environment for 2050 - Natur a Ni / Nature and Us

Topic summary progress (i.e. overview of work undertaken against this topic):

- The 'Nature and Us' national conversation was launched on 17th February and received widespread media interest.
- Following significant input from internal specialists and external partners we expanded the range of products for launch which increased the variety of opportunities for the public to get involved, including postcards, a discussion guide, and an option to provide more creative responses.
- The first 6 weeks of the campaign have resulted in high numbers of survey completions and event registrations.
- Work has continued to promote the campaign through networks including Community Housing Cymru, Public Health Wales, Wales Council for Voluntary Action and One Voice Wales, community groups and youth organisations.
- Resources made available through the education sector including all Welsh primary and secondary schools, Wales Outdoor Learning Network, and championed by youth organisations such as Duke of Edinburgh Awards.

Topic owner: Sarah Williams

Business Plan dashboard measure/s for this topic:

- **Develop Natur a Ni / Nature and Us campaign products for launch**

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Measure: Develop Natur a Ni / Nature and Us campaign products for launch

This measure reflects the work needed to develop the products for Nature and Us so that they are ready for launch in Q4. Once the products are in place, we will be able to go live with the campaign in a timeframe agreed with Welsh Government and to input into our corporate plan.

What is the latest position? (to end of March 2022):

- Our **final milestone for this year is launch of campaign and update on initial responses and phase 2 resource plan.** We have completed this milestone activity. We have:
 - Received over 2,400 responses to part one of our survey and nearly 1,000 responses to both parts
 - Held 3 webinars, 6 focus groups and 2 stakeholder workshop sessions
 - Developed a costed phase 2 plan to move towards the collaborative development of the shared vision
- Over the last year we have met our measure to develop campaign products for launch and have built a movement of stakeholder organisations keen to work with us over the next year to develop the shared vision.
- **This measure is green at year end.**

What we are doing next? (including activity to address current/predicted red or amber, and next target/milestone):

- We will now continue to roll out the next phase of the work, including:
 - Completing the remaining involvement activities
 - Analysing the data that we've had back through the surveys, webinars, workshops and focus groups
 - Establishing a collaborative governance arrangement to oversee the development of the shared vision
 - Facilitate the production of the vision, and shared learning from the programme
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 including the final vision and programme evaluation.

Measure owner: Sarah Williams

Q1	to Q2	to Q3	Year end
N/A	N/A	Green	Green

See [here](#) for key used for green, amber or red status

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Topic: Improving and Presenting Evidence about the Natural Environment

Topic summary progress (i.e. overview of work undertaken against this topic):

- The State of Natural Resources Report (SoNaRR) Performance Dashboard measure milestones have been met.
- Development of SoNaRR2025 has begun. The next SoNaRR will be managed as a project and has been approved by NRW's Project Management Office. The Project Board will include a seat for Welsh Government.
- The 'Bridges to the Future' (SoNaRR benefits realisation) project group is underway; the Food System technical group is the first to launch.
- The Wales Environmental Information Portal is live and maintained
- Progress is being made with the Freshwater Monitoring Review. Internal monitoring needs have been collated as well as best practice monitoring approaches from other countries.
- A new Quality Management System has been implemented for our water quality sampling. This will enable us to have greater confidence in the quality of our sampling procedures and assure the quality of our monitoring data moving forward. Similar Quality Systems are being developed for our marine, terrestrial and freshwater ecological and fisheries monitoring programmes.

Topic owner: Chris Collins

Business Plan dashboard measure/s for this topic:

- Promote, advocate and encourage use of State of Natural Resources Report

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Measure: Promote, advocate and encourage use of State of Natural Resources Report

This measure reflects action to promote, advocate and encourage use of [the State of Natural Resources Report \(SoNaRR2020\)](#) evidence and key findings to realise the benefits of the sustainable management of natural resources (SMNR).

Latest position (to end of March 2022):

- Our **final milestone for this year is summary of engagement, feedback and use of SoNaRR and the application in Area Statements.**
- We have completed this milestone activity. We have listened to feedback from SoNaRR users and changed web pages to improve the user experience. We will continue to do this in the coming months.
- Over the last year, we have explained the SoNaRR findings to stakeholders across Wales and the UK. We have used SoNaRR as evidence to deliver our work and encouraged others to do the same. For example: Wales TUC, Senedd Research, Local Nature Partnerships and Welsh Government reports and policies have been informed by SoNaRR.
- Area Statement Ecosystem profiles used the evidence set out in the SoNaRR2020 Ecosystem assessments.
- We have used opportunities to integrate the 4 aims, 3 systems messages from SoNaRR2020 with key strategic partners through Well-being assessments and Well-being plans.
- The SoNaRR evidence needs have been used to shape NRW evidence programmes and to frame our work with academics and professional societies.
- **This measure is green at year end.**

What we are doing next:

- We will continue to listen to feedback from users and make changes to the structure on the website. We will use feedback to start planning for SONaRR2025.

Measure owner: Chris Collins

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Topic: Work with partners and communities using Area Statements

Topic summary progress (i.e. overview of work undertaken against this topic):

- Our focus this quarter has been on working with Public Services Board (PSB) partners to develop Well-being Assessments, incorporating key messages and evidence from SoNaRR2020 and Area Statements.
- In South West, we have been working closely with partners in the development and delivery of Opportunity Catchments, notably river restoration in Swansea and an SMNR pilot with Dwr Cymru Welsh Water in the Afan.
- In Marine, we have been working to develop guidance on embedding nature based solutions into coastal defence structures working within our own Business and with partner organisations and consultants involved in relevant work.
- In Mid Wales, we have continued our engagement with PSB partners in Ceredigion and are jointly progressing three pilot projects that will help to deliver objectives of the current Well-being Plan and of the Mid Wales Area Statement.

Topic owner: Martyn Evans

Business Plan dashboard measure/s for this topic:

- [Use of Area Statements within NRW to embed priorities and opportunities](#)

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Measure: Use of Area Statements within NRW to embed priorities and opportunities

This measure reflects the use of [Area Statements](#) within NRW particularly in our Service and Place plans and through joint working to embed priorities and opportunities.

Latest position (to end of March 2022):

- We have framed our 2022-23 Place Plans around Area Statement priorities and opportunities. We have developed a concept paper for a national framework to better enable place-based delivery of the Natural Resources Policy. Case studies report considerable traction with place-based activities and growing influence at local level. However, our evaluation is revealing that at regional level there is further work to do to improve the visibility of Area Statements as part of the growing regional development agenda and with delivery bodies like Corporate Joint Committees (CJCs) which help regional collaboration between local authorities. Opportunities to take forward the ambition for systems thinking around transport, energy and food evident in SoNaRR will need to be grasped by tactical scaling up of area statement delivery and influence at a local scale allied to provision of clear advice and effective translation of national policy/planning drivers at a regional scale.
- Over the last year we have worked with colleagues internally to explore opportunities to align other work programmes to deliver Area Statement priorities. **This measure is green at year end.**

What we are doing next:

- We will now continue to take a place-based approach to aligning work programmes with Area Statement priorities including putting more emphasis on influencing regional scale governance groups. We will work with our Public Services Board partners to develop Well-being Objectives and Well-being Plans.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 as the work to embed the priorities and opportunities in Area Statements and SoNaRR is ongoing.

Measure owner: Martyn Evans

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Priority: Developing NRW into an excellent organisation that serves the communities of Wales

Developing NRW into an excellent organisation, through engagement and collaboration with stakeholders around the [sustainable management of natural resources](#) and focussing on new ways of working, to improve benefits to communities from the environment

Our NRW Business Plan sets out the following topics in relation to this priority:

- [Responding to and Managing Incidents](#)
- [Regulation – permitting, regulating, and where required enforcing compliance](#)
- [Benefitting Communities](#)
- [Developing Our Organisation](#)
- [Ensuring Everyone’s Well-being, Health and Safety](#)
- [Understand and improve our Customers’ Experiences](#)
- [Making the most of our Commercial Opportunities](#)

The following pages reflect recent progress on six of those topics, along with the latest performance position in relation to the Business Plan dashboard measure/s for each.

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Topic: Responding to and Managing Incidents

Topic summary progress (i.e. overview of work undertaken against this topic):

- **Preparedness:** Development of the guidance materials that support our response roles has continued at pace, including the update of our Incident Categorisation Guidance and development of Incident Recovery Guidance.
- **Response:** In a challenging year, we have continued to respond to several incidents that have occurred recently, as well as managing the Covid, Avian Influenza and *Phytophthora pluvialis* responses. We have also continued development of additional topic specific Critical Incident Plans to help guide our response to those incidents that have the largest potential impact.
- **Review:** Incident reviews have been carried out for recent incidents, including the March wildfires, with the recommendations resulting in actions and the embedding of learning from our experience.
- **Recording & reporting:** Preparations for upgrading our incident recording system to a new web version have continued, with testing underway and implementation due in Quarter 1 2022/23.
- **Training:** Training of new rota volunteers has been taking place across the organisation, improving our skills and capabilities to deal with all types of incidents, including those officers on the new Land Management Duty Officer rotas.
- **Exercising:** Teams across NRW have continued to take part in exercises both internally and with our multi-agency partners. The learning from these exercises has been factored into our ongoing training programme.
- **Rota Resilience:** Rota resilience is being improved through the introduction of new contractual rota arrangements and the training of rota volunteers, who have started to join rotas following completion of their training.
- **Business Continuity:** Additional actions have been carried out (with others ongoing) to improve resilience and our ability to respond to incidents that could disrupt our critical and priority business activities. These actions have been driven by learning from the Coronavirus Pandemic and the sharing of information by our partners in relation to recent Cyber-attacks and associated exercises.

Topic owner: Lyndsey Rawlinson

Business Plan dashboard measure/s for this topic:

- [Response to incidents \(initial category 'High', within 4 hours\)](#)

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Measure: Response to incidents (initial category 'High', within 4 hours)

For incidents we initially class as High Level (using our Incident Categorisation Guidance criteria), we aim to respond within four hours of being notified. This is to ensure we prioritise our efforts on the high impact incidents, and we act within a suitable timeframe to minimise harm and impact. Response may include physical attendance at the site, but also includes other activities, such as contacting professional partners

Latest position (to end of March 2022):

- Our **final target for this year is 95%**.
- We have achieved this measure for Quarter 4 with 98%.
- This is the first time we have reported green status for this measure this year. This latest report reflects how we have acted within our target timeframe to minimise harm and impact from incidents initially classified as high level. The work carried out in Q4 included focussing on improving our data recording for Q4 and previous quarters, to ensure this reflects our response to incidents initially classified as high level within 4 hours. We are therefore now able to evidence we are **green at year end at 95%** (for the whole of 2021/22).

What we are doing next:

- We will review the approach we took in Quarter 4 and aim to build on this improvement in recording practice, including through planned training for incident duty officers in 2022/23 and long-term upgrades to our recording system.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23, with an amendment to clearly show the difference between issues with response time and issues with data quality.

Measure owner: Lyndsey Rawlinson

Q1	to Q2	to Q3	Year end
Amber	Amber	Amber	Green

See [here](#) for key used for green, amber or red status

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Topic: Regulation – permitting, regulating, and where required enforcing compliance

Topic summary progress (i.e. overview of work undertaken against this topic):

- Progress for Q4 in relation to the Performance of regulated sites measure has been as expected. The measure is green with 100% of the sites with category 1 and category 2 compliance breaches receiving an appropriate regulatory response determination within 6 months.
- It should be noted that slightly fewer compliance breaches have been found in this reporting quarter (July – September 2021) than the previous reporting quarter (April – June 2021) and the number of compliance breaches are still significantly below the number of compliance breaches reported in the pre-pandemic reporting quarter of January – March 2020.

Topic owner: Nadia De Longhi

Business Plan dashboard measure/s for this topic:

- Performance of regulated sites and water quality discharges

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Measure: Performance of regulated sites and water quality discharges

This measure reflects the number of category 1 and category 2 compliance breaches with appropriate regulatory response determined within 6 months. Poor performance at permitted sites has the potential for impacts on the environment, communities and the reputation of a sector. They are also resource intensive in terms of our regulatory effort and are considered to pose a greater risk of incidents, which can also then consume a large amount of our resources and impact communities.

Latest position (to end of March 2022):

- Our **final target for this year is 75% of category 1 and category 2 compliance breaches to have an appropriate regulatory response determined within 6 months**
- There have been 21 category 1 and category 2 compliance breaches over the period (July – September 2021) and **100%** have had an appropriate response.
- **NB** – The 21 compliance breaches in Q4 of 2021-22 (July – September 2021) is a slight decrease on the 27 compliance breaches recorded in Q3 of 2021-22 (April – June 2021) but is a significant increase from the 12 compliance breaches recorded in Q4 of 2020-21 (July – September 2020).
- **This measure is green.**

What we are doing next:

- We have successfully managed to meet this target over the 2021-22 Financial Year.

Measure owner: Nadia De Longhi

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Topic: Benefitting Communities

Topic summary progress:

- In this topic we focus on work to better engage with stakeholders at all scales in Wales to improve our approaches and how well we are engaging in Place to understand the nuances of local needs impacting on approaches to delivery.
- We continue to conduct regular meetings with key Environmental stakeholders to ensure they are involved with our thinking about the new Grants Portfolio. Their contributions have been helpful in understanding the priorities and appetite for our intended areas of grants support for the next two years. We look forward to continued conversations with this influential sector group as we enter the next steps as well as wider discussions about how we recognise each other's ambitions for delivering outcomes for Wales. Similarly, we have two representatives from the grants third sector community (Wales Environment Link (WEL) and Wales Council for Voluntary Action (WCVA)) representing the voice of customers to help us develop our grants offer. Our work this quarter to contribute effectively to the well-being assessments being developed by each PSB across Wales will help set the agenda for the next 5 years in the ensuing Well-being Plans.
- We have completed the recruitment to the new Grants Assessment and Monitoring team. Training has been delivered for them and others in the new processes. So, we now have more capable resources to deploy to both ensure in flight grants are well managed as we approach year end and the associated increase in grants claim alongside processing the new grants emerging from the identified programmes for 2022/23.
- We have finalised the agreement with Arts Council Wales (ACW) and now have the green light to commence the Creative Nature Programme. This 12 month programme will explore how the arts can be used to enhance how we engage with people and communities. Work strands will use art installations as innovative approaches to challenge current thinking about food, energy and transport systems, decarbonisation and the future of the natural environment.

Topic owner: Ruth Jenkins

Business Plan dashboard measure/s for this topic:

- [Deliver NRW's combined health and educator training](#)

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Measure: Deliver NRW's combined health and educator training

This measure on the development and delivery of NRW's combined health and educator training, resources and projects reflects our work to highlight the multiple health and attainment benefits the natural environment can provide.

Latest position (to end of March 2022):

- Our final milestone for this year is to update on programme and project progress and any action on areas for change, identifying new work programmes/projects for 2022/23.
- We have completed this milestone activity. We have completed the development and delivery of NRW's combined health and educator training, resources and projects including on-line training packages in partnership with Pacey and the delivery of Wales Outdoor Learning Week 2022.
- Over the last year, we have significantly progressed the Health Impact Assessment project presenting to a number of Boards and consolidated our thinking around Health policy and next steps. We have continued to develop partnerships to influence the education community and the 14+ curriculum.
- This measure is green at year end.

What we are doing next:

- We will now continue to develop new partnerships and communication methods particularly around green/blue prescribing and secondary/tertiary education seeking new ways to influence formal and informal curricula. We will follow up new contacts within the medical professions and seek to reinvigorate the Memorandum of Understanding with Public Health Wales as this was paused during the Pandemic. We will bring forward new educator resources to support areas of the business including Wales Coast Path, Healthy Hillside and Natur am Byth and seek to market these.
- This measure is to continue to form part of our Business Plan dashboard reporting for 2022/23 as ongoing development and delivery of NRW's combined health and educator training, resources, and communication projects.

Measure owner: Ruth Jenkins

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Topic: Developing our Organisation

Topic summary progress:

- We have now developed our People Strategy and also our Inclusion and Diversity Strategy both of which have been signed off by the Board.

Topic owner: Steve Burton

Business Plan dashboard measure/s for this topic:

- [Develop and implement a People Strategy for NRW](#)
- [Equality, Diversity and Inclusion action](#)

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Measure: Develop and implement a People Strategy for NRW

This measure reflects the development and implementation of our People Strategy.

Latest position (to end of March 2022):

- Our final milestone for this year is to have priority actions underway and complete where appropriate, in line with the People Strategy action plan.
- Over the last year we have been developing the People Strategy and have completed this milestone activity with our Board signing off our People Strategy in January 2022.
- The urgent key risk with regards resourcing is being delivered through our Strategic Risk – Resourcing.
- **This measure is green.**

What we are doing next:

- We will now develop a communications plan to share the People Strategy with staff.
- This measure is not likely to continue to form part of our Business Plan dashboard reporting for 2022/23.

Measure owner: Steve Burton

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

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Measure: Equality, Diversity and Inclusion action

This measure reflects development and implementation of our Equality, Diversity and Inclusion (EDI) Action Plan, now superseded by 'Gyda'n Gilydd - All Together' - NRW's Inclusion and Diversity Strategy 2021-25 and high-level plan.

Latest position (to end of March 2022):

- Our final milestone for this year is to complete a sub plan for 2022-2023 based upon the review in Q3 and agree with the NRW board.
- We have completed this milestone activity. We received approval from Board on 28 January 2022 for our All Together - NRW's Inclusion Strategy and Diversity 2021-25.
- Over the last year, we have been developing our strategy with input from staff and external stakeholders.
- This measure is green at year end.

What we are doing next:

- We will now be developing a supporting action plan and a steering group to oversee deliverables for the duration of the strategy.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 as we shape our developing culture through the lens of our NRW Values and focus on inclusive ways of working and increased innovation through diversity of thought. This includes our approach to service delivery and workforce issues as well as seeking to widen participation in the environment incorporating a wide understanding of diversity and inclusion.

Measure owner: Steve Burton

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Topic: Understand and Improve our Customers' Experiences

Topic summary progress:

- New Customer Experience Manager post has been filled and post holder joined the team in January 2022.
- Work has begun on gathering and consolidating current customer insight to understand what we already have and to identify gaps and opportunities. These include feedback from Visitors centres, website and through the Customer Hub.
- We are reviewing the way we analyse and report customer insight across NRW to ensure it is of value to teams and is actionable.
- NRW wide Customer Journey Mapping exercise started in March 2022 and will run for next 12 months.

Topic owner: Naomi Lawrence

Business Plan dashboard measure/s for this topic:

- [Progress the Customer Experience Strategy](#)
- [Deliver our Stakeholder Engagement Plan](#)

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Measure: Progress the Customer Experience Strategy

This measure reflects the Progress of the Customer Experience Strategy

Latest position (to end of March 2022):

- Our final milestone for this year is to begin a review of results of the customer journey mapping exercise and agree next steps.
- We have not completed this milestone activity. We only started the Customer Journey Mapping project in March 2022. It was significantly delayed as we unable to find a supplier and had to go out to tender multiple times.
- Over the last year we have had to put this piece of work out to tender three times as we were unable to find an external supplier. In February 2022 we successfully appointed a supplier and work commenced in March 2022 and will continue for 12 months.
- **This measure is red at year end**

What we are doing next:

- We will now continue to work with our external supplier over the next 12 months to deliver the Customer Journey mapping project as per the original delivery plan.
- This measure is likely to form part of our Business Plan dashboard reporting for 2022/23 as work will continue until March 2023 and this is the foundational piece work which will set our direction moving forward.

Measure owner: Naomi Lawrence

Q1	to Q2	to Q3	Year end
Green	Green	Amber	Red

See [here](#) for key used for green, amber or red status

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Measure: Deliver our Stakeholder Engagement Plan

This measure reflects the delivery of our stakeholder engagement plan.

Latest position (to end of March 2022):

- Our **final milestone for this year is to undertake a perceptions audit.**
- We have completed this milestone activity. We have now received the audit and are currently analysing the results.
- Over the last year, we have been developing a programme of training and support to aid the implementation of the contact programme that will be developed in light of the responses.
- **This measure is green at year end.**

What we are doing next:

- We will now use the outcomes of the perceptions audit and the internal audit on stakeholder engagement to inform the development of a refreshed programme of high-level stakeholder activity to sit alongside the new corporate plan.

Measure owner: Naomi Lawrence

Q1	to Q2	to Q3	Year end
Amber	Amber	Amber	Green

See [here](#) for key used for green, amber or red status

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Topic: Making the most of commercial opportunities

Topic summary progress (i.e. overview of work undertaken against this topic):

- It has been an excellent year for commercial opportunity within NRW. Although the amount delivered on the ground is small, we have made great progress in developing better internal processes, exploring and discussing across the business potential opportunities, and researching more innovating markets and practices that could help develop greater SMNR benefits through commercial delivery.
- 3P approach (People, Planet, Prosperity) has been outlined and work has started to embed this.
- The Sustainable Commercial Opportunities Group (SCOG) and Commercial Network (CN) are up and running to make the most of opportunities that are presented to NRW for development.
- Work continues to improve the Timber Sales Governance Standards.
- Partnership working with Welsh Government on the Wind Energy opportunities.
- Ministerial Deep Dive Initiatives are filtering through to our approach on the ground.
- Commercial Strategy is embedded and is being used to drive Commercial Outcomes.

Topic owner: Elsie Grace

Business Plan dashboard measure/s for this topic:

- Implement our Commercial Strategy
- Timber volume offered to market / sold / dispatched

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Measure: Implement our Commercial Strategy

This measure reflects how we are implementing our Commercial Strategy (which superseded the Enterprise plan) and sets out what we will focus on in the next five years and NRW's approach to commercial opportunities, including the development of the People, Planet, Prosperity measurement of commercial success and value.

Latest position (to end of March 2022)

- Our **final milestone for this year is Annual Review prepared (for publishing April 2022) and Strategy Revision (published April 2022).**
- We have prepared the Annual Review, but it still needs to go through final signoff and translation. We accept given what a busy time it is at the start of the new financial year, that April was overly ambitious to get this published and that preparation in March and published in May would be more practical in future years.
- We have conducted a Strategy Revision exercise and no changes are to be made to the document this year so there will not be any new documentation published. We have already however delivered a summary of the year to a public audience through the Commercial Network Event that was held in March 2022.
- We have also now held the first Commercial Network event as outlined for Q3 which was delayed for more sensible timing.
- **This measure is green.**

What we are doing next:

- We will now, in line with the commercial service plan, continue to focus on the five areas of focus outlined in the Commercial Strategy.

Measure owner: Elsie Grace

Q1	to Q2	to Q3	Year end
Amber	Amber	Amber	Green

See [here](#) for key used for green, amber or red status

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Measure: Timber volume offered to market/sold/dispatched

This measure reflects a commitment set out in the [Timber Sales and Marketing Plan](#). NRW currently offers an available timber harvest of around two thirds of the total Welsh market, generating significant income and supporting the timber economy in Wales.

Latest position (to end of March 2022):

- Our **final target for this year is 830,000m³**.
- We have achieved 809,000m³ which is 97% of target.
- This measure has an operational tolerance of 15% to accommodate weather and disease events.
- **This measure is green at year end.**

What we are doing next:

- We are preparing four major timber sales for 2022/23, for which the target will be 750,000m³.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23.

