

## Agenda

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<b>Title of meeting:</b>	<b>NRW Board Public Meeting</b>
<b>Date of meeting:</b>	<b>Friday 2<sup>nd</sup> February 2024</b>
<b>Time of meeting:</b>	<b>09:00 – 11:05</b>
<b>Location:</b>	<b>Microsoft Teams</b>

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<b>Time</b>	<b>Item</b>
<b>09:00</b>	<b>Item 1. Open Meeting</b>
<b>5 mins</b>	<ul style="list-style-type: none"><li>• Welcome</li><li>• Declaration of Interests</li><li>• Explain conduct of meeting</li></ul> <p>Sponsor and Presenter: Sir David Henshaw (Chair)</p> <p><b>Summary: To NOTE any declarations of interest</b></p>
<b>09:05</b>	<b>Item 2. Review Minutes and Action Log</b>
<b>5 mins</b>	<p><b>2A. Review Minutes from Public 16<sup>th</sup> November Meeting</b></p> <p><b>2B. Review Public Action Log</b></p> <p>Sponsor and Presenter: Sir David Henshaw (Chair)</p> <p><b>Summary: To APPROVE the minutes of the previous meeting and the Action Log</b></p>
<b>09:10</b>	<b>Item 3. Update from the Chair</b>
<b>5 mins</b>	<p>Sponsor and Presenter: Sir David Henshaw (Chair)</p> <p><b>Summary: To NOTE the Chair's update to the Board</b></p>
<b>09:15</b>	<b>Item 4. Report from the Chief Executive</b>
<b>15 mins</b>	<p>Sponsor and Presenter: Clare Pillman, Chief Executive</p>

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

**Paper Ref: 24-01-B04**

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**09:30**

## **Item 5. Update Reports of Committees and Forums**

**20 mins**

Sponsors and Presenters: Committee Chairs

- Audit and Risk Assurance Committee – 15<sup>th</sup> December  
**Paper Ref: 24-01-B05**
- Evidence Advisory Committee – 16<sup>th</sup> January
- Finance Committee – 7<sup>th</sup> December and 10<sup>th</sup> January  
**Paper Ref: 24-01-B06**
- Flood Risk Management Committee – 11<sup>th</sup> January  
**Paper Ref: 24-01-B07**
- Land Estate Committee
- People and Customer Committee – 12<sup>th</sup> December  
**Paper Ref: 24-01-B08**
- Protected Areas Committee
  
- Wales Land Management Forum  
**Paper Ref: 24-01-B09**
- Wales Fisheries Forum  
**Paper Ref: 24-01-B10**
- Wales Water Management Forum  
**Paper Ref: 24-01-B11**
- National Access Forum for Wales  
**Paper Ref: 24-01-B12**

**Summary: To NOTE the updates from the Board Committees and NRW Forums, both within and outside and meetings held**

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**09:50**

## **Item 6. Finance Performance Report**

**15 mins**

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

Presenter: Rob Bell, Head of Finance

**Summary: To APPROVE the latest financial position**

**Paper Ref: 24-01-B13**

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10:05

### Item 7. Internal Drainage Districts Budget

5 mins

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

Presenter: Rob Bell, Head of Finance

**Summary: To APPROVE the budget for the Internal Drainage Districts**

**Paper Ref: 24-01-B14**

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10:10

### Item 8. NRW's Adaptation Plan

30 mins

Sponsors: Ceri Davies, Executive Director of Evidence, Policy and Permitting; Sarah Jennings, Executive Director of Communications, Customer and Commercial

Presenters: Mary Lewis, Sustainable Places, Land & Sea Manager; Clive Walmsley, Senior Specialist Advisor, Climate Change and Decarbonisation; Lucia Watts, Specialist Advisor – Climate Risk and Adaptation

Attendees: Gabrielle Torkington, Climate Change and Decarbonisation Team Leader; Harrhy James, Specialist Advisor – Climate Risk and Adaptation

**Summary: To APPROVE the Adaptation Plan**

**Paper Ref: 24-01-B15**

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10:40

### Item 9. Items for Approval

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#### a. Wellbeing, Health and Safety Quarter 2 Report

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

**Summary: To APPROVE the Wellbeing, Health and Safety Report for Quarter 2**

**Paper Ref: 24-01-B16**

#### b. Amendment to the Statutory and Legal Scheme (SaLS)

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

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**Summary: To NOTE the Board approval by correspondence of the new line added to the Statutory and Legal Scheme (SaLS) to identify a qualified person that can approve exemptions from the duty to disclose information requested under a Freedom of Information request, where that information may cause prejudice to the conduct of public affairs.**

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**10:40**      **Item 10. AOB**

**5 mins**

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**10:45**      **Close Meeting**

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**10:45**      **Public Q&A**

**20 mins**

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**11:05**      **Close Public Meeting**

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# Unconfirmed Minutes

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<b>Title of meeting:</b>	<b>NRW Board Meeting – Public Meeting</b>
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<b>Location:</b>	Microsoft Teams
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<b>Date of meeting:</b>	16 <sup>th</sup> November 2023
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<b>Board Members present:</b>	Sir David Henshaw, Chair Clare Pillman, Chief Executive Prof Steve Ormerod, Deputy Chair Geraint Davies Prof Peter Fox Prof Calvin Jones (Apologies 11:30-12:00) Lesley Jones Prof Rhys Jones Mark McKenna Kath Palmer Helen Pittaway Dr Rosie Plummer
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<b>Executive Team Members present:</b>	Rachael Cunningham, Executive Director of Finance and Corporate Services Ceri Davies, Executive Director of Evidence, Policy and Permitting Prys Davies, Executive Director of Corporate Strategy and Development Sarah Jennings, Executive Director of Communications, Customer and Commercial Rhian Jardine, Head of DPAS and Marine, deputising for Gareth O’Shea, Executive Director of Operations
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<b>Attendees present:</b>	Rob Bell, Head of Finance (Item 6) Sarah Williams, Head of Corporate Strategy and Programme Management Office (Item 7 and 8) Russell De’Ath, Senior Specialist Advisor (Item 7) Victoria Painter, Governance and Risk Manager (Item 9)
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<b>NRW Observers:</b>	None
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<b>Public Observers:</b>	Kim Waters – Welsh Rivers Union Steve Griffiths
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<b>Apologies:</b>	Gareth O’Shea, Executive Director of Operations Prof Calvin Jones (11:30 to 12:00)
<b>Secretariat:</b>	Natalie Williams, Deputy Board Secretary and Board Secretariat Team Leader Jocelyn Benger, Board Secretariat Team
<b>Declarations of Interest:</b>	<ul style="list-style-type: none"><li>• Dr Rosie Plummer - Member Pembrokeshire Coast National Park Authority - wide-ranging interactions with NRW including National Park landscape designation and protections including SAC rivers, Marine zones, diverse grant recipient and collaborator; Plantlife Trustee – wide ranging interactions including participant in the Natur am Byth project and recipient of Glaswelltiroedd Gwydn Nature Networks funding</li><li>• Prof Steve Ormerod – Vice President of RSPB (no influence on policy); Chair of Natur a Ni Advisory Board; Chair of a Welsh Government Biodiversity Deep Dive Advisory Committee on other area-based conservation measures</li><li>• Mark McKenna – CEO of Down to Earth; Skyline community partnership with Down to Earth funded through the National Lottery Climate Action Fund</li><li>• Geraint Davies – Mentor with Farming Connect; Associate of Pwllpeiran Upland Research Centre</li><li>• Prof Rhys Jones – new declaration: part of a funded research project with Coventry University that will be examining the development and early implementation of the Sustainable Farming Scheme</li><li>• Sir David Henshaw – Resident in the area of search for the proposed new National Park</li><li>• Clare Pillman – Resident in the area of search for the proposed new National Park</li></ul>

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## Item 1. Open Meeting

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

## **Item 2. Review Minutes and Action Log**

### **Item 2A. Review Minutes from 21<sup>st</sup> September Public Meeting**

2. The minutes from the public Board meeting on 21<sup>st</sup> September were reviewed and agreed.

### **Item 2B. Review Action Log**

3. The Action Log was reviewed and noted.
4. The Executive Director of Evidence, Policy and Permitting (EPP) noted that following discussions at the Board Development Day, the strategic session on pollution and regulation would move to the March meeting.

## **Item 3. Update from the Chair**

5. The Chair noted that a range of meetings with Ministers and officials was taking place.
6. Prof Steve Ormerod had taken over as Chair of the Evidence Advisory Committee (EAC) following the departure of Prof Peter Rigby.
7. The new Board member who was due to start with the Board was no longer able to join due to personal circumstances. The Chair was considering the management of the vacancy in the short and medium term.
8. The Chair updated the Board on the First Minister's Water Quality Summit, which was due to take place on 30<sup>th</sup> November. Reports would be delivered on the actions agreed at the last Summit. Details would also be provided on the proposal to develop a demonstrator project on the River Teifi. The project would involve NRW, the water companies, and Ofwat, working together with land managers and communities to gain evidence on ways of addressing water quality issues that could be rolled out across Wales.
9. The Executive Director of EPP updated the Board water-related matters. The water companies (Dŵr Cymru / Welsh Water DCWW and Hafren Dyfrdwy) had submitted their Business Plans to Ofwat, and NRW had provided comments to Ofwat. Matters were proceeding according to the timescale. NRW's appearance at the Welsh Government (WG) Climate Change, Environment and Infrastructure Committee had focused on issues around Combined Sewer Overflows (CSOs) and the media coverage on the Cardigan water treatment works. DCWW and Ofwat had also appeared at the Committee. This was available online on Senedd TV including the evidence submitted in advance. The Chief Executive would be appearing at the Welsh Affairs Committee next week alongside Ofwat. A series of online seminars were due to take place on the different aspects of NRW's work on water quality and resources. These were open to all NRW staff, and a link would be sent out to Board members.

## Item 4. Report from the Chief Executive

10. The Chief Executive gave an update on items in addition to the written Report.
11. The current financial issues were noted. An update on this year's finances would be provided later in agenda. The matters relating to next year's budget had been discussed in the private Board meeting.
12. There had been four named storms already this year, which had caused challenges for communities across Wales. The impacts of Storms Babet and Ciarán were still being felt by the communities affected, and by NRW's teams who had been very busy for a number of weeks, working long hours in difficult conditions. It was highlighted that the management of an incident was often only the beginning of an intense period of work. Storm Babet had impacted North East Wales in particular, resulting in post-incident inspections being conducted on 169 assets; 32 defects were raised, and minor emergency work carried out. In North West Wales one of the flood embankments had suffered damage at Llanddulas, and remedial work on the rock armour was being undertaken. In South West Wales, a sluice gate in Pendine needed to be unblocked by NRW teams and high-volume pumps were deployed in Carmarthen and St Clears.
13. An NRW event in the Senedd was well-attended where around 20 Members of the Senedd (MS) were briefed on NRW's flood work, followed by a question and answer session.
14. NRW's Flood Risk Management (FRM) Plan was due to be published. Board members had received briefings on this. The national FRM Plan was published as part of a cycle every six years and this time an individual FRM Plan had also been produced for each of NRW's six Places.
15. The Board were updated on the Welsh Government (WG) announcement on the publication of the location data of Category C and D coal tips. These were the coal tips identified as the highest risk at times of high rainfall and extreme weather. There were 143 coal tips on the land managed by NRW, and 28 of these were either Category C or D. It was noted that this was a national issue and NRW had been working with WG and others to manage this, and also to develop the standards and procedures and advise on the legislation.
16. The Annual Regulation Report had been published on the website. A briefing had been sent to Board members. The Report showed improvement, but it was recognised that there was still a lot of work to do.
17. A good event had taken place with the First Minister to announce the 27 additional woodlands that would be joining the National Forest for Wales. Twelve of the sites were on the Welsh Government Woodland Estate (WGWE), managed by NRW. The other 15 woodlands had joined the National Forest network via the status scheme, managed by NRW's team of liaison officers.
18. The Future Generations Commissioner for Wales Strategy 'Cymru Can' had been published. NRW had been involved in this and were supporting the launch.

19. A good meeting had taken place with the Children's Commissioner for Wales looking at the requirement for a child poverty strategy, and how NRW could engage with young people across Wales.
20. The Executive Director of EPP had attended the international meeting of the European Environment Protection Agencies (EPA) in Helsinki in September and following on from this was closely involved in the meeting of EPA and the European Network of Heads of Nature Conservation Agencies (ENCA) work on adaptation and transformative change for nature.
21. The Chair thanked the Chief Executive for the Report and noted the update on incident response. The Chair highlighted that there was an expectation that there were large numbers of staff available to respond to incidents but there were in fact limited numbers which were stretched particularly during serious or ongoing incidents.
22. Board members discussed the content of the Report. The section on enforcement actions in the written Report was noted and it was raised that the low levels of fines in relation to the level of damage to a Site of Special Scientific Interest (SSSI) did not represent a proportionate response to the damage done. The Chief Executive confirmed that the fines were imposed by the courts not NRW but engagement with the judiciary on this issue was planned.
23. The future of Tata Steel in Port Talbot had been reported in recent news bulletins and Board members considered whether NRW would have an influence or input on how such sites might change in future. The discussions on Industrial Decarbonisation at the September Board meeting were highlighted. These had considered how NRW could look forward and engage with industries and new developments, while managing the decline of older technologies to ensure that legacy issues were considered.
24. Board members noted the appointment of officers in relation to the Control of Agricultural Pollution Act. The approach to the targeting of visits and support for officers were queried. It was also queried whether the Board would receive an evaluation of the impact of the scheme. The Chief Executive confirmed that visits would be targeted on a risk basis, and training and support had been provided to officers particularly through learning from the recent Dairy Project. The funding included a review on the impact of scheme after two years and work would be taking place with WG on the appropriate measures.
25. The significant resource challenges for NRW going forward were recognised. The following themes were highlighted: the level of resource required to undertake investigations and bring enforcement actions; the need to develop new skills around regulating new industries moving towards industrial decarbonisation; the requirement to deliver on nature conservation on the 30 by 30 targets for protected areas. The stretched remit of NRW in an era of financial constraints was emphasised.
26. The WG Habitat Wales Scheme and the resulting financial pressures on farmers was raised. Board member Geraint Davies raised serious concerns about the unintended consequences of the Scheme on creating a move away from delivering for the environment. The Chief Executive acknowledged the concerns of the farming

community and agreed that there was a need to work closely with farmers during the transitional phase to the Sustainable Farming Scheme. The significant pressures on WG budgets from health and other public services were recognised.

## **Item 5. Update Reports of Committees and Forums**

27. Kath Palmer, Chair of the Audit and Risk Assurance Committee (ARAC) gave an update to the Board on the meeting held on 9<sup>th</sup> October. The Annual Report and Accounts (ARA) had been considered and agreed and was subsequently approved by Board at the October Board Update Call. Thanks were extended to all involved with the large amount of work required. A lessons learned exercise would take place, and it was proposed that the ARA would be more outward facing in future. The ARAC Terms of Reference were agreed at the meeting and a workshop on the risk management framework took place.
28. Prof Steve Ormerod, Chair of the Evidence Advisory Committee (EAC) gave an update on the meeting held on 24<sup>th</sup> October. The paper was taken as read. This had been the final meeting for Prof Peter Rigby, who was thanked for all his work and contribution. EAC discussed the work on the State of Natural Resources Report (SoNaRR) 2025. A presentation was provided on the development of monitoring and evidence frameworks to measure progress towards 30 by 30. At the request of ARAC, EAC considered the review into the causes of the nutrient data error. EAC were satisfied that all the steps that had been taken were appropriate, and the errors had been flagged and would not figure in future analyses. Assurance would be reported to ARAC by Dr Rosie Plummer who was present at the EAC meeting.
29. Helen Pittaway, Chair of the Finance Committee (FC) updated the Board on the meeting held on 19<sup>th</sup> October. The paper was taken as read. The meeting had considered financial approvals and the budget and outlook for next year.
30. Prof Pete Fox, Chair of the Flood Risk Management Committee (FRMC), updated the Board on the meeting held on 5<sup>th</sup> October. The paper was taken as read. The delivery of the Flood Capital Programme was scrutinised, and the major schemes were noted as ahead of schedule with subsequent pressure on funding. Relievers had been received from WG for delivery on time. Winter preparedness was scrutinised. The success of the Llyn Tegid Reservoir Safety Improvements Project at the ICE Wales Cymru Civil Engineering Awards 2023 was highlighted; the project won the Alun Griffiths Award for Community Engagement. The team were congratulated on their achievement.
31. Prof Calvin Jones, Chair of the Land Estate Committee (LEC), updated the Board on the meeting held on 26<sup>th</sup> October. The paper was taken as read and the following substantive items were highlighted. LEC received a report on Wellbeing, Health and Safety issues and discussions would be taken further by the People and Customer Committee. Thanks were offered to the team from Wood Knowledge Wales who attended LEC to provide a presentation on the Technical Advisory Group Report on the future management of Welsh woodlands undertaken as part of the Welsh Government Trees and Timber Deep Dive and the circular economy for wood in Wales. Updates

were received on the Alternative Timber Sales process and Timber Industrial Strategy. LEC noted the very slow progress on the Alternative Timber Sales process due to inter-related reasons with the Timber Industrial Strategy and state aid. LEC recognised the potential reputational risk and would continue to monitor progress.

32. Mark McKenna, Chair of the People and Customer Committee (PCC) updated the Board on work since the meeting held on 13<sup>th</sup> September. The next meeting would take place on 12<sup>th</sup> December. With the review of the terms of reference for committees, it was proposed that all Wellbeing, Health and Safety matters would revert to PCC for reasons of continuity and overarching scrutiny.
33. Dr Rosie Plummer, Chair of the Protected Areas Committee (PrAC) updated the Board on the meeting held on 3<sup>rd</sup> October. The paper was taken as read and the following items were highlighted. PrAC were updated on progress on the Designated Landscapes Programme. Extensive public engagement sessions were ongoing on the proposed new National Park; these were providing interesting insights into the differing attitudes towards designation. PrAC discussed the designated sites data and systems report and requested a further deep dive discussion at a future meeting on the Safle database and resource concerns related to this.
34. Prof Rhys Jones, Chair of the Wales Land Management Forum (WLMF), updated the Board. The paper was taken as read. The Report from the Agricultural Technical Group on Special Area of Conservation (SAC) rivers would be published in time for the Water Summit. The members of the Forestry Regional Advisory Committee would be invited into the WLMF.
35. Prof Steve Ormerod, Chair of the Wales Fisheries Forum (WFF) and Wales Water Management Forum (WWMF) noted that the WFF was due to meet on 27<sup>th</sup> November. The next meeting of the WWMF had been postponed until early December.
36. Geraint Davies, Chair of the National Access Forum for Wales (NAFW), updated the Board on the meeting held on 7<sup>th</sup> November in Cardiff. NAFW were updated on the Crossing Boundaries project on the Great Glamorgan Way. The Forum was disappointed that the Minister was unable to attend the Forum again at short notice. A presentation on managing visitor safety was received and focused on issues in the waterfall country in the Brecon Beacons. The Forum recognised the challenges in this area. An interesting presentation was also received on the proposed new National Park designation.
37. The Chair gave an update on the Board Sub-Committee membership. Lesley Jones had agreed to join ARAC for the meeting in December. The Chair proposed that the Board delegated the longer-term arrangements to the Chair, Deputy Chair and Helen Pittaway, as Senior Independent Director (SID) to ensure an even distribution of Committee workload while the new Board member was recruited. The Board agreed to this proposal.

## Item 6. Finance Performance Report

Presenter: Rob Bell, Head of Finance

38. The Head of Finance introduced the item and provided an overview of the paper, noting the Report was as at the end of September. This had been scrutinised by the Executive Team (ET). FC had not seen the Report in advance as matters had been moving quickly, however they had been informed of the main challenges. The latest position was explained. The total forecast at the end of September had changed from £264.9m to £266.9m; the details on this change were included within the paper. In October, the additional £7m for the Flood Capital Programme and £500k for the Reservoir Capital Programme was processed. Overprogramming was reported at £900k at the end of September and the team expected to utilise all £7m. The £1500 cost of living payment had been processed. The pay remit was still awaited. The volatility of timber income had meant a reduction in forecast to £32m.
39. The second page of the Report summarised the measures being taken to meet the pressures. Strong recruitment controls remained in place. Internal recruitment had been devolved to Directors, while external recruitment remained within central control. The additional charge of £1.8m to Programmes and Projects was highlighted. The risk on this was explained and discussions were ongoing with WG. An update was provided on the latest exercises on investigating additional savings. It was explained that £900k of the £4m target for savings had been found so far. Meetings and engagement with WG were ongoing and the implications had been shared with them on meeting the budget pressures. The situation would be discussed further at ET on 28<sup>th</sup> November.
40. Board members discussed the content of the Report. The severe constraints were recognised. The process for considering the roles that needed to be filled was noted. It was highlighted that delays in recruitment could have adverse effects on productivity and there was a need for agility in the deployment arrangements and skills retention.
41. The issue with the additional charge to Programmes and Projects was queried. The Head of Finance explained that this charge ensured a fair distribution of the funding for the corporate centre of the organisation. This had gone up and therefore these costs had been increased. WG had already issued grant offer letters and so there were concerns on the additional funding being added.
42. The recruitment freeze was discussed in detail. The savings from the freeze were queried. The Head of Finance explained that the freeze had not realised the savings that had been hoped as assumptions had been made in the summer in terms of the salary budget. It was anticipated that savings would start to be realised in December and January, although there was some uncertainty despite the in-depth modelling. The financial benefit of the freeze versus the negative impact on staff morale was considered. It was explained that the freeze was a misnomer as some recruitment was continuing although with a high level of scrutiny and challenge. The importance of the freeze for NRW reputationally was noted. NRW were recognised as taking the financial challenge very seriously and working hard to become resilient and affordable going forward.

43. The current deficit was clarified as £5m. The Executive Director of Finance and Corporate Services explained the ongoing work taking place to address this. The Board discussed the implications of a deficit and the importance of ensuring that this was addressed. The next steps would include the options being considered by FC and then the Board.
44. Board members emphasised the importance of partnership working and cost-effective delivery by working with others. It was recommended that only fully costed and funded additional projects should be accepted.
45. The Board approved the change in the original budget from £264.9m to a forecasted £266.9m and noted the financial performance to the end of September 2023.

**APPROVED: The change in the original budget from £264.9m to a forecasted £266.9m**

## **Item 7. Natur a Ni / Nature and Us**

Presenters: Russell De'Ath, Senior Specialist Advisor, Vision 2050; Sarah Williams, Head of Corporate Strategy and PMO

46. The Executive Director of Corporate Strategy and Development introduced the item. The intention was for the Chief Executive to write to other public bodies to emphasise the approach that was embodied in the Corporate Plan and highlight the opportunities for working together to respond to the Vision of Natur a Ni / Nature and Us. This would be a general response to the Vision, and there would be further steps to be taken including an evaluation of what could be included in NRW's business as usual work. The Vision had been published, and the Board were asked to provide comments on the draft response. More work was to be done including how the response would be tracked through the Corporate Plan.
47. Prof Steve Ormerod noted that the direction of travel had been agreed five years ago and thanked the team who had worked hard to deliver this important piece of work. It had had a significant impact on the development of the Corporate Plan and the way NRW thought as an organisation. A consistent message around concerns for the future was a key part of the approach going forward. It was noted that there were separate parallel exercises taking place in other organisations such as the National Trust and RSPB. The importance of NRW taking a leadership role was highlighted and the next steps would be critical moving forward.
48. The Executive Director of Communications, Customer and Commercial commented on the big conversation taking place across Wales and the changes in NRW's approach to stakeholder engagement that had been brought about through the learning from Natur a Ni.
49. Board members discussed the opportunities for action through collaboration and partnership working. It was considered whether the right structures were in place for this. The Public Service Boards (PSBs) were obvious partners going forward but it was suggested that it would be important to look at others, such as Environmental Non-

Governmental Organisations (eNGOs), grant work, and the third sector. The opportunities for working with schools as part of the Eco-Schools Programme was highlighted.

50. The Board noted the response to Nature and Us Vision and considered the content of the draft open letter from the Chief Executive to all public bodies in Wales. It was queried whether there was a need for a strapline to emphasise the call for working in partnership together. It was suggested that the number of citizens who had been engaged with the process could be referenced.
51. It was noted that the response to the Vision was a key part of the link back to the Corporate Plan Impact Statements. Board members recommended that this work should tie into the work on the Corporate Plan and feed into the Business Plan. It would be important to consider how the evidence base would be provided and how to achieve the right data from across Wales and partners. The Senior Specialist Advisor, Vision 2050 explained the approach to designing into the Strategic Indicators' reporting the impact of measures on people as well as nature.
52. The Executive Director of EPP described the discussions that had been taking place in other organisations on the opportunities and mechanisms for developing youth engagement. The Board discussed the opportunities for youth and volunteer engagement through eNGOs and the third sector. Lesley Jones, as Chair of Enabling the eNGO Sector Group offered to discuss the potential for engagement with the Group and voluntary sectors with the Senior Specialist Advisor, Vision 2050.

**ACTION: The Senior Specialist Advisor, Vision 2050 to discuss the potential for engagement on the Natur a Ni Vision with the Enabling the eNGO Sector Group and voluntary sector groups with Lesley Jones**

53. The Board discussed the leadership element. The opportunities for advocacy and influence were recognised but it was acknowledged that movements for change were often organic and needed to develop in a place of trust. The Chief Executive highlighted the Environment Ireland Conference in September and suggested there could be an opportunity to create something similar in Wales which could help to develop a coalition of interest and engagement in NRW's Corporate Plan objectives. The connection between Natur a Ni and SoNaRR was emphasised.

**NOTED: The response to Nature and Us Vision**

## **Item 8. Business Plan Performance Dashboard Quarter 2 Report and Internal Performance Quarter 2 Report**

Sponsor and Presenter: Clare Pillman, Chief Executive

Attendee: Sarah Williams, Head of Corporate Strategy and Programme Management Office (PMO)

54. The Chief Executive presented the Business Plan Performance Dashboard Report for Quarter 2 (Q2). It was highlighted that a new set of Strategic Indicators were being

developed as previously discussed. The paper was taken as read and an overview of the key points was provided.

55. The Red Amber Green (RAG) status of the Performance Dashboard measures was reported as: 15 Green, 7 Amber, 0 Red. The slight increase in measures rated as Amber and the subsequent decrease in Green measures were noted. ET were monitoring the impact of the recruitment freeze, which was anticipated from Q3. The heat map showing the comparison of RAG status between Q1 and Q2 was shared. It was noted that this was mainly Green, however there was less confidence on this for year-end. Work was ongoing with the owners of the measures to be clear on year-end predictions.
56. The following measures rated as Amber were explained. The measure 'Deliver NRW input to Water Company Planning Programmes' had been mostly completed at the end of Q2 but the team were unable to complete the advice on Hafren Dyfrdwy's Programme. This was returned in early October hence the Amber rating at the end of Q2. These were all now completed, and the team were confident of achieving Green at year-end. The Amber measure 'Decision on an appropriate enforcement response within 3 months' had not reached the milestone of 95%; 91% had been achieved. The team continued to put steps in place to manage this important area of work. The Annual Regulation Report had just been published on the website and the team expected to be Green at year-end.
57. The following measures rated as Green were described. NRW's progress on the key deliverables on SAC Rivers was highlighted; NRW would be reporting on the actions at the First Minister's Water Quality Summit. The measure 'Maintain flood risk assets in high-risk systems at target condition' was recognised as a critical area for NRW. The recent Guardian article which had focused on flood defences in England was noted. NRW used the same methodology as the Environment Agency for inspections and conducted both proactive and reactive inspections. The measure was currently above target, although it was acknowledged that this could dip in Q3 due to the number of assets which required inspection following the recent storms. The importance of this area of work in protecting and supporting communities was emphasised.
58. The Internal Performance Dashboard measures were reported as: 9 Green, 1 Amber, 0 Red. The Amber measure related to confirmation on MyNRW of staff having Sgwr in place. This was being followed up but was likely to remain as Amber at year-end. It was noted that staff absence rates were under review and the methodology updated. It was expected that this would be reported in Q3.
59. Board members discussed the Report. It was recognised that SoNaRR 2020 had reported on the challenges faced by the environment, and it would therefore be expected to see a higher number of Red measures. It was recommended that the new measures should link better to the corporate outcomes. The Chief Executive emphasised the level of focus and effort by staff on working to achieve the current measures.
60. The Executive Director of Corporate Strategy and Development described the ongoing work on the development of the new Strategic Indicators which talked to the broader

impact NRW were trying to have compared to the operational performance measures that were currently reported. It was recognised that there was a tension to be managed between the strategic and operational targets.

61. The breadth of subjects covered by NRW was highlighted. Board members recommended that the narrative would need to move forward recognising that there were major challenges and being clear on what NRW could do and the prioritisation in response to this. Board members challenged the thought on Green as always good, noting that sometimes Amber and Red could be useful for learning. The Head of Corporate Strategy and PMO explained to the Board that there would opportunities to input into operational performance measures during sessions at FC and Board in the new year.
62. The importance of working with others to have a wider impact was emphasised. The example of the failing SAC rivers was highlighted. It was stressed that this was not just a matter for NRW as the regulator but for everyone in Wales to be accountable and play their part to make a difference. The scale of the challenge faced by society was emphasised and change could only be achieved by everyone working together.
63. The Board approved the Business Plan Performance Dashboard Q2 Report and Internal Performance Q2 Report.

**APPROVED: The Business Plan Performance Dashboard Q2 Report and Internal Performance Q2 Report**

## **Item 9. Realignment of NRW's Governance Structure and Arrangements following the launch of the New Corporate Plan**

Presenter: Victoria Painter, Governance and Risk Manager

64. The Executive Director of Corporate Strategy and Development introduced the item. The Governance and Risk Manager took the paper as read and provided a brief overview of the changes. FC would be taking on some additional responsibilities, including some financial approvals. A holistic review of LEC and PCC had taken place and oversight of health and safety would sit with PCC. The Chair of PrAC could bring an additional Board member to the Committee to support quoracy on timely decision-making. The format of the Committee structure going forward would be considered to ensure that this was aligned with the delivery of the Corporate Plan. Thanks were offered to all Board members and Committee Chairs for their input into the review process.
65. The Board discussed the content of the items for approval. Board members reflected on the large scale of work undertaken to underpin good governance going forward. The current vacancy for the Head of Governance and Board Secretary was flagged. Interviews had been arranged and interim arrangements were being put in place.

66. Board members suggested that the Fora should be similarly reviewed, as it was recognised that these facilitated external engagement and could play an important role in capturing the work with communities.
67. The amendments to the FC Terms of Reference were noted and the process for keeping the Board informed on the budget was queried. Helen Pittaway, as Chair of FC confirmed that if updates or financial approvals were material, these would come to the Board with more detail otherwise an overview would be provided during the Committee Updates agenda item.
68. The role of the Board in owning the Corporate Plan Impact Statements and Strategic Indicators was noted. These would be incorporated at a future review. The Chief Executive confirmed that ET would be considering the role of the Committees following the discussions at the Board Development Day to ensure that they were best placed to drive NRW forward and deliver against the Corporate Plan. Proposals on this would be put forward to the Board for discussion at a future meeting.
69. The Governance and Risk Manager was thanked for her work on the review.
70. The Board approved the revised Terms of Reference as detailed in the paper and noted the work completed to date on the alignment of the governance structure and arrangements to the Corporate Plan, including the Terms of reference of the Planning and Resources Group (PRG) and Wellbeing Lead role and remit.

**APPROVED: The Terms of Reference for the following:**

- **Board**
- **Executive Team (ET)**
- **Audit and Risk Assurance Committee (ARAC)**
- **Finance Committee (FC)**
- **Land Estate Committee (LEC)**
- **Protected Areas Committee (PrAC)**
- **People and Customer Committee (PCC)**
- **Evidence Advisory Committee (EAC)**
- **Flood Risk Management Committee (FRMC)**
- **General Terms of Reference and ways of working**

**NOTED: The work completed to date on the alignment of the governance structure and arrangements to the Corporate Plan, including the Terms of reference of the Planning and Resources Group (PRG) and Wellbeing Lead role and remit**

## **Item 10. AOB**

71. No matters were raised under AOB.

## **Meeting Closed**

## **Public Q&A**

72. There were no formal questions from the public.

## **Public Meeting Closed**

## Board Action Log – Public

Action No.	Meeting Category	Meeting Date	Item No	Para No	Paper Sponsor	Action	Owner	Due	Status	Notes/Updates
16	Public	27/01/2023	7	32	Rachael Cunningham, Executive Director of FCS	ACTION: FRMC to consider the full costs of the Internal Drainage Districts in conjunction with the Head of Finance	Jeremy Parr, Head of Flood and Incident Risk Management; Rob Bell, Head of Finance	18/04/2024	Ongoing	To be considered at FRMC April 2024. Delayed due to staff resources / priorities.
18	Public	27/01/2023	9	47	Prys Davies, Executive Director of CSD	ACTION: The Head of Governance and Board Secretary to develop the approach to Place-based Board public engagement sessions	Head of Governance & Board Secretary	29/02/2024	Ongoing	Options for Board public engagement being developed. The approach to be agreed with the Chair and the new Head of Governance and Board Secretary.
79	Public	16/11/2023	7	52	Prys Davies Executive Director CS&D	ACTION: The Senior Specialist Advisor, Vision 2050 to discuss the potential for engagement on the Natur a Ni Vision with the Enabling the eNGO Sector Group and voluntary sector groups with Lesley Jones	Russell De'Ath, Senior Specialist Advisor, Vision 2050	13/12/2023	Ongoing	Update from Sarah Williams - added to the agenda of the EES group for discussion in February.

## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	Chief Executive's Report (Public Session)
<b>Paper Reference:</b>	24-01-B04
<b>Paper presented by:</b>	Clare Pillman, Chief Executive
<b>Purpose</b>	Information and discussion
<b>Summary</b>	The paper provides the Board with an update on current issues.

## Introduction

1. Named storms continue to come and go. Elin and Fergus arrived in quick succession in early December, bringing significant rainfall and 80mph winds to Snowdonia. In Christmas week, Storm Gerritt brought strong winds and heavy rain, resulting in flood warnings but thankfully no significant damage; and in early January, Henk soaked our already saturated catchment areas but caused more significant flooding across the border in England. While double-rostering over Christmas meant we were able to meet the challenges in that period, the current cooler, drier weather will hopefully allow our flood response teams to take a break after a fairly relentless four months.
2. I attended the Royal Welsh Winter Fair at the end of November, meeting with Farmers' Union of Wales (FUW) President Ian Rickman, and Ian Bell and Steve Griffiths of the British Association for Shooting and Conservation (BASC). In the Young Farmers Club (YFC) Pavilion, I caught up with Mared Rand Jones, their new CEO. I was delighted that our stand was awarded Best Overall Trade Stand, reflecting the fantastic efforts of everyone involved in setting up and staffing the stand over the two show days.
3. During the same week, I spent a day with the Reservoirs team visiting Llyn Llywelyn, Pen y Gwaith and Afon Wydden in North West (NW) Wales, to see recent refurbishments and safety works that ensure these sites meet reservoir safety standards.
4. I met with Rhun ap Iorwerth, Member of the Senedd (MS), at the start of December. During a visit facilitated by our NW People and Places team, we walked to a viewpoint on Mynydd Bodafon to observe the Cors Erddreiniog National Nature

Reserve (NNR) and learn about the Anglesey Fens. At Cors Goch NNR, we were joined by Frances Cattnach and Adrian Jones of the North Wales Wildlife Trust (NWWT). NRW is working collaboratively with the NWWT in this area following a recent successful National Lottery Heritage Fund bid, which has provided an initial £500k over two years to develop a programme that will improve and protect the fens landscape, working with farmers and local communities to change behaviours and promote opportunities for creativity and wellbeing.

5. Other meetings in December included Brian Davies of Sport Wales, Nerys Llewellyn Jones of the Interim Environmental Protection Assessor for Wales (IEPAW), Lhosa Daly of the National Trust Cymru, and Chris Llewellyn and Tim Peppin of the Welsh Local Government Association (WLGA). I met Delyth Jewell MS and Peredur Owen Griffiths MS to discuss the specific issue of Tŷ Llwyd Quarry, and had a separate catch up with Cllr Andrew Morgan of Rhondda Cynon Taf County Borough Council.
6. I have had several conversations with the Minister for Climate Change and regular calls with other Welsh Government (WG) officials regarding the 2024/25 budget. Our regular Sponsorship Meeting took place in December, and again focused mainly on budget planning. Meetings involving all public body CEOs will continue into the new year, to support the sharing of information and delivery of efficiencies across the Welsh public sector.
7. The focus of January has been our annual attendance at the Climate Change, Environment and Infrastructure (CCEI) Committee at the Senedd. I met with Ian Bancroft of Wrexham County Borough Council, a follow up to the flooding caused by Storm Babet, and separately, Neal Cockerton of Flintshire County Council about the flood scheme at Sandycroft. I also attended an introductory meeting with Simon Brown, Services Director at the Met Office, the aim being to learn about their flood forecasting and understand how we can work more closely with them.
8. I am pleased to welcome our new Head of Governance, Phil Williams, who will join us at the February Board. And my congratulations go to our senior peatland adviser, Dr Pete Jones, who was awarded an MBE in the King's New Year Honours for services to Welsh peatlands and the community in Wales. Pete's expertise and sustained passion for his subject are recognised far beyond our own organisation, and having raised the profile of peatlands over many years, he continues to promote their vital role in ecosystem resilience, biodiversity, carbon storage and wildfire suppression. His energy and commitment are outstanding and the honour is well deserved.

## Strategic Issues

### Special Area of Conservation (SAC) Rivers, Water Quality, Panorama and PR24

9. The First Minister's third River Pollution Summit was held in November, chaired by the Minister for Climate Change. NRW has completed seven of the ten actions within the action plan, *Relieving Pressures on SAC River Catchments to Support Delivery of Affordable Housing*. This includes the publication of the Constructed

Wetlands Policy on our website, and the publication of the Mitigation Measures Menu on the WG website. We have shared the circumstances in which we can accept and use citizen science data. We have also explored the provision of a database of projects undertaken that contribute to reducing nutrient loading in the catchment, and presented options to WG.

10. We have worked with WG on providing a direction and terms of reference for the Nutrient Management Boards, and developed evidence packs for them to use. We are also advising WG on the development of the all-Wales nutrient calculator through membership on the steering group, and are members of a task and finish group on nutrient trading.
11. Our work on the Review of Permits is a key commitment in the action plan. By mid-January, we had varied 54 out of 171 Dŵr Cymru Welsh Water (DCWW) wastewater treatment works permits and issued updated planning advice to Local Planning Authorities (LPAs). This is a crucial step in enabling LPAs to make decisions on applications and allow development in the right places, where there is capacity. There have been significant delays in issuing more permit variations due to operator challenge about our approach to applying the phosphate and ammonia limits in particular. Permit issuing has also been delayed by monitoring data not being readily available from the operators, nor the timeframe for delivery of improvements.
12. At the beginning of January, we published an evidence report on the compliance assessment in SAC rivers for a further seven water quality attributes (namely dissolved oxygen, biochemical oxygen demand, total ammonia, unionised ammonia, trophic diatom index, pH and acid neutralising capacity). For consistency with the phosphorus compliance assessment published in 2021, water quality data over a three-year period, from January 2017 to December 2019, has been used to assess compliance with these new targets.
13. In November, NRW appeared before the Senedd Climate Change, Environment and Infrastructure (CCEI) Committee to answer questions on water quality. In December, we attended a Welsh Affairs Select Committee hearing on water quality. Evidence was also provided by DCWW, Ofwat, Afonydd Cymru and other Non-Governmental Organisations (NGOs) and interested parties. There was a heavy focus on the perceived lack of prosecutions against water companies and we have explained that other enforcement tools are often more effective in ensuring companies return to compliance; however, when there is a serious breach, we are wholly committed to prosecuting for the most serious of offences. Unfortunately there is often a significant lag between the offence and the final enforcement response to allow for investigation and due process, meaning any action we take is not immediately evident.
14. Given the considerable public and media focus on water quality, we are frequently asked about our approach to matters such as evidence, partnership working and citizen science. These queries are raised through correspondence and social media and in meetings. Our approach to regulation and compliance is a matter of

significant interest; we are often questioned on the action we've taken, and challenged on whether we're tough enough with dischargers, polluters and the water companies. In addition, the BBC's Panorama programme in December raised questions around water company compliance and incident classification in England, and we have been asked what this means for us in Wales.

15. We are working on a number of areas to ensure we are better able to respond to questions about prosecution numbers and action taken, and taking a consistent and appropriate approach across the whole of Wales. Following our work on charging, we are able to better fund our water compliance work, and the addition of six new posts (and hopefully six more in 2024) funded through charge income will be a significant boost. Alongside the new posts, we are working with teams across Operations and Evidence, Policy and Permitting (EPP) to ensure that staff who carry out regulatory work have the right tools, including guidance documents, training and applications such as Power BI.
16. Turning to another aspect of water quality, our bathing waters are incredibly important for both people and nature. We've seen great improvements in our bathing waters in recent decades following our work with water companies, local authorities, landowners and others to reduce the sources of pollution. In December, WG announced the bathing water classifications for the 2023 monitoring season. 109 bathing waters were sampled between May and September, of which 80 (73%) met the excellent criteria; 20 (18%) good; 7 (6%) satisfactory and 2 (2%) poor. Those classified as poor – Watch House Bay and Ogmored-by-Sea – are new designations made by WG during 2023.
17. In October, we issued guidance for classifying storm overflows and the process for unpermitted overflows. The classification guidance has been designed to fill the gap arising from the current Storm Overflow Assessment Framework and ensure that improvement schemes are developed to take account of evidence of environmental impact due to inadequate capacity and storm overflows. This will allow us, as the regulator, to better identify where assets may be causing environmental harm and help the water companies to focus their maintenance and investment. The guidance also clarifies the conditions under which a storm overflow is permitted to spill within its environmental permit, including a definition of what constitutes a 'dry day discharge' and the required rainfall totals to justify a spill during 'heavy rainfall' using definitions set by the Met Office.
18. Water companies submitted their Price Review 2024 (PR24) business plans to Ofwat in October. Ofwat is reviewing these and will issue draft determinations in May before final determination in December this year. The agreed business plan and associated funding will be delivered from 1 April 2025 to 31 March 2030 during Asset Management Programme period 8 (AMP8). These plans are the culmination of years of collaborative work between the water companies and regulators and set out a significant programme of much needed investment across Wales to prevent the risks and pressures their operations place on the environment and to improve their environmental performance. We continue to support Ofwat in the scrutiny of those plans and we hope that, when determined by Ofwat, they will support

sustainable environmental improvements for the benefit of current and future generations.

### **Public Service Board Success**

19. NRW have been working with Cardiff & Vale University Health Board to develop the report, *Recall of the Wild: Reconnecting With and Restoring Nature for Biodiversity and Health*, published in November. In the accompanying letter, Fiona Kinghorn, Director of Public Health comments, “In the current context of the nature emergency and climate crisis, it has never been more important that we, as senior leaders and active participants in society, make a positive contribution to support nature to recover and thrive for our health, wellbeing and future generations. With a spotlight on the importance of both restoring and reconnecting with nature, the report provides key information for understanding the vital role of nature to our health, with case studies of work already in place in Cardiff & Vale of Glamorgan and 21 recommendations across individuals, organisations and public bodies.”
20. This is the first time an important strategic and Public Service Board partner has echoed the vital importance of nature as set out in the South Central Area Statement and our new Corporate Plan to 2030.

## **Operational Issues**

### **Cathays Park Update**

21. The lease between WG and NRW is in its final iteration and will hopefully be signed in January. The lease includes key requirements to enable us to carry out our duties, including nineteen parking spaces and out of hours access for any incidents, which is a real success for our Adfywio team.
22. Once the lease is signed, we will start migrating staff across to Cathays Park. This will happen by way of a soft opening, in which groups of fifteen to twenty colleagues per week will be given access (passes and induction) over a period of a few months. In the meantime, work is taking place to ensure our new office space is operational and ready for staff to use. The work includes fibre connection, cabling and ICT installation work, with conferencing equipment, desktop equipment and printers due for delivery during January. Furnishings and storewalls will be delivered and installed early in February.

### **Strategic Equality Objectives**

23. Diversity and inclusion are key focus areas for NRW, promoting diversification of our workforce and ensuring we provide the best experience for our colleagues and customers. We are currently consulting on our Strategic Equality Objectives 2024-28, which will set out where we believe we should focus our efforts. It is a public duty for us to set these objectives under the guidance of the Equality and Human Rights Commission.

24. As part of the Wales Public Sector Equality Partnership, which includes Sports Wales, Arts Council of Wales and various NHS Trusts, we are jointly proposing to continue to work to the current objectives, which are both ambitious and very relevant for us. This proposal was agreed by both the Executive Team and the People and Customer Committee.
25. Once consultation is completed and we have issued our Strategic Equality Objectives for 2024-28, we will review our current action plan and longer-term plans and consider what we need to change or prioritise.

### **Tŷ Llwyd Quarry, Caerphilly**

26. This former quarry, used historically for the disposal of industrial waste in Caerphilly County Borough, has recently had an uncontrolled leachate discharge from the site. We responded to the incident and have taken enforcement action against Caerphilly County Borough Council as the land owner responsible for the site. They have appointed a consultant to advise them on site improvements to mitigate the risk of further pollution and leachate discharge. We are a technical consultee and are expecting to see their improvement plan shortly. The site continues to generate significant interest from residents, local politicians, elected members and the media.