Measure owner: Elsie Grace

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Priority: Responding to the Covid-19 pandemic and the UK leaving the European Union, taking opportunities for a green recovery

Collaborating with partners in response to major change, including the Covid-19 pandemic and the UK leaving the European Union, providing advice and guidance and taking opportunities to maximise a green and blue recovery

Our NRW Business Plan sets out the following topics in relation to this priority:

- [Providing advice and guidance](#)
- [Delivering our Covid-19 Renewal Programme](#)

The following pages reflect recent progress on each of those topics, along with the latest performance position in relation to the Business Plan dashboard measure/s for each.

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Topic: Providing advice and guidance

Topic summary progress (i.e. overview of work undertaken against this topic):

- This work includes maintaining relationships with other agencies and staff across NRW to provide a coherent view on the continuing impacts of EU exit and to advise Welsh Government via liaison with colleagues across the UK.
- We are working closely with Welsh Government and other agencies supporting the development of legislation and are ensuring that the long-term impact, risks and opportunities related to environmental governance are recognised. In particular, development of the new oversight body, increased risk of Judicial Review, strategic complaints work and increased liaison and advisory work related to environmental governance.
- We will continue to manage this additional permanent work on behalf of the wider organisation with the establishment of a new permanent team.

Topic owner: Ruth Jenkins

Business Plan dashboard measure/s for this topic:

- NRW's contribution following EU Exit

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Measure: NRW's contribution following EU Exit

This measure reflects an update on NRW's contribution following EU Exit to environmental principles and governance, the new oversight body and new legislation (development of Agriculture and Fisheries Bills etc). NRW must respond effectively to developing issues and changes for advice and guidance to staff, customers and stakeholders.

Latest position (to end of March 2022):

- Our **final milestone for this year is provide a progress update.**
- We are continuing to contribute to the development of new legislation following EU Exit, supporting Welsh Government (WG) and coordinating a comprehensive response from NRW. We are working with other agencies, staff across NRW and with the Interim Environmental Protection Assessor Wales (IEPAW) on environmental governance and have briefed Executive Team on the long-term impact, risks and opportunities related to the new oversight body and its effect on NRW's work. In particular, the increased risk of Judicial Review, strategic complaints work and advisory work. We are working closely with the IEPAW on calls for evidence in response to submissions and establishing a permanent resource to manage this work.
- **This measure is green at year end.**

What we are doing next:

- We will now finalise proposals and conclude the establishment of a new permanent team to deliver the service for the new and additional work following EU Exit. We will work with WG on new legislation and the new oversight body and with other agencies, NRW staff and interim process.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 as the permanent new work following EU Exit is ongoing.

Measure owner: Ruth Jenkins

Q1	to Q2	to Q3	Year end
Green	Green	Green	Green

See [here](#) for key used for green, amber or red status

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Topic: Delivering our Covid-19 Renewal Programme

Topic summary progress:

- 4 of the 6 placed based outline accommodation business cases have been approved.
- Team telephony is now in place allowing us to make and receive phone calls from any device that is running Teams.
- A room and desk booking system, essential for hybrid working, is in place.

Topic owner: Victoria Rose-Piper

Business Plan dashboard measure/s for this topic:

- [Implement Covid-19 Renewal programme](#)

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Measure: Implement Covid-19 Renewal programme

This measure reflects the broad range of work undertaken to deliver the Renewal programme.

Latest position (to end of March 2022):

- Our final milestone for this year is delivery against programme plan, including implementation of planned trials initiatives and measurement of benefits delivered.
- We have completed some of the milestone activity. We have delivered ICT systems to support hybrid working practices. Defined the principles which will drive consideration of the climate emergency in our built estate. Begun the process of developing a long-term accommodation strategy. We have also identified the HR policies that need reviewing to enable hybrid working. Finally, we have opened many of our offices and provided hot desks for staff to book as well as informal meeting spaces in some buildings.
- Over the last year, we have put the building blocks in place to begin delivering a transition to hybrid ways of working in 2022/23
- This measure is amber at year end.

What we are doing next:

- We will now prepare a work programme for 2022/23 with an associated spend profile. We will progress the accommodation strategy, developing and delivering specific business cases for short term priorities. We will amend staff T&C's and associated policies to enable hybrid working. We will let a contract and begin delivery of Electric Vehicle (EV) charging infrastructure for the NRW fleet.
- This measure is likely to continue to form part of our Business Plan dashboard reporting for 2022/23 as Adfywio is a medium to long term programme for NRW.

Measure owner: Victoria Rose-Piper

Q1	to Q2	to Q3	Year end
Green	Amber	Amber	Amber

See [here](#) for key used for green, amber or red status

[To return to start of report - see [Business Plan Performance Dashboard](#) - pages 1 and 2]

Key: Green, amber or red ratings

The detail of how the green, amber or red measure status is determined for each measure in our Business Plan dashboard is shown below. We only depart from this where necessary, for the specific measure being considered (e.g. using specific tolerances for numeric targets to be a fair reflection of performance, and to ensure alignment with long-standing performance reporting approaches for these).

Each quarter through the year, we report both a current position to that quarter, and an expected year end position. At the end of each financial year, we report each performance position within our Annual Report and Accounts, with the final reported position for each measure reflected as green, amber or red. In that report, **Green reflects achieved target or milestone**, **Amber reflects close to target or milestone**, and **Red reflects missed target or milestone**.

Some measures have no pre-set green, amber or red categorisation in place. This is often the case for measures that are new/emerging work areas, or where a pre-set approach would not make sense. Ratings for these measures are therefore based on a common-sense reflection approach in year – i.e. a fair reflection of the position at that time

Respond to the Climate Emergency

Page	Measure	Type	Red is...	Amber is...	Green is...
6	Climate emergency across NRW	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
8	Verification of Glastir Woodland grant scheme applications	Numeric	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Red rating applies, focused on fair reflection of position	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Amber rating applies, focused on fair reflection of position	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Green rating applies, focused on fair reflection of position

9	Area of new woodland created on the NRW Estate	Numeric	Figure / target not achieved.	Within 30% of figure / target	Figure / target effectively achieved.
11	Actions undertaken to restore Welsh peatlands	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
13	Implement Flood Review recommendations	Text update	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Red rating applies, focused on fair reflection of position	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Amber rating applies, focused on fair reflection of position	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Green rating applies, focused on fair reflection of position
14	Maintain flood risk assets in high risk systems at target condition	Numeric	Figure / target not achieved.	Within 30% of figure / target	98% (with no integer rounding)
15	Properties with reduced risk or sustained protection through capital work	Numeric	Figure / target not achieved.	Within 30% of figure / target	90% (with integer rounding, i.e. $\geq 89.5\%$ would be green)

Respond to the Nature Emergency

Page	Measure	Type	Red	Amber	Green
18	Biodiversity action across NRW	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
20	Priority actions undertaken on protected sites to improve condition of features	Milestone	Figure / target not achieved.	Within 30% of figure / target	Figure / target effectively achieved.
21	Actions undertaken on National Nature Reserves on NRW managed land to improve	Milestone	Figure / target not achieved.	Within 30% of figure / target	Figure / target effectively achieved.
22	Delivering targeted action for declining species or those on the edge of extinction	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
24	Number of UKWAS Corrective Action Requests and Observations open and progress closing them	Text update	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Red rating applies, focused on fair reflection of position	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Amber rating applies, focused on fair reflection of position	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Green rating applies, focused on fair reflection of position

25	Progress of our work to reduce pollution from metal mines	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
27	Support implementation of the Welsh National Marine Plan	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
28	Progress NRW's actions in the Wales Marine Protected Area network management actions plan	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
30	Deliver remaining water related investigations and develop new River Basin Management Plans	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete

Developing and using our evidence with partners to advocate for and deliver SMNR

Page	Measure	Type	Red	Amber	Green
33	Develop Natur a Ni / Nature and Us	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g.	Activity reflected in milestone is effectively complete

	campaign products for launch			expected to be completed a month later than planned)	
35	Promote, advocate and encourage use of State of Natural Resources Report	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
37	Use of Area Statements within NRW to embed priorities and opportunities	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete

Developing NRW into an excellent organisation that serves the communities of Wales

Page	Measure	Type	Red	Amber	Green
40	Response to incidents (initial category 'High', within 4 hours)	Numeric	Figure / target not achieved.	Within 30% of figure / target	95% (with integer rounding, i.e. $\geq 94.5\%$ would be green)
42	Performance of regulated sites and water quality discharges	Numeric	Figure / target not achieved.	Within 30% of figure / target	75% (with integer rounding, i.e. $\geq 74.5\%$ would be green)
44	Deliver NRW's combined health and educator training	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be	Activity reflected in milestone is effectively complete

				completed a month later than planned)	
46	Develop and implement a People Strategy for NRW	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
47	Equality, Diversity and Inclusion action	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
49	Progress the Customer Experience Strategy	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
50	Deliver our Stakeholder Engagement Plan	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete
52	Implement our Commercial Strategy	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete

53	Timber volume offered to market / sold / dispatched	Numeric	Figure / target not achieved.	Within 30% of figure / target	Figure / target effectively achieved.
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Responding to the Covid-19 pandemic and the UK Leaving the European Union, taking opportunities for a green recovery

Page	Measure	Type	Red	Amber	Green
56	NRW's contribution following EU Exit	Text update	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Red rating applies, focused on fair reflection of position	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Amber rating applies, focused on fair reflection of position	No pre-set Red / Amber / Green rating approach in place, i.e. common-sense approach to Green rating applies, focused on fair reflection of position
58	Implement Covid-19 Renewal programme	Milestone	Activity reflected in milestone is not near completion	Activity reflected in milestone is near complete (e.g. expected to be completed a month later than planned)	Activity reflected in milestone is effectively complete

At the end of each financial year, we report each performance position within our Annual Report and Accounts, with the final reported position for each measure reflected as green, amber or red. In that report, **Green reflects achieved target or milestone**, **Amber reflects close to target or milestone**, and **Red reflects missed target or milestone**.

Annex 2: Internal Performance Report (to Q4)

Introduction

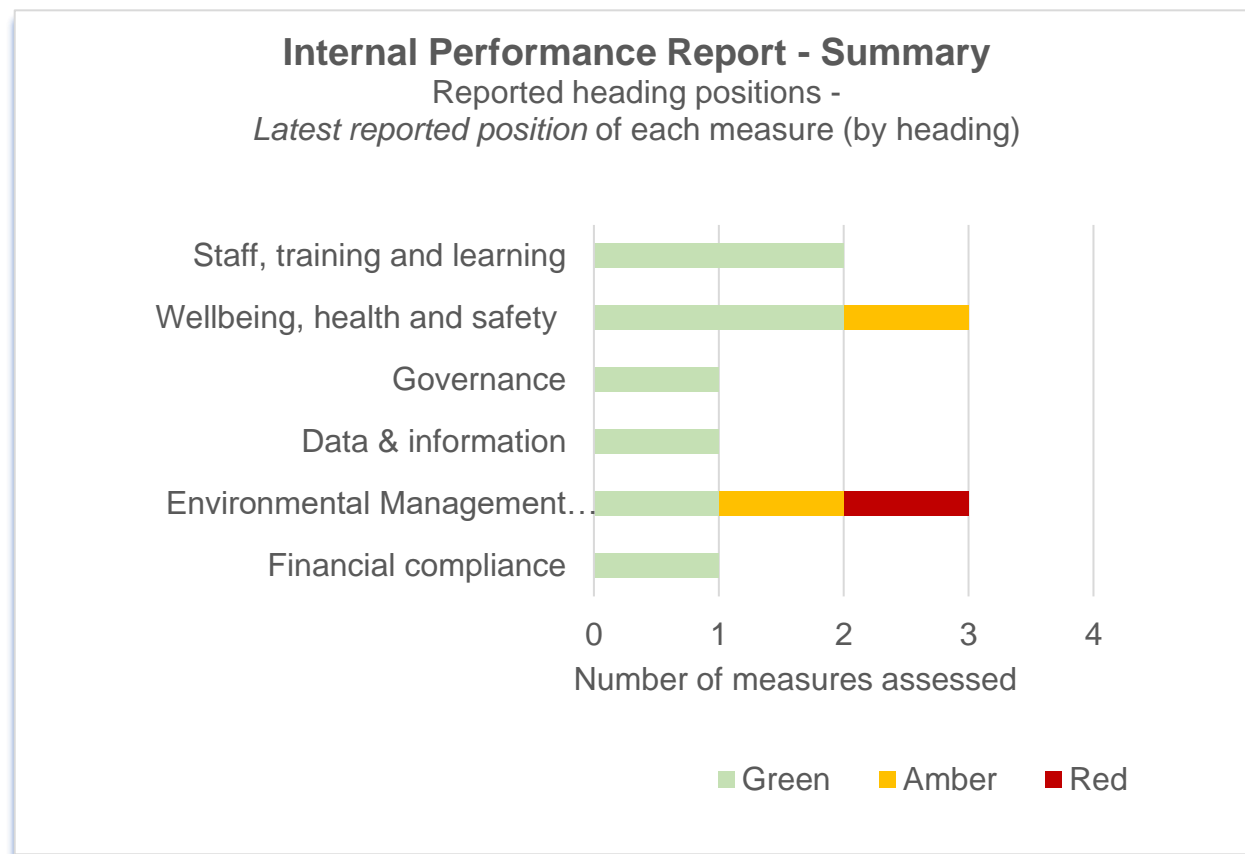
This new Internal Performance Report gives an overview of our internal performance management.

This report reflects our latest position (Quarter 4, i.e. to the end of March 2022) in relation to measures under the following headings:

- **Financial compliance**
- **Environmental Management System** (EMS)
- **Data & information**
- **Governance**
- **Wellbeing, Health & Safety**
- **Staff, training and learning**

The year end performance position in relation to all measures is (as shown in the illustration, right):

Eight green, two amber and one red. Green reflects achieved target or milestone, Amber reflects close to target or milestone, and Red reflects missed target or milestone.



Measures to note

The following page sets out the latest high-level summary position* in relation to the headings and highlighted measures in this Internal Performance Report (see 'Remaining measures' overleaf for the full list of headings and measures not already highlighted on this page). The updates below include all measures that are red or amber.

Financial compliance:

- **Payments performance** to our suppliers is Green at year end (at 96% for March) with over 21,000 invoices processed over the year. A fantastic result, turning around the red performance of our last report, and a real achievement given the obstacles faced during the year (and the 6% increase in invoices received this year)

Environmental Management System (EMS):

- **Enforcement response** is Amber at year end, with four enforcement notices issued to NRW this year (red would be classed as over five). Any response is reviewed by relevant internal groups, and by our external auditors.
- **Non-conformity or Corrective Action Request** from internal EMS audit is Red at year end with 20 (up to twelve would be classed as green). Any raised are reported and reviewed by relevant internal groups, and by our external auditors.

Wellbeing, Health & Safety:

- **Absence** is Amber at year end (at 3.6% for March), but has reduced in the past two months (3.3% or below would achieve green). Improved reporting and support around absence is being established for managers and team leaders.

Further detail can be found on the next page for the measures not already covered above

*Overall/performance key: The overall/performance status for every measure reflects a green, amber or red state, i.e.:
Green - achieved target or milestone; Amber - close to target or milestone; Red - missed target or milestone.

Remaining measures

The following reflects the latest high-level summary performance position in relation to each measure in this Internal Performance Report (that have not already been highlighted on the previous page).

Data and information

- Information Commissioner's Office (ICO) reported incidents is Green with no such investigations ongoing at year end

Governance:

- All people working for us are required to declare where their official and/or private interests may be perceived to conflict with NRW's work. Completion of these 'Declarations of Interest' is Green at year end (i.e. at least 90%), with the relevant declaration in place for the vast majority of staff

Environmental Management System (EMS):

- Environmental Incidents is Green for the year (i.e. less than 21), with 15 reports of NRW (or contractor) related environmental incidents this year.

Wellbeing, Health & Safety:

- Health & Safety Near Misses is Green at year end with an increase on reported near misses compared with last year
- Health and Safety Active Monitoring (i.e. regular inspection and checking to ensure that wellbeing, health and safety standards are being implemented) is Green at year end, with recorded Active Monitoring events up compared with last year

Staff, training and learning:

- Personal Development Plans (PDPs) in place is Green at year end for plans being in place (green reflects 90% or higher)
- 'Mandatory E-Learning' (online training items all NRW staff are required to complete) is Green at year end (green is at least 89.5%)

Board Paper

Date of meeting:	13.07.2022
Title of Paper:	NRW role and ambition for the Ofwat Water Company Price Review (PR24)
Paper Reference:	22-07-B16
Paper sponsored by:	Ceri Davies, Executive Director of Evidence, Policy and Permitting
Paper prepared by:	Natalie Hall, Sustainable Water Manager Ruth Johnston, Lead Specialist Advisor, Water Strategy
Paper presented by:	Sian Williams, Head of North West Wales Operations
Purpose of the paper	Discussion
Summary	<p>Millions of pounds of investment in Wales' environment will be realised by Ofwat's approval of water company business plans through their Price Review 2024 (PR24). NRW have a role in this process to identify water company legislative and other environmental obligations and to influence the scale and pace of investment to meet these.</p> <p>We wish to understand the Board's view on NRW's role in Ofwat's Price Reviews and confirm whether the Board wish to scrutinise the Welsh water companies' PR24 business plan proposals.</p>

Background

1. Water and sewerage companies provide essential services to customers, supplying drinking water and carrying away and managing wastewater. This is wholly dependent on the environment and available ecosystem services to provide raw water and receive treated wastewaters. To meet the needs of current and future generations water must be managed sustainably to enable healthy lives, resilient ecosystems, and

high-value economic activities. Investment funded by customer bills is needed to support development, thriving communities and healthy and resilient ecosystems.

2. Since privatisation of the water and sewerage industry in 1989 a regulatory framework has been in place to ensure that consumers receive high standards of service at a fair price. Every five years, Ofwat (the economic regulator) sets customer bill price limits that enable water companies to finance the delivery of services to customers, in line with relevant environmental standards and requirements. Water companies will submit their business plans (covering 2025 to 2030) to Ofwat by 2nd October 2023. Ofwat's determination of water company business plans and the resulting customer bill and investment levels will be concluded December 2024.
3. Our water environment and how we use it is very much in the public and political eye. Welsh Government's Programme for Government is requiring water quality improvements and increased use of our waters for recreation. Yet issues like phosphate levels in Special Area of Conservation (SAC) catchments and the frequency of overflows into rivers show that these systems are already impacted. Climate change will increase this pressure, especially on the availability of water supplies. This will affect customers, but also water quality due to reduced dilution for discharges and increased water temperatures.
4. Ofwat's price review realised approximately £200million of investment in PR14 and £250million in PR19 for environmental enhancements over and above water company baseline and maintenance costs in Wales. There is potential for PR24 to realise this level or greater.

What's new in PR24?

5. Previous price reviews focussed solely on each five-year period. For PR24 Ofwat expect companies to plan for the longer-term with a planning horizon of 2050. This is to ensure strategic long-term investment, allow catchment-based approaches and avoid short term spend causing stranded assets. For PR24 water companies must provide a fully costed business plan for 2025-2030, an outline costed plan for 2030-2035 and then an outline plan for 2035-2050.

Environmental obligations

6. As part of the price review, we work with each water company to set out their obligations to comply with environmental legislation and policy within a National Environment Programme (NEP) and wider expectations. Many of these obligations are underpinned by UK wide and Wales specific legislation, such as the Bathing Water Regulations 2013, Habitats Regulations 2017, and Environment (Wales) Act 2016, many of which are derived from European Directives.

Strategic direction

7. Welsh Government's Strategic Policy Statement to Ofwat clarifies the Welsh Government policies and priorities that Ofwat needs to consider in developing its approach to PR24. This was laid in the Senedd on 5th July 2022.

8. Welsh Government's Programme for Government includes a specific focus on water quality and the well-being benefits the water environment can offer society with a drive for designation of recreational waters. This comes at a time of heightened awareness and scrutiny around water quality in Wales. There is pressure on water companies, NRW, Ofwat and Welsh Government to do more to improve river quality.
9. Our Chair has met with the Minister on several occasions since May to discuss her priorities, the Programme for Government, and her expectations of NRW. Some of these conversations have focused specifically on her priorities for water in Wales. She confirmed that priorities are improving compliance with the Water Environment (Water Framework Directive) (England and Wales) Regulations 2017, improving the quality of SAC rivers (and helping to unlock the current restrictions on planning applications), delivering commitments against the Storm Overflow Roadmap, and designation of new inland recreational waters.
10. The Chair has made our commitment to improving water quality clear, but at the same time has also informed the Minister that further discussions around funding will be needed if we are to deliver more than we are currently committed to do. It is also worth noting that the Minister's response to the Climate Change, Environment and Infrastructure Committee report on Storm Overflows is clear on the need to consider the financial implications of an enhanced approach.
11. The First Minister and Minister for Climate Change both view water quality in Wales as a high priority. The First Minister will be taking the discussion further by hosting a Summit at the Royal Welsh Show on 18th July 2022 looking at the phosphate issue in SAC rivers in relation to the current restriction on planning applications and house building. Whilst this will involve several other key stakeholders, there will be a focus on the link between water quality and development planning, and inevitably this will include the impact of water company activities on water quality.

Governance

12. Welsh Government have established a PR24 Forum. The Forum's role is to deliver a collaborative approach among Government, regulators (i.e., NRW, Drinking Water Inspectorate, Ofwat), water companies and wider stakeholders in Wales to guide and inform the development of water companies' PR24 Long-Term Delivery Strategies and Business Plans.
13. Internally, Governance is provided by the Sustainable Land and Water Sub-group (SLWSG) which feeds into both Regulatory Business Board (RBB) and Natural Resources Management Business Board (NRMBB).
14. Due to the high-profile nature of this work and the opportunity it presents for investment in water quality improvements in Wales there is scope for a role for the NRW Board.

Our proposed approach to PR24

15. The broad strands of work required to deliver our role in PR24 are as follows.

- a. Collaboration with Ofwat, Welsh Government, water companies, Environment Agency, Natural England and (if required) other stakeholders to influence policies, guidance, and decisions. This includes participating in the Welsh Government PR24 Forum and responding to numerous Ofwat consultations and requests.
- b. Setting out our long-term expectations to a 2050 vision to inform others of what we wish to achieve for Wales.
- c. Establishing the statutory obligations for water companies to deliver in their business plans via a suite of Driver documents and (if required) guidance.
- d. Collaboration on the National Environment Programme (NEP) detailing the water and wastewater requirements (these can be all Wales or site specific).
- e. In parallel, we are seeking to place the onus directly on the water companies to develop their plans on which NRW can provide commentary and challenge. This approach has the benefit of:
 - i. ensuring company ownership and accountability for ensuring that they invest in meeting their statutory and wider environmental obligations
 - ii. being less resource intensive for NRW
 - iii. being less adversarial, as a result of a less Parent/Child relationship and more trusting approach
 - iv. ensuring risk sits with the water company if they have not scoped requirements in line with our expectations.
- f. We are also keen to avoid water company investment plans being developed in isolation which prevents the identification of opportunities for catchment working and integrated solutions. We want them to pursue innovative approaches, which look at the root causes of problems, build resilience and seek solutions which deliver broader benefits.
- g. We are pressing companies to set their proposals within the full scale of the investment challenge.
- h. We are seeking to influence that investment is not deferred for future generations to pay for but is tackled now.
- i. We are pressing that the scale of investment recognises the need for them to respond to the Climate and Nature Emergencies.