### **Withy hedge Landfill**

27. We have received a significant volume of correspondence from concerned local residents and community representatives in connection with the landfill odour from Withy hedge Landfill site, near Haverfordwest. The site operates under an environmental permit and accepts up to 250,000 tonnes of non-hazardous waste annually. The odour is caused by decomposition in a full cell at the landfill site, which needs engineering to cap the waste mass and install wells to collect and extract the gas. The operator has delayed this process while preparing the next cell to accept waste; however, a plan has been submitted to us and we continue to liaise with them regarding the proposed engineering and timescales for the completion of the work.
28. As the regulator, we have visited the site on three occasions in November and December to follow up the reports of landfill odour. Several areas of permit non-compliance were noted, and an enforcement notice was subsequently served in connection with the unauthorised emission of untreated surface water. This notice also required all exposed waste to be appropriately covered to reduce the risk of gas emissions over the festive period. As odour reports have increased since Christmas, it seems the action taken was not entirely effective. We are encouraging the operator to take all practical measures to mitigate the impact and will be offering a virtual meeting with local residents in the coming weeks, to support public engagement.

### **Local Authority Recovery Targets 2022-23**

29. The Local Authority Recovery Targets (LARTs) were set under the Waste (Wales) Measure 2010 by WG and are intended to promote higher levels of recycling and realise associated wider sustainability benefits. Wales is the only UK country to have introduced statutory LARTs and 2022-23 is the eleventh monitoring year. Welsh local authorities are required to report as much information as they can reasonably acquire about what happens to the waste materials they collect from households and other sources in order to demonstrate that they have met these targets.
30. We are the monitoring authority for LARTs. We make checks on the reported data and review supporting evidence held by local authorities with evidence available from other sources, so that the accuracy of reporting continually improves. We provide our monitoring information to WG, who act as the enforcing authority.
31. Local authorities must each achieve a recovery rate of 64% to avoid being liable for a financial penalty of £200 per tonne under the target amount. In 2022-23, seventeen local authorities achieved the 64% target and only five failed (Caerphilly, Cardiff, Flintshire, Isle of Anglesey and Torfaen). Where a local authority is liable to a penalty, Welsh Ministers may either waive the penalty or assess the amount due and notify the local authority accordingly. The target remains at 64% for the next scheme year (2023-24) before increasing to 70% for the 2024-25 scheme year.

### **Gweld Y Coed SSSI Notification**

32. In December, the Carmarthenshire Environment Team confirmed a new Site of Special Scientific Interest (SSSI) at Gweld y Coed. It is protected for the sporophyte form of the Killarney fern, *Trichomanes speciosum*, which is rare in the UK.
33. The fern has a scattered, mainly Atlantic distribution from Cornwall northwards through Wales and Cumbria to Argyll, and in Northern Ireland. It is restricted and threatened globally and is listed as on Annex II of the Habitats and Species Directive. Confirmation of the site took place after no objections were raised and means this special site is now legally protected under the Wildlife & Countryside Act 1981.

### **Section 16 Land Management Agreements**

34. These agreements are used to maintain and recover protected site features to favourable condition. We have been very successful in securing these agreements this financial year, committing around £1m of funding to new agreements and renewals. However, due to a risk of becoming over-committed by the end of the financial year, a pause on further commitments, put in place in October 2023, has been extended until the end of the financial year. The pause excludes agreements where there is no or nominal (£1) annual payments, and capital payments where a purchase order has been issued and works cannot be delayed until the following financial year.

35. Options that could allow a small number of priority agreements to proceed within the current financial year are actively being explored. Communications to the farming unions informing them of the situation are being developed.

### **ISO 45001 Recertification**

36. The recertification process for ISO 45001 began in September and finished in December, with ten audit days involving various teams across Wales. Following this process, we were successful in achieving recertification to ISO 45001:2018 standard with only two minor non-conformities noted, including a procedure for using chemicals and a review of training for fire wardens.
37. The previous minor non-conformities were assessed and closed off, apart from the training and learning and development non-conformity, which remains open.

### **Project SIARC**

38. Iolo Williams visited Pwllheli Marina in December to officially crown Project SIARC (Sharks Inspiring Action and Research with Communities) as the Wales Project of the Year in the 2023 National Lottery Awards.
39. Established in 2021, Project SIARC is a multi-partner collaboration led by ZSL (Zoological Society of London) and NRW. It aims to safeguard rare species of sharks, skates and rays (a group known as elasmobranchs) off the Welsh coast whilst cultivating a new appreciation for the underwater environment in Wales.
40. Well over 3,000 organisations entered the awards, with Project SIARC described as 'inspirational'. The project has received funding to continue for a further three years, to March 2026, thanks to the support of the National Lottery Heritage Nature Networks Fund.

## **Internal issues**

### **Pay**

41. We made a formal offer of 5% across all paypoints to the Trade Unions. Those who balloted their members – Prospect, Unison, Unite and GMB – have voted to accept the pay offer. The increase (including backpay from April 2023) will be implemented in February pay.
42. After serving as interim Head of South West Operations for seven months, Huwel Manley has been appointed to the role on a permanent basis. Huwel will also act as Head of Service for Conservation / Biodiversity.

## Customer

### Access to Information and Complaints Performance

43. Quarterly performance for Complaints and Access to Information (ATI) has remained consistently high this year. The year to date position is that 99% complaints and 98% ATI requests have been responded to within service level agreements of either ten or twenty working days.
44. We have also gone live with our Customer Relationship Management (CRM) solution for handling complaints and ATI requests, moving us towards our strategic goal of having a single view of the customer. This will support the wider organisation in strategically managing customer relationships, provide a more efficient process for handling ATI requests and allow easier reporting and the ability to identify areas for improvement.

### Telephony

45. In January 2024, a new telephony system will be introduced for the Customer Hub, Incident Communication Centre and ICT Service Desk, to replace our existing Mitel contact centre environment. The new system is provided by Anywhere365 and very similar to the look and feel of Microsoft Teams.
46. As well as providing enhanced functionality for staff, the system uses Power BI reporting for call handling management; the long term goal is for full integration with our CRM system. We will be able to efficiently monitor call volumes, identify trends and manage team performance through call monitoring and customer satisfaction surveys. The data will be used to target bespoke and team training needs and areas for customer service improvements.

### Central Correspondence Team

47. The Central Correspondence Team trial came to an end in October. The trial focused on supporting the SAC Water Quality project and correspondence relating to North East Wales and South Central. We received great feedback from teams we supported during the trial, as well as the People and Customer Committee, Board members and colleagues across the organisation.
48. Throughout the trial we collaborated with other teams to understand how they managed correspondence, areas of concern and ways we could effectively support them when dealing with correspondence from key stakeholders and customers. We developed policies, procedures and ways of working which aimed to support colleagues either directly or by providing advice and assistance. We also developed a CRM tool to effectively monitor and track correspondence and which in future could be used to provide Heads of Place with a holistic view of their customers and topics of interest.

49. We delivered several presentations throughout the trial communicating progress, benefits and areas of improvement. Most notably we presented at this year's Evidence Conference, again receiving good feedback. Following the success of the trial, we hope to create a permanent team next year and expand the scope to support more teams across the organisation.

## Communications

50. We continue with regular communications to staff from the Executive Team about key decisions, our financial position and planning for in-year and future years' challenges. We are working with key teams to ensure clear and consistent messaging about our position, so that we remain focused on the bigger picture not on piecemeal decisions.

### Nature is recovering

51. In the first week of December, Wales Climate Week provided a springboard for the promotion of NRW's response to the Nature and Us vision. Communications focused on our open letter calling on the public sector in Wales to sign up and commit to the vision for Wales in 2050. The letter sets out how NRW will use and share its evidence, look after the land in its care and involve local people to accelerate action for nature.
52. During Wales Climate Week, we also delivered a session on *Embedding Fairness into Our Delivery of Climate Adaptation Action* and a social media campaign to promote various projects making a difference on the ground.
53. The engagement events for the proposed new National Park have now concluded, with each event providing a crucial opportunity to engage with a range of stakeholders. The events also secured cross-channel coverage on BBC Wales.
54. We have also continued to promote our work on the ground to support nature's recovery, including conservation and restoration projects at Newborough, projects to restore newt populations in Flintshire and the thriving king scallop populations in Pembrokeshire.

### Communities are resilient to climate change

55. Flood risk communications dominated this period. The arrival of Storms Ciarán and Debi in November, hot on the heels of Storm Babet, saw significant time and resource given to warning and informing communications and managing the significant media interest in our response.
56. The Communications team worked closely with the Flood Risk Management and Digital teams to launch the Flood Risk Management Plan. We organised a media visit to the Aberdulais flood scheme to support the launch, where colleagues shared our message around the challenges of managing and funding climate change induced flood risk in Wales. The visit was very successful, with coverage secured

across a wide range of national and regional broadcast and print media, including ITN News, BBC and the Global Radio Network.

57. As part of our ongoing programme of sharing winter preparedness messages, we worked with the Met Office to highlight the importance of people knowing their flood risk and continued our efforts to share these messages in presentations to various Local Resilience Forums (LRF). This work has received positive feedback from forum chairs, who have welcomed the social media toolkits we have provided that enable them to share information on NRW's services to help reduce flood risk and what communities can do to help themselves.

### **Pollution is minimised**

58. The continued media, political and public interest in water quality issues and our regulatory process requires ongoing resource. Ahead of the publication of the bathing water classifications and the First Minister's third Water Summit during this period, we highlighted NRW's proactive approach to tackling pollution in our rivers and elsewhere. This included working with WG to promote the Teifi Demonstrator Project and the support we have had from groups such as Save the Teifi in our external and internal communications. We took a Place-focused approach to manage messages around the bathing water classifications, highlighting where our work has made a significant difference to bring standards up in some areas, providing context where standards have dropped and explaining the work we will be doing to address this over the coming year.
59. The publication of our Annual Regulatory Report in November provided the opportunity to reiterate our commitment to minimise pollution and improve compliance across all sectors. However, following the media interest in our appearance at the Senedd and Westminster committees in November, we are looking at opportunities to provide more context to our enforcement policy and improve wider understanding about how we implement this policy for the benefit of the environment.

### **Digital**

60. The following service improvements have gone live in this period:
  - New online job application process, including an online application form. The anticipated outcome will be a better experience for people searching and applying for jobs with NRW, and ultimately more job applicants.
  - New application form for flood risk activity permits – to address known user problems. A new page sets out the information needed before an application is made, and a charges page shows how much a permit costs. The content has been simplified and unnecessary questions removed to improve the user experience.

- Check your household storage tank for leaks – content to address known customer problems, suggested by colleagues in the Operations teams.

## Forward Look

Thursday 8 February – Finance Committee

Tuesday 13 February – Land Estate Committee

Wednesday 21 February – Board Update Call

Thursday 22 February – Protected Areas Committee

Friday 1 March – People & Customer Committee

Tuesday 5 March – Finance Committee

Thursday 7 March – Audit & Risk Assurance Committee

Wednesday 20 and Thursday 21 March – March Board Meeting

## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	Audit and Risk Assurance Committee (ARAC) Update for Board
<b>Paper Reference:</b>	24-01-B05
<b>Paper sponsored by:</b>	Kath Palmer, Chair of ARAC
<b>Paper prepared by:</b>	Board Secretariat
<b>Paper presented by:</b>	Kath Palmer, Chair of ARAC
<b>Purpose of the paper</b>	Information
<b>Summary</b>	To provide an update to the Board in respect of 15 <sup>th</sup> December 2023 ARAC meeting.

## Background

1. This written update for the Board is in respect of 15<sup>th</sup> December 2023 Audit and Risk Assurance Committee (ARAC) meeting. For further detail all Board members can access the agendas, papers, and minutes of committees via the Diligent portal.

## Update

### Audit Wales

2. Audit Wales provided an update which included the Audit of Accounts Report Addendum and the Setting the Well-being Objectives (WBOs) Audit Wales Report which was positive.

### Risk Management

3. A quarterly update was provided from the Risk team; highlights included risk management framework and activity, and risk reporting and performance. Discussion took place around the developing Strategic Risk Register (SRR) including whether cyber needed to be a separate risk on the SRR. ARAC also discussed the updated Risk Policy and suggestions were made.

## Finance Update

4. A Finance Update was provided which included Annual Accounts, Single Tender Actions, Losses and Special Payments. ARAC were also provided with a briefing on windfarm income and the lessons learnt reports on overspending which would be shared and monitored by the Finance Committee.

## Update on NRW's Cyber Strategy

5. ARAC were presented with the updated Cyber Strategy and it was discussed.

## Internal Audit

6. ARAC were provided with an Internal Audit Quarterly Report; highlights included progress of the 2023-24 Internal Audit Plan and the Corporate Plan Review. There were four Internal Audit Reports, three of which offered a moderate opinion and one offered an under-developed maturity opinion.
7. The 2024-25 Internal Audit Plan was presented to ARAC and this was approved. A review had been completed of all Internal Audit actions and ARAC discussed this and agreed to changes to overdue actions in this instance.

## ARAC Governance

8. ARAC reviewed the Forward Look and requested the Terms of Reference be circulated as there were new members.

## AOB

9. It was noted that the June 2024 meeting would be in person in Cardiff.

## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	Finance Committee Board Update
<b>Paper Reference:</b>	24-01-B06
<b>Paper sponsored by:</b>	Helen Pittaway, Finance Committee Chair
<b>Paper prepared by:</b>	Board Secretariat
<b>Paper presented by:</b>	Helen Pittaway, Finance Committee Chair
<b>Purpose of the paper</b>	Information
<b>Summary</b>	To provide an update to the Finance Committee (FC) – 7 <sup>th</sup> December 2023 and 10 <sup>th</sup> January 2024

## Background

1. This paper provides an update to the Board following the Finance Committee (FC) meetings on 7<sup>th</sup> December 2023 and 10<sup>th</sup> January 2024. For further detail all Board members can access the agendas, papers, and minutes of committees via the Diligent portal.

## Update – 7<sup>th</sup> December 2023

### 2023-24 Financial Position Update

2. An update was provided on the latest financial position for the 2023-24 Revenue budget. FC expressed their support for the decisions that the Executive Team had taken to balance the budget. They were reassured that the organisation had worked together to identify the savings.

### NRW Board Approvals for endorsement by Finance Committee

3. FC endorsed one approval for Board regarding the NRW Consultancy Services Framework Agreement that would replace the Next Generation Framework if approved.

### 2024-25 Budget and Business Plan update

4. The 2024-25 budget position and the principles that underpinned prioritisation that had been agreed by the Planning and Resource Group, were summarised. The zero-based review, decision support tool and performance reporting for 2024-25 were also outlined.
5. FC recommended extending planning to subsequent years and that more positive language could be used to emphasise the budget that NRW would have and the work that could be done with it.

### Overspend Lessons Learnt

6. The key areas, issues and actions covered in the paper were outlined. It was also noted that there would be an independent review of the Flood Capital Programme overspend that should result in further actions.
7. FC discussed the issues and actions and suggested that the actions in the paper could be stronger. Concerns were also raised on the effects of the overspend issues on staff morale.
8. The findings and NRW's response to the independent review would be presented to FC at a future meeting.

## **Update – 10<sup>th</sup> January 2024**

### Financial Performance Update

9. The Finance Performance Report for November was presented including the key messages. Updates on the latest forecast changes, the measures to balance in year revenue budgetary pressures and the Capital Programmes were provided.

### NRW Board Approvals for endorsement by Finance Committee

10. FC endorsed one approval for Board that would align Managing our Money with the updated Terms of Reference.

### 2024-25 Budget and Business Plan update

11. The 2024-25 budget position was outlined including setting the financial context for 2024-25, the financial position of the Capital Programmes, and the summary values and recommendations from the non-staff exercise.
12. An update on the prioritisation of NRW's work activities exercise was provided including the approach, indicative non-staff cost savings, and the next steps.

## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	Flood Risk Management Committee Update Report
<b>Paper Reference:</b>	24-01-B07
<b>Paper sponsored by:</b>	Prof Peter Fox, Chair of the Flood Risk Management Committee (FRMC)
<b>Paper prepared by:</b>	Board Secretariat
<b>Paper presented by:</b>	Prof Peter Fox, Chair of the Flood Risk Management Committee
<b>Purpose of the paper</b>	Information
<b>Summary</b>	To provide an update on the Flood Risk Management Committee meeting on 11 <sup>th</sup> January 2024

## Background

1. This summary provides an update on matters that in the opinion of the Flood Risk Management Committee (FRMC) Chair should be brought to the attention of the whole Board following the last FRMC meeting which was held on 11<sup>th</sup> January 2024.
2. For further detail, all Board members can access the agendas, papers, and minutes of committees via the Diligent portal.

## Update

### Flood Risk Management Update Report

3. An update report that highlighted key areas of work was presented to FRMC. This included NRW's response to the storms during autumn and winter, the publication of the Long-Term Investment Requirements, and Technical Advice Note 15 (TAN15).
4. FRMC expressed their appreciation for all the hard work by staff regarding the response to the storms.

### Flood Risk Management Capital Programme Update

5. An overview of the Capital Programme forecast expenditure for 2023-24 was provided along with summary updates on the progress of the Ammanford and Stephenson Street projects. Updates were also provided on the Flood Warning System and Telemetry Replacement projects as well as the development 2024-25 Capital Programme.

### Tidal Dyfi Outline Business Case Change Paper review

6. FRMC were presented with the appraisal work for flood risk management and wider adaptation options for the Dyfi Estuary and were asked to endorse additional funding for the development of the Outline Business Case (OBC). The reasons for the increase in funding for the OBC were explained including that the whole approach to coastal adaptation had evolved.
7. FRMC endorsed the additional funding for the Dyfi OBC.

### Capital Programme Review

8. Representatives from Local Partnerships joined the meeting to present the initial draft findings and recommendations from a review of the Flood Capital Programme. FRMC welcomed the review and discussed the recommendations.

### Internal Drainage Districts: precepts, rates, and levies

9. The proposal for the Internal Drainage Districts (IDDs), precepts, rates, and levies for 2024-25 were summarised. The increases were due to inflation. FRMC discussed the delivery model for the IDD and endorsed the increase in pre-sets, rates, and levies.

### Flood Recovery and Review Implementation Programme (FRRIP)

10. An information only paper on the progress of the FRRIP had been provided and it was noted that the Programme may be closed by the end of the 2023-24 financial year.

### Any Other Business

11. The issue of how disused flood water gauges appear on public facing systems was brought to the attention of the Committee.
12. Geraint Davies updated FRMC on a recent visit to the Tan Lan IDD and Conwy embankment where he listened to their concerns.

## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	People and Customer Committee (PCC) Update
<b>Paper Reference:</b>	24-01-B08
<b>Paper sponsored by:</b>	Mark McKenna, Chair of PCC
<b>Paper prepared by:</b>	Board Secretariat
<b>Paper presented by:</b>	Mark McKenna, Chair of PCC
<b>Purpose of the paper</b>	Information
<b>Summary</b>	To provide an update to the Board in respect of the 12 <sup>th</sup> December 2023 PCC meeting.

## Background

1. This written update for the Board is in respect of the 12<sup>th</sup> December 2023 People and Customer Committee (PCC) meeting. For further detail all Board members can access the agendas, papers, and minutes of committees via the Diligent portal.

## Verbal Update on Current Issues

2. PCC were provided with verbal updates on current issues, including recruitment, pensions funds, IR35, Learning Management System, ISO45001 external audit, monthly communications to staff, NRW2030, the new telephony system, complaints and sub-contractor health & safety.

## Results of the Annual Panel Survey for the UK Customer Service Index Report

3. The Institute of Customer Service presented a summary from the Annual Panel Survey for the UK Customer Service Index. PCC welcomed the results and discussed the recommendations.

4. PCC were assured that the customer satisfaction responses were comparable with similar organisations with social purpose and a wide remit.

## Wellbeing, Health & Safety Report – Quarter 2

5. PCC scrutinised the Quarter 2 Wellbeing, Health & Safety (H&S) Report. The detailed report was welcomed, and highlights included: incident reviews and the new initiatives to reduce cancellation costs from Learning & Development.
6. The improved culture organisationally to H&S was noted. PCC Board members would be invited to attend staff drop-in sessions on the importance of H&S reporting.
7. The challenge of recognising and reporting mental health Near-Misses was discussed. PCC acknowledged NRW's excellent employee support systems and suggested these could be further promoted when recruiting.

## Waterfall Country Update

8. An update was provided further to the fatalities in the Waterfall Country. The complexities and challenges of the area were noted. A summary of the independent Waterfall Country Visitor Safety Review was provided. PCC discussed the recommendations and the progress made to date.
9. The opportunities for shared learning were welcomed and PCC were assured that visitor safety remained a top priority.
10. A format for a broader deep dive on visitor safety to incorporate the Waterfall Country was to be agreed and scheduled for Board members.

## Strategic Workforce Planning

11. An update was provided on the first successful Strategic Workforce Planning Pilot from the Flood Risk Management team. PCC welcomed the collaboration.
12. PCC discussed financial implications and resource constraints on fulfilling statutory requirements and suggested to develop the principles across the whole organisation with focus on high risk and high opportunity areas to develop insights. It was noted that a second Pilot was underway. PCC welcomed the work undertaken and looked forward to seeing progress.

## NRW's Strategic Equality, Diversity and Inclusion (EDI) Objectives

13. An update was provided on the new request from the Equality and Human Rights Commission (EHRC) to sign up to new shared Equality Objectives. PCC were assured

that the shared objectives published in 2020 were still robust and the Committee supported using the existing measures to build on the EDI Strategy Review for 2025.

14. PCC suggested that also building on the feedback from Ein Llais would be important, as would the need to have a broad, diverse organisation to help meet the Corporate Plan Wellbeing Objectives. PCC welcomed the continuing collaboration and shared learning with the Partnership.

## Communications Strategic Plan

15. PCC were presented with and welcomed the draft Communications Strategic Plan. The next steps were outlined to produce a detailed delivery plan for 2024-25. The five missions were noted, and PCC offered some suggestions. The Committee approved the direction of travel and understood the challenges.
16. PCC understood that the journey to be bolder for the whole organisation would take time but were assured that the team would actively support the achievement of NRW's vision and the Wellbeing Objectives.

## AOB

17. PCC noted the Employer and Public Liability paper.
18. PCC approved the updates to the Local Government Pension Scheme Policy.

## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	Wales Land Management Forum (WLMF) Update
<b>Paper Reference:</b>	24-01-B09
<b>Paper sponsored by:</b>	Professor Rhys Jones, WLMF Chair
<b>Paper prepared by:</b>	Bronwen Martin, Specialist Advisor: Wales Land Management
<b>Paper presented by:</b>	Professor Rhys Jones, WLMF Chair
<b>Purpose of the paper</b>	Information
<b>Summary</b>	Summarise what considerations, decisions, and actions you are seeking from the committee.