Timeline

16. 20th July PR24 Forum NRW present on “the outcome we are looking for, for the Environment and from National Environment Programme” as well as “Net zero investment and climate adaptation - what outcome we want to achieve”.
17. Welsh Government Strategic Policy Statement to Ofwat laid in the Senedd 5th July 2022, to ensure that the policy position of the Welsh Government is taken into account in Ofwat’s considerations for the price review.
18. Ofwat PR24 draft methodology published 7th July 2022.
19. NRW National Environment Programme for Wales confirmed 31st March 2023.
20. Water Companies submit business plans to Ofwat for determination 2nd October 2023.

21. Ofwat determination of water price limits in December 2024.

Next steps

22. The Board may wish to have a role scrutinising and challenging the direction proposed by the water companies for the environment of Wales. To do this, we could invite the water companies to present their business plan and strategic direction proposals for Wales to NRW's Board in the Autumn of 2022. We would also invite Gwenllian Roberts (Ofwat's Director Wales) to support the Board in understanding cost considerations and how Ofwat make their final determination of prices.

23. If the Board agree we will engage with the water companies to confirm the request and to secure the date for a scrutiny session.

Recommendation

24. NRW Board session for the Welsh water companies to present their draft business plan proposals for discussion Autumn 2022. Ofwat Director for Wales Gwenllian Roberts invited to attend.

25. If required a further session prior to water company business plan submission to Ofwat October 2023.

NRW Board Paper

Date of meeting:	13 th July 2022
Title of Paper:	Update on Water Quality Priority Work
Paper Reference:	22-07-B17
Paper sponsored by:	Ceri Davies, Executive Director of Evidence, Policy and Permitting
Paper prepared by:	Siân Williams, Head of Operations
Paper presented by:	Siân Williams, Head of Operations
Purpose of the paper	Information
Summary	This is a follow up paper to previous Board discussions, updating the Board on progress on a number of Water Quality (WQ) priority work areas

Background

1. Water quality is one of the five priority areas for NRW, as agreed with the Minister. This priority covers a wide area of NRW work including river water quality, land management, restoration, fisheries, Combined Storm Overflows (CSOs), biodiversity, water resources and more.
2. In recent meetings with the Minister, she has been grateful for the efforts being made at all levels, and the commitment from NRW to prioritise this work.
3. The Board has agreed a new strategic priority for 2022/2023 namely 'Improving water quality, through raising public awareness using our regulatory and enforcement powers effectively and driving collaboration with others, to reduce the impacts on biodiversity and human health, including from agricultural and land management practices'. This ensures that Water Quality is at the forefront of all our minds.
4. The purpose of this paper is to update the Board on all the different activities we are involved with on Water Quality, our progress so far and what happens next.

Service Level Agreement

5. As with other work areas, we have been working hard to develop our service level proposals in readiness for a discussion with the Welsh Government (WG) Sponsorship team.
6. It is very clear that we do not currently have the resources needed to meet the NRW and Ministerial ambition. We will therefore continue to work closely with WG colleagues to agree the levels of service we can deliver, and to prioritise our work until the Service Level Agreement (SLA) discussions are concluded.
7. We estimate that to deliver the minimum required of us now needs an additional 44 Fixed Term Appointees (FTE), spread across Evidence, Policy and Permitting (EPP) and Operations.
8. We have recently agreed to fund 26 of these posts to cover priority work such as Storm Overflow roadmap, Communications, Price Review 24 (PR24), Special Area of Conservation (SAC) Rivers and Water Framework Directive (WFD) investigations through a mixture of reprioritising, overprogramming, Welsh Government revenue funded posts and moving money from elsewhere (e.g. Travel and Subsistence) in EPP and Operations for this financial year. We will begin recruitment as soon as possible.
9. These will be temporary posts, and will help us in the short term, but are not sustainable in the longer term as we are creating impacts in terms of resourcing and funding of priority work elsewhere.
10. Through the SLA we will also consider how we will prioritise our work should we be unsuccessful in obtaining additional funding. This work is ongoing.

Internal review of Water Quality work

11. We previously identified a need to review our priorities and our approach to Water Quality delivery at NRW. This is in response to the increasing pressure to do more, to communicate what we do and of course to do so within the funding envelope available to us.
12. We have identified a requirement to do two main things:
 - a) Bring all the Water Quality focused work we do into one Programme.
 - b) Review all the work we do on Water Quality, and to challenge ourselves as to whether what we're doing delivers what we need, or whether we need to do things differently.

All this needs to sit alongside and complement the SLA work.

13. We also identified the need for a dedicated communications specialist for this work, and we will be funding a temporary post for WQ communications until the end of this

financial year, when the post will be reviewed. This is one of the 26 posts identified in paragraph 8.

14. Annex 1 shows the structure we are going to adopt for these two elements of the work, which we have agreed to fund (under para 8 above). The next step is to move forward to deliver this work, either by using existing members of staff, recruiting or using specialist external contractors. Note that meeting the proposed end July date for the first phase of the review is unlikely. We will have more information on the next steps and timetable by the Board meeting and will update there. The priority is to get this work completed as quickly as possible.

Better River Quality Taskforce

15. The Storm Overflow Action Plans, detailing how each partner organisation will deliver their commitments under the Roadmap will be launched on 5th July. The launch will include a written Ministerial statement, and we expect some media attention around this date.
16. Partner organisations are: Welsh Government, NRW, Dŵr Cymru, Hafren Dyfrdwy, Ofwat, Afonydd Cymru and the Consumer Council for Water.
17. The plans will be available on the Welsh Government website, and the next step is for all partners to work to deliver the commitments made.
18. We are very pleased with the collaboration and work done so far, and grateful for the support from the Chair and Board in making this happen.
19. There is potential for the Taskforce to be expanded at a future stage to include a wider remit than Storm Overflows and other partner organisations. However, the current focus is on delivering the Storm Overflow action plans.

Water Framework Directive

20. River Basin Management Plans for the Dee and Western Wales will be published during the week commencing 18th July. (Severn is led by the Environment Agency and will be published later in the year).
21. These mark a significant milestone and provide a clear focus for our work for the next 6 years.
22. We cannot deliver the actions within them alone, so it is important for us to continue to build on the strong partnership approach we already have, and to move this forward to respond to current and future challenges within the RBMPs and elsewhere.

Water Company Annual Performance

23. The Water Company Annual Performance Reports will be published on 8th July. There has been significant media interest in Water Companies and their impact on the environment, and undoubtedly the reports will draw further attention and scrutiny.

24. Focus will be drawn to the Dŵr Cymru report, as the company has gone down from four stars to three. Their performance dropped because of three serious pollution incidents, a drop in incident self-reporting levels and a drop in numeric discharge compliance.
25. We want Dŵr Cymru to improve their performance and are looking to them to put plans in place to ensure this happens.
26. We are very disappointed in this drop in performance by the principal water company in Wales. Our disappointment has been conveyed by our Chair, our Chief Executive and at the Quadripartite performance review meeting last week.
27. This is obviously a concern to us, and we expect Dŵr Cymru to do better. Likewise we have seen a deterioration in Hafren Dyfrdwy environmental performance and will be pushing them for improvements in the coming months.
28. We are in the process of planning for the next Periodic Review of Water Company Investment, and this is discussed as a separate item in this meeting.

SAC Rivers

29. We have been working through addressing the comments made on the revised advice to planning authorities (version 3) by the Wales Planning Sub-Group members. It will be submitted to the SAC Rivers Project Board for final approval, translation, and web publishing.
30. Our Development Planning Advisory Service (DPAS) teams continue to receive a high level of casework consultations on developments with phosphorus related planning issues. We have drafted nutrient neutrality principles which will go on our website once approved. We have also appointed contractors to develop NRW guidance for staff on the use of Nutrient Calculators. These have the potential to be a valuable tool in development planning, particularly at a Wales level, although a suitable framework must be in place to ensure they are effective and can deliver the right interventions to reduce phosphorus pollution.
31. We are also working with local stakeholders to develop Nutrient Management Boards (NBM) for each SAC river catchment, through which opportunities for local and strategic interventions to improve water quality can be identified and delivered. The first meeting for the Cleddau, Teifi and Tywi NBMs occurred in mid-March and for the Usk Catchment Partnership will be in July.
32. In terms of our evidence and monitoring work, sondes have been installed in the River Wye and are currently being tested. For Regulation we continue to implement the interim permitting position of 'no additional phosphate' into a failing SAC. Permit reviews of our larger discharges to SAC rivers (above 20m³/day) are planned for later this year, and we plan to share information on which existing wastewater treatment plant permits are sufficiently protective of the SAC as early as possible. This is dependent on NRW verifying the DCWW source apportionment work.

33. Additional resource (included in para 8) has been allocated to the SAC Rivers Project to facilitate producing the advice and guidance required to address some of the issues. Recruitment is underway for these posts.
34. We have reviewed the project objectives, structure, and risks as well as the products for the workstreams. This includes a new workstream on materials to land. Staff webinars have been undertaken to better communicate work of the project including one on the Nutrient Management Boards in June.

Royal Welsh Show Summit

35. In response to concerns around planning restrictions in SAC River Catchments, the First Minister will be hosting a summit at the Royal Welsh Show on 18th July.
36. There will be a Water Focused session at the NRW stand beforehand, where we will be showcasing examples of our successes in tackling water quality issues in Wales. The Minister is due to attend this session.
37. We will also be hosting a “fringe” event for those unable to attend the Summit due to limited numbers after the Summit itself.
38. We are working closely with WG colleagues to prepare evidence packs for all attendees.
39. It is important that this Summit is the start of something, not a one-off event. We would like to see the development of a new Governance structure with Ministerial oversight, as NRW cannot drive the changes needed alone.

Future priorities

40. We are responding to specific Board requests to consider new and emerging issues and priorities. In particular:
1. The Board asked us to develop a Citizen Science approach. This is being led by the Evidence team, and work is under way. We will update further at a future meeting.
 2. We have started discussions with representatives of the Royal Pharmaceutical College in Wales, Dŵr Cymru, Public Health Wales and others regarding existing evidence and future priorities for monitoring to assess the extent of antimicrobial resistance and other pharmaceuticals in drinking water and in the environment in Wales. This work is at an early stage, but our priorities regarding environmental evidence link closely with the Health priority to reduce the impact of pharmaceuticals on the environment. Further updates will be provided as this work develops.

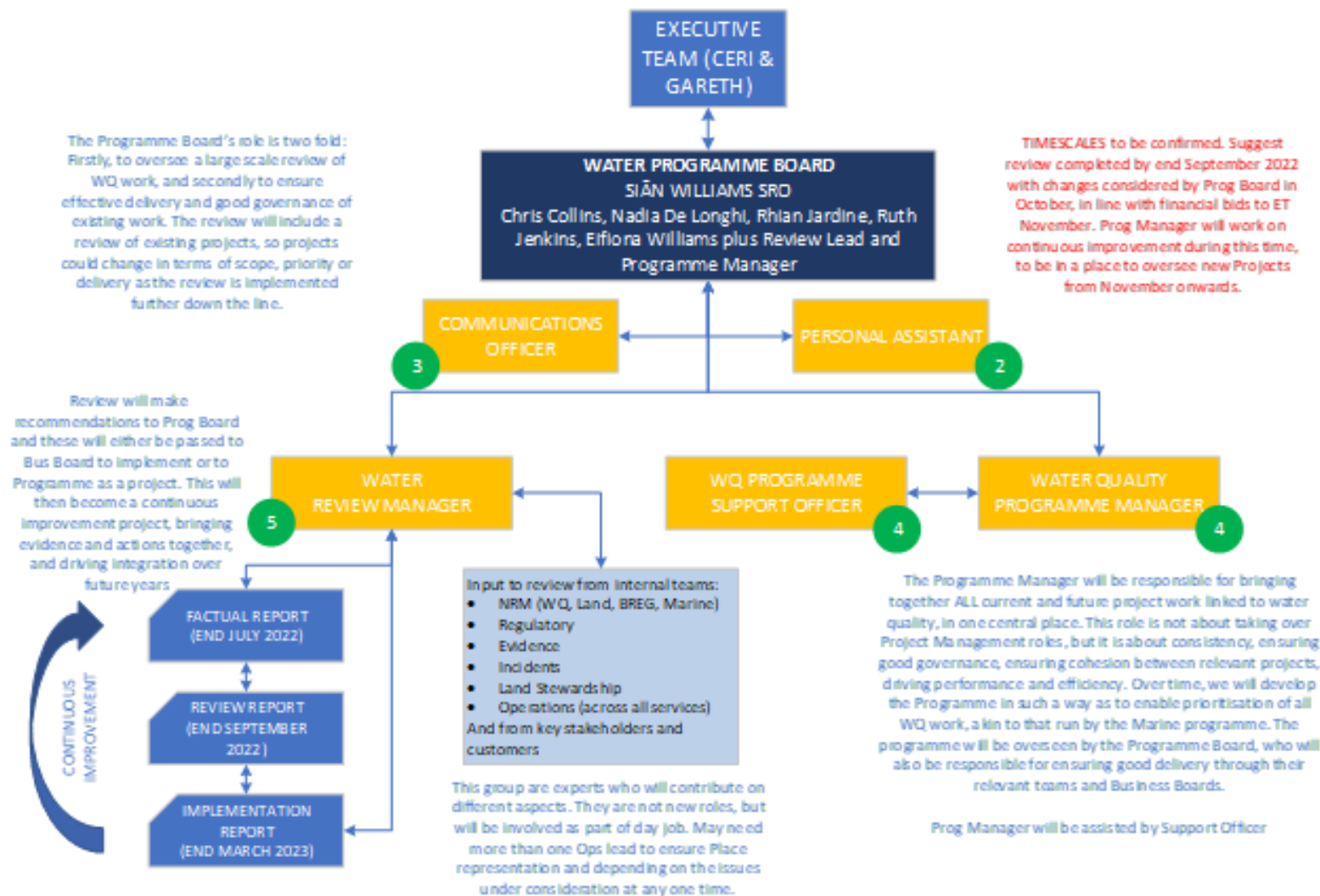
NRW Performance Measures

This paper was prepared before the performance data was available. We hope to be able to provide an update at the Board meeting.

Annex 1

Proposed structure for Water Quality review

Annex 1 Proposed structure for Water Quality review



NRW Board

Date of meeting 13/07/2022

Title of paper **NRW's plan of action in response to the recommendations of the Fish-Eating Birds Advisory Group**

Paper reference 22-07-B19

Paper sponsored by Ceri Davies, Executive Director of Evidence, Policy and Permitting

Paper prepared by Patrick Lindley, Lead Specialist Advisor – Terrestrial Ornithology
Dave Mee, Lead Specialist Advisor – Freshwater Fisheries Management
Ben Wilson, Principal Advisor, Fisheries
Sarah Wood, Biodiversity and Ecosystem Resilience Manager
Adam Cole-King, Lead Specialist Advisor – Biodiversity Policy
Richard Facey, Specialist Advisor – Terrestrial Ornithology
Iwan Hughes, Team Leader, Species and Carbon Permitting
Andy Robinson, Team Leader - People & Places
Ian Williams, Team Leader - Species Permitting

Paper presented by Ben Wilson, Principal Advisor, Fisheries

Purpose of paper **Approval**

Summary

This paper sets out NRW's proposed actions in response to the recommendations of the Fish-eating Birds Advisory Group on how vulnerable fisheries and fish stocks can be protected from predation pressure whilst continuing to conserve fish-eating birds.

The Board is asked to:

- **Approve** our proposed approach as a considered response to the Fish-eating Birds Advisory Group recommendations.
- **Approve** our recommended approach - **Option 3** subject to securing additional funding for work required.
- **Approve** the proposed next steps.

Background

1. The declining and increasingly vulnerable state of Atlantic salmon *Salmo salar* and sea trout *Salmo trutta* stocks in Wales is an issue of significant concern to NRW and many other organisations and individuals. We currently undertake annual stock assessments for our 23 principal salmon rivers and 33 main sea trout rivers, as well as monitoring juvenile fish populations across Wales.
2. NRW has a commitment to implement its Salmon and Sea Trout Plan of Action (S&ST PoA) to address pressures on salmon and sea trout populations, including catch control regulations, river habitat restoration, a renewed focus on water quality management, and a review of predation by fish-eating birds, specifically cormorant *Phalacrocorax carbo* and goosander *Mergus merganser*. We also undertake or commission additional fisheries research to understand the pressures on these stocks, including predation. The S&ST PoA is also the basis for Wales' obligations to the North Atlantic Salmon Conservation Organisation (NASCO).
3. There has been significant research in the UK and internationally into the impacts of fish-eating birds, particularly cormorants and goosanders, on fisheries, and the potential strategies for mitigating and managing those impacts.
4. Conflicts between fish-eating birds, fish populations and fisheries are complex and affect a range of fishery sectors across a broad spectrum of natural, semi natural and artificial aquatic habitats. They are subject to change due to factors such as population dynamics of birds and fish, spatial and temporal changes in predation pressure, variations in external factors, particularly climatic conditions, and stakeholder perceptions.
5. Atlantic salmon and sea trout in Welsh rivers are subject to a range of protections through Welsh, UK and European legislation to achieve the right outcomes for the protection of the environment in Wales and the Sustainable Management of Natural Resources (SMNR), including the sustainability and productivity of salmon and sea trout stocks. The Wildlife and Countryside Act 1981 provides a legal framework in Wales for the protection of wild birds (including cormorant and goosander), their eggs and nests and also establishes the framework under which NRW may grant licences allowing the killing or taking of wild birds. Cormorant and goosander are not listed on general licences in Wales and can only be legally controlled under specific licence which require applications to be submitted and individually determined by NRW.
6. NRW receives on average 20 applications per year for specific licences to control cormorant and goosander in Wales. The majority of these applications are successful and licences are granted subject to a range of conditions, which include specifying the maximum number of birds that may be killed. Specific licensing of the lethal control of wild birds is a reactive approach for addressing people-to-wildlife and wildlife-to-wildlife conflicts, in these cases the predation pressure by fish-eating birds on stocked still water fisheries and on wild salmonid populations.
7. NRW does not currently undertake or facilitate any proactive predator control measures to protect stocked fisheries or wild fish populations.

8. Concerns expressed by the fishing sector in relation to the impact of fish-eating birds on wild and stocked fisheries, led NRW to establish in 2020 an independent Fish-eating Birds Advisory Group (Advisory Group)¹. This Advisory Group relied on strong collaboration between individuals and organisations with divergent views. The principal purposes of the Advisory Group were to support the actions within the S&ST PoA and to evaluate the evidence base and address three questions:
- i. Are fish-eating birds implicated in the decline and/or suppressing the recovery of wild fish populations?
 - ii. Are fish-eating birds implicated in causing serious damage to still water fisheries?
 - iii. If the answers to questions i. and ii. are yes – how do you manage the impact of predation by fish-eating birds on wild and still water fisheries?
9. Other environmental pressures on salmonid populations, such as climate change and water quality, were recognised, but were out of scope of the Advisory Group. The key outputs of the Advisory Group were ten evidence reports (**Annex 1**) that informed the development of a Final Report and a set of recommendations (**Annex 2**), submitted to NRW (May 2022) for consideration.
10. The work of the Advisory Group formed an important part of the review of NRW's approach to regulating the shooting and trapping of wild birds in Wales (Wild Bird Review).

Assessment: Advisory Group Final Report and Recommendations

11. In total, the Advisory Group proposed **19 recommendations (Annex 2)** to support their following positions. These are summarised as:
- Wild fish populations are affected by numerous factors aside from predation, making inferences about the impact of one pressure on fish stocks extremely difficult;
 - Available evidence indicates that fish-eating birds can negatively impact wild fish populations and stocked still water fisheries spatially and temporally, but the severity of those impacts are often unknown;
 - Given the protracted decline in salmon and sea trout stocks there is a need for increased targeted actions to counter fish predation by fish-eating birds, particularly in catchments where fish stocks are vulnerable;
 - Predation by fish-eating birds on salmonid smolts is of primary concern and requires particular efforts to mitigate predation pressure when impacts are greatest.

¹ The Advisory Group is Chaired by Prof. Steve Ormerod with representation from Welsh Government, NRW, Royal Society for the Protection of Birds, British Trust for Ornithology, Welsh Ornithological Society, Afonydd Cymru, Salmon and Trout Conservation Cymru, Angling Trust, Game and Wildlife Conservation Trust, Natural England, NatureScot and two independent science advisors.

- A combination of non-lethal and lethal measures is likely to be most effective;
 - Catchment or area-based licences could provide a more strategic approach to licensing and facilitate adaptive resource management where interventions can be applied more flexibly;
 - Interactions between fish stocks and fish-eating birds are complex and large key evidence gaps persist;
 - Greater transparency on the licensing of fish-eating birds is needed.
12. Although there was agreement within the group on 18 of the 19 recommendations, there was a difference of opinion on the need to extend licencing of fish-eating bird control to cover the full duration of the smolt run (see Recommendation 9 **Annex 2**).
13. An internal working group considered all the recommendations made by the Advisory Group and has developed a fish-eating bird's framework with a set of 39 proposed actions in response (**Annex 3**). Each action was assigned to one of six indicative resource categories (CAT 1-6) to identify whether the action can/cannot be delivered within existing resources (see **Annex 3**). The proposed actions are also linked to parameters of time and responsible staff.
14. Our proposed actions are set out in a staged approach: Year 1 (23 actions) – continue with our current licensing approach during development and determination of change; Year 2 (10 actions) – research and development and implementation of licensing changes (eg catchment licences, targeted non-lethal and lethal measures); Year 3 (6 actions) – continuation of implementation plus science to address principal evidence gaps.
15. Our approach will underpin the requirement for a hierarchical approach to the protection of salmon and sea trout by prioritising improved spatial and temporal non-lethal techniques, particularly during the spring smolt migration. Where licensed, lethal control will continue to be the last resort and will be used in combination with non-lethal methods to maximise effectiveness.
16. In summary, we are proposing to continue to licence the control of fish-eating birds to support the conservation of endangered salmonid stocks, as well as to prevent damage to fisheries. Through the implementation of our proposed actions we will reduce predation pressure on wild salmonid populations and stocked fisheries while also recognising our duties to also safeguard populations of cormorants and goosanders and follow the principles of SMNR.

Options

17. The Board is asked to consider three options:

- Option 1** Do nothing additional and maintain our current approach to licensing the lethal control of fish-eating birds.

- Option 2** Progress with all low resource actions that can be delivered through existing staff resources for Year 1 (2022-23 FY) and Year 2 (2023-24 FY) (**Resource Categories 1-3**).
- Option 3** Progress with all low resource actions that can be delivered through existing staff resources for Year 1 (2022-23 FY) and Year 2 (2023-24 FY) (**Resource Categories 1-3**) and seek funding opportunities to deliver all actions that require additional funding (**Resource Categories 4-6**).