## Wales Land Management Forum (WLMF)

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 \(WLMF\)](#)

## Update

### 11<sup>th</sup> December 2023 meeting

2. The most recent WLMF meeting was held on 11<sup>th</sup> December 2023.
3. John Browne, NRW provided an introduction and overview of the new Forestry Regional Advisory Committee (RAC). The purpose of the Forestry RAC is to provide advice to NRW in respect of certain specific forestry functions in accordance with the statutory requirement under section 37 of the Forestry Act (1967).
4. All WLMF members had the opportunity to ask about NRW Updates and also share updates from their own organisations.

5. The group discussed the forward look for future meetings.
6. The next WLMF meeting will be held sometime in March/April 2024.
7. 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

8. The primary purpose of the WLMF Sub 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 - Wales Land Management Forum \(WLMF\) Sub Group on Agricultural Pollution](#)

## Update

### **6<sup>th</sup> November 2023 meeting**

9. Brian Price, NRW joined the meeting to provide an overview and update of the Ammonia Modelling work NRW are undertaking near Sites of Special Scientific Interest (SSSI). Welsh Government has previously provided a series of presentations regarding ammonia, including an overview of ammonia and statutory obligations, the environmental impacts of ammonia in Wales, and an update on air quality targets along with a presentation on the results of the ammonia scenarios modelling they have been doing.
10. Ieuan S. Davies, NRW and Delyth Lewis-Jones, AHDB gave an update on the draft report produced by the Special Areas of Conservation (SAC) Rivers Agricultural Technical Group.
11. Welsh Government provided a verbal update following the publication of a Written Statement on 10<sup>th</sup> October 2023 regarding Nutrient Management. The Written Statement outlined a time-limited approach to enable higher applications of nutrients from livestock manures where there is a crop need to do so, alongside additional measures to protect the environment from risk of pollution.

### **4<sup>th</sup> December 2023 Meeting**

12. The group discussed matters arising including the request for a presentation on sheep dip monitoring, the Winter Fair event held on 27-28 November 2023, and the First Minister's Third River Pollution Summit held on 30th November 2023.
13. Nichola Salter, NRW gave an update on NRW's approach for The Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021. Nicola Mills, NRW also

provided an overview of the new NRW team set up to help farms reduce agricultural pollution in Wales.

14. The group reviewed the Forward Look and suggested items/topics to explore at future meetings.
15. The next WLMF Sub Group will be held on Monday 29<sup>th</sup> January 2024.
16. 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.

# NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	Wales Fisheries Forum (WFF)
<b>Paper Reference:</b>	24-01-B10
<b>Paper sponsored by:</b>	Prof Steve Ormerod, WFF Chair
<b>Paper prepared by:</b>	Ben Wilson, Principal Advisor Fisheries
<b>Paper presented by:</b>	Prof Steve Ormerod, WFF Chair
<b>Purpose of the paper</b>	Information

## Background

1. The Wales Fisheries Forum (WFF) meets three times a year and provides an opportunity for fisheries stakeholders and Non-Governmental Organisations to share evidence and opportunities for working together to achieve the sustainable management of Fisheries in Wales.
2. The remit of the group is:
  - a. To represent the range of stakeholders with an interest in the freshwater and diadromous fisheries resources of Wales and the work of Natural Resources Wales (NRW) and others to maintain, improve and develop migratory and freshwater fisheries in Wales.
  - b. To provide strategic advice to NRW, that reflects the views of fisheries interests. To inform NRW advice to Welsh Government (WG), including development of fisheries-related policy and strategy.
  - c. To review the performance of NRW's fisheries and associated work to ensure that anglers and fisheries interests have clarity that rod licence income and other funding is used to best effect to support delivery of NRW's statutory fisheries duty.
  - d. To consider the ecological, biological and economic impact of emerging and new issues affecting our fisheries.
  - e. To help disseminate information from NRW and elsewhere to angling and fisheries interests.

- f. To provide clear feedback from angling and fisheries interests to NRW and to facilitate information provision to those interests.
- g. To identify opportunities for partnership working and new funding.
- h. To support horizon scanning for anticipated new developments, opportunities, and risks, and to raise awareness of wider issues relating to freshwater and migratory fisheries management, for example marine fisheries.

## Update

- 3. The most recent meeting was held virtually on 27<sup>th</sup> November 2023.
- 4. **Fish Eating Birds (FEB) - Update and Implementation:** Paper, presentation and discussion by Dave Charlesworth, Lead Specialist Advisor leading on implementing the recommendations from the independent Fish-Eating Birds Advisory Group.

### Key Messages

- NRW are delivering against our action plan developed in response to FEB Advisory Group recommendations.
  - We are working with partners to undertake a pilot project on the river Usk and will use the evidence gained to develop national guidance and our future approach to FEB licencing in Wales.
- 5. **Enforcement in NRW:** Briefing and presentation Fiona Hourahine, Operations Manager (presented by Ben Wilson).

### Key Messages

- Staffing update: Twenty-four Salmon and Freshwater Fisheries Act (SAFFA) warranted staff across Wales in six Place-based teams alongside seconded police officers; six apprentices being onboarded; sixteen new Control of Agricultural Pollution (Wales) Regulations (CoAPR) team officers to deal with highlighted agricultural polluters.
- An overview of the Annual Regulation Report was provided, with full overview of prosecutions.
- Forward Look – Fisheries Enforcement Priorities
  - Supporting the Corporate Plan Wellbeing Objectives
  - Continuation of a risk-based approach to fisheries incidents and regulation
  - Continuation of statutory duties
  - Rod & licence and net checks
  - Intelligence and evidence-based
  - Season and geography (Place-based) priorities
  - Supporting output of the latest salmon stock assessment
  - Training and development of staff

## 6. Salmon Stock Review

### Key Messages

- Overview of the collaborative projects to update the national salmon stock assessment process used in England and Wales by Cefas, NRW and the Environment Agency.
- Guiding principle - to ensure that our national salmon stock assessment processes are up to date, transparent, adequately protect salmon and are more easily understandable to stakeholders.
- The review has taken account of the following: Ministerial Direction 1998; Recommendations from the salmon stock assessment workshop held in 2016; Feedback received from recent Net Limitation Order (NLO) and rod and net byelaw regulatory processes; Best practice from other UK and European jurisdictions; North Atlantic Salmon Conservation Organisation (NASCO) salmon management guidance.
- Next steps and timelines:
  - Peer reviewed journal publication on exploitation rates [Estimation of returning Atlantic salmon stock from rod exploitation rate for principal salmon rivers in England & Wales | ICES Journal of Marine Science | Oxford Academic \(oup.com\)](#)
  - Non-statutory consultation 2024
  - Trial the new methodology alongside existing for the 2023 stock assessment
  - Report the findings to WFF and England Fishery Group in late 2024
  - Intention will be to formally implement revised stock assessment process in 2025.
- WFF were also updated on revisions to the Salmon and Sea Trout Plan of Action (PoA)
- In order to ensure the Salmon and Sea Trout PoA prioritises the most important pressures, NRW are seeking to develop a salmon pressure matrix based on the model used by Norway. WFF members were asked to contribute to the scoring matrix, and NRW will report back at the next meeting

## 7. Institute of Fisheries Management (IFM) Sea Trout Symposium and Workshop

- Review provided by the Institute of Fisheries Management of work on sea trout management in UK and Ireland. During September a scientific conference was held in Cardiff, attended by delegates from across the UK and Ireland, to examine what is happening to sea trout, one of the best indicators of the health of our rivers, estuaries, and coastal waters. Over the last decade, sea trout numbers have plummeted in rivers throughout England, Wales, Scotland, and Ireland. Barriers to migration, poor water quality, predation, marine exploitation, and climate change were identified as the main causes.

- In November, representatives of key organisations involved in sea trout management (including NRW and Welsh Gov) met at Fishmongers Hall London, to agree actions for the conservation and restoration of these threatened fish.

8. **Wales Fisheries Forum Update paper:** available on request by emailing [fisheries.wales@cyfoethnaturiolcymru.gov.uk](mailto:fisheries.wales@cyfoethnaturiolcymru.gov.uk)

Contents:

- Rod licence - 2023 rod licence sales to date
- “Fishing in Wales” latest statistics
- Salmon and sea trout stock performance.
- Reporting: International Council for the Exploration of the Sea (ICES)
  - Salmon in Wales
  - Sea trout in Wales
- IUCN Red List: Seven species of fish are at risk of extinction in Britain’s waters
- No pink salmon reported in Wales during 2023
- Sea trout symposium – Institute of Fisheries Management
- Measuring our performance and the Annual Regulation Report 2022
- Fish-Eating Birds project update and Catchment Pilot Approach on the Usk
- Dee Stock Assessment Programme (DSAP) – index river programme
- Autumn 2023 update
- Usk smolt tracking – Year 3 update
- River Teifi Counter
- Habitat Project Updates
  - LIFE Dee River - update
  - 4 Rivers for LIFE Project Update
  - Salmon For Tomorrow2 – River Usk Honddu weir removal provides boost for vulnerable fish
- Enforcement: Ringleader of prolific Teifi poaching gang has over £18,000 confiscated to pay for part of his criminal gain

9. **Partner Updates**

- Afonydd Cymru provided a presentation of their work to improve river habitat
- Angling Trust provided an update on their work to support the Missing Salmon Alliance and to support angling

10. **Agenda items suggested forthcoming meetings**

- John Goldsworthy talk: Teifi demo project
- Salmon and sea trout Plan of action matrix
- Chris Mills missing sea trout alliance presentation
- SAC rivers project
- Water-crowfoot Ranunculus – NRW asked to facilitate a discussion of the extent of loss of Ranunculus, the reasons for it, and the opportunity for recovery.

11. Meeting notes are made available on request and are circulated to members of the local fisheries groups.

## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	Wales Water Management Forum Update (WWMF)
<b>Paper Reference:</b>	24-01-B11
<b>Paper sponsored by:</b>	Prof Steve Ormerod, WWMF Chair
<b>Paper prepared by:</b>	Ceri Jones, Lead Specialist Advisor: Catchment Management
<b>Paper presented by:</b>	Prof Steve Ormerod, WWMF Chair
<b>Purpose of the paper</b>	Information
<b>Summary</b>	Highlights from the Wales Water Management Forum held on the 14 <sup>th</sup> December 2023

## Background

1. An update from the Wales Water Management Forum (WWMF) was last provided in May 2023. The WWMF meets twice a year and provides an opportunity for the forum's membership organisations to share evidence and opportunities for working together to achieve the sustainable management of water in Wales - from source to sea. As well as ongoing discussion of regulatory issues and performance – for example with respect to the Water Environment (Water Framework Directive (WFD) (England and Wales) Regulations 2017 – broader aspects of water quality, water governance and water resources in Wales have been key themes.
2. WWMF also explores opportunities to develop, support and communicate shared messages and recommendations on the sustainable management of natural resources more generally alongside the Wales Land Management Forum (WLMF), Wales Fisheries Forum (WFF), National Access Forum for Wales (NAFW), and the Wales Marine Advisory and Action Group (WMAAG).

## Update

3. The Forum met for a field trip on the 3<sup>rd</sup> May at the Uwch Conwy project in North Wales [Upper Conwy catchment project | Wales | National Trust](#). The day included members of the WWMF and WFF and was hugely beneficial to supplement the more formal

sessions with a face-to-face site visit. With perfect conditions for the day members visited key sections of the project, it was a fantastic day to showcase the positive partnership work that is happening at the wider landscape scale . A field trip will be planned for 2024, possibly to visit to Teifi Demonstator Project.



Photo 1. WWMF and WFF Field trip, Upper Conwy Catchment, Nant y Gwryd catchment



Photo 2. WWMF and WFF, Upper Conwy Catchment, the Mignier, Peatland Restoration



Photo 3. WWMF and WFF Field trip, Upper Conwy Catchment, Nant y Gwryd catchment

4. The most recent meeting was held virtually on the 14<sup>th</sup> December 2023. The session included an open discussion on matters relevant to the forum and member updates. Focal points for December included; Dwr Cymru Welsh Water and PR24, Water Resources West including the Severn Thames Transfer, Ceri Jones (NRW) gave a

presentation on future options for the River Basin Management Plans with an invitation to form a Task and Finish group to inform this work. The session was welcome by WWMF. Some time was also given to the Terms of Reference for WWMF, these are considered every two years to ensure they are relevant for the Fora. It was agreed that these need a review led by NRW. The review will not happen until the outcome of NRW's review of the five Wales fora (WWMF, WLMF, NAFW, WFF and WMAAG) and Welsh Government's review of water governance groups is completed.

5. The next WWMF meeting is scheduled for the 14<sup>th</sup> March 2024. The forward look for this meeting includes:
  - a) Groundwater trends
  - b) Hafren Dyfrdwy PR24 update
  - c) The 4 Rivers for LIFE project work
  - d) Follow up on the Review Terms of Reference
6. Meeting notes are made available on the NRW website page for WWMF.

## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	National Access Forum for Wales (NAFW) Update
<b>Paper Reference:</b>	24-01-B12
<b>Paper sponsored by:</b>	Geraint Davies, NAFW Chair
<b>Paper prepared by:</b>	Carys Drew, NAFW Secretariat (Specialist Advisor: PROW and Networks)
<b>Paper presented by:</b>	Geraint Davies, NAFW Chair
<b>Purpose of the paper</b>	Information

## Background

1. The National Access Forum for Wales (NAFW) is a non-statutory forum which brings together stakeholders from public, private and third sector organisations with an interest and expertise in outdoor access and recreation in Wales.
2. The NAFW's key purposes are:
  - To help improve the quality and extent of access to the countryside and coast of Wales, and extend the opportunities for enjoyment and responsible outdoor recreation to all, with regard to environmental sustainability and education
  - To work together as a stakeholder network, fostering understanding, and sharing information and good practice; to support the realisation of benefits of outdoor recreation and access in Wales
  - To support NRW in its aim of more people participating in, and benefitting from, outdoor recreation more often
3. NRW provides the Chair (Geraint Davies) and Secretariat (Carys Drew), the Deputy Chair is nominated from the membership (Ruth Rourke, Institute of Public Rights of Way and Access Management). Dr Rosie Plummer, NRW Board also supports and attends meetings.
4. The NAFW meets three times a year. Forum meetings are open to observers and are held in public but are not public meetings. Where necessary, the Chair may establish

working groups to consider particular issues and report to subsequent meetings, working group meetings will not be held in public. There are no active working groups at present.

5. The Secretariat collates written contributions ahead of each meeting, this provides an opportunity for members, NRW and WG to share detailed information. The written contributions for each meeting, together with agendas and summary meeting notes are published on the NRW website: [Natural Resources Wales / National Access Forum for Wales](#)

## Update

6. The most recent NAFW meeting was held in person (with option to join online) in Cardiff on 7<sup>th</sup> November 2023 for the second time to facilitate Ministerial attendance. All agenda items incorporated time for questions and discussion.
7. Project Officer James Walker, Vale of Glamorgan presented to the Forum with BHS and Cycling UK (Forum members) about the Great Glamorgan Way. A collaborative project to implement delivery of a coherent network of mostly traffic free, multi-user access within the South-Central Region of Wales. The project was funded through Enabling Natural Resources and Well-being in Wales until 2023 and continued with funding where local authorities were successful in accessing UK Shared Prosperity fund.
8. The project aims, achievements and lessons were shared as well as the approach to working with stakeholder organisations and collaboration. Presentation generated discussion including potential opportunities for further links and local projects.
9. The meeting had been due to receive an update from Julie James MS, Minister for Climate change. Unfortunately the Minister sent apologies and an update was provided by officials. Clearly members were disappointed that the Minister was unable to attend in person.
10. Members were updated that there had been a change since the last meeting in terms of the Minister leading on access. Lee Waters MS, Deputy Minister for Climate Change, is now the lead. It was noted that he has been briefed about the history of Access Reform Programme and the issue raised by stakeholders regarding pace of change. Ministers are aware and considering the matters.
11. David Liddy, Lead Specialist Advisor Recreation Safety NRW presented on Managing Visitor Safety. He shared recent findings of an independent review of Visitor Safety in Waterfall Country which had been undertaken following fatalities in the area. He set out the challenges of the area and the principles to management, including working closely with other organisations. The consultant's independent review confirmed that NRW had met its statutory duty, in starting a long way back in the visitor journey. Dave is sharing the report with others and partners as there is a need for partnership working to look at coordination of safety messages.

12. Ash Pearce, NRW presented about work to assess the case for a new National Park (NP) in North East Wales. This has relevance to NAFW given the role NPs have in relation to public access. Ash set out the approach being taken and the opportunities for engagement in the process.
13. Written contributions were circulated in advance of the meeting and members were encouraged to review these and to contact contributors direct with further questions.
14. Meeting dates for 2024 are planned as follows: 5<sup>th</sup> March (online), 2<sup>nd</sup> July (in person hybrid), 5<sup>th</sup> November (online).

## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	Finance Performance Report
<b>Paper Reference:</b>	24-01-B13
<b>Paper sponsored by:</b>	Rachael Cunningham, Executive Director of Finance and Corporate Services
<b>Paper prepared by:</b>	Rob Bell, Head of Finance; Mark Collins, Business Finance Manager
<b>Paper presented by:</b>	Rob Bell, Head of Finance
<b>Purpose of the paper:</b>	Approval (change in forecast) / Discussion (Financial Performance)
<b>Summary</b>	<p>To approve:</p> <p>Change in the latest forecast from £266.9m to a forecasted £270.2m.</p> <p>To scrutinise:</p> <p>Financial performance to the end of November 2023.</p>

## Background

1. There is a separate paper for approvals.

### Financial Performance to 30 November 2023

2. The Finance Performance Report provides detail on progress across the different types of income, expenditure, and programmes. Annex A summarises the key messages in respect of:
  - Change in forecast compared to the previous approved forecast and original budget.
  - Performance to end of November 2023, compared to the previous approved forecast and original budget.
  - Risks to us being able to spend within our funding levels due to the impact of pay pressures and the level of timber income and the measures we have taken to mitigate that risk.

- Commentary by exception on how we are progressing against the latest forecast for the different types of income and expenditure.

## Risks and opportunities

3. 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). Even with a larger budget than last financial year, the current outlook is challenging because of the impact of staff costs and timber income levels. This is being replaced with a new strategic risk "Failure to achieve financial stability".
4. The wider implications are:
  - (a) **Finance:** This Report is about the financial performance of NRW. We hold a risk within the Finance and Corporate Services Directorate Risk Register.
  - (b) **Wellbeing of Future Generations Act (WBFGA):** Every component of the budget contributes to one or many of our Wellbeing Objectives.

## Next Steps

5. Executive Team will continue to monitor the principal risks within the budget.
6. We encourage budget and project managers to notify Finance of any changes to forecast which can be returned centrally.
7. We will continue to undertake our normal finance processes and review risks within the budget throughout the year. Programmes such as Business Transformation, Flood and Nature and Capital Emergencies are re-forecasted every month.
8. This Report is produced every two months for the Board and Executive Team.

## Recommendation

9. Board to approve changes to the latest forecast, from £266.9m to £270.2m.
10. Board to scrutinise financial performance to the end of November 2023.

## Index of Annexes

Annex A – Financial Performance Report



**Cyfoeth  
Naturiol  
Cymru**  
**Natural  
Resources  
Wales**



**NRW Board  
February 2024  
November Finance Report**

## Content and Key Messages



### Update will cover:

1. Update on the latest forecast changes from the opening budget reported as at November 2023.

2. Financial Performance as at November 2023.

3. Update on the plan to balance in year revenue budgetary pressures, including the pay award for 2023-24 and non-consolidated payment to staff and the drop in timber income forecast.

4. Endorse change in forecast since the last report from £266.9m to £270.2m - mostly as a result of an increase in Grant in Aid offset by a decrease in commercial income.

### Messages:

1. Welsh Government have agreed to the plan to balance our revenue budget pressures this financial year. This included the increase in corporate cost charge to programme and projects, the change in international accounting standards which means we do not need to find revenue budget cover for lease payments and our plan to reduce budgets by £2.4m. The exercise is scheduled to complete by 20 December and will be reported to Executive Team in January.

2. As outlined in the last report, we are now managing the overall salary pressures centrally. Very tight external recruitment restrictions are in place. We are confident of achieving £1.1m of the targeted £2m savings but the remainder is dependent on staff movements between now and the end of the year.

3. We have managed to reduce the central overprogramming budget to £0.5m which is excellent news, this has partly been achieved through the budget reduction exercise and an increase in our retainable energy income.

4. Other staff costs - travel, subsistence & people support costs will over spend if we continue to spend at the same rate to the end of the financial year. Executive Team have agreed that directorates need to operate within their budgets so we should see a slow down in this area of spend.

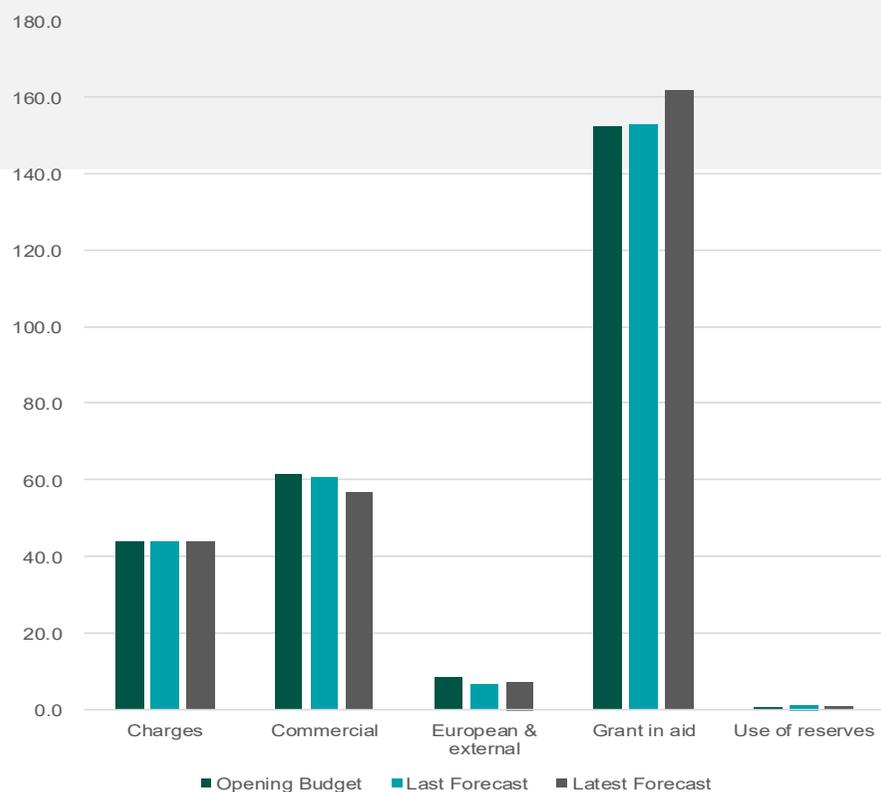
5. The Flood and NaCE capital programmes are currently over-programmed by £2.3m and £2m respectively. This is a considerable reduction compared to the last report, but it is still a challenge to bring both these programmes in line to budget. They both will also need to meet the higher corporate costs charge. Both programmes are taking steps to ensure they are not overspent and that will include delaying or slowing down projects. The Business Transformation budget is also over programmed this financial year with measures being taken to reduce this in line with the full year allocation.