Option 3 is recommended subject to us securing additional resources after Year 1 to undertake the required work. If additional resources cannot be secured over the next two years, we will have effectively implemented option 2.

Risks and opportunities

18. If our preferred approach (**Option 3**) is not adopted, we are at risk of:

- Not delivering our nature conservation and fisheries duties to safeguard some of our most endangered and vulnerable species;
- Not meeting stakeholder needs and expectations, specifically in not addressing the range of pressures on salmon and sea trout stocks as set out in the S&ST PoA;
- Not delivering our requirements as the competent licensing authority, by continuing to grant licences to lethally control cormorant and goosander without taking account of the current evidence base;
- Continue to be out of alignment with the approach to licensing the control of fish-eating birds in England and Scotland;
- Legal challenge by Environmental Non-Governmental Organisations (eNGOs) or UK campaign groups.

Note, Option 2 carries the same risks as outlined above but would only partly mitigate some of these risks.

19. If **Option 3** is adopted, there are:

- Significant resource commitments (both staff and annual budget) to address and implement the full plan of action.
- Reputational risks, if expectations of fishery and bird conservation interest groups are not met, and if salmonid populations continue to decline.
- Opportunities to benefit the conservation of vulnerable salmonid populations in Wales.
- Opportunities to ensure that licensing decisions are based on stronger evidence and to ensure lethal control of cormorant and goosander does not negatively affect their conservation status in Wales.

Wider implications

20. Our recommended option needs to be considered in the context of wider implications, which are:

- a) **Finance:** To implement our preferred option will require significant resources.
- b) **Equality:** An Equality Impact Assessment (EqIA) was undertaken as part of the Wild Bird Review and provided in the NRW Board paper (Ref: 22-03-B15). An additional EqIA will be undertaken for the implementation phase.
- c) **Legal:** There may be legal implications and a requirement for legal advice, dependent on any changes to our current licensing approach.
- d) **Data Protection:** At this stage there are no personal data processing implications, and we are not anticipating the need for a Data Protection Impact Assessment.
- e) **Wellbeing of Future Generations Act (WBFGA):** The recommended option will support and contribute to delivery of our wellbeing objectives in our Corporate Plan.

Next steps

21. The proposed next steps are outlined below:

When	How
July 2022	<ul style="list-style-type: none"> • Publish Advisory Group Final Report and Recommendations and NRW Board paper. • Seek Board approval on our proposed response to recommendations from the Advisory Group.
August 2022 – March 2023	<ul style="list-style-type: none"> • Undertake Year 1 actions based on current resource allocations. • Continue to determine licence applications for control of fish-eating birds using our current approach whilst we determine what change looks like. • Start to identify vulnerable pinch points for downstream smolt migration on principal salmon rivers. • Identify and seek to secure the additional resources needed to undertake the actions associated with resource categories 4-6. • Address stakeholder expectations by continued engagement with the FEB Advisory Group, the Wales Fisheries Forum and Local Fisheries Groups.
April 2023 – March 2024	<ul style="list-style-type: none"> • Implement a revised fish-eating birds licensing process that becomes fundamental to how we make decisions, how we act and what we say. • Dependent on funding, aid deployment of non-lethal techniques in highly vulnerable smolt locations and recruit or procure a fisheries co-ordinator. • Review our licensing procedures and guidance to grow their confidence.
April 2024 - March 2025	<ul style="list-style-type: none"> • Dependent on funding, procure scientific studies to address key evidence gaps.

22. If **Option 3** is approved by the Board, it is proposed there will be joint ownership of delivery between Regulation, Biodiversity and Ecosystem Resilience, Fisheries Management and Integrated Evidence.

Recommendation

23. The Board is asked to:

- **Approve** our proposed approach as a considered response to the Fish-eating Birds Advisory Group recommendations (**Annex 3**).
- **Approve** our recommended approach - **Option 3** subject to securing additional funding for work required.
- **Approve** the proposed next steps.

Index of Annexes

Annex 1. Inventory of published reports.

Annex 2. Managing the impacts of predation by fish-eating birds on fisheries in Wales: Recommendations of the Wales Fish-eating Birds Advisory Group.

Annex 3. Proposed action in response to the Fish-eating Birds Advisory Group Recommendations.

Annex 1. Inventory of published reports

- Carss, D., N. and Russell, I., C.** 2022. A synopsis of UK and European cormorant and goosander dietary studies. NRW Evidence Report Series (No. 591).
- Macgregor C.J., Boersch-Supan, P., and Taylor, R.C.** 2022. Spring 2021 survey of Cormorant and Goosander on the River Usk. NRW Evidence Report Series (No. 593).
- Macgregor, C.J., Boersch-Supan, P.H., Burton, N.H.K., Carss, D.N., Newson, S.E., Pearce-Higgins, J.W., Robinson, R.A., and Taylor, R.C.** 2022. Informing decisions on lethal control of great cormorant and goosander in Wales: scenarios from Population Viability Analysis. NRW Evidence Report Series (No. 615).
- NRW.** 2020. Salmon stock performance in Wales 2020
- NRW.** 2020. Sea trout stock performance in Wales 2020
- NRW.** 2022. NRW's approach to regulating the shooting and trapping of wild birds and the destruction of eggs and nests: Summary of responses to the public consultation in relation to fish-eating birds.
- Russell, I. C. and Carss, D. N.** 2022. Appraisal of the effectiveness of non-lethal and lethal control of fish-eating birds in preventing serious damage to natural and stocked fisheries. NRW Evidence Report Series (No. 594).
- Russell, I. C., Owen, M., Bellini, L.** 2022. An appraisal of the potential for using catchment or area-based licences to reduce the impact of fish-eating birds on Welsh freshwater fisheries. NRW Evidence Report Series (No. 595).
- Taylor, R.C., Boersch-Supan, P., Cooper, C., O'Connell, P., Wetherhill, P., Bowgen, K., MacGregor C. and Calladine, J.** 2022. A winter census (2020/21) of cormorant and goosander in Wales. NRW Evidence Report Series (No. 592).
- Taylor, R.C., Austin, G., Boersch-Supan, P., Bowgen, K., Burton, N., Calladine, J., Noble, D., Robinson, R.** 2022. 2020/21 Winter Census of Cormorant and Goosander in Wales: Design and Analytical Approach. NRW Evidence Report Series (No. 598).

Annex 2. Managing the impacts of predation by fish-eating birds on fisheries in Wales: Recommendations of the Wales Fish-eating Birds Advisory Group.

Recommendation	
Context 1	It is recognised that there is currently a particularly strong conservation case for safeguarding stocks of Atlantic salmon and sea trout in Wales given their protracted decline to critically low levels across the whole of their natural range. This is a key driver for the proposed changes in licensing policy for fish-eating birds as embodied in NRW's salmon and sea trout Plan of Action, which, as far as possible, needs to have the favourable conservation status of these fish species at its core, without jeopardising the status of the fish-eating birds that consume them.
Context 2	It is also recognised that, while predation is not the main reason for the overall decline in migratory salmonid stocks, fish-eating birds can exacerbate their decline or prevent their recovery. Furthermore, it is recognised that fish-eating birds can impact on other fish populations and fisheries, at least in some situations, including at stillwater fisheries.
Context 3	It is crucial to address all the issues identified in the Salmon Plan of Action and, along with other stakeholders, regularly review progress and priorities (recognising that the Plan is a medium to long-term commitment and will be liable to change as outcomes arise and lessons are learned). This includes prioritising ameliorative measures that are likely to confer multiple benefits (e.g. barrier removal). However, issues surrounding the costs and practicalities of addressing these various stressors should not be used as a reason for delaying the management of fish-eating birds where there is a clear need for this.
R1	There is a need for NRW to define favourable conservation status (FCS) for Atlantic salmon as well as cormorants and goosanders, recognising that contributions to FCS are required from all parts of the natural range and distribution of a species, not just those in protected areas. This is required to better understand the status of populations relative to FCS values and to help underpin future licensing policy. There is currently a particular imperative to aid the recovery of certain fish stocks, though it is recognised that the balance of conservation concern can change due to the dynamic, long-term nature of species interactions.
R2	Support the need for increased targeted actions to counter predation by fish-eating birds (both non-lethal and, as a last resort, lethal) where fish stocks are depleted and there is evidence of harm or potential harm from predators. Particular focus is required at periods when impacts are considered to be greatest. For migratory salmonids, measures to limit the impact of fish-eating birds are likely to be most beneficial when applied throughout the period of the smolt run (e.g.

	targeted use of deterrents and/or lethal control at potential ‘pinch points’). For stillwaters, measures may be most beneficial at other key periods (e.g. following increased bird occupancy at a site, or immediately after stocking).
R3	In seeking to establish a fit-for-purpose licensing policy, some further dialogue with fishery stakeholders will be required subsequent to consideration of the other recommendations in this report. This will need to focus on the proposed changes in licensing procedures, ensuring that current experiences of licensing at the catchment / sub-catchment level are recognised and, where appropriate, incorporated, and in relation to the utility of guidance and advice and the sharing of best practice.
R4	Recognise that some increase on current levels of licensed lethal control of fish-eating birds in Wales is justifiable to reduce levels of predation and facilitate the recovery of fish populations. This would need to take place alongside other initiatives to improve management practices (e.g. catchment-based licences) and concurrent with other measures needed to restore and improve fish stocks.
R5	Adopt an adaptive resource management approach to the licensing of fish-eating birds in Wales - i.e. an iterative process of decision-making and monitoring to inform and improve future management decisions. This work should be transparent so that stakeholders and the public can understand the process and see clear documentation. The process of reviewing management decisions should, ideally, be conducted on an annual basis and be informed by the latest available data on population status of both birds and fish and, where appropriate, population modelling. Additional monitoring is required to inform this process and further work is required to establish appropriate models, in particular to assess the impact of increased mortality on the breeding populations of fish-eating birds. It will be critical to assess how revised licensing procedures are benefitting fish populations, in particular with regard to the numbers of smolts migrating to sea.
R6	Greater transparency is also required with regard to future licensing of fish-eating birds in Wales. NRW should provide a similar level of summary information to that given by Natural England and commit to publishing, on an annual basis, the numbers of licences issued, the numbers of each species permitted to be killed under those licences and the numbers actually killed. These data will also be central considerations in the annual review process.
R7	Ensure that any increase in licensing activity is subject to monitoring at appropriate scales and frequency to ensure that benefits for fish populations are evidenced and that potential adverse outcomes for bird populations (including breeding populations) can be identified and, where possible, avoided through management action. There should be annual salmon and sea trout assessments of both adult and juvenile stocks (including smolt output) and no reduction in the current monitoring levels for juvenile spatial distribution and temporal change. Expansion of the fish counter network should be

	considered, so too the use of new and emerging fish monitoring techniques. Annual WeBS data may provide an appropriate basis for monitoring wintering cormorants, but periodic repeat surveys will be required for wintering goosanders, and these will be required at least once every ten years.
R8	There needs to be equal emphasis placed on understanding the population status of both fish and fish-eating birds. To facilitate annual licensing decisions and set appropriate levels - upper limits - for licensed control of the two bird species, it is necessary to determine appropriate values ('thresholds') for migratory salmonid stocks, cormorants, and goosanders consistent with the objective of maintaining the favourable conservation status (FCS) of all these species, including both races of cormorant. It is recognised that a more precautionary approach is currently required for cormorants in Wales than for goosanders. As a first step, it is recommended that FCS reference values are set for both wintering bird (i.e. coinciding with the current licensing period) and migratory salmonid populations, recognising that there are uncertainties about the impact of licensed control on breeding populations. FCS for breeding cormorants and goosanders should be established within five years.
R9	Where salmonid stocks are assessed as being 'at risk'/'probably at risk', and if licensing tests are met, it is recommended that NRW extends licences on such river catchments to include the smolt migration period (a critical period for salmonid populations), subject to limits on the numbers of birds to be licensed. This would need to be accompanied by population modelling to understand the consequences for fish-eating birds, and additional monitoring to inform ongoing adaptive management decisions. RSPB Cymru and Welsh Ornithological Society do not support the above recommendation.
R10	Ensure that new licensing arrangements build in flexibility and allow measures to be modified in the light of changing circumstances to enable a more rapid response as part of an area- or catchment-based licensing approach.
R11	Formalise arrangements to enable the wider establishment of catchment/area-based licences throughout Wales. Pragmatic decisions are likely to be needed on the number and scale of such licences to ensure that these are effective in improving fish stocks, particularly depleted stocks of salmon and sea trout. It is imperative that consideration should be given to continually incorporate both local fisheries and ornithological knowledge to inform decision-making.
R12	The success of catchment-based licences in England has been heavily dependent on a 'primary contact' responsible for coordinating activities under each licence. This approach has been successful and should be adopted. NRW will need to consider whether the role of delivery coordinator for an area or catchment-based licence in Wales should be: (i) a non-

	remunerated position requiring fisheries expertise and holding a vested interest in the affected fishery/fisheries; (ii) provided with some form of logistical and/or financial support; (iii) a statutory nature conservation body (recognising that a trigger for management action in some cases could be the conservation of a depleted, possibly 'listed' fish species); or (iv) some combination of the above.
R13	The establishment and running of area / catchment-based licences in England has been facilitated by the development of concomitant management plans, which set out how participating fisheries would work together to manage predation. This approach has been successful and should be adopted. In line with the previous recommendation, NRW will need to consider whether their development should be: (i) the responsibility of licence applicants; (ii) supported by dedicated personnel either from NRW or a third party with fisheries expertise; (iii) subsumed into existing NRW catchment management plans; or (iv) some combination of the above.
R14	Consider options to facilitate better coordination between fisheries in implementing management actions on river catchments. Ensure that the benefits evident from catchment-wide approaches to management and best practice are effectively communicated and shared with stakeholders.
R15	Retain individual site licences for 'discrete' fisheries, particularly stillwater sites in all likelihood, and for applicants who may not want to participate (at least in the first instance) as part of a catchment-based licence.
R16	Consider how the current arrangements for managing the impacts of fish-eating birds on fisheries could be improved through improved sharing of best practice. If consultation indicates that existing information sources (e.g. advisory leaflets, EU cormorant website) and advice are considered insufficient, consider options for improvements in a Welsh context. This might include: (i) establishing a new on-line 'one stop shop' for guidance; or (ii) the provision of site-specific, face-to-face advice and support. The latter could be through NRW advisors or independent sources (such as that provided by the Angling Trust in England).
R17	Recognise that gaps remain in our understanding of the relative impact of fish-eating birds on salmonid and other fish populations at different stages of the life-cycle of the fish and seek to address these. However, in line with the precautionary approach and the European Commission's guidance document on cormorant management, this should not prevent the early implementation, where necessary, of management actions to protect fish stocks. In a Welsh context, this should also apply to goosanders.

R18	Adequate resourcing - Welsh Government and NRW should ensure that adequate resources are made available to complete the work as outlined for each Recommendation adopted and to assess the effects of all those that are implemented. Maintain, improve and resource monitoring programmes for fish and bird populations to enable the effects of management measures to be evaluated.
R19	Addressing important evidence gaps - high priorities (see full report and supporting documents for further details) include evaluating management options and improved monitoring and modelling; communication issues and best practice amongst stakeholders; several aspects of smolt predation; more general dietary studies; and separating bird predation from other factors affecting fish.

Annex 3. Proposed actions in response to the Fish-eating Birds Advisory Group Recommendations.

Year 1: FY 2022-2023

Year 1: FY 2022-2023		Delivery		
Theme	Action (supporting recommendations)	Work status	Responsibility	Resource category ¹
Implementing measures to reduce the impact of predation	Apply the national population viability assessment (PVA) modelled outputs for cormorant and goosander to inform our licensing decisions to safeguard fish populations without adverse impact on bird populations. (R2, R8, R9, R14)	New work	Species Permitting Team	CAT 1
	Continue to address downstream migration pinch points via the Dee LIFE Project, 4 Rivers for Life and consider further opportunities within the Salmon for Tomorrow Project. (R2, R9, R10, R14)	Ongoing work	Principal Fisheries Advisor (PFA) and Evidence & Reporting	CAT 1
	Implementation of NRW catchment plans that identify actions such as mapping smolt 'pinch points' (R2, R9, R10, R14)	New work	NRW Fisheries Management Working Group	CAT 1
	Establish a virtual forum for fishery stakeholders to promote the application of non-lethal techniques to protect fisheries at vulnerable locations (R2, R3, R4, R5, R9, R10, R11, R12, R13, R14, R15, R16).	New work	NRW Fisheries Management Working Group	CAT 4
Evidence needs	Prioritise the presented evidence gaps and, where possible/practical, seek to address them as part of our evidence programmes. (R3, R16, R17, R18, R19)	New work	NRW Fisheries Management Working Group	CAT 1
Monitoring	Continue to deliver our temporal and spatial electrofishing programme for juvenile salmonids. (R3, R4, R7)	Ongoing work (core monitoring programme)	Principal Fisheries Advisor (and Evidence & Reporting)	CAT 1

	Continue annual stock assessment on all 23 principal salmon and 33 main sea trout rivers in Wales to determine salmonid conservation status. (R3, R4, R7)	Ongoing work (existing commitment to NASCO)	Principal Fisheries Advisor (and Evidence & Reporting)	CAT 1
	Continue the ongoing River Dee Salmon Stock Assessment Programme (Index Rivers), to understand life cycle pressures on salmon and sea trout. (R3, R4, R7)	Ongoing work (existing commitment to EU DCF)	Principal Fisheries Advisor (and Evidence & Reporting)	CAT 1
	Continue to develop our stock assessment methods with CEFAS and EA and our reporting obligations to North Atlantic Salmon Conservation organisation (NASCO). (R3, R4, R7)	Ongoing work (existing commitment to NASCO)	Principal Fisheries Advisor (and Evidence & Reporting)	CAT 1
Resources	Ensure that existing funding arrangements for salmonid stock assessments are maintained. (R17, R18, R19)	Ongoing work (existing commitment to DSAP)	Principal Fisheries Advisor (and Evidence & Reporting)	CAT 1
	Consider the future role of the Fish-eating Birds Advisory Group. (R17, R18, R19)	New work	Principal Fisheries Advisor, Lead Specialist Advisor (LSA) - Freshwater Fisheries Management, LSA - Terrestrial Ornithology	CAT 4
	Cost and consider the resource implications of all proposed actions/techniques and where possible/practical, seek funding to implement techniques as part of a more strategic approach to the non-lethal and lethal control of fish-eating birds. (R17, R18, R19)	New work	NRW Fisheries Management Working Group	CAT 2
Favourable conservation status (FCS)	Define what good looks like for cormorant and goosander by defining FCS at a Wales scale. (R1, R8)	New work	LSA - Terrestrial Ornithology	CAT 2
	Define what good looks like for Atlantic salmon and sea trout by defining FCS at a Wales scale. (R1, R8)	New work	LSA - Freshwater Fisheries Management	CAT 2

Catchment Plans	Undertake the development of high-level catchment plans for all principal salmon rivers which identify key habitat constraints including predation “pinch points”. (R2, R9, R10, R14)	New work	NRW Fisheries Management Working Group	CAT 2
	Determine how integrated management plans (IMP), produced by the licence user, can facilitate delivery of targeted habitat interventions, PoA smolt protection (non-lethal and lethal) management measures within identified catchments. (R2, R3, R4, R5, R9, R10, R15)	New work	NRW Fisheries Management Working Group	CAT 2
	Determine the synergies of catchment plans, catchment/area-based licensing, coordinators, concomitant integrated management plans and licensing decisions. (R2, R3, R4, R5, R9, R10, R11, R12, R13, R14, R15, R16)	New work	NRW Fisheries Management Working Group & Species Permitting	CAT 2
Catchment/area-based licensing	Explore the practicalities of catchment/area-based licensing in terms of safeguarding salmonid populations; NRW licensing needs; role of coordinators (including costs and funding mechanisms); greater partnership working and collaboration between fishery interests and implement. (R2, R3, R4, R5, R9, R10, R11, R12, R13, R14, R15, R16)	New work	NRW Fisheries Management Working Group & Species Permitting	CAT 2
	Investigate the resource needs to facilitate sharing of best practice between catchment coordinators. (R3, R16)	New work	NRW Fisheries Management Working Group	CAT 2
	Plan and cost the resource implications of expanding NRW’s fish counter network. (R3, R4, R7)	New work	Principal Fisheries Advisor (and Evidence & Reporting)	CAT 2
	Continue (subject to funding) the ongoing salmon smolt tracking project on the River Usk to help assess the effectiveness of local predation control measures. (R3, R4, R7)	New work	Principal Fisheries Advisor (and Evidence & Reporting)	CAT 2
Guidance and sharing best practice	Investigate and determine the national guidance needs regarding best management practice to address impacts of fish-eating birds and how to maximise information	New work	NRW Fisheries Management Working Group	CAT 2

	dissemination and accessibility (including provision of a web page to provide a 'one-stop shop'). (R3, R16)			
Transparency and accountability	Publish annual statistics on both the number of cormorant and gosander licensed to be controlled and the number actually killed under licence. (R6)	New work	Species Permitting Team	CAT 2

Year 2: FY 2023-2024

		Delivery		
Theme	Action	Work status	Responsibility	Resource category ¹
Catchment Plans	Undertake catchment mapping of potential smolt 'pinch points' on all principal salmonid rivers. (R2, R9, R10, R14)	New work	LSA - Freshwater Fisheries Management	CAT 3
Implementing measures to reduce the impact of predation	Facilitate a programme of non-lethal and lethal control measures on salmonid rivers classified as either at risk / probably at-risk, with emphasis on vulnerable locations during the spring smolt migration. (R2, R8, R9, R14)	New work	NRW Fisheries Management Working Group	CAT 5
	Commission cormorant and goosander PVAs for principal salmon rivers with contemporary bird census data and where licence applications are regularly submitted. (R2, R8, R9, R14)	New work	LSA - Terrestrial Ornithology	CAT 4
	Undertake, subject to funding, further modelling to understand potential impacts of licensing control of cormorant and goosander in the bird breeding season. (R2, R8, R9, R14)	New work	LSA - Terrestrial Ornithology	CAT 5
	Continue to address downstream migration pinch points via the Dee LIFE Project, 4 Rivers for Life and the Salmon for Tomorrow Project. (R2, R9, R10, R14)	Ongoing work	Principal Fisheries Advisor (PFA) and Evidence & Reporting	CAT 1
	Recruit or procure a fisheries coordinator role (subject to need and funding) (R2, R3, R4, R5, R9, R10, R11, R12, R13, R14, R15, R16)	New work	LSA - Freshwater Fisheries Management	CAT 5
Catchment/ area-based licensing	Continue (subject to funding) the ongoing salmon smolt tracking project on the River Usk to help assess the effectiveness of local predation control measures. (R3, R4, R7)	New work	Principal Fisheries Advisor (and Evidence & Reporting)	CAT 5