6. Regulation are forecasting a reduction in charge related income this financial year. This is currently under review and will be approved in January. This will have a detrimental impact on charge balances. A separate paper is being prepared for Executive Team.

## Measures being taken to balance revenue pressures

Revenue pressures: measures taken	Plan	Latest position - RAG status	Gap	Commentary
	£m	£m		
Staff costs	2.0	2.0		Based on our November position, we are not sure we can meet the full £2m target. We will undertake a further forecast in January.
Non staff costs	1.0	1.0		Achieved in August.
Programmes and projects	1.8	1.8		Welsh Government have now agreed to the increased corporate overhead costs.
Charge income reserves	0.5	0.5		Factored into modelling that the charge consultation proposals were built upon.
Further non staff costs savings (due to timber income reduction)	4.0	4.0		This has been achieved through the change in international accounting standards which means we do not need to find revenue budget cover for lease payments and our plan to reduce budgets by £2.4m. The budget reduction exercise is scheduled to complete by 20 December and will be considered by Executive Team in early January.
Timber income forecast - November 2023	0.9	0.9		
<b>TOTAL: NRW</b>	<b>10.2</b>	<b>10.2</b>	<b>0.0</b>	
Central over-programming	2.5	2.0	0.5	The budget reduction exercise and additional retainable energy income has allowed us to reduce the central over-programming level further than we had originally planned.
<b>TOTAL: NRW after over-programming</b>	<b>12.7</b>	<b>12.2</b>	<b>0.5</b>	<b>Total deficit including over-programming</b>

## Financial Performance – Income Forecast



### Charges

No change

### Commercial

Commercial income has reduced by £3.9m due to the processing of the two reductions in timber income forecasts (£5m) offset by increases in retainable and other income (£0.7m and £0.4m respectively).

### European & Other External

External Income have increased by £0.2m in line with predicted expenditure.

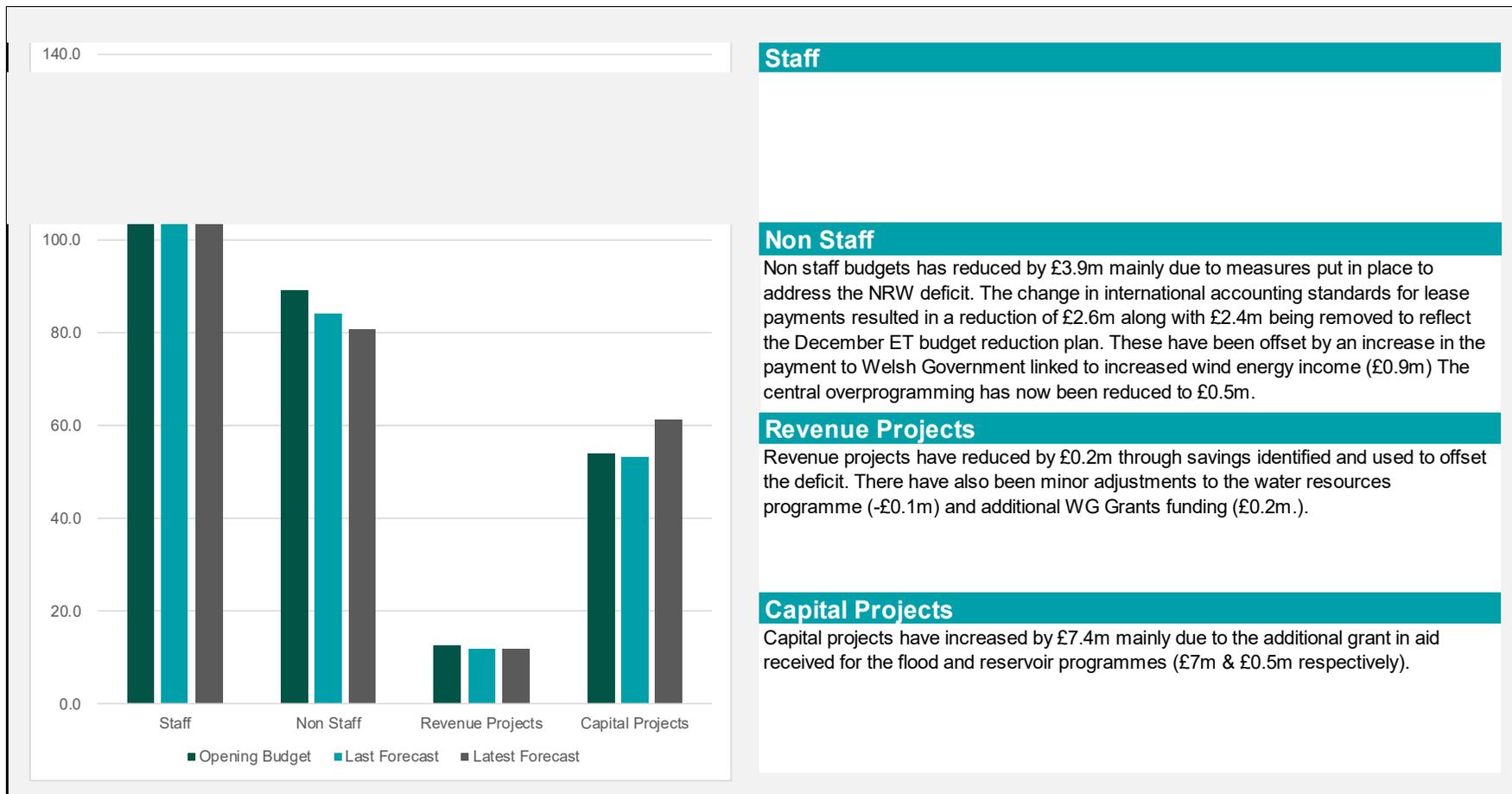
### Grant in Aid

Grant in Aid funding has increased by £7.8, flood £7m, reservoirs £0.5m and £0.3m extra Welsh Government grants.

### Use of Reserves

Increase in use of charges balances to cover the charge element of the pay award (£0.7m).

# Financial Performance – Expenditure Forecast



## Staff

## Non Staff

Non staff budgets has reduced by £3.9m mainly due to measures put in place to address the NRW deficit. The change in international accounting standards for lease payments resulted in a reduction of £2.6m along with £2.4m being removed to reflect the December ET budget reduction plan. These have been offset by an increase in the payment to Welsh Government linked to increased wind energy income (£0.9m) The central overprogramming has now been reduced to £0.5m.

## Revenue Projects

Revenue projects have reduced by £0.2m through savings identified and used to offset the deficit. There have also been minor adjustments to the water resources programme (-£0.1m) and additional WG Grants funding (£0.2m.).

## Capital Projects

Capital projects have increased by £7.4m mainly due to the additional grant in aid received for the flood and reservoir programmes (£7m & £0.5m respectively).

## Financial Performance - Income



INCOME	Actual	Approved Forecast	Variance	Approved Forecast	Remaining Budget	Commentary
by Account Type	YTD	YTD	YTD	FY	FY	
	£m	£m	£m	£m	%	
Charges	30.2	31.4	-1.2	43.7	31%	We are seeing negative variances across the charge schemes, this is due to a lower than expected take up of our new application and permit charges. The Regulation Business Management team have indicated there will be £2.4m less than forecasted this year. The reduction will be reflected against charge balances rather than the NRW deficit, however this will take some charge regimes into deficit or further into deficit. The Regulatory Business Board will be tabling a paper at ET about how they can be brought to a positive balance within the timeframe set out in the consultation (31 March 2026).
Commercial	36.2	36.2	-0.1	56.7	36%	Timber sales have seen a marked drop in both quantities dispatched and despatch prices since late July. A reduced forecast from £36m of £32m was agreed at September's Commercial Business Group and has been followed by a further £0.9m reduction to reflect a continuing downward trend in the timber market. This has been offset by an increase in the retainable energy income forecast.
European & external	2.7	2.5	0.2	7.3	63%	The current variance is predominantly linked to the LIFE projects and POCA income (Proceeds of Crime Act). This will be reviewed and adjusted, if required, for future reporting periods.
Grant in Aid	83.7	83.7	-0.0	161.6	48%	Income received is in line with expectations. We have now received the additional grant in aid funding from Welsh Government for the flood and reservoir capital programme (£7m & £0.5m respectively).
Use of Reserves	0.0	0.0	-0.0	0.8	100%	
<b>TOTAL: NRW</b>	<b>152.7</b>	<b>153.9</b>	<b>1.1</b>	<b>270.2</b>	<b>43%</b>	

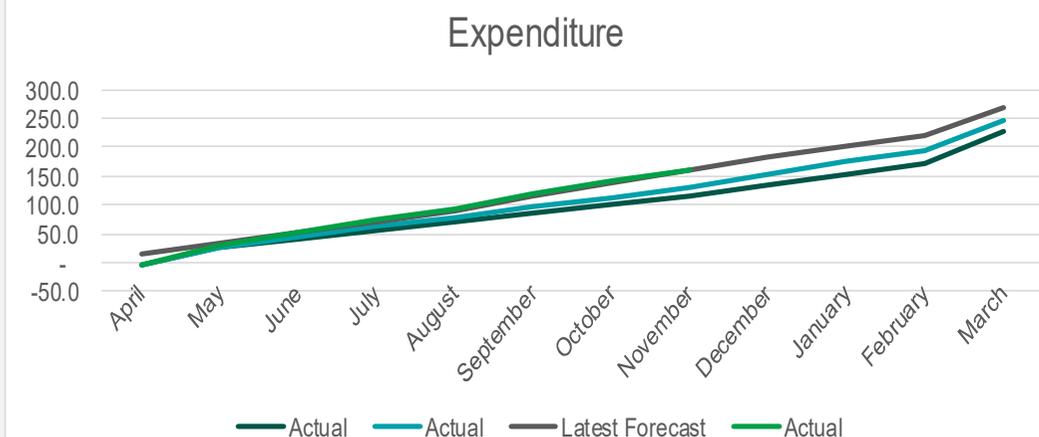
## Financial Performance - Expenditure

EXPENDITURE	Actual	Approved Forecast	Variance	Approved Forecast	Remaining Budget	Commentary
	£m	£m	£m	£m	%	
Staff	75.9	75.5	-0.4	116.2	35%	Whilst the vacancy rate has increased slightly from September and now stands at 9%, we are still not seeing the savings materialise at the rate we forecast. At this point, it is doubtful that the recruitment freeze will deliver all the targeted savings. We will re-assess in early January. An overspend on other pay costs (£0.4m) across the Directorates predominantly on travel & subsistence and people support costs - Directorates need to manage this within budget.
Non Staff	43.4	44.4	0.9	80.3	46%	The current position shows an under spend of £0.9m which is predominantly linked to F&CS and Operations Directorates (£0.3m & £0.5m respectively). The F&CS element is mainly due to ICT budgets with Operations linked to Land Stewardship & Land Management Agreements. All of these areas will be reviewed as part of the current budget reduction target of £2.4m. Whilst the current Business Transformation position is inline to budget, there is considerable pressure on the full year allocation across non staff & capital projects. Discussions are being held weekly with Business Transformation and ICT to reprioritise work within the programme to reduce the overprogramming as we enter into the final quarter of the year.
Revenue Projects	4.9	5.0	0.0	11.9	58%	There are minor variances over numerous projects. The risk in the revenue programme is currently low. Projects are currently required to absorb the impact that the increased level of pay award and overheads.
Capital Projects	34.6	34.3	-0.3	61.8	44%	The current expenditure position is in line with the budgeted plan. We have received the additional WG funding for the Flood (£7m) and Reservoirs Programme (£0.5m) and is reflected in the overall budget of £61.8m. Over programming within the flood programme has reduced to £2.3m, however with the additional overhead costs not factored into this, there will be further strain on the programme. This is being assessed with a view to slow or delay certain schemes to come in line with the full year budget. Stephenson Street and Ammanford are ahead of target and the main contributors to the over-programming. The Business Transformation Programme is currently over-programming by £1.2m, predominantly linked to ICT costs. Discussions are being held between the BT Team and ICT on which work can be paused or delayed, to manage within the overall budget allocation. Similarly in the NaCE programme, which is over-programmed by £2m, decisions are being taken within the programme to slow or delay projects to stay within budget.
<b>TOTAL: NRW</b>	<b>158.9</b>	<b>159.1</b>	<b>0.2</b>	<b>270.2</b>	<b>41%</b>	

## Financial Performance – Expenditure Trends



### EXPENDITURE TRENDS



#### Commentary:

As expected, we continue to see an increase in expenditure this financial year compared to the same point in previous years. Spend at the end of November is £158.9m, which is £27m more than that incurred at the same point last financial year.

The full year forecast for this year is currently £270.2m, which is £23m more than the costs incurred last financial year. Given the current budget pressures there will be slow down in expenditure across the remaining 4 months, in order to remain within budget.

## Financial Performance – Revenue Projects

Revenue Projects	Actual	Approved Forecast	Variance	Approved Forecast	Remaining Budget	Commentary
by Programme	YTD £m	YTD £m	YTD £m	FY £m	FY %	
External Funded	2.8	2.7	-0.1	5.4	49%	Overall revenue projects are on target. With a number of projects funding staff, they are being reviewed by the relevant project/programme lead to assess the ability to absorb the increase in staff costs and overheads, following the decision to increase the recovery of corporate costs.
Internal Funded	1.1	1.2	0.1	2.2	50%	
NaCE	0.4	0.5	0.1	1.4	70%	
Other	0.0	0.0	0.0	0.1	77%	
Business Transformation	0.3	0.2	-0.1	0.9	72%	
Grants	0.4	0.4	0.0	1.8	79%	
<b>TOTAL: NRW</b>	<b>4.9</b>	<b>5.0</b>	<b>0.0</b>	<b>11.9</b>	<b>58%</b>	

## Financial Performance – Capital Projects



Capital Projects	Actual	Approved Forecast	Variance	Approved Forecast	Remaining Budget	Commentary
by Programme	YTD	YTD	YTD	FY	FY	
	£m	£m	£m	£m	%	
Business Transformation	4.3	4.3	0.0	8.4	48%	The current capital over programmed position stands at £1.1m and is predominantly related to the ICT workstream. Discussions are being held between the Business Transformation Team and ICT on which work can be paused, delayed or removed to manage this position within the overall budget allocation.
External Funded	1.8	2.0	0.2	4.7	61%	Whilst the spend to date is close to the profiled budget, there is still 61% of the full year budget remaining to be utilised across the various projects. These will be reviewed in the new year with particular focus on the LIFE and WG Grants sub programmes.
Flood Risk	17.0	15.8	-1.2	24.0	29%	We have now received the additional £7m funding from Welsh Government which is reflected within the overall budget of £24m. Over programming has reduced to £2.3m, however with the additional overhead costs (£0.5m) not factored into this, there will be further strain on the programme. Discussions are being held between the Flood Team and Business Finance to discuss the options around how this is managed down to zero by the end of the financial year. With the majority of the additional funding linked to two key projects, Ammanford & Stephenson Street progressing ahead of schedule, Welsh Government have confirmed that the additional £7m will be deducted from next years' allocation.
Internal Funded	1.7	1.7	0.0	3.1	45%	
NaCE	9.8	10.5	0.7	21.6	55%	We have now received the additional £0.5m reservoir funding from Welsh Government. Over programme has reduced to £2m, which represents 8% above the funding available. Whilst this is reducing considerably each month, and including the additional corporate costs, project expenditure will need to be slowed down across the various sub programmes.
<b>TOTAL: NRW</b>	<b>34.6</b>	<b>34.3</b>	<b>0.3</b>	<b>61.8</b>	<b>44%</b>	

## Contingency and over-programming budgets



Balances (contingencies and programme under/overs)	Previous Month	Current Month	Movement	Comments
	(September)	(November)		
	£m	£m	£m	
<b>In Year Pressure balancing targets</b>				
Staff Reduction Targets	-2.0	-2.6	-0.6	We are confident that we can meet £1.7m of this target. Further re-forecast will be undertaken in January to assess whether the full £2.6m can be achieved.
Non staff reduction targets	0.0	-2.4	-2.4	The budget reduction exercise being undertaken by Directorates is on course to identify savings of this value.
Increased overhead charge distribution	-1.9	-1.6	0.3	Agreement has been given by Welsh government for this additional corporate cost charge, £0.3m have been already actioned and the remainder will be processed during December.
<b>Staff</b>				
Pay Award Provisions	6.9	6.7	-0.2	A 5% pay award is likely to cost £5.5m (excluding project posts), the remaining £1.2m will be allocated to offset the staff reduction target.
Staff Budget Overprogramming	-1.0	-0.9	0.1	This is largely due to posts to be funded from WG grants where we are still awaiting confirmation of the grant offer letters that the funding will be received this year.
Staff Budget Undistributed	0.6	0.6	0.0	Directorates are reviewing if this funding is required for approved posts for this year and if not will be returned to balance pressures.
<b>Programmes - under/over programming</b>				
NaCE	-5.9	-2.0	3.9	Over programme has reduced to £2m, which represents 8% above the funding available. Whilst this is reducing considerably each month, after incorporating the additional corporate cost recharge, decisions will be made to slow down projects.
Flood Risk Capital	-7.9	-2.3	5.6	WG confirmed additional £7m funding has been received and reduced the over programming and ensure we can continue with the construction works at Stephenson Street and Ammanford. Whilst this is a reduction, this is still a challenge to bring the programme in on budget, decisions are being made to slow down and delay projects to ensure that.
Business Transformation	-1.0	-2.1	-1.1	The Business Transformation Overprogramming has increased by £1.1m since September due to an increase in forecasts on the capital projects, all within the ICT workstream. The main two contributors are the Flood Warning System which has increased (£654k) and Metadata (£137k). Discussions are being held weekly with Business Transformation and ICT to reprioritise work within the programme to reduce the overprogramming as we enter into the final quarter of the year.
Water Resources Capital	0.3	0.2	-0.1	The under programming has reduced by £170k, due to the hand back of funds centrally, expectation is that further funds will be returned centrally.
Welsh Government Grants	-0.2	-0.1	0.1	Smaller balances on various grants largely Wales Coastal Path £0.04m.
<b>Other</b>				
Central Overprogramming	-2.1	-0.5	1.6	The central overprogramming has been reduced due to extra retainable income £0.6m and the budget reduction exercise.
Directorate Overprogramming	-0.2	-0.1	0.1	This is largely due to overprogramming within the core facilities programme.



## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	Internal Drainage Districts – Precepts, Rates & Levies 2024/25
<b>Paper Reference:</b>	24-01-B14
<b>Paper sponsored by:</b>	Rachael Cunningham, Executive Director for Finance and Corporate Services
<b>Paper prepared by:</b>	Pepe Sepulveda, Business Accountant
<b>Paper presented by:</b>	Rob Bell, Head of Finance
<b>Purpose of the paper</b>	Approval
<b>Summary</b>	<p>The Board is requested to:</p> <ul style="list-style-type: none"> <li>• approve the Internal Drainage District (IDD) special levies, drainage rates and precepts for 2024/25;</li> <li>• authorise its common seal to be affixed to the Approved Drainage Rates</li> <li>• delegate the Board’s responsibility for approving annual statements for 2023/24 to Rachael Cunningham, Executive Director for Finance and Corporate Services</li> </ul>

## Background

1. The Board are requested to approve the recommendations following the meeting held with the Chair of NRW Flood Risk Management Committee considering the Internal Drainage Districts (IDDs) Special Levies, Drainage Rates and Precepts for 2024/25 on 11 January 2024.
2. The Board has previously agreed to delegate detailed consideration of matters relating to IDDs to the NRW Flood Risk Management Committee.
3. All funding recommendations have been discussed with the various IDD Advisory Group Meetings prior to the meeting of the NRW Flood Risk Management Committee.

## Assessment

4. We will provide a verbal update of the meeting held with the NRW Flood Risk Management Committee which will recommend approval to the Board. The paper considered can be found at Annex 1, which includes full details of the proposals.
5. In summary the proposals are to:
  - Increase Precepts from NRW to the IDD's of £327k
  - The precepts and other costs (mainly maintenance) is then recovered through the funding that we raise for IDD's via Special Levies, which the proposals are £1,417k and Drainage Rates, £205k. The Special Levies and Drainage Rates which are paid by Local Authorities and local agricultural users respectively.
6. This paper is about the rates and levies for the IDD's. There are wider points raised by stakeholders about IDD's, such as the operational activity that the funding allows, and how the IDD's sit in the context of climate change and the need for adaptation, and how a review may be appropriate. These points are acknowledged but are beyond the scope of this paper.
7. We will be reviewing our approach to IDD's before next financial year, aligned to our Corporate Plan and Business Plan and budget for next year. We will engage with key stakeholders such as Welsh Government.

## Risks, Risk Appetite and opportunities

8. If the Precepts, Drainage Rates and Special Levies are not approved then we will not meet the statutory deadlines and the programme of works will not be authorised.

## Wider implications

- (a) **Finance:** The paper is about the financial position of the IDD's. There will be minor advertising costs involved in communicating the drainage rates agreed in the local area.
- (b) **Equality:** Equality Impact assessment is not required.

## Next Steps

9. Timelines:
  - Executive Team consideration 19 December 2023
  - FRMC Board approval 11 January 2024
  - Formal approval by Board 2 February 2024
  - Drainage rates published on NRW internet - within 10-day of Board approval (by 11 February 2024)

- Sealed schedules of Special Levies posted to Local Authorities by 14 February 2024

## Recommendation

10. The Board is requested to:

- Approve the IDD Special Levies, Drainage Rates and Precepts for 2024/25
- Authorise its common seal to be affixed to the Approved Drainage Rates
- Delegate the Board's responsibility for approving annual statements for 2023/24 to Rachael Cunningham, Executive Director for Finance and Corporate Services

## Index of Annexes

Annex 1 – NRW Flood Risk Management Committee (FRMC) Paper on funding proposals for 2024/25 (Annexes to the FRMC paper available on Diligent or on request)

## Flood Risk Management Committee Paper

<b>Date of meeting:</b>	11 January 2024
<b>Title of Paper:</b>	Internal Drainage Districts – Precepts, Rates & Levies 2024/25
<b>Paper Reference:</b>	24-01-FRMC-06
<b>Paper sponsored by:</b>	Rachael Cunningham, Executive Director for Finance & Corporate Services
<b>Paper prepared by:</b>	Pepe Sepulveda, Business Accountant
<b>Paper presented by:</b>	Catherine Allan, Business Finance Manager
<b>Purpose of the paper</b>	Endorsement
<b>Summary</b>	<p>The NRW Flood Risk Management Committee is requested to:</p> <ul style="list-style-type: none"><li>• endorse the proposed Precepts, Drainage Rates and Special Levies for 2024/25 for Internal Drainage Districts (IDDs);</li><li>• the proposals will then be submitted to the February Board meeting for endorsement.</li></ul>

## Background

1. The Board has delegated consideration of the IDD's Precepts, Drainage Rates and Special Levies to this Committee.
2. To seek NRW Flood Risk Management Committee's agreement to raise:
  - a. Precepts on IDD's which are administered by Natural Resources Wales (£327k);
  - b. Special Levies (£1,417k) and the Drainage Rates (£205k) for IDD's which are administered by NRW.
3. We administer the activities of thirteen IDD's in Wales (please see annex 1 for location of IDD's). Part of that role is to set our **precept** on the IDD's and to agree the **special levies** and **drainage rates** required to fund the work of the IDD's.

4. We have two non-executive Advisory Groups for Powysland and Gwent IDD. The Gwent IDD comprises of Lower Wye and Caldicot & Wentlooge who have their own precept, special levies and drainage rates.
5. We have a further five non-executive Advisory Groups for the eleven Districts located in North West Wales.
6. The purpose of the IDD Advisory Groups is to engage with stakeholders and customers providing representative and independent advice to help inform NRW's executive decision making. Also, part of the purpose of the seven Advisory Groups is to recommend **Drainage Rates** and **Special Levies** for the NRW Board to consider and approve.
7. A **precept**, as outlined in Section 141 of the Water Resources Act 1991, enables NRW to seek a contribution from IDD for works essential to the Main River within, adjacent or flowing from or into an IDD. In principle, the money is raised by NRW from the IDD for the benefit of the respective District or Districts served.
8. All land and properties within a Drainage District are deemed to derive benefit from the activities of an IDD and therefore to contribute to its running costs. Local Authorities are charged a **Special Levy** by the Board in proportion to the annual value of non-agricultural land. **Drainage Rates** are paid by landowners, farmers and tenants in proportion to the annual value of agricultural land.
9. Legislation defines that the Drainage Rates and Special Levies need to be set and published by the 15 February each year.
10. **To note:** a full review of the costing methodology for IDDs will be undertaken in readiness for 2025-26 budget. The aim will be to resolve any historic inconsistencies and ensure **full** cost recovery
11. This paper is about the rates and levies for the IDDs. There are wider points raised by stakeholders about IDDs, such as the operational activity that the funding allows, and how the IDDs sit in the context of climate change and the need for adaptation, and how a review may be appropriate. These points are acknowledged but are beyond the scope of this paper.
12. We will be reviewing our approach to IDDs before next financial year, aligned to our corporate plan and business plan and budget for next year. We will engage with key stakeholders such as Welsh Government. Use this part to expand, where relevant, on the approval/consultation part of the introduction. Indicate whether and when this paper was presented previously or elsewhere, and any recommendations or decisions arising. What concerns, alternatives, or other considerations have arisen from your recommendation?

## Precept Proposal

13. Table 1 below details the proposed Precepts for 2024/25

**Precept Proposals - Table 1**

<b>Dosbarth Draenio Mewnol / Internal Drainage District</b>	<b>Cynnig Praesept / Precept proposal 2023/24 £</b>	<b>Cynnig Praesept / Precept proposal 2024/25 £</b>
Gwy Isaf / Lower Wye	3,604	3,712
Cil y Coed a Gwynllwg / Caldicot & Wentlooge	200,000	206,000
Powysland	10,320	10,630
Afon Ganol	9,402	9,684
Cors Ardudwy / Ardudwy marsh	5,707	5,878
Cors Borth / Borth Bog	7,376	7,597
Afon Conwy	16,104	16,587
Dysynni	14,960	15,409
Glaslyn a Phensyflog / Glaslyn & Pensyflog	11,601	11,949
Harlech a Maentwrog	7,872	8,108
Llanfrothen	3,740	3,852
Cors Malltraeth / Malltraeth Marsh	8,267	8,515
Mawddach ac Wnion / Mawddach & Wnion	14,556	14,993
Tywyn	4,413	4,545
<b>Cyfanswm / Total</b>	<b>317,922</b>	<b>327,460</b>

14. The levels of the precepts in the IDD's have increased by 3% for 2024/25. Precept recharge calculations will be revisited in 2025/26 as part of the new RBRAM (Risk Based Revenue Allocation Model) costing model.

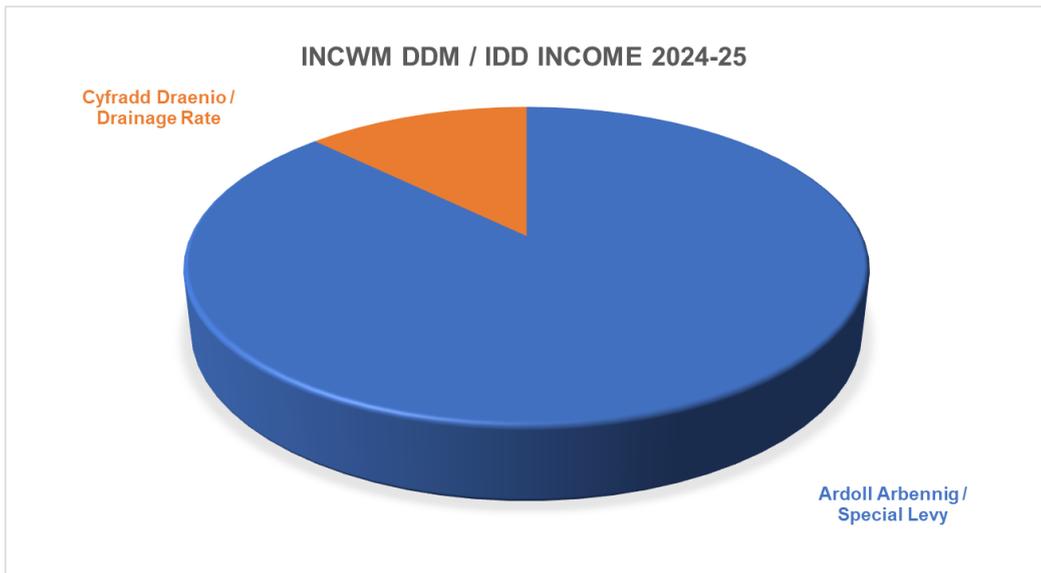
15. We are proposing that the precepts for the thirteen IDD's for 2024/25 increase by 3% from 2023/24 levels in line with projected inflation.

## Special Levies and Drainage Rates Proposals

16. Table 2 below provides details of the Special Levies (£1,417k) and the Drainage Rates (£205k) being proposed for 2024/25. The table in annex 2 provides a comparison to the previous financial year.

**Special Levies and Drainage Rate Proposals 2024/25 – Table 2**

Dosbarth Draenio Mewnol / Internal Drainage District	Ardoll Arbennig / Special Levy 2024/25 (£)	Cyfradd Draenio / Drainage Rate 2024/25 (£)
Gwy Isaf / Lower Wye	17,071	1,445
Cil y Coed a Gwynllwg / Caldicot & Wentlooge	1,161,337	34,637
Powysland	53,366	62,486
Afon Ganol	17,991	707
Cors Ardudwy / Ardudwy Marsh	16,667	3,111
Cors Borth / Borth Bog	12,037	19,892
Afon Conwy	26,574	8,787
Dysynni	21,595	15,238
Glaslyn a Phensyflog / Glaslyn & Pensyflog	27,232	2,286
Harlech a Maentwrog	25,716	3,584
Llanfrothen	4,487	18,957
Cors Malltraeth / Malltraeth Marsh	4,281	28,933
Mawddach ac Wnion / Mawddach & Wnion	25,868	1,449
Tywyn	3,146	3,735
<b>Cyfanswm / Total</b>	<b>1,417,368</b>	<b>205,248</b>

**Special Levies and Drainage Rate Proposals 2024/25 – Table 2 (Graphic)**

17. Given the current economic climate, increases in costs are as expected. Inflationary pressures and a significant increase to the price per metre of work (new framework) have meant the overall cost to maintain IDD has increased significantly for the same work carried out. Options have been considered as to a). reduce the amount of work carried out and b). retain current maintenance programmes with current rates. These options have been considered in combination with the amounts available to each IDD

in reserves, in addition to a five-year projected forecast for each IDD (including the current financial year), from which the proposed increase/retention of the drainage rates for 2024/25 have been reached.

18. The Special Levies and Drainage Rates recommended have increased slightly in the North IDD's compared to 2023/24 (averaging ~4%). Special Levies have increased by £5.9k and Drainage rates have increased by £4.2k. This is due to increased maintenance costs, particularly at some of the North IDD's (Afon Ganol, Borth, Tywyn). Informal discussions with the North IDD advisory groups will be held in early 2024.
19. The Powysland rates will need to increase significantly. Special Levies need to increase by £7.2k and Drainage rates by £8.3k, or more broadly a 15.5% increase. This is as a result of having to absorb significant in-year expenditure i.e., £35k+ on maintenance charges, £25k on a new pump, a 5% pay award assumption and non-consolidated payment which has led to depleting brought forward reserves. On top of this we have factored in what is essentially doubling the cost of the existing maintenance programme to £2.50/metre to undertake the same work.
20. To mitigate the impact to ratepayers whilst still operating within an acceptable level of deficit on our accounts the split has been made between this financial year and future years, as well as utilising the existing reserve balance available. The scheduled maintenance programme will be reduced for next financial year, before increasing year-on-year, factoring in additional maintenance required in later years to compensate. To reflect the likely, increase in maintenance contract costs, the Powysland Advisory Group have met on 05/12/2023.
21. The Gwent IDD Advisory group will also be meeting in December / January. There will be no change to the Lower Wye rates, though Caldicot & Wentlooge's drainage rate will increase by 4%. This incorporates inflationary pressures and an increase to next year's corporate overhead costs. Special Levies for Caldicot & Wentlooge will increase by £44.7k and Drainage rates by £1.3k in 2024/25.
22. Local Authorities must also contribute via Special Levies. They will be contacted by officers to advise them of our proposals and the impact on their respective Local Authority. The Team Leader, Integrated Engineering North West will be contacting the Farmers Union of Wales (FUW) and the National Farmers Union (NFU) to outline our maintenance work plans, as well as informing them of the proposed increased Drainage Rates for the 11 IDD's in North West Wales.
23. At previous Advisory Group meetings, we informed members that NRW is complying with the accounting standard IFRS 15 (Revenue from Contracts with Customers), which was implemented from 1 April 2018.
24. We agreed with Audit Wales that IDD's can have an individual **accidental** maximum balance (surplus or deficit) of under 5% of the scheme's annual income or under £50k, whichever the greater at the end of a financial year which it can carry forward for use in the next financial year or taking into account when next setting levies and rates. There

will be an exception where funds need to be built up for a significant expense or programme / project.

25. The Caldicot & Wentlooge and Lower Wye sub-districts of the Gwent IDD are the only IDDs with a material balance, and in line with our IFRS15 policy and agreement with Audit Wales, this balance is projected to be fully utilised by 31st March 2026 and has been factored into the next setting of levies and rates.
26. Caldicot are currently carrying out an appraisal of their 5-year capital plan. This will ensure that any expenditure on maintenance and plant purchases are prioritised and phased across the period.
27. Powysland IDD are projected to deplete their existing reserve this financial year through increased maintenance rates set by this year's mini competition, in addition to purchasing a replacement pump at Sychpwl pump station. A review is to be undertaken to confirm future capital investment and maintenance programmes to enable sufficient reserves to cover any significant purchases.
28. The Ardudwy, Harlech and Glaslyn Pencyflog IDDs are currently carrying large balances which are within the limit of IFRS 15, but still need to be addressed.
29. Drainage rates are calculated on the chargeable value of agricultural land and therefore any changes in the use of the land will be reflected in the rates. This has been factored in to current and future rate setting.

## Risks, Risk Appetite and opportunities

30. If the Precepts, Drainage Rates and Special Levies are not approved then we will not meet the statutory deadlines and the programme of works will not be authorised.

## Wider implications

- (a) **Finance:** Approval of the proposals in this paper will allow the collection of income, which is used to fund direct works.
- (b) **Equality:** An Initial Screening has been completed, which indicated that a full Equality Impact Assessment is not required for the proposals in this paper.

## Next Steps

31. Timelines.

- Executive Team consideration 19 December 2023.
- FRMC Board approval 15 January 2024.
- Formally approved by Board 1-2 February 2024.

- Drainage rates published on NRW internet - within 10-day of Board approval (by 11 February 2024).
- Sealed schedules of Special Levies posted to Local Authorities by 14 February 2024.

## Recommendation

32. The NRW Flood Risk Management Committee is requested to:

- agree the proposed Precepts, Drainage Rates and Special Levies for 2024/25.
- The proposal will also be submitted to the Board for approval.

## Index of Annexes

Provide any supporting information:

Annex 1 – Map of IDD's

Annex 2 – Drainage rate and Special Levy income by IDD

Annex 3 – Corporate Overheads and Administration Charges

## Approval / Consultation process

<p><b>Approval/consultation process</b></p> <p><b>Responsible:</b> Who has developed the paper/process and who has had input?</p>	<p>Pepe Sepulveda, Business Accountant</p>
<p><b>Accountable:</b> Who is accountable for the ultimate approval? Who will be or is being asked to approve?</p>	<p>NRW Board</p>
<p><b>Consulted:</b> Who has been consulted to date? Where endorsement is required, is this in place? Will further consultation be required?</p>	<p>Flood Risk Management Committee</p>

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**Informed:** Who has been informed or who needs to be further information about the work?

Rachael Cunningham, Executive Director for Finance & Corporate Services

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## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	NRW's Adaptation Plan
<b>Paper Reference:</b>	24-01-B15
<b>Paper sponsored by:</b>	Ceri Davies, Executive Director of Evidence, Policy and Permitting; Sarah Jennings, Executive Director of Communications, Customer and Commercial
<b>Paper prepared by:</b>	Clive Walmsley, Senior Specialist Advisor – Climate Change and Decarbonisation
<b>Paper presented by:</b>	Lucia Watts, Specialist Advisor– Climate Risk and Adaptation
<b>Purpose of the paper</b>	Approval
<b>Summary</b>	Our organisational Adaptation Plan that sets out our priorities for the next five years requires approval. Board are requested to note the approach to identifying climate risks and priority adaptation actions across NRW, along with using the Corporate Plan steps to take and Business Groups to identify clear ownership and responsibility, to ensure delivery of the actions. By planning how to adapt to current and future impacts, NRW will improve organisational resilience and be better placed to deliver on its remit in the future.

## Background

1. The UK climate has already warmed by more than 1°C since 1850 and will continue to do so for decades, even if global mitigation measures are successful, and warming is limited to around 1.5-2°C. The impacts of current and future climate change will affect the whole of NRW and its remit. Adapting to climate change through both reducing the risk of climate change impacts to the organisation and increasing the capacity of the organisation to adapt is essential if NRW is to continue to fulfil its functions.
2. Since the publication of Wales' first National Adaptation Plan (NAP) *Prosperity for All: A Climate Conscious Wales* by Welsh Government in 2019, NRW has been involved in

delivering many of the actions. NRW is identified in the Plan as a 'stakeholder' for 26 of the 32 actions (81%) and as a 'delivery partner' for 14 of 32 actions (44%). These statistics illustrate the importance of NRW's role in its delivery. In 2023, the UK Climate Change Committee reviewed Welsh adaptation activity and the delivery of the current Welsh NAP. This review concluded that there is insufficient progress in adaptation action and that monitoring is limited, but there are some positive examples of good plans in place, although this is not consistent across sectors.

3. Under the powers of the Climate Change Act (2008), English public sector bodies have been required to produce three iterations of Adaptation Reporting Power reports over the last decade to identify the climate risks to the organisation and the adaptation responses to address them. However, Welsh Government has chosen not to require Welsh public bodies to do similarly. Despite no application of this statutory duty in Wales, there are an increasing number of Welsh public bodies producing adaptation plans, such as local authorities. The publication of the ISO14090 guidance standard for organisational adaptation in 2019, along with the recognition of the significance of impacts of climate change has provided significant impetus for many organisations, both public and private, to develop plans, including NRW.
4. This Plan is focussed on how climate change impacts, such as heat, flooding and drought, will affect the whole organisation and the way that it operates. The Plan covers all areas of the business, considering the risks at a national scale. It does not consider climate risks at the Place scale that are particularly relevant to our Operations Directorate and Area Statements. However, we are developing guidance to help Public Service Boards (PSBs) to develop Local Climate Risk Assessments that when complete, will enable evaluation of climate risk in a Place context. The Plan does not focus on NRW's wider advocacy and influencing role with other stakeholders, which should be addressed through the NAP. It is essential that we adapt our own activities to the impacts and risks of climate change if we are to be in a reputable position to advocate, advise and regulate others to do the same.
5. The Adaptation Plan summarises actions that NRW is taking today, as well as those planned or needed in the future. It builds upon an extensive analysis of climate risks to the organisation that was published in our Baseline Climate Risk Report produced in spring 2023. It brings together quantitative data on climate impacts and risk, e.g., climatic changes from the UK Climate Projections (UKCP18) and the range of climate risks from the 3<sup>rd</sup> UK Climate Change Risk Assessment (CCRA3), together with qualitative data on our adaptation actions identified through consultation with thematic experts within NRW, to give a detailed assessment of NRW's adaptation priorities. Over 50 actions were compiled from consultation across all Business Groups and Directorates. They were prioritised according to a set of criteria and classified under 32 organisational adaptation priorities that are linked to the Corporate Plan Wellbeing Objectives (WBOs) and the steps to take to deliver them.
6. The main finding of the Plan is that all parts of NRW, it's Business Groups and Directorates, are or will be affected by climate change. Just as it is the case for Wales as a whole, the development of this Plan has identified good examples of adaptation

action across NRW although not in all areas of our work. But these actions are often individual and reactive rather than strategic proactive initiatives.

7. Across NRW the top five adaptation priority themes that need to be prioritised over the next one to two years were identified as:
  - Building climate resilience into planning, communities and regulated facilities.
  - Ensuring the right development in the right place to avoid harm to nature.
  - Building resilience of sites on land in our care.
  - Enhancing the resilience of communities.
  - Reducing risks at, and improving condition of, protected sites.

Alongside these organisational risks, the top 3-5 adaptation actions for each Business Group have been identified to provide a focus to action, with these actions being agreed in cooperation with the leads of the Business Groups.

8. The consultations that have been carried out during the process to develop this Plan highlighted several perceived barriers to climate change adaptation. The main barriers to successful adaptation in NRW cited were a lack of funding, resources and capacity. However, other issues identified were availability of evidence, governance or appropriate skills. It is vitally important that these barriers are addressed at an organisation-wide scale to ensure that adaptation actions can be scaled up and delivered effectively. Further work is required to investigate these barriers and increase the adaptive capacity of staff and the organisation.
9. This is NRW's first climate change Adaptation Plan. Its development has been led by the Climate Change and Decarbonisation team but with consultation and input from all Business Groups and a wide range of thematic experts across the organisation. Ultimately, the Plan is owned by NRW and must be delivered by many across the organisation. Clear governance to drive action and monitor progress will be essential through the Business Groups and Directorates to deliver most of the actions detailed within the Plan. It is important to recognise that as a first iteration, the Plan will not be totally comprehensive even though extensive consultation has been carried out.
10. Following publication of this Plan, NRW will develop a monitoring and evaluation process as the adaptation cycle continues over the coming years. The Plan will be very much a live document that advises and informs our annual Business and Service planning, Business Continuity plans and risk management activities. A light touch review of the Plan will follow the publication of the upcoming second Welsh NAP in late 2024. In order to be consistent with the timeframe for revision of the Welsh NAP and the UK CCRA, we propose to fully revise this Plan on a five-yearly basis, to address changes in either the types and significance of climate risks or the nature and priority of the adaptation actions.
11. The draft Adaptation Plan has been recently reviewed and endorsed by the Climate Emergency Group (October 2023) and Executive Team (ET) (November 2023). An internal audit of our adaptation planning activity will be undertaken in early 2024, and the recommendations of that audit will be considered in the future development of our adaptation planning. Our organisational action to decarbonise NRW while not

addressed here will be presented as our Net Zero Plan at the WBO2 Board meeting in September.

## Risks, Risk Appetite and opportunities

12. Clearly the climate risks addressed in this Plan are part of our corporate risk landscape. It is essential for NRW to manage these risks to improve organisational resilience so that we are better placed to deliver our remit. However, it is important to recognise that these risks cannot be expunged and are likely to increase in the future. The need for a strategic approach to adaptation as set out in this Plan has been included within NRW's Strategic Risk Register (SR05) and individual risks are included in some Service Plan risk registers. In revising the corporate risk register approach consideration of climate risk is crucial.

## Wider implications

- (a) **Well-being Objectives:** This Adaptation Plan is fundamental to NRW's attainment of the outcomes of WBO2, but also through multiple benefits of certain actions, e.g., the biodiversity benefit of making protected sites more resilient to climate impacts and recognising and managing coastal landfill sites that are at risk from erosion and sea-level rise of releasing waste into the marine environment, will also contribute to delivery of WBOs 1 and 3.
- (b) **Finance:** This Plan sets out the breadth of the climate risks to NRW and identifies the adaptation priorities to address them. But it does not define the detailed adaptation activity and its costs. Individual business cases and costing will be required for some of the priority adaptation actions while others will not have a significant cost, rather a change in use of existing finance and resources.
- (c) **Resource implications:** This Plan will require a change to ways of working, in considering climate risk and adaptation in many work areas across the organisation; and additional resources or for resources to be used in a different way, for example in delivering vulnerability assessments to improve understanding of adaptation need, to build adaptive capacity through training or adaptation actions to enhance resilience. The development of this Plan has already initiated further conversations around specific priority actions and their resource implications. Given the potential long-term implications of this Plan both in terms of the costs of the impacts of climate change and the adaptation actions to manage them, the delivery of this Plan will require further consideration by the Climate Emergency Group and the Planning and Resources Group.
- (d) Equality: N/a
- (e) Data Protection: N/a

## Next Steps

13. Subject to approval by the Board, the Adaptation Plan will be published in full as an NRW Evidence Report with a shortened summary version produced for dissemination externally.
14. The Plan will be communicated across NRW through the intranet, meetings and webinars by the Climate Change and Decarbonisation and Communications teams to get wider recognition of the need for consideration of climate risks and adaptation action.
15. A Delivery Plan with agreed actions, owners and timeframes will be produced by the Climate Change and Decarbonisation team in consultation with the Business Groups and relevant teams and individuals to ensure clear ownership and responsibility for actions.
16. The Delivery Plan with agreed actions, owners and timeframes will be managed by the Climate Change and Decarbonisation team, with the Business Groups providing governance for delivery of the adaptation actions and the Climate Emergency Group providing organisational-wide oversight.
17. The Climate Change & Decarbonisation team will consider further the barriers to adaptation action that were identified through the consultation and what actions are required to overcome them during the implementation phase of the Plan.

## Recommendation

18. We recommend endorsement of the actions set out in the Adaptation Plan to steer our future management of climate risks that threaten organisational delivery. These actions will be subject to periodic review, with progress being monitored through a Delivery Plan, setting out the agreed actions, owners, and timeframes, with the Business Groups providing governance for delivery of the adaptation actions and the Climate Emergency Group providing organisational-wide oversight.