Adaptive management	Determine how a more adaptive resource management approach delivers better outcomes compared to our current approach in reducing predation pressure by fish-eating birds, particularly when responding to changes in salmonid stock assessments and adverse environmental conditions. (R2, R3, R4, R5, R9, R10, R15)	New work	NRW Fisheries Management Working Group	CAT 3
	Plan and cost how to support fishery managers in taking a more holistic approach to management techniques (particularly non-lethal methods) in managing the impacts of predation by fish-eating birds. (R3, R16)	New work	NRW Fisheries Management Working Group	CAT 3
Resources	Fish-eating Birds Advisory Group. (R17, R18, R19)	Continuation from Year 1	Principal Fisheries Advisor; LSA - Freshwater Fisheries Management, LSA - Terrestrial Ornithology	CAT 4

FYs 2024-2032		Delivery		
Theme	Action	Work status	Responsibility	Resource category ¹
Evidence needs	Address evidence gaps in relation to the efficacy of non-lethal and lethal control and the role of habitat modification measures in reducing predation pressure at the critical life stages of salmonids. (R3, R16, R17, R18, R19)	New work	LSA - Terrestrial Ornithology	CAT 6
	Seek opportunities for collaborative research projects. (R3, R16, R17, R18, R19)	New work	NRW Fisheries Management Working Group	CAT 6
	Plan and undertake, dependent on funding, a repeat fish-eating bird census in 2030/31 to provide contemporary population estimates and refreshed PVA outputs for cormorant and goosander. (R3, R4, R7)	New work	LSA - Terrestrial Ornithology	CAT 6
Implementing measures to reduce the impact of predation	Continuation of the programme of non-lethal and lethal control measures on salmonid rivers classified as either at risk / probably at-risk, with emphasis on vulnerable locations during the spring smolt migration. (R2, R8, R9, R14)	Continued from Year 2	NRW Fisheries Predation Management Working Group	CAT 5
	Recruit or procure a fisheries coordinator role (subject to need and funding) (R2, R3, R4, R5, R9, R10, R11, R12, R13, R14, R15, R16)	Continuation from Year 2	LSA - Freshwater Fisheries Management	CAT 5
Resources	Fish-eating Birds Advisory Group (R17, R18, R19)	Continuation from Year 1	Principal Fisheries Advisor; LSA - Freshwater Fisheries Management; LSA - Terrestrial Ornithology	CAT 4

¹ Resource category

Category	Description
1	Day job almost certain; no additional resource ask; likely to complete within 6 months; funding non-dependent
2	Day job probable, no additional resource ask, likely to complete within 6-12 months, funding non-dependent
3	Day job possible, no additional resource ask, likely to complete within >12-18 months, funding non-dependent
4	Day job probable, low additional resource ask (\leq £10,000, single FY or per annum), likely to complete within 6-12 months, funding dependent
5	Day job not possible, moderate additional resource ask (£10,001 - £50,000, single FY), likely to complete within 12-18 months, funding dependent
6	Day job not possible, significant additional resource ask ($>$ £50,000 per annum), unlikely to complete within >18-24 months, funding dependent

Likelihood of action delivered by existing day job

Likelihood	Probability	Description
Remote	<5%	Extremely unlikely to be delivered
Unlikely	6-20%	Unlikely to be delivered
Possible	21-50%	Fairly likely to be delivered
Probable	51-90%	More than likely to be delivered than not
Almost certain	>90%	Almost certain to be delivered

NRW Board Paper

Date of meeting:	13 th July 2022
Title of Paper:	Welsh Language Annual Report 2021 - 2022
Paper Reference:	22-07-B20
Paper sponsored by:	Prys Davies, Executive Director of Corporate Strategy and Development
Paper prepared by:	Lyn Williams, Specialist Advisor, People Management
Paper presented by:	Lyn Williams, Specialist Advisor, People Management
Purpose of the paper	Approval
Summary	NRW Board is asked to approve the Welsh Language Annual Report for 2021/22 in line with the requirements of our Standards

Background

1. The Welsh Language (Wales) Measure 2011 established a legal framework to impose Welsh Language Standards on some public organisations, and NRW has a duty to comply. Our Welsh Language Standards became operational for our organisation on 25 January 2017.
2. To approve our Annual Report for 2021-22, which we have a duty to produce and publish under our Welsh Language Standards policy, and to update the NRW Board on the work which has taken place over the last financial year to implement our policy and improve our Welsh language services.

Options

3. Welsh Language Annual Monitoring Report 2020/2021 (Annex 1)
 - Ten complaints were received from members of the public relating to the Welsh language over the year; this is an increase in eight from the previous year. We dealt

directly with the complainants to resolve the matters raised on all but one which came through the Welsh Language Commissioners Office. The Commissioner was satisfied that as this was a technical error by a supplier, not to investigate further. More information on the complaints received can be found on page 18 of the report.

- 24.6% (555) of our staff are fluent Welsh speakers an increase of 21 through our recruitment process. Overall, 730 (32.4%) of our staff can discuss matters in Welsh with others at Levels, 3, 4 and 5, with 94.1% of our staff are able to show linguistic courtesy when meeting and greeting others. Information on the language skills of our staff can be found in Appendix 4 of the report.
- 138 members of staff attended Welsh language training at various levels. This figure is down by 23 from last year, most of our learners are based in North-West Wales 29% (40) and Gwent 24% (33). 15% (20) of our learners are or near being fluent Welsh speakers.

As restrictions continue to ease, some face-to-face training will resume, moving courses online has provided flexibility and reduced travelling, being more environmentally friendly. We plan to offer staff flexible options to suit their learning styles.

4. Raising Awareness of Welsh Language Standards:

Over the last year Managers and the Grŵp Pencampwyr (Champions Group) have been asked to raise awareness of:

- Remind staff of our internal language policy
- Be proactive in promoting and offering a language choice when initiating contact with others, including in online meetings.
- Ensure email signatures and out of office messages are bilingual
- Assess and record Welsh language skills in MyNRW
- Promote our Welsh language training programme
- Consider and discuss translation requirements with Translation Team
- Ensure text is proof-read when using automated translation tools
- Promote Microsoft Teams backgrounds with “Cymraeg” symbol
- Promote ICT systems that are available for staff to use in Welsh.

5. Improving our Welsh language services:

- The Translation Team are now a team of six and have more capacity to meet the organisation’s Welsh language needs in-house. This will allow for greater consistency with terminology and style, allowing for innovation in terms of providing more services and encouraging more use of the Welsh language in our work. The Team will be able to provide a more holistic service rather than a simple translation service. Information on the new team and services can be found on page 5 of the report.

- Work has started on developing bilingual content in Welsh when developing digital services early in the process on projects. This promotes the practice of testing Welsh versions alongside English, rather than relying on translation at the end of the process.
- In September 2021, seven new local accounts were launched on Twitter and Facebook. All these accounts are operated bilingually by the Communication Officers between 9 and 5 o'clock, Monday to Friday. The pages provide more opportunity to share local news with local audiences. Facebook's local pages currently attract more followers than Twitter which proves the website's popularity as a conversational platform.
- Our Marine Area Statement Team have worked with Bangor University to develop a "Welsh Marine Species Dictionary". This is a list of species names in the marine environment that includes their common English, Welsh, and scientific names. The dictionary is published on Termau Cymru. [The Terminological Dictionaries | \(termau.cymru\)](http://termau.cymru). Having this dictionary in the public domain enables greater accessibility of marine terminology, both in the environmental field and for members of the public.
- In implementing and improving our Welsh language services, we contribute towards Welsh Government's Cymraeg 2050 Strategy Action Plan for 2021-22 and The Wellbeing and Future Generations Act in providing more opportunities for our service users and our own staff to use the language, with the aim of increasing the use of our services in Welsh.

6. Key Highlights for the 2021/22 Report:

- We were recently awarded Work Welsh Employer of the Year 2021-22. This is an annual award given by The National Centre for Learning Welsh who said that "*Natural Resources Wales are the worthy winners of this award for 2021-22*" due to the support we provide staff in learning Welsh through:
 - Allowing staff to attend courses within working hours.
 - Arranging revision sessions before exams if needed,
 - Arranging extra sessions for classes during summer holidays,
 - Allowing study-leave for those studying for exams
 - Having a Mentoring scheme
- Figures across the public sector suggest that less people are choosing to use Welsh language services when initiating contact with public services. These figures do not reflect the number and percentage of Welsh speakers who use public services in Wales. To address this concern, the North West Wales Public Service Board – Welsh language sub-group have embarked on a project to try and establish what the barriers are in using public Welsh language services. Coed y Brenin Visitor Centre is one of the locations to be used to carry out this work.

Aim of the research will be to understand:

- The language practices of users when initiating contact with public organisations.
- The challenge and reasons behind the choice of not using Welsh language services.

- How to create best possible context to encourage the use of Welsh when initiating contact with our services.
- Our Education and Health Team worked in partnership with Flintshire County Council and delivered a face-to-face course for Welsh Second Language teachers. The aim of the day was to give teachers ideas and confidence on teaching in the outside environment and in using the correct Welsh names and terms. Positive feedback was received, and it is hoped to produce a dedicated suite of resources for teachers teaching Welsh as a second language in the future.
- Since October 2021 we have regularly been promoting and raising awareness of Welsh language, events, historical and Welsh cultural traditions on our intranet, Yammer, and social media accounts. Côr Cyfoeth choir recorded “Ar Lan y Môr” especially for St David’s Day; this attracted many likes on both our Yammer and comments on our social media accounts. These articles have proven to be popular with both staff and the public and helps to share the cultural history and language of Wales.

Risks and opportunities

7. Failure to produce a Welsh Language Annual Monitoring Report will be breaking our legal duty within our compliance notice.
8. Failure in providing a Welsh language service will result in providing a poor customer service to a proportion of the population of Wales, resulting in complaints to the Welsh Language Commissioner who will conduct investigations into our failure to comply with our legislative requirements.
9. Risks of non-compliance can be found on page 21 of the Annual Report. We are confident the measures we have put in place will address the issues concerned.

Wider implications

10. **Finance:** Implementation of the Standards will continue from current budgets; there will be costs in translating information on the Fishing Licence Purchasing webpages to ensure compliance.
11. **Equality:** An Equality Impact Assessment was carried out for the Welsh Language Standards Policy prior to implementation in 2017. The policy ensures equality between our Welsh and English services to the public in line with the requirements of the Welsh Language (Wales) Measure 2011.
12. **Legal:** Producing and publishing a Welsh Language Annual Report for each financial year is a legal requirement under the Welsh Language (Wales) Measure 2011.
13. **Wellbeing of Future Generations Act (WBFGA):** Implementing our Welsh Language Standards and developing and improving our Welsh language services will contribute to a Wales of vibrant culture and thriving Welsh language through our work in facilitating, promoting and proactively encouraging the use of the Welsh language in all aspects of our work, both externally and internally.

Next Steps

14. This Annual Report is on how we have implemented our Welsh Language Standards and improving our Welsh language services during the reporting period of 2021-2022.
15. Once the report has been through NRW governance approval process, it will be published on our website and intranet, and promoted on our Social Media account by end of September 2022 which is a requirement of our Welsh Language Standards.
16. The Welsh Language Commissioner will use the report as part of their role as a regulator in monitoring our compliance with the Standards.

Recommendation

17. The NRW Board is asked to approve the Annual Report for 2021-2022.

Index of Annexes

Annex 1 – Welsh Language Annual Report 2021-2022

Welsh Language Annual Report 2021 – 2022

This report is available in both English and Welsh on our website at [Natural Resources Wales Welsh Language Standards](#)

If you require a hard copy of the report or a copy in a different format for example large print, audio version please contact: Email address: iaithgymraeg@naturalresourceswales.co.uk

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Executive Summary

Welcome to our Annual Report for 2021-2022. This report focuses on how we have implemented our Welsh Language Standards policy and the work we have done to improve our Welsh language services during this reporting period.

24% (555) of our staff are fluent Welsh speakers and the number has steadily increased over the year through our recruitment procedures and our staff who are developing their language skills through our training programme. Most of our teams have at least one Welsh speaker, with a few teams in the North West and Mid Wales all fluent Welsh speakers and use the language naturally in their day-to-day work.

The Welsh Language Training programme has supported 138 of our staff to develop their skills on a weekly basis. Most of our learners are based in North West Wales and Gwent with 73 of our staff learning in these areas, 15% (20) of our learners are near to being fluent Welsh speakers.

As an organisation we were very pleased to hear recently that we have won Work Welsh Employer of the Year for 2021-2022. This annual award is given by The National Centre for Learning Welsh to organisations for their support and commitment in helping their staff to learn Welsh. We acknowledge that this award would not be possible without the commitment of our staff who have continued with their classes throughout a difficult time, we appreciate the personal commitment that this takes.

To further support the business in being able to provide and improve our Welsh language services our Translation Team is now a team of six to help meet our in-house Welsh language needs, improve our services to both public and support our own staff in using the Welsh language. This will provide greater consistency with terminology and style in our work.

There has been an increase in the number of complaints we have received this year from members of the public, we have worked with the complainant to ensure that the issue is resolved, provided an explanation on matters, or put plans in place to work on resolving the issue raised.

Working in partnership with the Environment Agency, progress has been made to develop the bilingual capability of the "Buy a Fishing Rod Licence" service on .Gov which was reported as being non-compliant with our Standards last year. Our Translation Team and Digital Communications Team have been working with the Environment Agency supporting them in developing this service bilingually. We hope that this service will go live at some point in 2022. The work we have carried out to address this matter can be found in this report.

'Gyda'n Gilydd - All Together' - NRW's Diversity & Inclusion Strategy 2021-25 was approved by Board in January 2022, with an Action Plan which includes drafting a Welsh Language Strategy for the organisation. Our aim is to increase opportunities for our Welsh speakers and learners to use the language daily both externally and internally, developing our Strategy will help facilitate this.

Introduction

The Welsh Language Standards came into force for NRW on 25th January 2017, under the Welsh Language (Wales) Measure 2011 and regulated by the Welsh Language Commissioner under Welsh Language Standards (No. 2) Regulations 2016.

Aim of the Standards are:

- Provide a better and more consistent Welsh language service to Welsh speakers.
- Make it clear to Welsh speakers' what services they can expect in Welsh.
- Make it clear to public organisations what their duties are in relation to the Welsh language.
- Ensure that the Welsh language is treated no less favourably than the English language.

This report demonstrates how we have implemented the standards and the work we have done to improve our Welsh language services during the reporting year 2021/22.

Welsh Language Standards

The standards we are required to comply with are in four categories:

Service Standards - the Welsh language services we provide to the public.

Policy Standards - ensuring that Welsh language forms part of the decision-making process by carrying out Equality Impact Assessments ensuring that the decision has no adverse effect, but positive or increased effects on the opportunities to use the Welsh language.

Operational Standards - promoting and facilitating the Welsh language in our internal administration processes.

Record Keeping Standards - keeping records for compliance with the requirements of the standards in areas such as staff Welsh language skills, training, complaints, and recruitment.

Governance and Monitoring our Standards

Monitoring compliance of Standards is carried out by Welsh Language Policy Advisor, any risks highlighted to our Executive Team for discussion with Managers and explained at Grŵp Pencampwyr meetings.

Grŵp Pencampwyr members will raise any issues of non-compliance with the Welsh Language Policy Advisor and at each meeting.

During our meeting with the Welsh Language Commissioner in 2021, we were asked to include a section on our website explaining the process we have for promoting, facilitating, and overseeing compliance with service delivery standards, policy making standards and operational standards in line with the requirements of Standard 151, 157 and 163.

The Welsh Language Standards webpage was updated to include this requirement: [How we comply and monitor our standards.](#)

Implementing and Improving our Welsh Language Standards and Services

Service Standards

Development of Translation Team

During the last year the Translation Service was re-modelled with the aim of creating a team that's capable of meeting more of the organisation's Welsh language needs in-house, allowing for more collaboration between our staff and the translators. This will allow for greater consistency with terminology and style, allowing for innovation in terms of providing more services and encouraging more use of the Welsh language in our work. This has meant the team has increased from 1 to 6.

The aim is to adopt a holistic approach and provide more than a simple translation service. The aim will be to provide:

- **Translation** from English to Welsh and English to Welsh.
- **Proofreading** information which are to be designed or printed.
- **Text-checking** documents drafted in Welsh, to encourage and support use of Welsh.
- **Consultation service** - an important innovation made easier by the increasing use of online tools. The Team will work with other teams to troubleshoot, and contribute to simultaneous drafting in both languages. An example of this new proactive approach can be found in **Appendix 1** of this report.
- **Simultaneous translation** – this will continue to be provided by an external provider but organised by the Translation Service.

Customer Care Hub

The Customer Care Hub deals with all incoming calls for our organisation. During this reporting year the centre dealt with a total of 20,320 calls, 5.23% (1064) of the calls were

Welsh medium calls. The calls dealt with in Welsh are slightly down by 0.5% from last year as were the total number of incoming calls which were also down by 4.4% (935).

Despite a proactive language offer, a number of Welsh speakers still initially choose our English service, but the call will often change to a Welsh language call when it is understood that the call handler is a Welsh speaker. Because the customer initially selected the English service these calls are registered as English medium calls on our system despite ultimately being dealt with in Welsh.

North West Wales Public Service Board – Welsh Language sub-group project

To address the issue of customers not selecting Welsh language services, with the evidence that supports this from across the public sector as a whole, NRW is part of the North West Wales Public Service Board – Welsh Language sub-group that has started working on a project with Cwmni Iaith Cyf to try and establish what the barriers are in using our Welsh language services.

Meetings and Events

As lockdown has lifted, we have participated in more meetings and events. One such example is Nature a Ni (Nature and Us) which is the national conversation facilitated by NRW, with support from Welsh Government, to develop a collective vision for the future of our environment for 2050, and the actions needed to take us there.

All campaign resources, communication, website and survey, were made available in Welsh and English, with equal number of Welsh and English webinars, allowing people could indicate their language preference when signing up for workshops and focus groups.

Social media posts and digital advertisements actively targeted Welsh speaking audiences and communities using social media algorithms. We also reached out directly to Welsh language groups e.g., Cynllun Siarad, the National Centre for Learning Welsh, and Coleg Cymraeg Cenedlaethol for their support in advertising the Welsh language sessions

Results

The below table summarises the survey completion and event registration numbers in both languages:

Involvement Mechanism	Welsh	English	Total
Survey	67 (2%)	3000	3067
Webinar	24 (6%)	395	419
Stakeholder workshop	22 (13%)	142	164
Focus group	14 (5%)	256	270

- Welsh language breakout groups were offered at workshops.
- Small focus groups of up to 10 were set up regionally online across Wales. The number who requested to join the Welsh medium groups in each region were low, so in response we ran a separate Welsh event.

Education and Health Team – Training Events

During this reporting year the Education and Health Team ran 51 courses in total as follows:

- 5 face to face and 46 online
- 15 through the medium of Welsh
- 2 face to face bilingually

Working in partnership with the Welsh Advisory Team, Flintshire County Council the team delivered a face-to-face course for Welsh Second Language teachers. The aim of the day was to give teachers ideas and confidence on teaching in the outside environment and in using the correct Welsh names and terms.

A monthly Education & Learning newsletter produced bilingually goes out to approximately 5,500 educators, with numbers growing monthly, which includes good practice from education groups and educators from around Wales.

New bilingual educational resources made available this year on our webpages and on Hwb (Digital Learning for Wales) have included:

- Delivering the Digital Competency Framework through Outdoor Learning
- Plan, develop, use, and maintain an orchard for learning
- Climate Change Emergency - There is no Planet B!
- Nature play and family fun!
- NRW's Children's Rights approach

Place Names & Signage

We have reviewed our signage guidance referencing the Welsh Place Names Standardisation Panel and raising awareness of the importance of using the correct standard spelling which often links back to the heritage and how the land was used in the past.

Social Media

In September 2021, 7 new local accounts were launched on Twitter and Facebook. All these accounts are operated bilingually by the Communication Officers between 9 and 5 o'clock, Monday to Friday. The pages provide more opportunity to share local news with local audiences. Facebook's local pages currently attract more followers than Twitter which proves the website's popularity as a conversational platform. Our focus will be on promoting the pages through our corporate accounts and by tagging partners in relevant posts.

Flood Warning & Informing Services

The flood warning service issues flood alerts, flood warnings and severe flood warnings to the public and professional partners. Messages are sent by phone, SMS or email in Welsh or English, as requested by the recipient. These warning messages are complemented by the following services:

- NRW Website Services - *5 Day Flood Risk for Wales* webpage - where we provide a summary of potential flood risk across wales for the next 5 days [weblink](#)
- *Flood Warnings & Alerts* webpage - we provide details of all warnings in force along with live flood information [weblink](#)

Each of these services are available in Welsh or English.

Floodline

- *Floodline 0345 988 1188* – a local rate call service where callers can listen to live flood information, listen to pre-recorded advice, and speak to a trained call agent to report flooding or register to the flood warning service

In July 2019, we improved the Floodline call plan to make it easier for callers to access our Welsh language service by including a Welsh language call agent service during weekday daytime hours. Outside these hours, or if a Welsh speaking call agent is unavailable, callers are given the option of leaving a message requesting a call back in Welsh, or to be diverted to an English-speaking call agent instead.

The table below shows overall there are still small percentages of Welsh Language customers and an increase in calls to Floodline agents selecting Welsh.

	2019-2020*		2020-2021		2021-2022	
	Cymraeg	English	Cymraeg	English	Cymraeg	English
Floodline callers – language choice	307 (3.1%)	9,652	244 (4.1%)	5,713	176 (3.2%)	5,334
Floodline callers – pre-recorded live warning information	95 (1.3%)	7,456	94 (2.4%)	3,789	59 (1.6%)	3,567
Floodline callers – calls to Agents	25 (2%)	1,256	61 (5.3%)	1,067	58 (7.4%)	729

Table 1: Callers to Floodline. *2019-2020 data is from July 2019 only.

Although the proactive offer of a Welsh language service is still in place, Welsh speakers are often put through to English call handlers as the service cannot guarantee a dedicated Welsh speaker to deal with Welsh medium calls. Welsh medium callers can also choose to terminate the call and receive a call back from a Welsh language agent when one becomes available.

To address this non-compliance issue, the Flood Warning and Informing team have developed a solution to improve this service by developing a Welsh language agent service, which would be available 24/7 by diverting Welsh calls from Floodline UK to NRW staff in our Incident Communications Centre, with call overflow to English language call agents if required. This would mean that Welsh speakers calling Floodline UK would be provided with a seamless Welsh language service via NRW ICC. This would be equal to

that of the English language service and NRW would have control over the Welsh language service as well as being able to promote the service more widely here in Wales.

NRW Website – Flood Warnings, Alerts and Flood Risk Services

- NRW Website Services - *5 Day Flood Risk for Wales* webpage - where we provide a summary of potential flood risk across wales for the next 5 days [weblink](#)

In October 2020, we refreshed our website design to make it easier and quicker to use, ensuring that the design was fully compatible with the Welsh language.

Visitors to our website are asked to choose their preferred language and the table below shows that there has been a decrease in visitors to our Welsh language flood warning webpages.