## Index of Annexes

Annex 1 – NRW’s Adaptation Plan, excluding Appendices

## Approval / Consultation process

<p><b>Responsible: Who has developed the paper/process and who has had input?</b></p>	<p>The Plan has been produced by the Climate Change and Decarbonisation team and the Senior Specialist Advisor with input from the Climate Emergency Group (CEG), each of the Business Groups and a wide range of staff consulted as part of the development of the Plan.</p>
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<p><b>Accountable: Who is accountable for the ultimate approval? Who will be or is being asked to approve?</b></p>	<p>The draft Plan has been endorsed by the CEG and ET with approval being sought via the Board given the Plan’s organisation-wide impact.</p>
<p><b>Consulted: Who has been consulted to date? Where endorsement is required, is this in place? Will further consultation be required?</b></p>	<p>We have consulted and sought input from Business Groups, senior managers and thematic experts. As stated under next steps, we intend to communicate the Plan to all staff after approval. In addition, further consultation and joint working will be required with those teams who will have key roles in delivering the actions.</p>
<p><b>Informed: Who has been informed or who needs to be further information about the work?</b></p>	<p>The Plan will be communicated to all staff and will also be shared externally with other Welsh public sector organisations. We anticipate this Plan will provide a useful approach and framework for other public sector bodies.</p>

# NRW Adaptation Plan 2023-2027

## Report No:

Author Name: Harry James, Clive Walmsley, Sadie Waterhouse, Lucia Watts

Author Affiliation: NRW

## About Natural Resources Wales

Natural Resources Wales' purpose is to pursue sustainable management of natural resources. This means looking after air, land, water, wildlife, plants and soil to improve Wales' well-being, and provide a better future for everyone.

## Evidence at Natural Resources Wales

Natural Resources Wales is an evidence-based organisation. We seek to ensure that our strategy, decisions, operations and advice to Welsh Government and others are underpinned by sound and quality-assured evidence. We recognise that it is critically important to have a good understanding of our changing environment.

We will realise this vision by:

- Maintaining and developing the technical specialist skills of our staff;
- Securing our data and information;
- Having a well resourced proactive programme of evidence work;
- Continuing to review and add to our evidence to ensure it is fit for the challenges facing us; and
- Communicating our evidence in an open and transparent way.

This Evidence Report series serves as a record of work carried out or commissioned by Natural Resources Wales. It also helps us to share and promote use of our evidence by others and develop future collaborations. However, the views and recommendations presented in this report are not necessarily those of NRW and should, therefore, not be attributed to NRW.

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## Contents

About Natural Resources Wales.....	1
Evidence at Natural Resources Wales.....	1
Distribution List (core).....	2
Distribution List (others).....	2
Recommended citation for this volume:.....	2
Contents .....	2

List of Figures .....	3
List of Tables .....	4
Crynodeb Gweithredol .....	6
Executive Summary .....	6
Introduction .....	8
What is adaptation?.....	8
Remit of the Adaptation Plan.....	9
NRW Responsibility for Adaptation Planning.....	10
How To Understand This Document .....	11
Climate Trends – Setting the Context.....	13
Current and Future Climate Change.....	13
How will Climate Change Impact NRW?.....	16
Climate Risk Baseline Assessment .....	21
Headline findings.....	22
Adaptation Plan Consultation.....	23
Adaptation Action Prioritisation .....	24
Prioritisation Methodology .....	25
Priority adaptation actions - prioritisation results .....	28
Barriers to Adaptation action .....	41
Monitoring, Evaluation and Reporting .....	44
Climate Risk Baseline Assessment .....	44
Adaptation Plan .....	44
Conclusions .....	47
References .....	48
Adaptation Actions listed by Wellbeing Objective.....	<b>Error! Bookmark not defined.</b>
Overview of the structure of the adaptation actions list ....	<b>Error! Bookmark not defined.</b>
1. Well-being Objective 1: Nature is Recovering .....	<b>Error! Bookmark not defined.</b>
2. Well-being Objective 2: Communities are Resilient to Climate Change.....	<b>Error! Bookmark not defined.</b>
3. Well-being Objective 3: Pollution is Minimised .....	<b>Error! Bookmark not defined.</b>
Business Group and Directorate Adaptation Priorities .....	<b>Error! Bookmark not defined.</b>
Appendix 2: Glossary .....	<b>Error! Bookmark not defined.</b>

## List of Figures

Figure 1: Climate change risks for Wales in CCRA3. ....	12
Figure 2: Temperature change in Wales since the start of the industrial revolution. Image from #ShowYourStripes Date accessed: 29/08/2023. ....	14

Figure 3 Selection of expected climate change impacts for Wales. Data used are from UKCP18, in particular projections for 2050 use the combined low to mid emissions scenarios (RCP 2.6, 4.5 and 6) whilst those for 2080 use RCP 8.5. ....	17
Figure 4 Selection of current and planned adaptation actions from different sectors in NRW. ....	20
Figure 5: Equations used to calculate climate risk for each Service Plan activity showing the components of the Priority and Urgency score calculations. For a full explanation of the metrics behind these calculations please see the Baseline Climate Risk Report. ....	22
Figure 6– The distribution of CCRA3 risks and opportunities across NRW’s Business Groups and Directorates. Risks shown here (#35) include only those applicable to 3 or more BGs. For the full table of risks please see the Baseline Climate Risk Report. ....	23
Figure 7: An overview of the structure of the adaptation actions and how they integrate into the Corporate Plan and it’s delivery. ....	24
Figure 8: Word cloud of potential barriers to climate change adaptation highlighted in the adaptation plan consultation. ....	41
Figure 9: Adaptation barrier categories recognising lack of a particular resource. The numbers refer to the number of Business Groups or Directorates that mentioned a specific barrier in the consultation.....	42
Figure 10: A) The NRW Adaptation Planning cycle highlighting the process, B) The key policy and evidence reports timeline leading to the second Adaptation Plan in 2027. ....	45
Figure 11: An overview of the structure of the adaptation actions and how they intergrate into the Corporate Plan and it’s delivery. ....	<b>Error! Bookmark not defined.</b>

## List of Tables

Table 1: Expected climate change trends and impacts from the UKCP18’s highest scenario (RCP8.5) for the UK and Wales.

Table 2: Number of activities/actions from NRW service plans with climate risk relevance.

Table 3: Thresholds used for adaptation priority themes.

Table 4: Organisational adaptation priorities. BG’s highlighted in bold are those identified from their consultation feedback as responsible, whereas those in italics are deemed to be responsible but did not mention relevant adaptation actions in the consultation. C = Commercial, FCS = Finance and Corporate Services, FRM = Flood Risk Management, IM = Incident Management, LS = Land Stewardship, M = Marine, NRM-BREG = Natural Resources Management: Biodiversity and Resilient Ecosystems Group, NRM-NRW = Natural Resources Management: Natural Resources and Wellbeing, NRM-SLW = Natural Resources Management: Sustainable Land and Water, R = Regulatory.

Table 5: Strategic business areas and climate change risks and actions

Table 3: Adaptation priorities for Commercial Directorate

Table 7: Adaptation priorities for Flood Risk Management Business Group

Table 8: Adaptation priorities for Incident Management Business Group

Table 9: Adaptation priorities for Land Stewardship Business Group

Table 10: Adaptation priorities for Natural Resources Management Business Group Biodiveristy and Resilient Ecology Group sub-group

Table 11: Adaptation priorities for Natural Resources Management Business Group Marine sub-group

Table 12: Adaptation priorities for Natural Resources Management Business Group Natural Resources and Well-Being Integration sub-group

Table 13: Adaptation priorities for Natural Resources Management Business Group Planning, Landscape and Energy sub-group

Table 14: Adaptation priorities for Natural Resources Management Business Group Sustainable Land and Water sub-group

Table 15: Adaptation priorities for Regulatory Business Group

# Crynodeb Gweithredol

Tbc following approval

## Executive Summary

This first organisation-wide Adaptation Plan sets out how Natural Resources Wales can manage climate risks to continue delivery of its remit. It sets out key actions to increase the resilience of the organisation to present and future climate change impacts. Even if Net Zero ambitions are achieved, both in Wales and globally, many effects of climate change are 'locked in' due to the nature of the Earth system. Taking early action as well as building adaptive capacity in the organisation is imperative.

The Adaptation Plan highlights actions that NRW is taking today, as well as those planned or needed in the future. It builds upon an extensive analysis of climate risks to the organisation that was published in our Baseline Climate Risk Report produced in spring 2023. It brings together quantitative data on climate impacts and risk, e.g. climatic changes from the UK Climate Projections (UKCP18) and the range of climate risks from the 3<sup>rd</sup> UK Climate Change Risk Assessment (CCRA3), together with qualitative data on our adaptation actions through consultation with experts within NRW, to give a detailed assessment of NRW's adaptation priorities. Over 50 actions were compiled from consultation across all of the Business Groups and Directorates. They were prioritised according to a set of criteria and classified under 32 organisational adaptation priorities that are linked to the Corporate Plan's Wellbeing Objectives and steps to take to deliver them.

The main message of the Plan is that all areas of NRW, its Business Groups and Directorates, are or will be affected by climate change. Just as it is the case for Wales as a whole, the development of this Plan has identified good examples of adaptation action across NRW although not in all areas of our work. However, these actions are often individual and reactive rather than strategic proactive initiatives.

Across NRW the top five adaptation priority themes that need to be prioritised over the next 1-2 years were identified as:

- Building climate resilience into planning, communities and regulated facilities.
- Ensuring the right development in the right place to avoid harm to nature.
- Building resilience of sites on land in our care.
- Enhancing the resilience of communities.
- Reducing risks at, and improving condition of, protected sites.

Alongside these organisational priorities, the top three adaptation actions per Business Group have been identified to provide a focus to action.

The internal consultations that have been carried out during the process to develop this Plan highlighted several perceived barriers to climate change adaptation. The main barriers to successful adaptation cited were a lack of funding, resources and capacity. However, other issues identified were availability of evidence, governance or appropriate skills. It is vitally important that these barriers are addressed at an organisation-wide scale to ensure that adaptation actions can be scaled up and delivered effectively. Further work is required to investigate these barriers and increase the adaptive capacity of staff and the organisation.

The development of this Plan has been led by the Climate Change and Decarbonisation team but with consultation and input from all Business Groups and a wide range of thematic experts across the organisation. Ultimately, the plan is owned by NRW and must be delivered by many across the organisation. Clear governance to drive action and monitor progress will be essential through the Business Groups with organisation-wide oversight provided by the internal Climate Emergency Group. It will be for Business Groups and Directorates to deliver most of the actions detailed within the plan. It is important to recognise that as a first iteration, the Plan will not be totally comprehensive even though extensive consultation has been carried out.

Following publication of this Plan, NRW will develop a monitoring and evaluation process as the adaptation cycle continues over the coming years. The Plan will be very much a live document that advises and informs our annual Business and Service planning, Business Continuity plans and risk management activities. A light touch review of the Plan will follow the publication of the upcoming second Welsh NAP in late 2024. We propose to fully revise this Plan on a five-yearly basis in line with the timeframe for revision of the Welsh NAP and the UK CCRA, to address changes in either the types and significance of climate risks or the nature and priority of the adaptation actions.

## Introduction

The UK climate has already warmed by more than 1°C since 1850 and will continue to do so for decades, even if global mitigation measures are successful, and warming is limited to around 1.5°C. The impacts of current and future climate change will affect the whole of NRW and its remit. Adapting to climate change through reducing the risk of climate change impacts to the organisation and increasing the resilience and capacity of the organisation to adapt is essential if NRW is to continue to fulfil its functions. Integrating adaptation across the organisation will be challenging due to the scale of changes required and will require difficult decisions to be made. However, NRW is already carrying out climate change adaptation measures and this experience and knowledge will be important when looking at mainstreaming climate change adaptation across the organisation.

The purpose of this adaptation plan is to drive climate change adaptation action and provide direction and guidance for the whole organisation to mainstream action to reduce the impacts of climate change to NRW. Delivery of the Plan and its outcomes will be the responsibility of the whole organisation.

The objectives of this plan are:

- To provide an organisational wide assessment of the climate risks and adaptation actions that should be NRW's priority, that will enable adaptation actions to be prioritised;
- To embed consideration of climate risk and adaptation to climate change into every Business Group and Service Plan within the organisation;
- To assist delivery of NRW's Corporate Plan Wellbeing Objectives in an integrated way through recognising that all wellbeing objectives require consideration of adaptation;
- And ultimately, climate change risks to NRW's remit are managed and reduced to an acceptable level.

Climate change adaptation is not something that is new within NRW. In developing this plan, evidence of recent and on-going adaptation action has been identified, demonstrating an existing broad base of knowledge and action across some parts of the organisation. However, it is very clear that without a strategic approach to embed consideration of climate risk and the need for adaptation action across all of NRW, there will be a growing risk that impacts will seriously undermine NRW's delivery. This plan seeks to steer all areas of the organisation on their climate change adaptation journey.

## What is adaptation?

Climate change adaptation can be defined as:

*'the process of adjustment to actual or expected climate and its effects'*

(ISO 14090: 2019)

It is further described by the UNFCCC as:

*‘adjustments in ecological, social or economic systems in response to actual or expected climatic stimuli and their effects. [Adaptation] refers to changes in processes, practices and structures to moderate potential damages or to benefit from opportunities associated with climate change’*

(UNFCCC 2023)

Put simply, climate change adaptation involves changing the way we work, live and manage the environment to reduce the impact of climate change. Successful climate change adaptation helps to reduce the risk of climate change impacts to individuals, businesses, communities and the wider environment by increasing their resilience.

Adaptation is not climate change mitigation. The two are separate although intrinsically linked. Mitigation is the process of reducing greenhouse gas emissions and maintaining and enhancing carbon stores to limit GHG concentrations in the atmosphere and thereby reduce the future rate of climate change. Adaptation is the process of adjusting to current and future climate change to reduce the impact. NRW’s plans to reduce our own emissions are set out in our Net Zero Plan.

## Remit of the Adaptation Plan

This plan is wholly focussed on how climate change impacts, such as heat, flooding and drought, will affect the whole organisation and the way that it operates. The plan covers all areas of the business, considering the risks at a national (Welsh) scale. It does not consider climate risks at the place scale that would be relevant to our Operations Directorate. However, this is something that NRW is addressing. NRW has developed guidance to help PSBs to develop Local Climate Risk Assessments that when complete will enable evaluation of climate risk in a local context. It does not focus on NRW’s wider advocacy or public facing role and its collaboration role with other stakeholders. It does not provide guidance on how other organisations can adapt to climate change, although the process and development of the plan is potentially applicable to our partners.

This is NRW’s first climate change adaptation plan. Its development has been led by the Climate Change and Decarbonisation team but with consultation and input from all Business Groups, Heads of Service and a wide range of thematic experts across the organisation. Ultimately, the plan is owned by NRW and must be delivered by many across the organisation. Clear governance to drive action and monitor progress will be essential through the Business Groups, with NRW-wide oversight through our internal Climate Emergency Group. It is important to recognise that as a first iteration, the Plan will not be totally comprehensive even though extensive consultation has been carried out. It will be for Business Groups and Directorates to deliver the actions detailed within the plan.

The Adaptation Plan is a five year plan, however it must not be static. It will need to be a live document that evolves as our understanding of climate risk, impacts and climate change evolves and policy changes - see the

Monitoring, Evaluation and Reporting section for more information.

In 2023, the UK Climate Change Committee reviewed Welsh adaptation activity and the delivery of the current Welsh Government National Adaptation Plan (*Prosperity for All: A Climate Conscious Wales*) (Welsh Government, 2019). This review (CCC, 2023) concluded that *there is insufficient progress in delivery and implementation of adaptation and monitoring is limited, but there are some positive examples of good plans in place, although this is not consistent across sectors*. Just as it is the case for Wales as a whole the development of this Plan has identified good examples of adaptation action although not in all areas of our work. The CCC review will feed into the development of the 2nd Welsh National Adaptation Plan (NAP) in 2024. NRW has already provided input into the Welsh Government's own progress report on the existing NAP, and the production of this Adaptation Plan will provide valuable input to inform the development of the next NAP. After publication of the 2<sup>nd</sup> NAP, we will look to establish the extent to which any upcoming priorities need including in NRW's adaptation plan.

Additionally, another key report investigating how organisations report on adaptation action highlighted that *there needs to be more consistent linking of adaptation actions to risks, with clear ownership and timescales, and more information on the effectiveness of actions in reducing risk* (CCC, 2022). The development of the Baseline Assessment and this Adaptation Plan has taken into account the associated climate risks and parties responsible for delivery that will be supported by the Climate Change & Decarbonisation team.

## NRW Responsibility for Adaptation Planning

There is currently no statutory requirement for NRW to produce an organisational adaptation plan. However, given that the observable impacts of climate change are becoming much more significant it is considered best practice to do so. The Climate Change Act (2008) gives both the Secretary of State (Westminster) and Minister (Welsh Government) the power to direct reporting authorities (defined as bodies with functions of a public nature and statutory undertakers) to produce reports on the current and future predicted effects of climate change on their organisation and what they are doing to adapt to climate change (Defra 2011). This includes water companies, energy companies, road and rail companies, aviation, Defra and other public bodies. This requirement has resulted in UK and England bodies producing three iterations of Adaptation Reporting Power reports over the last decade or so but to date Welsh Government has chosen not to require Welsh public bodies to do similarly. Despite the absence of a statutory duty, there are an increasing number of Welsh public bodies such as local authorities who are producing adaptation plans. The publication of the ISO14090 guidance standard for organisational adaptation in 2019 has provided significant impetus for many organisations public and private to develop plans, including NRW.

## How To Understand This Document

This Plan's sections and actions are framed around NRW's Corporate Plan and its Wellbeing Objectives and each of the 'steps to take' within each objective. Therefore this

plan directly supports the integrated delivery and achievement of NRW's three Wellbeing Objectives.

The Plan contains detailed sections of adaptation priority themes and actions for each of NRW's three Wellbeing Objectives that are in Appendix 1. Within the Plan a summary of the adaptation priority themes based on a prioritisation exercise has been included to provide an overview of the key actions and risks for NRW as a whole and each of the Business Groups. More detailed information on the adaptation actions required to support the adaptation priority themes can be found in Appendix 1.

For those who wish to further understand the adaptation planning process and previous work completed to develop this plan, it is recommended to consult the [Climate Risk Baseline Assessment](#) first. Although a brief summary of it is provided within the Plan.

# Climate Change Risks

Climate change risks to individuals, communities and businesses in the UK are collated and assessed every 5 years in the UK-wide Climate Change Risk Assessment. The 3<sup>rd</sup> Climate Change Risk Assessment (CCRA3), published in 2021 defines the scale and magnitude of climate risks for Wales and the other nations of the UK. CCRA3 provides a list of 61 risks and/or opportunities for Wales (Figure 1), rated according to the urgency and nature of action required (see [NRW briefing note](#) for more details) (Netherwood 2021). The current level of adaptation action is only deemed appropriate for nine risks, which mostly related to business, infrastructure, and international dimensions. CCRA3 paints an increasingly critical situation with the level of action failing to keep pace with the growing level of risks: the highest urgency score has been given to 34 of the 61 risks (56%), up from 36% for those risks in CCRA2 published in 2017. The 61 risks and opportunities are divided into categories of Natural Environment and Assets (N); Infrastructure (I); Health, Communities and the Built Environment (H); Business and Industry (B); International Dimensions (ID).

<b>N1:</b> Risks to terrestrial species and habitats from changing climatic conditions	<b>N2:</b> Risks to terrestrial species and habitats from pests, pathogens and INNS	<b>N4:</b> Risks to soils from changing climatic conditions	<b>N5:</b> Risks to natural carbon stores, carbon sequestration and GHG emissions	<b>N6:</b> Risks to agricultural and forest productivity from changing climate conditions	<b>N7:</b> Risks to agriculture from pests, pathogens and INNS	<b>N8:</b> Risk to Forestry from pests, pathogens and INNS	<b>N11:</b> Risks to freshwater species and habitats from changing climatic conditions
<b>N12:</b> Risks to freshwater species and habitats from pests, pathogens and INNS	<b>N14:</b> Risks to marine species and habitats from changing climatic conditions	<b>N16:</b> Risks to marine species and habitats from pests, pathogens and INNS	<b>N17:</b> Risks to coastal species and habitats	<b>I1:</b> Risks to infrastructure networks	<b>I2:</b> Risks to infrastructure services from river and surface flooding	<b>I5:</b> Risks to transport networks from slope and embankment failure	<b>I12:</b> Risks to transport from temperature, high winds, lightning
<b>H1:</b> Risks to health and wellbeing from high temperature	<b>H3:</b> Risks to people, communities and buildings from flooding	<b>H4:</b> Viability of coastal communities - risks of sea level rise	<b>H6:</b> Risks to household energy demand from temperature changes	<b>H11:</b> Risks to cultural heritage from climatic change	<b>H12:</b> Risks to health and social care delivery from extreme weather	<b>H13:</b> Risks to education and prison services from extreme weather	<b>B1:</b> Increased risk of flooding to business sites
<b>B2:</b> Risks to coastal business locations and infrastructure from climatic change	<b>B6:</b> Disruption to business supply chains and networks from extreme weather	<b>ID1:</b> Risks to food availability, safety and quality	<b>ID4:</b> Risks to the UK's international interests and responsibilities	<b>ID5:</b> Changes to international governance affecting the UK	<b>ID7:</b> Risks to international trade routes from climate hazards	<b>ID9:</b> Risks to public health from overseas (vector borne disease)	<b>ID10:</b> Risk multiplication to the UK
<b>N3:</b> Opportunities from new species colonisations of terrestrial habitats	<b>N9:</b> Opportunities from new/alternative species becoming suitable for agriculture and forestry	<b>N10:</b> Risks to aquifers and agricultural land from sea level rise/saltwater intrusion	<b>N15:</b> Opportunities for marine species, habitats and fisheries from changing climatic conditions	<b>N18:</b> Risks/Opportunities for landscape character from climate change	<b>I3:</b> Risks to infrastructure services from coastal flooding and erosion	<b>I4:</b> Risks to bridges and pipelines from flooding and erosion	<b>I6:</b> Risks to hydroelectric generation from low or high river flow
<b>I7:</b> Risks to subterranean and subsurface infrastructure from subsidence	<b>I10:</b> Risks to energy from high and low temperature, high wind and lightning	<b>I13:</b> Risks to digital from high and low temperature, high winds and lightning	<b>H2:</b> Opportunities for health and wellbeing from high temperatures	<b>H5:</b> Risks to building fabric from moisture, wind and driving rain	<b>H7:</b> Risks to health and wellbeing from changes in air quality	<b>H8:</b> Risks to health from vector borne diseases	<b>H9:</b> Risks to food safety (high temperatures) and food security (extreme weather)
<b>H10:</b> Risks to health from poor water quality and interruptions in supply	<b>B3:</b> Risks to business production processes from water scarcity	<b>B5:</b> Risks from reduced employee productivity due to infrastructure disruption and higher temperatures	<b>B7:</b> Opportunities from changes in demand for goods and services due to long-term climate change	<b>N13:</b> Opportunities from new species colonisations of freshwater habitats	<b>I8:</b> Risks to public water supplies from reduced water availability	<b>I11:</b> Risks to offshore infrastructure from storms and high waves	<b>B4:</b> Risks to business finance, investment and insurance due to extreme weather
<b>ID8:</b> Risks to the UK financial sector from climate change overseas	<b>I9:</b> Risks to energy generation from reduced water availability	<b>ID2:</b> Opportunities for UK food availability and exports	<b>ID3:</b> Risks and opportunities from climate driven migration to the UK	<b>ID6:</b> Opportunities from increased trade for the UK due to new trade routes from Arctic ice melt			

● More action needed

● Further investigation

● Sustain current action

● Watching brief

Figure 1: Climate change risks for Wales in CCRA3.