	2019-2020		2020-2021		2021-2022	
	Cymraeg	English	Cymraeg	English	Cymraeg	English
Flood Warnings & Alerts webpage views	10,257 (0.95%)	1,067,767	6,771 (0.8%)	856,914	4,843 (0.5%)	1,024,179
5 Day Flood Risk for Wales webpage views	489 (0.73%)	66,570	570 (0.3%)	174,150	346 (0.1%)	336,933

Table 2: NRW Webpage Views

Flood Warning Message & Website

- *Flood Warnings & Alerts* webpage - we provide details of all warnings in force along with live flood information [weblink](#)

A key element of our service is to provide real-time information to help people understand their immediate flood risk. This requires the ability to accurately translate information in Welsh. We are planning to explore options for developing this translation capability so that we can provide richer, more helpful information – noting there is little room for translation error in a potentially life-saving service. On completion of the Floodline improvement we plan to carry out activities to promote our Welsh language offering to increase their use.

Website

Our statistics show that over the year there were 48,019 (2.13%) page views on our Welsh pages, this is an increase of 3,424 views from last year. There were 2,204,933 (97.87%) on English pages. The most accessed page in Welsh was our job vacancy pages with 2,338 page views.

During the year our Digital Communications Team have carried out work to improve the Welsh language capability of our website considering both the Digital Standards and Welsh Language Standards when developing ICT services.

The Digital Communications Team have met with our contact at the Welsh Language Commissioner's office to check the needs for the translation of "attribute tables data" in the flood map for planning and the Peatlands data portal for Wales. This meeting helped to ensure that the online service was being developed in line with requirements of our Standards but also considering the expectations of those using the service and the limitations in being able to amend some technical information.

More information can be found on the work the Team have carried out to improve the websites bilingual capability and services can be found in **Appendix 2** of this report.

Marine Species Dictionary

Our Marine Area Statement Team have worked with Bangor University to develop a "Welsh Marine Species Dictionary". This is a list of species names in the marine environment that includes their common English, Welsh, and scientific names and published on Termau Cymru. [The Terminological Dictionaries | \(termau.cymru\)](http://termau.cymru)

Having this dictionary in the public domain enables greater accessibility of marine terminology, both in the environmental field and for members of the public. The dictionary is already being used by our own internal Translation Team for technical correspondence.

Microsoft Teams Telephones

In March we migrated to using Microsoft Teams Telephones allowing staff to make and receive telephone calls to external numbers from their laptops. Whilst the system has an automated answerphone in English only, we have offered training to all staff which included the need to record a bilingual answer message, Welsh Language Telephone correspondence guidance forms part of the guidance for using Microsoft Teams Telephones.

Raising Awareness of Standards

Managers Updates

Each month managers receive corporate information to share with their team. Over the last year we have continued to raise awareness of the Welsh Language policy and therefore managers have been asked to raise awareness and remind their teams to:

- Remind staff of our internal language policy
- Be proactive in promoting and offering a language choice when initiating contact with others, including in online meetings.
- Ensure email signatures and out of office messages are bilingual
- Assess and record Welsh language skills in MyNRW
- Promote our Welsh language training programme,
- Consider and discuss translation requirements with Translation Team
- Ensure text is proof read when using automated translation tools

Grŵp Pencampwyr

Over the last year our Grŵp Pencampwyr Iaith Gymraeg (Welsh Language Champions Group), with a representative from each of our Directorates have met four times and members have:

- Promoted ICT systems that are available for staff in Welsh including using the the background which has the “Cymraeg” symbol in Microsoft Teams, and developed “Dwi’n Dysgu Cymraeg” mail tip for Welsh learners on Outlook email to help in communicating informally in Welsh by email with colleagues.
- Five have volunteered to Mentor and support a learner each, helping learners practice their speaking skills.
- Raised awareness and promoted Welsh language training courses with their teams.
- Worked with Welsh Government on joint projects, ensuring they comply with the requirements of our Standards.
- Helped develop a separate Welsh and English video to help inspire people to get out into the great outdoors,. <https://naturalresources.wales/days-out/recreation-film/?lang=en>
[Cyfoeth Naturiol Cymru / Ffilm am ymweld â’n safleoedd \(naturalresources.wales\)](#)

Cymraeg 2050 -Welsh Government Action Plan for 2021/22

In implementing and improving our Welsh language services, we have contributed towards Welsh Government's Cymraeg 2050 Strategy Action Plan for 2021-22 by:

- Recruiting staff with Welsh language skills into roles that deal with the public on a regular basis, ensuring that the percentage of Welsh speakers are higher in the Welsh speaking stronghold areas.
- Promote and support our staff to develop their language skills to help increase our capability in providing services bilingually for the future.
- Promote the use of Say Something in Welsh as one of the resources offered through our Welsh language training programme.
- Health and Education Team training courses with the education sector, contribute to ensuring that educators have skills and confidence to teach environmental subjects through the medium of Welsh using the correct terms and names.
- Through operating all our social media accounts bilingually, promote Welsh language culture and events to a wide audience, raising awareness that Welsh is a living spoken language.
- Develop our services to suit the needs of users, by listening and acting upon feedback, proactively promoting, facilitating, and welcoming the use of our services in Welsh in all areas of the business.

Implementing our Policy Making Standards

Equality Impact Assessment

The need to consider an Equality Impact Assessment has been fully embedded into our Project Management Office process and procedures for our projects.

In carrying out an Assessment, we are required to seek feedback from those likely to be affected before a decision is made, “we don’t know what we don’t know” without asking those affected.

Over the year 27 assessments were carried out, with some showing more work required to raise awareness to understand the needs of Welsh speakers in relation to how the project, policy or strategy can impact on the ability to use the language.

The Welsh Language Policy Advisor is part of the approval process for all Assessments and provides advice on considerations in relation to the needs of Welsh speakers.

Grant Policy

Over the last year our Grants Team have been updating their policy and processes. Welsh language considerations have formed part of the process with an advice document drafted for the Grants Policy Team on the requirement to our Standards in relation to grants. Guidance has also been drafted for applicants to help them in understanding Welsh language considerations and how to use and promote the Welsh language as part of their project work which is published in the link below on our website.

[Natural Resources Wales / Grant applications: show how you'll use and promote the Welsh language](#)

Consultations

Questions have been included in our consultation process to gather feedback on the effects the policy decision being consulted on may have on the use of the Welsh language have been incorporated into our “Consultations and Citizen Space Guide” in line with requirements of Standards 88 and 89.

Asking questions in relation to the Welsh language in consultations will help us in gaining a better understanding of how our work could impact on the use of the Welsh language on our customers, partners, public and staff. This feedback will help us in developing our services and relationships to suit their needs.

Implementing our Operational Standards

Induction course

Six courses have taken place online over this reporting period with 164 attending in total. Feedback from those attending said they found the information provided useful in helping them understand our legislative requirements, Welsh language training programme and the support our Translation Team.

The Induction course has been a worthwhile platform to promote the programme with several new starters have shown an interest in developing their language skills through our training programme.

Welsh Language Training Programme

To date, 138 members of staff attending Welsh language training at various levels. This is down by 23 from last year however:

- Most of our learners are based in North West Wales 29% (40) and Gwent 24% (33).
- 15% (20) of our learners are or near being fluent Welsh speakers.
- If the 14% (19) who are currently learning at Intermediate level continue learning, they will become fluent Welsh speakers within the next 3 to 4 years.

As a result of Covid-19, only oral exams took place in Summer 2021. The uptake for these were very low as most learners would prefer to sit all exams at once.

Once restrictions continue to ease, some face-to-face training will resume, this style of learning suits some of our learners better as they believe it provides them with further opportunity to reinforce what they are learning. Some learners have already commented that moving courses online has provided flexibility and reduced travelling, being more environmentally friendly. More information on our Training programme can be found in **Appendix 3** of this report.

Work Welsh Employer of the Year 2021-22

We were recently awarded Work Welsh Employer of the Year 2021-22. This is an annual award given by The National Centre for Learning Welsh who said that “*Natural Resources Wales are the worthy winners of this award for 2021-22*” due to the support we provide staff in learning Welsh as follows:

- Allow staff to attend courses within working hours.
- Arrange revision sessions before exams if needed,
- Arrange extra sessions for classes during Summer holidays,
- Study leave for those studying for exams
- Mentoring scheme

Recruitment

Following discussion with the Welsh Language Commissioner we developed new guidance where managers assess language levels of vacant roles.

Feedback from managers during the trial has been positive with useful points raised which have been incorporated into the draft guidance and form making the guidance easier to use and understand.

Kickstart Scheme

NRW participated in the Kickstart project which provided 6 months' work placements for 16- to 24-year-olds to gain experience to help secure skills for the workplace for future employment.

We advertised 50 placement opportunities through the scheme, 25 of the placements were filled. 6 placements were advertised requiring a Welsh speaker, 3 of the placements were filled with a Welsh speaker.

All other roles were advertised as requiring Level 1 Welsh language skills, to show linguistic courtesy as part of these placements.

Record Keeping Standards

Our Standards require that we keep records as follows:

1. The number of employees who have Welsh language skills at the end of the year in question on the basis of the records kept in accordance with standard 145

We have seen a steady increase in the language skills of our staff at most levels, with the highest percentage of our Welsh speakers fluent in both written and spoken Welsh at Level 5. Most of our fluent Welsh speakers are in our Operations Directorate with the majority based in North Wales. Overall 730 (32.4%) of our staff can discuss matters in Welsh with others at Levels, 3, 4 and 5, with 94.1% of our staff are able to show linguistic courtesy when meeting and greeting others.

The number of fluent Welsh speakers have increased by 21 through our recruitment process. The percentage increase from last year does not reflect this due to the increase in our overall staff numbers.

The Welsh language skills of our staff at March 2022 can be found below:

- Level 5 = 334 (14.8%)
- Level 4 = 221 (9.8%)
- Level 3 = 175 (7.8%)
- Level 2 = 456 (20%)
- Level 1 = 942 (41.75%)
- No skills = 88 (3.9%)

43 (2%) are yet to self-assess their language skills.

Analysis of our fluent Welsh speakers show that:

- The majority are aged between 30-39 (155)
- 126 are aged between 50-59
- 45 are aged 60+
- 298 are males
- 60 are females who work part-time
- The highest numbers are in Grades 5 and 6 with the lowest numbers at our more senior Grades of 9 and above.
- 48 new starters are fluent Welsh speakers
- 44 fluent Welsh speakers have left in this reporting year

More information on the Welsh language skills of staff can be found in **Appendix 4** of this report.

2. The number of staff who attended training courses offered in Welsh during the year on the basis of the records kept in accordance with standard 146. If a Welsh version of a course was offered during the year, the percentage of the total number of staff attending the course who attended the Welsh version on the basis of the records kept in accordance with standard 124.

During this reporting period none of the courses listed below were offered in Welsh as required in accordance with Standard 146:

- performance management – online using Microsoft Teams
- recruitment and interviewing – online using Microsoft Teams
- complaints and disciplinary procedures – no courses taken place
- induction – online using Microsoft Teams
- dealing with the public – no courses taken place
- health and safety – some face-to-face

The majority of our courses have continued online during this period apart from some health and safety courses.

3. The number of new and vacant posts advertised during the year which were categorised as requiring Welsh language skills as essential, desirable, needed to be learnt when appointed to the post, or not necessary on the basis of the records kept in accordance with standard 148.

During this reporting period we have advertised 586 vacancies in total, 384 were internal moves with 202 advertised externally.

All posts are advertised requiring Level 1 as the minimum language, training is given to staff who need to attain this level of understanding to show linguistic courtesy.

Number of posts advertised during this reporting period were as follows:

Language Level	Essential	Desirable	Welsh to be learnt
Level 5 – fluency in spoken and written Welsh	7	0	0
Level 4 – fluency in spoken Welsh	30	91	1
Level 3 - The ability to communicate in Welsh with confidence in some work situations	20	95	6
Level 1 – The ability to pronounce basic Welsh names, phrases, and greetings	336	0	0

Analysis of the above stats and language abilities of staff who secured roles through our recruitment process, both internally and externally during this reporting period are as follows:

- 65 are Welsh speakers at Level 5
- 39 are Welsh speakers at Level 4
- 31 are Welsh speakers at Level 3

- 76 are Welsh speakers at Level 2
- 360 are Welsh speakers at Level 1
- 15 have no Welsh language skills

The 15 who do not meet the Level 1 minimum language level required are expected to complete the 10-hour online course provided by the National Centre for Learning Welsh. This course will need to be completed within the probationary period to help achieve this level.

4. The number of complaints received during the year which related to compliance with standards numbers 152, 156, 162 and 164 with which we are under a duty to comply with.

During this reporting period we received ten complaints, this is an increase of eight from last year. We dealt with all the complainants that came to us directly on each occasion to resolve matters.

Complainants received were as follows:

Issue	Outcome
Three complaints were received due to erroneous Welsh text found on NRW signage	<p>Complainants were dealt with directly, signage was removed and replaced with new signage and correct text.</p> <p>Teams responsible were reminded to Ensure text is proof read when using automated translation tools. This was highlighted in the Managers Monthly.</p> <p>Each complainant was satisfied with the steps taken by us to rectify the errors.</p>
One complaint was received on our use of River Towy rather than Tywi in the English version of our stakeholder Cyfoeth Newsletter.	<p>Having looked at our own and others use of spelling of Tywi, it has been decided that only Tywi will be used in our communication material in future. This requirement has been added to our communication style guide.</p> <p>The complainant was satisfied with the action taken.</p>
Two complaints were received due to our use of the spelling Cwm Carn, asking that we change and use Cwmcarn to be consistent with way the village is spelt.	<p>Having previously sought the advice of the Welsh Language Commissioner's Place Name Standardisation Panel, it was explained that the use of two words differentiates between the topographical (Cwm/Valley) feature and a settlement or a village.</p>

	Not all complainants were happy with our explanation following and the Welsh Language Commissioner's contact details were passed on for information.
One complaint was received havin fournd inconsistencies on the spellings of Cwm Carn found on signage at the site.	In discussion with our Translation Team, though the use of the term "Gyrfa" is not incorrect for "Drive", it was agreed that the term "Rhodfa" was more appropriate to describe the drive through the woodland. When the current timber signs displaying "Gyrfa" are updated, "Rhodfa" will be used. This was explained to the complainant.
The Environment Agency received a complaint in Welsh in relation to the fact that the. Gov UK "Get a Fishing Licence" service does not allow the user to complete the online catch and release form in Welsh.	It was explained that we are working in partnership with the Environment Agency on developing the "Get a Fishing Licence" service bilingually. A Welsh hard copy of the form was sent to the complainant to complete.
One complainant went directly to the Welsh Language Commissioner having found a sign in the vicinity of Llanddwyn, Anglesey contained erroneous Welsh text in relation to project work taking place there.	The error was due to a technical software problem during the printing process at the suppliers. Teams responsible were reminded to ensure text is proof read upon receiving new signs by a fluent Welsh speaker. This was highlighted in the Managers Monthly. The Commissioner decided not to investigate the matter further.

We also receive complaints from our own staff on the lack of compliance with our internal language policy on occasions in relation to sending out bilingual emails and in relation to internal presentations to large groups of staff being in English only.

Monitoring Exercise 2022

A monitoring exercise was carried out with five of our Permitting Teams, our three Visitor Centres, Customer Care Hub, and our Financial Transactional Team. The teams were asked to complete an online monitoring form as part of our work in self-regulating our standards in relation to our Service Delivery Standards.

This exercise highlighted the following positive aspects:

- Forestry Permitting team dealt with 22 applications in Welsh in 2021/22, with the Permit Delivery Team dealing with one, no applications in Welsh were received by the other Permitting teams.
- All the teams apart from one have at least one or more Welsh speakers at Level 3, 4 or 5, the one team with no fluent Welsh speaker currently have 3 members of staff developing their language skills at Level 2 to build team language skill capability.
- All Visitor Centres public facing staff are fluent Welsh speakers, with reception areas promoting the use of Welsh with “Cymraeg” posters and staff wearing lanyards.
- Our Customer Hub and Financial Transactional Team provide a proactive telephone language choice to callers.
- All forms are available to the public in Welsh (online forms and hard copies). Our online forms provide a direct link from the English form to the Welsh via a toggle allowing the customer the choice to complete in Welsh.
- Guidance, policies, and procedures are available to the public in Welsh for all the teams apart from our Installations and Radioactive Substance Regulations Permitting Team due to the technical nature of the work. Having followed our Translation guidance the team have assessed that the expectation of those applying for a permission would not expect guidance and procedures in Welsh.

However, more consistency needs to be made:

- To ensure more consistency in keeping records of applications dealt with in Welsh.
- Permitting Teams do not make the initial contact with applicants and will correspond in the language the application is received. Upon responding to applications a proactive language choice should be more consistently offered.
- Monitor to ensure that all forms have a statement on English form that it is also available in Welsh.

Good practice shared by teams as part of our monitoring exercise:

- One Permitting Team will upon responding to the applicant ask language preference regardless of language application received, this helps to encourage and facilitate the use of Welsh.
- Welsh language skills are essential in recruitment process for Visitor Centre staff.
- Greeting all customers bilingually (in person and on the phone). “Cymraeg” sign is on display at the reception desk, with “Cymraeg” and “Dwi’n Dysgu Cymraeg” lanyards worn by staff. Displaying this material and hearing the language being spoken gives a sense of place to those visiting and helps to promote the use of the language is welcomed.
- Welsh language learners club for Visitors at Coed y Brenin.

Risk of Non-compliance

Purchase of Fishing Licence on .Gov

During 2021/22 we have made progress in working with the Environment Agency who administer the Fishing Licence Purchase service on our behalf in developing the Welsh language capability on the website. Currently the website is in English only and non-compliant with our Standards. Fishing licences continue to be sold at local Post Offices; all fishing licences sold to Welsh postcodes are bilingual.

With funding and translation support from NRW, the Environment Agency have started on this work, with our Translation Team providing Welsh versions of all the information held on the Fishing Licencing purchasing service. Once the information has been uploaded, the team will proof-read to ensure all the information is in the correct place and format and test the site with our Digital Communications Team prior the service becoming live on .Gov webize, which we hope will be during 2022.

We will continue to work with Environment Agency during the year to ensure that all information they administer on our behalf on the .Gov site as well as via other communication channels will be available to customers in Welsh and compliant with the requirements of our Standards.

The Welsh Language Commissioner is being kept informed of this progress.

Floodline UK

As explained on page 13 of this report, Floodline UK service cannot guarantee a dedicated Welsh speaker to provide a service equal to that of the English service provided, therefore making the service non-compliant with our legal duties.

The Flood Warning and Informing team have identified a possible solution which will mitigate the non-compliance issue. A business case being submitted to the D&I Programme and being approved through the Project Management Office process.

Promoting Welsh language and culture

Since October 2021 we have been promoting and raised awareness of the language, events, historical and current Welsh cultural traditions on our intranet, Yammer, and social media accounts. These have proven to be popular with both staff and the public and helps to share the cultural history and language of Wales.

Our very own Côr Cyfoeth staff choir recorded “Ar Lan y Môr” especially for St David’s Day, this attracted many likes on both our Yammer and comments on our social media accounts. The recording not only celebrates St David’s Day but showcases through photos and video footage our work in helping to protect and keep the natural habitats of Wales for future generations along with celebrating the 10th anniversary of the Wales Coast Path this year.

Côr Cyfoeth “Ar Lan y Môr”

We have promoted: -

- Publication of Welsh Language Annual Report in September 2021
- Shwmae/Su’mae day – 14-15 October
- Dathlu Dysgu Cymraeg/Celebrate Learning Welsh – 11-15.10.21
- Calan Gaeaf First Day of Winter – 1st November
- Diwrnod Hawliau Iaith Gymraeg – 5-7 December
- Welsh Christmas and New Year Traditions 15-17 December
- Santes Dwynwen (Welsh Valentines Day) 25th January
- Welsh Music Day 4th February
- St David's Day 1st March
- Diwrnod y Llyfr 3rd March
- Diwrnod Barddoniaeth y Byd – World Poetry Day 21st March

Action Plan 2021 – 22

The Action Plan for 2021-22 had 15 actions in total, out of the actions 11 were completed with 3 ongoing, 1 not started. Some of the ongoing and not been completed actions are due to other work priorities and the Covid-19 restrictions. The ongoing and not started actions form part of the for Action Plan for 2022 – 23.

Action Plan 2022 – 23

The priorities in our Action Plan for 2022- 23 will be:

- Launch the new process for assessing Welsh language skills of posts.
- Continue working with Environment Agency to ensure all information on Gov is available in Welsh and compliant with our Welsh Language Standards.
- Develop and seek approval to implement the solution to mitigate non-compliance risk on Floodline UK flood information service to be compliant with our Welsh Language Standards.
- Develop one-stop-shop page for Welsh Language services, advice, training and resources on the intranet for staff.
- Start work on developing a Welsh Language Strategy and review our internal language policy.

NRW Welsh Language Strategy

Gyda'n Gilydd - All Together' - NRW's Diversity & Inclusion Strategy 2021-25 was approved by Board in January 2022, with an Operational Action Plan which includes drafting a Welsh Language Strategy for the organisation. Our aim is to increase opportunities for our Welsh speakers and learners to use the language daily, both internally and externally in our dealings with others as part of our day-to-day work. Work will start of developing the Strategy this coming year.

This will help in ensuring our Welsh speaking business need matches the capability in each workplace and help us in being an organisation fit for the future in line with the ambition of Welsh Government Language Strategy – Cymraeg 2050.

Conclusion

We are pleased with the progress we are making in implementing our Welsh Language Standards, and with the number of Welsh speaking staff increasing, we will look for more opportunities for our staff to use the language as part of their day-to-day role.

The development of our Translation Team to a team of six to meet our Welsh language needs in-house, can only improve our services to both the public and our own staff, allowing for greater consistency with terminology and style, improving the user experience by co-creating content in Welsh alongside the English content. Overtime, we hope this style of developing our services will increase the numbers using our Welsh language services.

With the end of the Covid restrictions and our lives slowly getting back to normal, several staff have shown an interest in re-starting their Welsh classes and looking forward to having some face-to-face classes as they feel this provides them with the opportunity to reinforce what they are learning. We will promote our training with the aim of increasing the number of staff who wish to develop their language skills.

Winning the Work Welsh Workplace of the Year 2021-22 has meant a lot to us as an organisation and the work that we do in supporting our staff to develop their language skills being recognised. We appreciate the personal commitment our learners give to developing their language skills and want to ensure that they are supported as they progress to become confident Welsh speakers for the future.

There are some services which are non-compliant with our Standards, but we are confident that the work we are doing to address these areas will help to mitigate non-compliance with our Standards in the coming year.

As an organisation we want people to use our Welsh language services and to feel they are welcome to use them in all areas of our work. We welcome the feedback received and will do all we can to develop and provide services that suit the needs of the users, by providing a real language choice to help improve our services with the aim of increasing their use over time. All this work will contribute to the Welsh Government's aim in Cymraeg 2050 and The Wellbeing Future Generation Act as well as our own ambitions as an organisation to use and increase the use of the language both externally and internally.

Appendix 1

Translation Team - Trialling new approaches

In February 2022, the Translations team was invited to collaborate in the content creation process with the Digital team. The Digital team had already been working on creating user-centric content on Woodland Creation and invited our Senior Translator to trial a new “trio writing” process as part of one of the sprints alongside a user researcher and content designer. The aim of the project is to:

- Create and publish user-centric content about woodland creation and management
- Put in place new, collaborative ways of working
- Build momentum for creating further user-centred content

The first trio writing session gave us the opportunity to work on a live Google Doc in both English and Welsh. This enabled the translator to develop a better understanding of the content and hear about any issues that the researcher had already encountered in terms of vocabulary and tone of voice. The process was then showcased in the Bilingual Community of Practice in March.

Following on from the initial trio writing approach, we have also started working on a similar project looking at ways of creating bilingual user-centric content on hazardous waste. To date, we have taken part in one sprint and created one piece of content which has proceeded to prototype with the aim of testing with bilingual users. Work is ongoing.

Appendix 2

Improving our website services:

Online flood services

- Conducted research interviews with Welsh users to develop a prototype View your flood risk side by side in Welsh and English
- We reviewed final service translations View your flood risk and Flood map for planning to make them as natural as possible in the context of the service
- We translated the buttons, labels and tables for the shoreline management plans map to take advantage of our knowledge of the context
- We reviewed the Welsh version of our Cookiebot 'cookies' management service statement to make it more natural and understandable
- Moving the old English only version of the Flood Risk Assessment Map for Wales to a new platform that will be bilingual. We have tried to create everyday Welsh language versions for the map labels
- Designing a Registration service for new flood warnings. We will test the Welsh version alongside the English one
- All online surveys for flood services go out in Welsh. The consumer researcher creates the Welsh version in order to convey the meaning rather than a strict translation.
- In the future, we will be working on a project to revamp the River Levels service. We will conduct research interviews to check the Welsh version

Designing content in Welsh earlier in the process

We are a strong voice of projects to promote the practice of testing Welsh version alongside the English, rather than relying on translation at the end of the process.

Apart from the above flood works, we have carried out:

- two discovery interviews in Welsh for the CDPS project for hazardous waste
- two interviews to test a Welsh prototype with the above project.
- a number of Welsh interviews for a forest creation project
- we plan to conduct a series of interviews in Welsh for the next row of the above project
- These have several useful points for vocabulary in such registration services

Our roll in the CDPS practice group on sharing and building on good practice on the design of bilingual Services:

- We contribute to the CDPS 'Building bilingual services' 'community of practice' each week
- We have introduced three sessions to the 'ma' group to share our work of including testing materials in Welsh early in the process

Other: Work on maps / peat portals etc

- Met with an official from the Office of the Welsh Language Commissioner to check the needs for the translation of 'attribute tables data' in the flood map for planning and the Peatlands data portal for Wales
- Continue to work with authors to ensure that web content is bilingual wherever possible

Appendix 3

Information on our Welsh Language Training Programme Number of Learners attending each learning level:

Course	Learners 2021/22	Percentage
Entry	71	51%
Foundation	28	20%
Intermediate	19	14%
Advanced	19	14%
Proficiency	1	1%
Total	138	100%

Region	Learners 2021/22	Percentage
Cardiff	8	6%
Carmarthenshire	9	6%
Ceredigion/Powys	13	9%
Glamorgan	1	1%
Gwent	33	24%
North East	9	6%
North West	40	29%
Pembrokeshire	4	3%
Swansea Bay	15	11%
The Vale	1	1%
Nant Gwrtheyrn	5	4%
Total	138	100%

Mentoring Scheme

NRW currently offer a Mentoring scheme which is designed to provide support for Welsh learners within the organisation. The scheme involves fluent Welsh speaking staff members or more advanced learners volunteering 30 minutes of their time every fortnight to informally chat to their Welsh learner buddy.

We have had a great uptake so far with 35 mentors and 49 learners registering for the scheme. This is very encouraging, and we are always open/encouraging more people to join.

Say Something in Welsh

There have been many requests in the past from staff to introduce Say Something in Welsh as an alternative and flexible method of learning. We currently have 20 people trialling this with more being added daily. We find this is a good way of getting complete beginners to start their learner whilst waiting to register for a Learn Welsh course.

We offer this course to all NRW staff; however, it appears that it is better directed towards staff on short term contracts, visitor centre staff and staff members that are unable to commit to a course due to extenuating circumstances (i.e., medical conditions).

Welsh Language Skills Statistics

Appendix 4

Welsh Language Skills of Staff

Date	No return completed	No language skills	Able to pronounce basic phrases and greetings	Able to construct basic sentences	Able to discuss some work matters confidently	Fluent Welsh speaker	Fluent in both spoken and written Welsh
March 2022	43 (2%)	88 (3.9%)	942 (41.7%)	456 (20%)	175 (7.8%)	221 (9.8%)	334 (14.8%)
February 2021	109 (4.9%)	87(3.9%)	915(40.9%)	438 (19.6%)	153 (6.8%)	225 (10%)	310 (13.9%)
March 2020	134 (6.5%)	63 (3.1%)	820 (40.0%)	412 (20.1%)	136 (6.6%)	211 (10.3%)	275 (13.4%)

Headcount March 2022 = 2259 – Number and percentage of Welsh speakers in March 2022 = 555 (24.6%)

Headcount February 2021 = 2237 - Number and percentage of Welsh speakers in February 2021 = 535 (24%)

Headcount March 2020 = 2051 - Number and percentage of Welsh speakers in March 2020 = 486 (23.7%)

Welsh language skills by Age profile

Age	No Return Completed	No understanding of Welsh	Able to pronounce basic Welsh phrases and names	Able to construct basic Welsh sentences	Able to discuss some work matters confidently	Fluency in spoken Welsh	Fluency in spoken and written Welsh	Grand Total
22 - 29	7	15	80	23	14	18	66	223
30 - 39	9	17	192	102	43	56	99	518
40 - 49	13	23	307	158	52	75	70	698

50 - 59	9	24	286	137	52	52	74	634
60 +	5	9	77	36	14	20	25	186
Grand Total	43	88	942	456	175	221	334	2259

Welsh language skills by sex – Full-Time/Part-Time Employees

Sex Full-Time Part-Time	No Return Completed	No understanding of Welsh	Able to pronounce basic Welsh phrases and names	Able to construct basic Welsh sentences	Able to discuss some work matters confidently	Fluency in spoken Welsh	Fluency in spoken and written Welsh	Grand Total
Female	24	36	407	232	94	95	146	1034
FT	17	30	311	168	65	70	111	772
PT	7	6	96	64	29	25	35	262
Male	19	52	535	224	81	126	188	1225
FT	19	49	498	207	76	116	182	1147
PT		3	37	17	5	10	6	78
Total	43	88	942	456	175	221	334	2259

Welsh language skills by each grade

Grade	No Return Completed	No understanding of Welsh	Able to pronounce basic Welsh phrases and names	Able to construct basic Welsh sentences	Able to discuss some work matters confidently	Fluency in spoken Welsh	Fluency in spoken and written Welsh	Grand Total
G1	3		2	2		5	1	13
G2	7	9	27	11	7	11	15	87

G3	1	5	38	17	4	15	23	103
G4	11	9	135	48	21	37	67	328
G5	8	28	243	101	48	57	91	576
G6	6	18	251	160	45	49	69	598
G7	2	9	124	69	33	30	31	298
G8	2	3	82	28	9	9	20	153
G9	2	1	21	7	5	6	10	52
G10		2	9	9			1	21
G11	1	3	9	3	1	2	5	24
EXEC		1	1	1	2		1	6
Total	43	88	942	456	175	221	334	2259

Welsh language skills of new starters and leavers

	No Return Completed	No understanding of Welsh	Able to pronounce basic Welsh phrases and names	Able to construct basic Welsh sentences	Able to discuss some work matters confidently	Fluency in spoken Welsh	Fluency in spoken and written Welsh	Grand Total
Starters	19	8	58	21	17	12	36	171
Leavers	10	7	55	24	12	15	29	152

Board Paper

Date of meeting:	13 th July 2022
Title of Paper:	Criteria for public vs private agenda items at NRW Board and Board Committee Meetings
Paper Reference:	22-07-B21
Paper sponsored by:	Prys Davies- Executive Director for Corporate Strategy & Development
Paper prepared by:	Victoria Painter- Governance & Risk Manager Dan Haighway, Governance Advisor (Turner & Townsend)
Paper presented by:	Victoria Painter- Governance & Risk Manager Dan Haighway, Governance Advisor (Turner & Townsend)
Purpose of the paper	Decision
Summary	The Board is invited to approve the attached criteria for NRW Board & Committee meetings

Background

1. At present, there is no clear criteria regarding the differentiation of public and private agenda items at NRW Board and Board Committee meetings. This presents a degree of uncertainty as to whether certain agenda items should be discussed privately or in public, leading to sub-optimal public transparency into NRW proceedings and poor standardisation of agenda criteria across meetings.
2. There is some existing guidance contained within a document that was the starting point for this work. This document has since been revised to incorporate feedback gathered from the Head of Legal Services (section 7, legally privileged information) and the Governance and Risk Manager (section 9, information specific to the organisational risk profile).
3. The Executive Team (ET) broadly discussed the organisational intent for public and private meetings on 10 May 2022, concluding that all agenda items should be public as

standard in the interest of full transparency, and transferred to private proceedings by exception. This paper aims to provide the definitive criteria on which to base decisions for the transfer of agenda items from public to private proceedings.

4. The implementation of this guide will improve the process and proceedings of Public Board Meetings, ensuring that NRW is transparent and clear on what should be discussed in both public and private. Further work, however, needs to be undertaken to clarify the optimal methods for engaging with the public at a Board level.
5. The ET continues to investigate potential solutions to improve proceedings, which shall include stakeholder engagement to determine the optimal and most socially responsible improvement.

Risks and opportunities

6. Implementation of a criteria defining the separation of public and private agenda items shall greatly enhance the standardisation of agenda preparation across the organisation. This aligns to the best practice detailed in ISO37000 which emphasises the importance of standardisation in governance processes.
7. In addition, this should assist NRW in managing and enhancing its reputation in terms of being open, transparent, and accessible in its decision making.

Wider implications

8. Implementation of a definitive criteria for the separation of private and public agenda items would result in the following beneficial implications:
 - (a) **Legal:** Implementation of this criteria reduces the risk of inadvertently sharing information publicly of a legally sensitive or contentious nature.
 - (b) **Data Protection:** Implementation of this criteria reduces the risk of inadvertently sharing information publicly containing protected information regarding NRW personnel or stakeholders.

Next Steps

9. Upon approval by the Board, this criteria document shall become live and be implemented into the management of future Board and Committee meeting preparation.

Recommendation

10. It is recommended that the Board approve the attached criteria for NRW Board & Committee meetings.

Index of Annexes

Annex 1 – Criteria for public vs private agenda items at NRW Board and Board Committee Meetings

Criteria for public vs private agenda items at NRW Board and Board Committee Meetings

Introduction

Board meetings may be held in public, but they are not public meetings. This means that the public do not have the right to be heard at a Board meeting, even where they have the right to observe.

For the purposes of this proposal we are suggesting ways in which NRW can ensure that our business is being conducted in an open and transparent manner (especially during the restrictions resulting from the Covid-19 pandemic). The proposals are not intended to cover wider Board engagement with the public or stakeholder engagement events.

At the moment these procedures would only apply to the Board, who are required to conduct their meetings in public.

This proposal has been developed in accordance with the Information Commissioner's Office (ICO) 'Guidance for Welsh Government Sponsored Bodies and other local authorities'¹, the General Data Protection Regulations (GDPR)², the Data Protection Act (DPA) 2018³ and the Freedom of Information (FOI) Act 2000⁴.

Proposal

That all of NRW's Board meetings should be open to public scrutiny (i.e. all items to be placed on the Public Meeting agenda) unless specifically exempted under GDPR, DPA or FOI. NRW's values include to act with integrity and we adhere to the Seven Nolan Principles of Public Life (Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership). Our default position for all agenda items would therefore be "public".

This would involve the following for all Board meetings:

- Publicising all meetings in advance
- Holding all meetings in public
- Making papers for all meetings available in advance (except for private items)
- Publishing minutes of all public meetings once agreed by the Chair (with any private items redacted if necessary).

Exempted items that should be discussed at a Private Meeting include:

1. Personal data

This category covers information about any named or identifiable living person. Personal data is protected by the Data Protection Act, which makes it unlawful to transfer or release certain types of personal information. This is reflected in Section

¹ <https://ico.org.uk/media/for-organisations/documents/1261/definition-document-welsh-government-sponsored-bodies.pdf>

² <https://gdpr.eu/>

³ <http://www.legislation.gov.uk/ukpga/2018/12/contents/enacted>

⁴ www.legislation.gov.uk/ukpga/2000/36/contents

40 of the Freedom of Information Act, which allows personal data to be withheld if its release to a third party would contravene the Data Protection Act.

The Information Commissioner, as the authority which regulates Freedom of Information and Data Protection, has suggested that public bodies can release certain types of personal information in response to Freedom of Information requests, because doing so does not contravene the principles of the Data Protection Act and is in the interests of public accountability. Based on this guidance, it is appropriate for the following types of personal information to be placed on the Public Meeting agenda and recorded in the minutes:

- a. routine notices of the appointment, departure or promotion of staff (but not details of the reasons for such events)
- b. basic information about the job titles, roles, duties and responsibilities of staff, and their work contact details
- c. grades and salary bands of staff (but NOT specific salaries, except for staff earning over £100,000 where the Information Commissioner suggests the disclosure of salaries in £10,000 bands)
- d. minor references to individuals that do not convey anything substantive about them
- e. personal information that is already in the public domain, such as on the NRW website
- f. information about the decisions or actions of individuals that are taken in a work or official capacity (e.g. as a committee member), unless it is covered by another exemption category.

All other types of personal information that comes before committees should be placed on the Private Meeting agenda and recorded in the Private Meeting minutes, as releasing it could breach the privacy rights of individuals under the Data Protection Act. Examples of personal information that should always be considered at a Private Meeting include:

- a. sensitive employment-related information about individual staff, such as grievance, discipline, or performance issues
- b. sensitive information about the health, welfare or personal lives of individuals.

Some committees will occasionally discuss specific post titles rather than named individuals, and this will not necessarily amount to personal data. For example, discussing the case for the creation of a new post will not involve personal data because no one has yet been appointed to it. On the other hand, information about a post will be considered to involve personal information if the post can be associated with a named individual through sources such as the NRW website.

2. Commercial Interests

This category covers information that, if released, could harm the commercial interests of NRW or another organisation. Examples include:

- a. discussion of forthcoming contracts, negotiations or purchases

- b. details of ongoing negotiations (e.g. involving contracts or purchases), where release of the information might jeopardise the negotiations or NRW's bargaining position
- c. sensitive operational information, trade secrets or pricing details received from suppliers, tenderers or contractors
- d. information that might be of value to a competitor, for example, another organisation selling timber within Wales.

Agenda items which involve such information should be considered at a Private Meeting, as the information may be exempt under Section 43 of the Freedom of Information Act.

It is unlikely that the disclosure of high-level financial information about NRW's income and expenditure would normally be regarded as harming its commercial interests, but a detailed breakdown of financial information might be exempt if, for example, it disclosed the price charged by a supplier, or the salary of an individual (see Personal data above).

3. Information provided in confidence

This category covers information that:

- a. has been supplied by an organisation or individual outside NRW (including Welsh Government); and
- b. the information is not in the public domain; and
- c. NRW does not have permission to make the information available; and
- d. the supplier of the information has indicated that they regard it as confidential; or
- e. a reasonable person would assume that permission should be sought before making the information publicly available.

Agenda items that include such information should be considered at a Private Meeting, as it may result in the discussion of information the release of which would be a serious breach of confidence and NRW could be liable to legal action. This information may be exempt from release under Section 41 of the Freedom of Information Act.

4. Health and Safety

This category covers information that, if released, might endanger the physical or mental health or safety of any person. This might occur, for example, if there was a risk that placing the information in the public domain would expose an individual to threats or harassment, aggravate a known medical condition, or place staff in danger from extremist groups.

Agenda items that include such information should be considered at a Private Meeting, as the information may be exempt under Section 38 of the Freedom of Information Act.

5. Law enforcement

This category covers a wide range of law enforcement interests, and whether these could be prejudiced by the disclosure of certain types of information. In NRW's

context this is most likely to involve information which could prejudice the prevention and detection of crime, for example by:

- a. revealing details of security arrangements, procedures and monitoring systems
- b. revealing details of financial procedures and processes, which might make it easier for someone to commit fraudulent acts against NRW
- c. compromising IT security systems and protocols.

Agenda items that include such information should be considered at a Private Meeting as the information may be exempt under Section 31 of the Freedom of Information Act.

6. Information intended for future publication or publicisation

This category covers information that may be exempt from disclosure in response to an FOI request because it is already intended for publication by NRW at a later date. This could include, for example, financial information which is intended to be published in the Financial Statements, or the intended publication of the findings from a project, programme or investigation.

Furthermore, this could include information that the Board must discuss and understand in readiness for public engagement. Allowing the Board to privately conduct pre-meetings ahead of public board proceedings shall help to ensure that all Board members are adequately informed and knowledgeable in the subject matter and have had an opportunity to determine a consolidated Board stance regarding each agenda item.

Agenda items that include such information can be considered at a Private Meeting as the information may be exempt under Section 22 of the Freedom of Information Act.

7. Legally privileged information

This category covers information which is exempt from inspection because it is legally privilege, and therefore must only be used by the Board in private proceedings. This includes confidential communication between NRW and NRW's lawyers (internal or external) which have come into existence for the sole or dominant purpose of giving or obtaining legal advice as well as communication between NRW and their lawyers (internal or external) and a third party, any document made by or on behalf of NRW or the lawyer, which is confidential, and has been made for the dominant purpose of litigation where the litigation is pending, reasonably contemplated or exists.

Agenda items that include such information should be considered at a Private Meeting as the information may be exempt under Section 42 of the Freedom of Information Act.

8. Prejudice to the free and frank provision of advice, exchange of views for deliberation or effective conduct of public affairs

Section 36 of the Freedom of Information Act makes provision for information to be withheld if releasing it would prejudice "the free and frank provision of advice", "the

free and frank exchange of views for the purposes of deliberation" or "the effective conduct of public affairs".

It might be appropriate to use this exemption to conduct high-level strategic or policy discussions (e.g. about the future of NRW) in a Private Meeting, if placing the record of those discussions in the public domain would constrain either those discussions or similar discussions in the future. However, this exemption should be used with extreme caution, as it is often difficult to justify its application.

9. Information specific to the organisational risk profile

This category includes all information contained within the NRW risk profile, however, does not include the policies and frameworks regarding the management of risk, which may be disclosed publicly in the interest of transparent governance.

Public disclosure should not include information contained within any NRW risk register including risk titles, basis of estimates, severity scoring, detailed mitigations, or organisational performance in the management of each risk. As risks inherently define organisational weaknesses and vulnerabilities, it would be an error to publicly divulge such detail as it would allow for this information to be used by other entities, organisations, or individuals to extort or manipulate NRW from a position of strategic advantage.

Furthermore, risks are often granular in nature, especially at the lower operational levels, meaning public disclosure of such risks without comprehensive supporting context and explanation would result in a high probability of misinterpretation. Though this level of context could be expressed in public proceedings and a comprehensive Q&A activity could be carried out to clarify any misinterpretations, this would be a heavy burden of time and effort within already time-constrained public engagements.

NRW Board

Date of meeting:	13/07/2022
Title of Paper:	Proposed changes to the Statutory and Legal Scheme (SaLS)
Paper Reference:	22-07-B22
Paper sponsored by:	Clare Pillman, Chief Executive Officer
Paper prepared by:	Clare Jones, Lead Specialist Advisor, Governance
Paper presented by:	Colette Fletcher, Head of Governance & Board Secretary
Purpose of the paper	Approval
Summary	To seek approval for a proposed change to the Statutory and Legal Scheme (SaLS) from the Corporate Services Business Board

Background

1. This paper presents for approval a proposed change to the Statutory and Legal Scheme (SaLS) from the Corporate Services Business Board. The Governance Team conducts an annual review of the SaLS, but occasionally we receive requests for updates outside of that process. We have recently received a request from the Corporate Services Business Board to include a new entry related to approving the Well-being Plans (WBPs) of the Public Service Boards (PSBs).
2. Our procedures state that any new lines or sections in the SaLS, or changes to the delegated authority affecting the CEO herself or Executive Team members, must also be presented to the Board for approval.
3. This paper seeks approval from the Board for a change to SaLS to incorporate the additional requested line. The proposal was approved by the Executive Director of Corporate Strategy and Development, Head of Legal Services, and the Chief Executive in June 2022.
4. Following agreement of the system for approving the Well-being Plans (WBPs) of the Public Service Boards (PSBs) at the NRW Board Public meeting on 24 March 2022, the Natural Resources and Well-being Strategy and Policy Team has proposed that a

new SaLS line is created showing the approved delegated level. An extract of the Board minutes from 24 March have been included at Annex 1, for information.

5. There is a consequential effect on numbering for this section, but these revisions are not included in the annex, as we will take approval of the additions to include approval of the consequential numbering changes.
6. Annex 2 presents the proposed new Corporate Services Business Board entry to the Board for approval.

Risks and opportunities

7. SaLS is an important part of our governance framework and if we do not keep it current there is a risk that it will no longer be fit for purpose. There would also be a risk if staff did not have clarity about their authorisation and delegation levels.

Wider implications

8. There are no additional financial implications or considerations.
9. The governance requirements affect all members of staff equally. No adverse effects are anticipated for any particular protected groups or characteristics.

Next Steps

10. Following approval of the proposed additional entries, the Corporate Services Business Board will be advised and the new lines will be incorporated into the SaLS master document.

Recommendation

11. The Board is asked to approve the proposed additional entries for inclusion within the SaLS master document.

Index of Annexes

Annex 1 – NRW SaLS 2022 – Extract of NRW Board meeting 24.03.22

Annex 2 – NRW SaLS 2022 – Corporate Services Business Board addition for Board approval

Extract of the NRW Bord meeting – Public Session – 24 March 2022**Item 9: The Governance of the Public Service Board Wellbeing Sub-Group**

Presenters: Fen Turner, Lead Specialist Advisor, Natural Resources & Wellbeing Strategy; Bill Purvis, Health, Education Access, and Recreation Manager; Ruth Jenkins, Head of Natural Resource Management

4. The Executive Director of Operations introduced the item. The second cycle of the wellbeing assessments was about to begin, and the wellbeing plans would follow this. NRW would be required to contribute to and comment on the fifteen wellbeing assessments from the Public Service Boards (PSBs) from across Wales. The paper outlined the distributed leadership approach which built on the learning from the first cycle, while still ensuring the governance to provide assurance to the Board. ET had reviewed and commented on the paper and endorsed option 3. The paper would be taken as read.
5. The Lead Specialist Advisor, Natural Resources & Wellbeing Strategy gave a presentation to the Board, which highlighted the joint global nature and climate emergencies, emphasising that half the species on earth could be lost within the next 80 years. It was explained that this piece of work represented the opportunity for NRW to work towards addressing this. The Board were encouraged to note their thoughts on this.
6. Board members welcomed the presentation. The progress being made at the PSBs in terms of engagement between NRW and other members was noted. The relationship with PSB members would be key to ensuring that messages were delivered effectively. It was important to contribute and challenge early in the process of the plans' development. An example was given of the type of challenge provided in the first cycle.
7. The increased confidence of NRW voice was recognised but it was queried how the direction would be coordinated internally. The Lead Specialist Advisor, Natural Resources & Wellbeing Strategy confirmed that a framework had been set up across Wales in response to the State of Natural Resources Report (SoNaRR), which ensured consistency, and was growing confidence and enabling learning to be shared. This common voice was around delivering on the four aims on the Sustainable Management of Natural Resources (SMNR) and integrating those messages into the framework. Natur a Ni would also be built into the framework, which would provide some of the necessary direction. Building trust and growing relationships with partners would be key to successfully influencing the thinking on the journey to the assessments. The reach and delivery tools of the PSBs were noted.
8. Board members queried the financial and resource requirements and how these linked into the Baseline Exercise. It was confirmed that decisions had recently been made on the permanency of some of the staff involved in this.
9. The Chair highlighted that this cycle of discussion could be challenging, particularly in the area of planning policy and proposed that the

recommendation was altered to include three Board members rather than one in the delegated scrutiny role. Prof Calvin Jones had expressed an interest in advance of the meeting. Paul Griffiths and Geraint Davies volunteered to be included in the delegation. The Chair thanked them and offered his support to the process as well.

10. The Board approved the proposed steps as recommended in the paper subject to including additional Board members in the delegated scrutiny role as noted above.

APPROVED: The recommendations in the paper subject to including additional Board members in the delegated scrutiny role.

							Delegated Level		
	REF	Category	Sub-Category	Function	Applicable Board(s)	Section of legislation	Job Grade	Job Description	Link to MoM
Proposed	9.18	Governance, Strategies and Reporting	Well-being of Future Generations	Approval of the Well-being Plans of the Public Service Boards for publication	CSBB	Well-being of Future Generations (Wales) Act 2015 (WFGA) S43 (6)		NRW Board	No

Board Forward Look September						
	Item	Private/ Public	Scope	Purpose	Time	Sponsor
1	Open meeting	Public and Private	Standing Item		5	Chair
2	Review Minutes	Public and Private	Standing Item		5	Chair
3	Chair's Update	Public and Private	Standing Item		10	Chair
4	CEO Update	Public and Private	Standing Item		10	Clare Pillman
5	Committee Update	Public and Private	Standing Item		10	Chairs of Committees
6	Finance Report	Private	Decision	Approval of latest financial position	20	Rachael Cunningham
7	Business Plan Performance Dashboard Quarterly Update	Public	Decision	To scrutinise and publish the Q1 Report	20	Prys Davies
8	Wellbeing Health and Safety Report	Public	Decision	To scrutinise and publish the Q2 Report	20	Prys Davies
9	Strategic Review of Charging (SRoC)	Public	Decision	Approval of the SRoC proposals	30	Ceri Davies
10	The Flood Warning System Project	Public	Decision	For Board Approval	20	Ceri Davies
11	New Responsibilities – Air Quality Service	Private	Discussion / Decision	To discuss the approach to the Air Quality Service	45	Ceri Davies
12	Annual Review of Board Committee Membership	Public	Decision	To review and agree Board Committee membership	15	Prys Davies
13	Required Evidence Base for Water Quality Improvements in Wales	Public	Discussion	To discuss Evidence Base for Water Quality	60	Ceri Davies
14	Strategic Discussion: Innovation	Public	Discussion	To discuss innovation at NRW	60	Ceri Davies
15	The Digital Strategy	Public	Decision	For scrutiny of the initial plan resulting from the approval of the Digital Strategy	30	Sarah Jennings

Board Forward Look September						
	Item	Private/ Public	Scope	Purpose	Time	Sponsor
16	Natur a Ni	Public	Discussion	Update	20	Prys Davies
17	The Corporate Plan	Public	Discussion	Discussion for Board steer and ideas	60	Prys Davies
18	Community Woodland Framework	Private	Approval	To approve proposals for a Community Woodland Framework as part of the Alternative Timber Sales Project / Project Skyline	30	Sarah Jennings
19	Board Forward Look	Public	Discussion	To discuss upcoming items	5	Prys Davies
20	AOB	Public and Private		If raised	5	

Board Paper

	Paper Details
Paper title:	Finance Report
Paper Reference:	22-07-B24
Paper sponsored by:	Rachael Cunningham, Executive Director of Finance and Corporate Services
Paper Presented by:	Rob Bell, Head of Finance
Purpose of the paper	Scrutiny and approval
Recommendation	<p>Scrutinise:</p> <p>Budget performance to March 2022.</p> <p>Approve:</p> <p>Our net funding forecast of £226.4m.</p>

Issue

1. To consider the financial results to March 2022.
2. To outline changes to the forecasted net funding position.

Summary

3. At the last meeting, we updated the Board that Welsh Government (WG) had provided us with additional Grant in Aid of £6.9m for 2021-22 to pay into the Local Government Pensions Scheme, in lieu of employer contributions next financial year. This increased our expected funding position to £226.4m, which we have reflected in the forecast.
4. Total income was £226.3m compared to total funding of £226.4m. We did see an increase in timber despatches in March – 58k tonnes were despatched compared to an average of 43k tonnes over the previous three months and we had total sales of £37.1m for the year. There are several relatively small variances (up and down) that offset each other, leading to income being just under forecast. There will be further adjustments to our income once we have completed the assessment of our expenditure against our regulatory income streams.

5. We spent £225.5m compared to a forecast of £226.4m and £226.3m funding. This is a continuation of our better budget management performance – within 0.4%.
6. This was the second year of the non-flood capital programme and we delivered projects with a value of over £12m. This coupled with the investment to our flood and other capital programmes, meant we invested about £39m into capital improvements last year.
7. Other risk areas were managed closely with the careful application of over programming targets.

Assessment

Financial Performance

8. The report at Annex A summarises the key messages in respect to:
 - Performance to end of March 2022.
 - Report on how we achieved against key risk areas.
 - Forecast changes.

Performance at the end of the financial year

9. Our cash balance at the end of this year was just under £9m. Again, another good outcome. Once we have paid the backlog of capital reservoir operating costs to Dŵr Cymru/Welsh Water (DCWW) we will comfortably be able to work within the 2% target set by WG. WG are aware that we would not meet the 2% target because of the outstanding DCWW payments.
10. Annex A provides a summary of our financial performance, the changes in forecast made in March (which we have mainly limited to Welsh Government's allocation of additional Grant in Aid) and an update on how the areas of risk performed.
11. Our income/funding forecast for the year increased to £226.4m due to the additional Grant in Aid provided by Welsh Government for a contribution to the Local Government Pension Scheme.
12. Our total income for the year was £226.3m - £0.1m below forecast. This is mainly due to:
 - Commercial income was £1.4m more than forecasted. Demand for timber in March was higher than expected. We had reduced the forecast based on the expectation that demand in March would continue at the same rate as the previous six months. So, there was an increase of £0.7m in respect to timber. There were positive variances (£0.7m) spread across other commercial and other income streams.
 - Grant in Aid was £0.4m less than forecast. This was mainly due to using less Flood Capital Grant in Aid than was forecasted (£16.3m compared to £16.7m).

- European and other external income was £0.6m less than forecast which will also be reflected in the performance of the externally funded projects – European income will not be lost but instead drawn down in future years.
- Charges and brought forward income adjustments have not yet been finalised. As part of the Annual Accounts process we analyse expenditure against charge income and differences are either treated as accrued or deferred income. The brought forward figure is our forecast of what that will be.

13. Our expenditure at the end of the year was £225.5m. This meant a variance to our approved forecast of £226.4m (0.4%) and total actual income of £226.3m (0.4%).

14. Some of the achievements over the financial year:

- Flood Capital Programme – spent £16.3m, and although less than budget (£17.2m) compares to last year's programme of £13.5m. As a result, we have been able to increase protection to 242 properties and sustain protection to another 839 properties.
- Non-Flood Capital Programme – second year of this programme. Final spend was £12.3m which is an excellent achievement. This compared to £11.1m spent last financial year. This is another excellent result. Spent across the five priority areas – Natura 2000, Metal Mines, Water Quality (& Fisheries) and Peatland across 114 projects covering the whole of Wales. This success has led to the continuation and expansion of the programme for the next three financial years where we expect to increase the programme to between £17.6m and £30.3m per annum.
- Forest Operations – spend in this area totalled £10.3m. Financial performance has been sustained in this area.
- Grants and Partnerships – we were able to work and spend with partners across a multitude of programmes: Wales Coastal Path (£1.4m), Areas of Natural Beauty (£0.3m), National Trails (£0.3m), Shared Outcome Requests (£0.3m), Strategic Allocated Funds (£0.2m), and the Non-Flood Capital Programme (£1.5m). That's a total of £3.9m.
- Other programmes and projects – although we do have an overall underspend, we delivered the ICT Development and Innovation programme (£7.8m), External funded projects programme (£4.4m), Water Resources programme (£2m), Land acquisition compensatory planting programme (£2.1m), National Lidar Surveys (£0.9m) and has allowed us to continue and deliver important work such as on the Strategic Review of Charges (£0.7m), tackling Ash Die Back disease (£0.7m), Approach to the Shooting and Trapping of Wild Birds (£0.5m) and our offshore marine renewable work (£0.7m).
- Workforce budgets – spend totalled £104.2m against a forecast of £103.8m. This included the pay award and the compensation for the incident rota terms and conditions. Our vacancy levels are just over 8% and next financial year we have an assumption of 6% set in our budgets.
- There were areas that we had difficulty utilising the budgets – we only spent £1.2m against an original budget of £2.5m on our reservoir compliance programme. Some initiatives (like the Customer Journey mapping and 3 Lines) we have had to re-tender due to original proposals not meeting our

requirements. But by setting over-programming targets and reviewing these throughout the year, we look to manage the impact on our budgets.

15. A brief explanation of the 'main' variances by Directorate is shown in the table below, which will be discussed in detail with individual directors:

Expenditure				
Description	Actuals £m	Forecast £m	Variance £m	Explanation (main reasons)
CCC	15.9	15.3	-0.6	Payment to WG for surrenderable windfarm income increased by £0.7m.
CSD	8.2	8.5	0.2	Under spend split between non staff and revenue projects.
EPP	62.2	63.6	1.4	Predominantly relates to non staff costs split across all leadership team. Capital projects are slightly over spent, with compensatory planting land acquisitions under spent by £0.7m (last one completed in April).
F&CS	37.7	36.1	-1.5	Forecast includes over-programming of £1.1m. Remaining variance relates to Facilities & Fleet over spend (£0.6m) and ICT costs not transferred to EPP (£0.2m).
Operations	101.5	103.0	1.5	Predominantly relates to the Flood & WR capital programme (£0.8m under spent) and Reservoir projects (£0.3m under), although the flood element will be partially offset by the over programming within EPP. The remaining contributory factor is revenue projects (£0.5m).
Total	225.5	226.4	0.9	

16. Our final approved forecast of £226.4m compares to our original budget of £219.8m. Annex A shows how that forecast has moved from the original budget. The main reasons for the change are the increase in Grant in Aid and timber income offset by reductions in external and energy income and WG grants. Welsh Government provided additional funding at the end of the financial year towards the Local Government Pension Scheme.

Recommendation

17. Board is requested to scrutinise and approve the following:

Scrutinise:

Budget performance to March 2022.

Key Risks

18. The position is still subject to audit.

Financial Implications

19. The paper is all about the financial position and performance of NRW.

Equality Impact Assessment (EqIA)

20. None required.

Index of Annex

Annex A Finance Performance Report

NRW Board & Executive Team Budget Performance Report, March 2022

SECTION 1: Performance against approved forecast

Section 1a: INCOME by Funding Type	Income YTD £m	Approved Forecast YTD £m	Variance YTD £m	Variance YTD %	Approved Forecast Full year £m	Remaining Budget %	Original Budget £m
Charges	38.6	38.6		0%	38.6	0%	38.7
Commercial	55.3	53.9		3%	53.9	-3%	51.4
European & external	3.5	4.0		-14%	4.0	14%	5.7
Grant in aid	128.9	129.2		0%	129.2	0%	124.0
Brought forward	0.1	0.6		-90%	0.6	90%	0.0

Section 1b: EXPENDITURE by Directorate	Spend YTD £m	Approved Forecast YTD £m	Variance YTD £m	Variance YTD %	Approved Forecast Full year £m	Un spent Budget %	Original Budget £m
Communications, Customer and Commercial	15.9	15.3	-0.6	-4%	15.3	-4%	16.9
Corporate Strategy & Development	8.2	8.5	0.2	3%	8.5	3%	8.8
Evidence Policy & Permitting	62.2	63.6	1.4	2%	63.6	2%	59.0
Finance & Corporate Services	37.7	36.1	-1.5	-4%	36.1	-4%	26.4
Operations	101.5	103.0	1.5	1%	103.0	1%	108.7
TOTAL: NRW	225.5	226.4	0.9	0%	226.4	0%	219.8

Section 1c: EXPENDITURE By Leadership Team	Spend YTD £m	Approved Forecast YTD £m	Variance YTD £m	Variance YTD %	Approved Forecast Full year £m	Budget Remaining %	Original Budget £m
Head of Finance	0.0	0.0	0.0	0%	0.0	0%	0.0
Head of Legal Services	6.5	5.7	-0.9	-15%	5.7	-15%	-3.1
Head of Sustainable Commercial Development	2.0	2.0	0.0	0%	2.0	0%	1.9
Head of ICT	11.2	10.6	-0.6	-6%	10.6	-6%	12.1
Head of People Management & WHS	18.5	18.4	-0.1	0%	18.4	0%	15.8
Head of Business Support Services	2.8	2.9	0.0	1%	2.9	1%	3.4
Head of Communications and Digital Transformation	11.9	11.3	-0.6	-5%	11.3	-5%	12.8
Head of Organisational Development	2.2	2.2	0.0	1%	2.2	1%	2.3
Head of Governance and Board Secretary	0.5	0.6	0.1	13%	0.6	13%	0.8
Head of Natural Resource Management Policy	1.4	1.5	0.1	6%	1.5	6%	1.5
Head of Regulation & Permitting	32.9	32.7	-0.1	0%	32.7	0%	34.7
Head of Knowledge & Evidence	9.1	9.4	0.2	2%	9.4	2%	9.9
Head of Flood & Incident Response Management	5.4	5.6	0.2	4%	5.6	4%	5.7
Head of Land Stewardship	7.7	7.6	-0.1	-2%	7.6	-2%	1.9
Head of Operations - North East Wales	4.9	5.8	0.9	16%	5.8	16%	3.7
	16.0	16.2	0.1	1%	16.2	1%	15.9

Head of Operations - Mid Wales	16.1	15.7	-0.4	-3%	15.7	-3%	12.9
Head of Operations - North West Wales	11.5	11.7	0.2	2%	11.7	2%	10.4
Head of Operations - South Central Wales	25.3	26.7	1.3	5%	26.7	5%	36.1
Head of Operations - South East Wales	11.4	11.3	-0.1	-1%	11.3	-1%	9.9
Head of Operations - South West Wales	14.7	15.0	0.3	2%	15.0	2%	13.7
Head of Operations - Development, Planning & Marine Servi	5.8	5.8	0.0	1%	5.8	1%	5.5
Director Of Finance & Corporate Services	0.2	0.2	0.0	-8%	0.2	-8%	0.3
Director Of Operations	0.6	0.7	0.1	15%	0.7	15%	4.3
Director Of Evidence Policy & Permitting	2.2	2.5	0.3	13%	2.5	13%	3.0
Director Of Corporate Strategy & Development	0.3	0.3	0.0	-11%	0.3	-11%	0.1
Director Customer Communications & Commercial	1.4	1.5	0.1	5%	1.5	5%	1.3
Head of Customer	1.0	0.9	-0.1	-11%	0.9	-11%	0.9
Head of Internal Audit and EMS	0.5	0.5	0.0	5%	0.5	5%	0.5
Head of Corporate Strategy & Programme Management Off	1.2	1.3	0.1	6%	1.3	6%	1.1
Sub Total: Operations	225.5	226.4	0.9	0%	226.4	0%	219.8

SECTION 2: Performance in Focus Areas against approved forecast

Section 2a: Expenditure Summary						
	Spend YTD £m	Approved Forecast YTD £m	Variance YTD £m	Variance YTD %	Approved Forecast Full year £m	Un spent Budget %
Staff	104.2	103.8	-0.4	0%	103.8	0%
Non Staff	65.7	64.6	-1.1	-2%	64.6	-2%
Revenue Projects	16.7	17.8	1.1	6%	17.8	6%
Capital Projects	38.9	40.2	1.2	3%	40.2	3%
TOTAL: NRW	225.5	226.4	0.9	0%	226.4	0%

Section 2b: Expenditure SALARY & RELATED EXPENSES						
	Spend YTD £m	Approved Forecast YTD £m	Variance YTD £m	Variance YTD %	Approved Forecast Full year £m	Un spent Budget %
Communications, Customer and Commercial	4.8	4.6		-4%	4.6	-4%
Corporate Strategy & Development	6.6	6.5		-1%	6.5	-1%
Evidence Policy & Permitting	27.2	26.9		-1%	26.9	-1%
Finance & Corporate Services	10.3	10.3		0%	10.3	0%
Operations	55.3	55.5		0%	55.5	0%

Section 2c: Expenditure OTHER FOCUS AREAS						
	Spend YTD £m	Approved Forecast YTD £m	Variance YTD £m	Variance YTD %	Approved Forecast Full year £m	Un spent Budget %
Flood Risk Capital Programme	13.1	13.7		4%	13.7	4%
Additional WG Non-Flood Capital Programme	11.1	10.6		-5%	10.6	-5%
Forest Operations (Includes Harvesting, Marketing, Silviculture and Forest Civils)	10.3	10.7		4%	10.7	4%
TOTAL: NRW	34.5	35.0	0.5	1%	35.0	1%

Section 2d: High level Review		Description			
Year-to-date performance summary - Income	<p>Income at the end of March was slightly lower than anticipated, £226.3m against a forecast of £226.4m, a variance of just 0.07%. Commrical income was £1.4m above forecast mainly due to timber income (£0.7m). Overall, Grant in Aid income increased by £6.4m from the February position which reflected the additional allocation for payment into the LGPS. The £0.4m GiA variance is attributable to Flood Capital Risk Management capital and reflects the slightly reduced programme outturn at year end.</p> <p>European income is lower than anticipated but will reflects the reduced expenditure within the specific European funded projects. There will be further adjustments to our charges & brought forward income once we have completed the assessment of our expenditure against our regulatory income streams.</p>				
Year-to-date performance summary - Expenditure	<p>The year end outturn at the end of March totalled £225.5m against a forecast of £226.4m, an underspend of £0.9m (0.4%). The main variances relate to staff and non staff which were over spent by £0.4m & £1.1m respectively and offset by underspend on Revenue and Capital Projects of £1.1m & £1.2m respectively.</p> <p>Staff (£0.4m over) - Key variances predominantly relate to additional overtime payments & training costs across NRW.</p> <p>Non Staff (£1.1m over) - March spend (£18.4m) increased considerably from the reported February position, equating to 28% of the full year budget. The Directorate variances are; CCC £0.7m over spent, predominantly relating to the additional windfarm energy payment to WG, CSD £0.2m under spent, EPP £1.2m under spent - split across all leadership, F&CS over spent by £1.4m, predominantly linked to NRW general over programming (£1.1m over) and Fleet & Facilities costs (£0.8m over). Operations over spent by £0.3m, predominantly linked to Land Stewardship Operations & Management Agreements.</p> <p>Revenue Projects (£1.1m under) - There are variances across multiple projects predominantly within Operations (£0.6m), EPP (£0.3m) & CCC (£0.3m).</p> <p>Capital Projects (£1.2m under) - March spend (£18.4m) increased considerably from the reported February position, equating to 31% of the full year budget. The key variances relate to Compensatory Planting (£0.7m under spent) which is reflected in the increased Energy payment to WG (the land acquisition completed the first week of April), Flood Programme (£0.5m under), WG Non Flood Programme (£0.3m over spent) & Water Resources Programme (£0.3m under spent).</p>				
Section 2e: Report on 21-22 Risk Areas		Directorate	22	(£m)	Comments
Timber Income	Operations	37.1	36.4	58k tonnes of timber were despatched in March, compared to an average of 43k tonnes over the previous three months. This resulted in an increase to timber income to £37.1m for the year.	
Expenditure					
Staff-related costs	All	104.2	103.8	Overall costs are in line with the full year budget. The relatively small variance predominantly relates to additional overtime payments & training costs across NRW.	
Forest Operations	Operations	10.3	10.7	An underspend of £0.4m (4%). The main underspend area was silviculture (£0.35m).	
ICT D&I Programme	FCS	7.8	7.9	Spend in line with forecast.	

Other Programmes & Projects	All	18.7	20.6	The full year budget equates to £20.6m and excludes D&I, Flood, Non-Flood and externally funded projects. There are variance across numerous projects (under and over), however the key variances relate to; Compensatory Planting (£0.7m under spent), Reservoir Compliance programme (£0.3m under) and Water Resources (£0.3m under).
Flood Capital Programme	Operations and EPP	13.1	13.7	Core Programme budget of £13.7m (excl. D&I), which was reduced by £0.5m in March to reflect the revised fleet capital position. Further to that reduction we spent £0.6m less than forecasted in the core flood risk programme. This contributed to us drawing down grant in aid of £16.3m as apposed to the £16.7m forecasted.
Non Flood WG Capital Programme	Operations and EPP	10.6	10.2	£10.2m reflects the overall budget excluding overheads. We were able to claim the additional costs from WG.

SECTION 3: Key changes to forecast

Section 3a: INCOME by Funding Type	Opening Budget £m	February Approved Forecast £m	March Approved Forecast £m	Change In Forecast £m	Changes in Forecast
					Changes in Grant in Aid £m
Charges	38.7	38.7	38.7	0.0	0.0
Commercial	51.4	53.9	53.9	0.0	0.0
European & external	5.7	4.0	4.0	0.0	0.0
Grant in aid	124.0	122.8	129.2	6.4	6.4
Brought forward	0.0	0.6	0.6	0.0	0.0
TOTAL: NRW	219.8	220.0	226.4	6.4	6.4

Section 3b: EXPENDITURE by Directorate	Opening Budget £m	February Approved Forecast £m	March Approved Forecast £m	Change In Forecast £m	Changes in Forecast
					Changes in Grant in Aid £m
Communications, Customer and Commercial	16.9	15.3	15.3	0.0	0.0
Corporate Strategy & Development	8.8	8.5	8.5	0.0	0.0
Evidence Policy & Permitting	59.0	64.0	63.6	-0.5	-0.5
Finance & Corporate Services	26.4	29.2	36.1	6.9	6.9
Operations	108.7	103.0	103.0	0.0	0.0
TOTAL: NRW	219.8	220.0	226.4	6.4	6.4