## Climate Trends – Setting the Context

### Current and Future Climate Change

The UK's climate has already changed significantly due to anthropogenic climate change. Figure 2 shows the temperature change in Wales since 1884 and demonstrates that the likelihood of higher annual temperatures is increasing since 2002. The warmer colours indicate the average recorded temperature that year. The Met Office's State of the UK Climate 2022 report highlights the following climate trends:

- Observations show that UK extremes of temperature are changing much faster than average temperatures.
- 2022 was the warmest year in the UK since 1884. 0.9°C above the 1991-2020 average. It was the first year where the UK's annual mean temperature was above 10°C.
- All of the top 10 warmest years for the UK since 1884 have occurred in the 21<sup>st</sup> Century. This is also the same for near coast surface sea temperature.
- There was a reduction in the number of days where heating was required but an increase of 7 days where cooling was required in buildings in 2022 compared to the 1991-2020 average.
- The UK had its driest summer since 1995 in 2022. However there has been a slight increase in heavy rainfall across the UK in recent decades.
- Widespread and substantial snow events have occurred in recent years but their number and severity has declined since the 1960's.
- Sea level around the UK has risen by 18.5cm since the 1900s, with an 11.4cm rise between 1993-2022. The rate of sea level rise is increasing with rates over the past 30 years of 3.0-5.2mm per year corrected for vertical land movement.
- Spring and autumn seasons are extending.

(Kendon et al 2023)

Biodiversity in the UK is being affected by climate change, with nearly 1 in 6 species now threatened with extinction (Burns et al., 2023). The Living With Environmental Change Biodiversity Report Card (Morecroft and Speakman, 2015) highlighted the impacts that climate change is having on terrestrial and freshwater species, with some key findings below:

- Many species are shifting further north, and higher in altitude, to gain access to areas of suitable climate,
- This is compounded by warmer springs causing life-cycle events of many species to occur earlier in the season.
- Montane, wetland and coastal habitats are the most sensitive to climate change due to increased temperatures, changes in water availability and sea-level rise.

For marine habitats, multiple stressors of climate change and human activities are reducing the resilience of natural systems (MCCIP, 2020) with impacts from ocean acidification, changes in stratification and salinity of seawater, coastal erosion and Arctic sea ice loss. These are all having impacts on the ability of marine species to migrate, the availability of food and threats to fisheries, with shellfish fisheries in Wales potentially more at risk from ocean acidification.

In Wales, there has been an average decline in species abundance by 20% since 1994 with 18% of species threatened with extinction (Burns et al., 2023). However, Wales remains a stronghold for seabird species, with little change to abundances in 40 years (Burns et al., 2023). Although changes are likely to occur into the future, understanding the impacts of climate change to biodiversity are vital in ensuring adaptation actions are useful and effective. Reports are increasingly detailing the positive impacts nature-based solutions and land management decisions are having on ecosystems if measures are included, among others, to enhance ecosystem resilience and diversity (MCCIP, 2020; Morecroft and Speakman, 2015). Overall, climate change is highly likely to impact all aspects of biodiversity in terrestrial, freshwater and marine environments, with negative changes to species distributions and abundance only increasing over time (Burns et al., 2023).

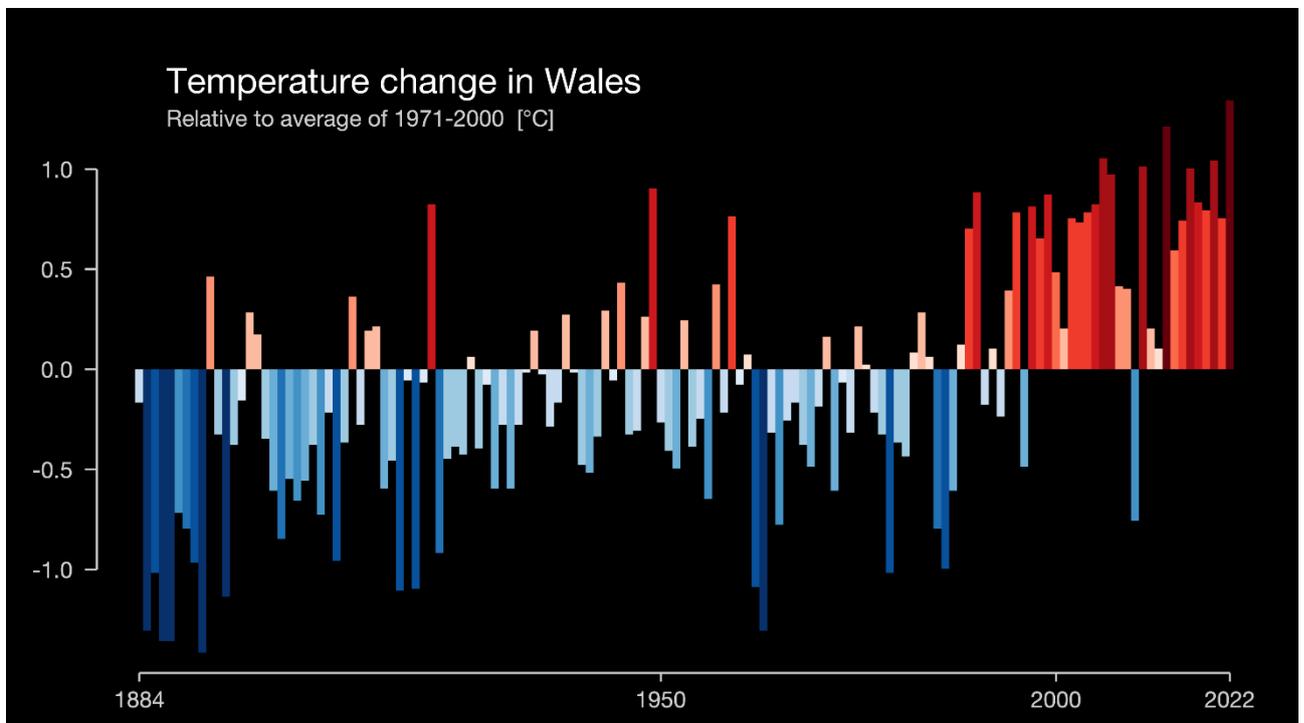


Figure 2: Temperature change in Wales since the start of the industrial revolution. Image from [#ShowYourStripes](#) Date accessed: 29/08/2023.

Given NRW's national remit, climate change across Wales needs to be considered for adaptation planning and action. Information covering larger geographical areas is also needed where decisions involve migratory species and highly connected habitats such as the marine environment. The Met Office Hadley Centre's UK Climate Change Projections 2018 (UKCP18) are used as the primary source of climate change information, which provide the most up-to-date projections for the UK. Four scenarios are available within UKCP18, which reflect international standardised Representative Concentration Pathways (RCPs) that describe atmospheric concentrations of greenhouse gases based on a range of economic, social and environmental assumptions. NRW's climate change adaptation plan is based on the highest scenario, in which GHG emissions continue to grow unmitigated (RCP8.5) as per the precautionary principle. The RCP 8.5 scenario represents

an estimated global average temperature rise of 4.3°C by 2100. Table 1 provides an overview of climate change trends and impacts for the RCP8.5 scenario and are from an internal NRW briefing note on UKCP18; available [here](#).

*Table 4: Expected climate change trends and impacts from the UKCP18's highest scenario (RCP8.5) for the UK and Wales.*

<b>RCP8.5 scenario</b>	
<b>Air temperature</b>	<p>Change in temperature by 2081-2100 of 4.3°C (3.2°C-5.4°C) compared to the baseline period of 1981-2000.</p> <p>In summer, hot spells, meaning at least 2 consecutive days of maximum temperatures exceeding 30 °C, will spread northwards from southern England and begin to occur in Wales. For example, around Cardiff, hot spells increase in frequency, by 2061-2080 ranging between approximately 3 and 17 per year.</p>
<b>Sea level</b>	<p>Southern regions of the UK will experience more sea level rise than northern regions. Mid to North Wales coastlines experience a mean 0.7m rise by 2100 and Mid to South Wales coastlines experience a mean 0.75m rise. This will result in increased frequencies and magnitudes of coastal extreme water levels Within the RCP8.5 scenario there are a range of potential sea level rises. E.g. Sea level around Cardiff is projected to increase between 51cm and 113cm. NRW flood maps already account for sea level rise to 2100 so it is possible to begin visualising the repercussions of this.</p>
<b>Extreme weather</b>	<p>Increase in severity for all seasons for daily maximum surface temperature, hourly precipitation, daily precipitation and 5 day accumulated precipitation.</p>
<b>Precipitation</b>	<p>Precipitation will most likely increase on west facing coasts although summers will be coming drier, more so in the South of Wales.</p>

	<p>Rainfall will likely be more intense due to the higher moisture content of warmer air. Winters will be wetter (due to heavy rainfall rather than more days of rain).</p> <p>Snow will be near absent by 2080.</p>
<b>Wind speeds</b>	<p>Maximum wind speeds may increase in winter and decrease in summer, although there is greater uncertainty around wind projections.</p>

## How will Climate Change Impact NRW?

Due to NRW's wide remit, there are numerous ways in which climate change will have an impact. This section outlines examples of different categories of impact, taken from the ISO 14090 'Adaptation to climate change: Principles, requirements and guidelines' standard, and will assist in understanding the breadth with which climate change adaptation needs to be considered within the organisation. In our assessment of future risks and opportunities, we are using the highest scenario (RCP8.5) unless explicitly mentioned otherwise. This is because it is important to prepare for, and be aware of, the risks posed by this unmitigated GHG scenario.

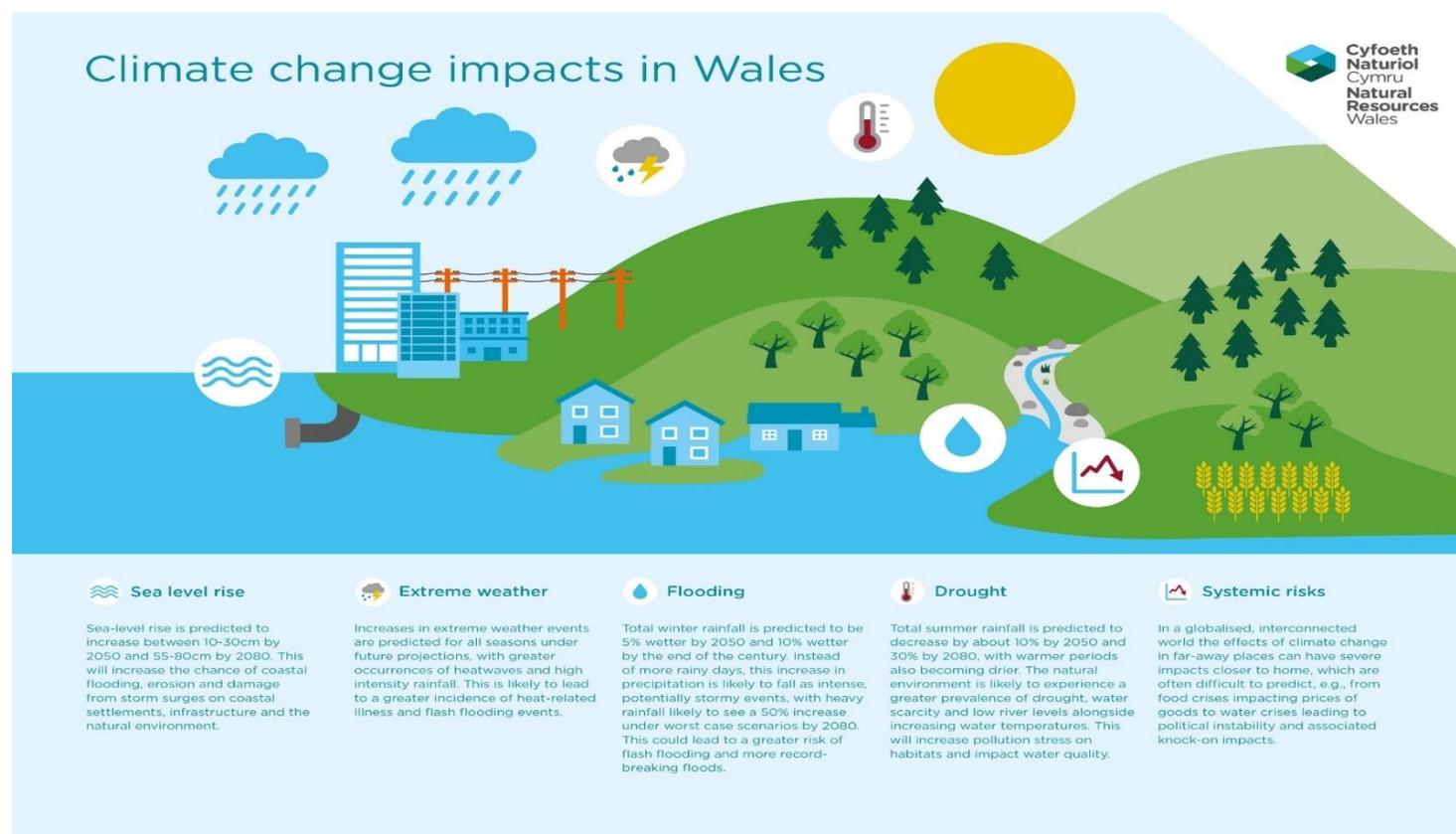


Figure 3 Selection of expected climate change impacts for Wales. Data used are from UKCP18, in particular projections for 2050 use the combined low to mid emissions scenarios (RCP 2.6, 4.5 and 6) whilst those for 2080 use RCP 8.5

## Impacts on employee health, safety and productivity

- Flood risks to buildings, utilities and infrastructure, including transport; with implications for working from home, commuting and work travel and potential supply chain issues.
- Increase in the need for cooling to ensure thermal comfort in buildings requiring mechanical cooling, which could increase electricity usage, costs and greenhouse gas emissions unless the increased electricity demand is supplemented by renewable energy.
- Increase in the risk of ventilation and cooling equipment acting as a vector for existing and new diseases/disease vectors due to changing climatic conditions (warmer wetter weather). Additional filtration may be needed.

## Damage to assets and business disruption

- NRW manages a diverse array of assets: these include flood defences, pumping stations, visitor centres and nature reserves. Especially where these are coastal, sea-level rise poses significant risk while projected increases in riverine flooding may also impact inland assets.
- Tree-felling operations and incident response will be impacted by a range of impacts, particularly increased flooding as highlighted in the NRW 2020 February Floods [Flood Incident Management Review](#).
- NRW infrastructure such as EV Charging infrastructure and hydrological telemetry assets damaged by flooding and other implications of power outages associated with extreme weather.
- There is growing recognition of people suffering from climate anxiety and depression as the impacts of climate change on communities and the environment grow both globally and locally, and this could potentially effect NRW staff dedicated to maintaining their environment and communities.

## Loss of coastal infrastructure and habitat

- Sea-level rise will in some cases cause loss of habitats and land, where managed retreat or no active intervention are undertaken as prescribed in Shoreline Management Plans. Contingency planning is needed to decide where infrastructure and habitat can be lost, and where it may require replacing, and where loss needs

to be carefully managed to avoid issues such as pollution. The issue of coastal squeeze and compensatory habitat creation is included in this category.

## Disruption to supply chains and distribution networks

- There could be impacts of flooding and other extreme weather on timber harvesting, which may have knock on impacts of NRW's income from timber sales.
- Wider disruption to supply chains may impact on NRW's ability to purchase some goods and services when needed. In a worst case scenario, some products may not be available or become cost prohibitive.

## Changes in the provision of ecosystem services

- Flooding and heat waves have consequences on recreation and thereby recreational sites managed by NRW; increased algal blooms have consequences on water recreation with consequences on NRW's work on water quality (monitoring and regulation).
- Food production will be impacted by increased rainfall in winter (more erosion without cover crops) and increased drought in summer (lower yields, heat stress, etc.). This could impact on land management practices that influence biodiversity.
- The ecosystems and habitats will be impacted by changes in temperatures and weather patterns resulting in changes in species distributions, with consequences to human wellbeing and ecosystem function. This could undermine the management of biodiversity and features on protected sites.

## Water scarcity impacts on operations

- While NRW may not experience direct impacts of water scarcity, NRW is a regulator overseeing drought planning and advising upon water company plans for future supply; increased water scarcity will impact both on environmental implications of low flows and customer demand and consumption that will need to be considered
- Similarly, low flows can compound issues of increased temperatures with consequences for the regulation of fishing permits, e.g. with salmonid heat stress and algal blooms.

## Changing productivity of forestry

- Timber production will be impacted by changes in weather conditions, increases in the likelihood of wildfires and INNS with consequences to planting and forest management undertaken on the NRW estate. However long-term there may be opportunities to explore different tree species which are more resilient to climate change and INNS whilst still ensuring production targets are met.

## Impacts on business opportunities

- NRW functions as a business when it comes to forestry, and also garners finances from some recreational and tourism sites. There may be new opportunities in different areas of Wales to develop forestry and particularly to exploit recreation/tourism during the shoulder seasons.

## Changes in customer requirements

- NRW has already responded to risks of flooding through the flood warning service/flood alerts and enabling the public to check the flood risk of their property. It is plausible that increased flooding will increase people's interest in receiving flooding information.

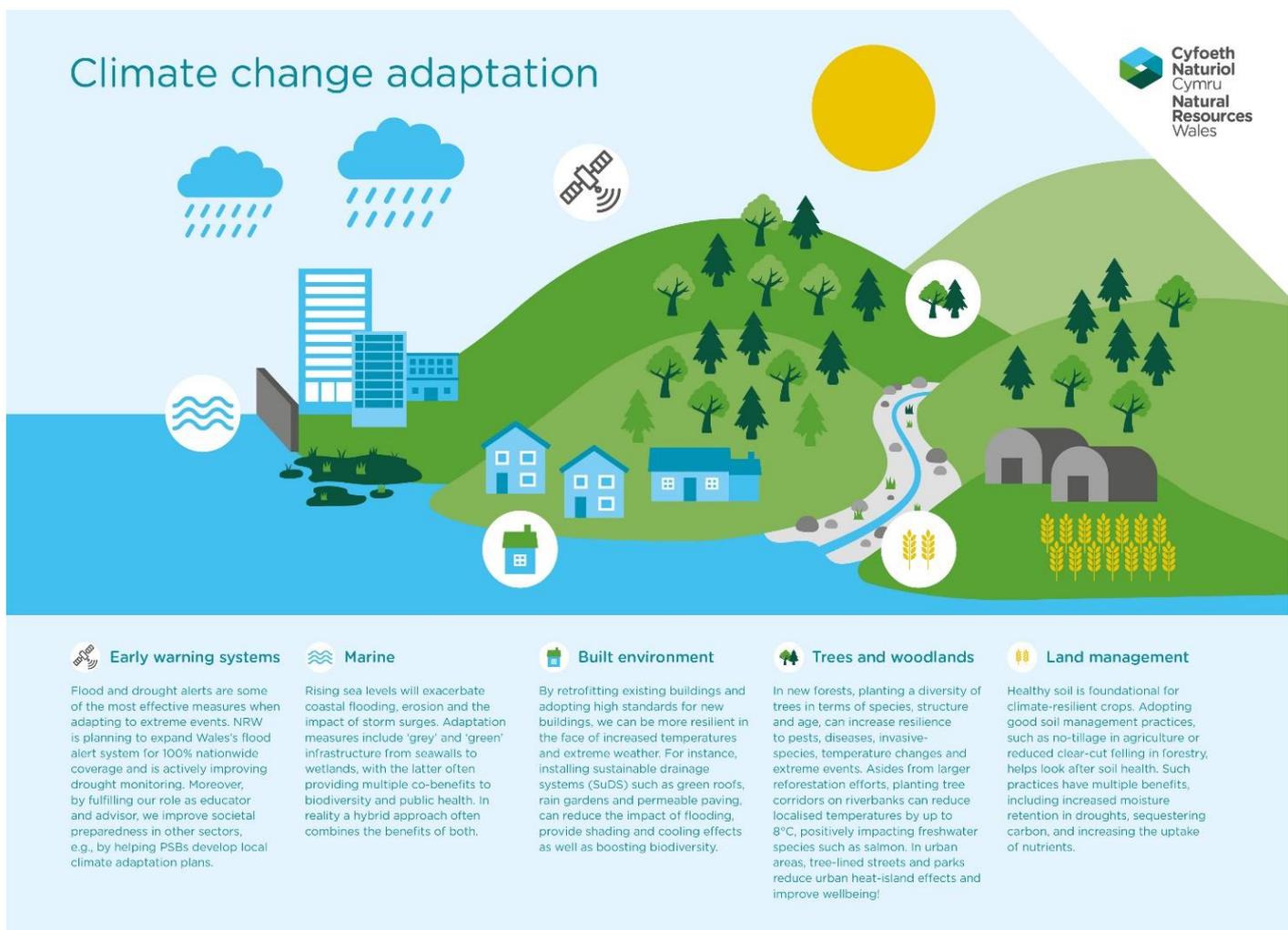


Figure 4 Selection of current and planned adaptation actions from different sectors in NRW.

## Climate Risk Baseline Assessment

In order to assess the climate risks that NRW faces as an organisation and thereby identify key priorities for the adaptation plan; a [baseline assessment](#) of climate risk across all Business Groups and directorates was completed.

For this assessment, metrics were developed to capture the level of climate risk, current actions to reduce risk and adaptation readiness (Figure 5). These in combination provided a priority score that expresses the total risk minus current actions to reduce risk, thereby helping identify priority areas for action in NRW. All available Service Plans were used to provide information on work activities for Business Groups and Directorates which were then scored using the metrics set out below to produce a priority score for each Service Plan activity. Subject matter experts/leads were consulted to complete or review the scoring. The assessment also looked at urgency; the importance of action as well as the lead time the action, or its planning, requires and agency; the level of resourcing (financial/staff) and/or availability of adequate evidence to take adaptation action for activities relevant to them.

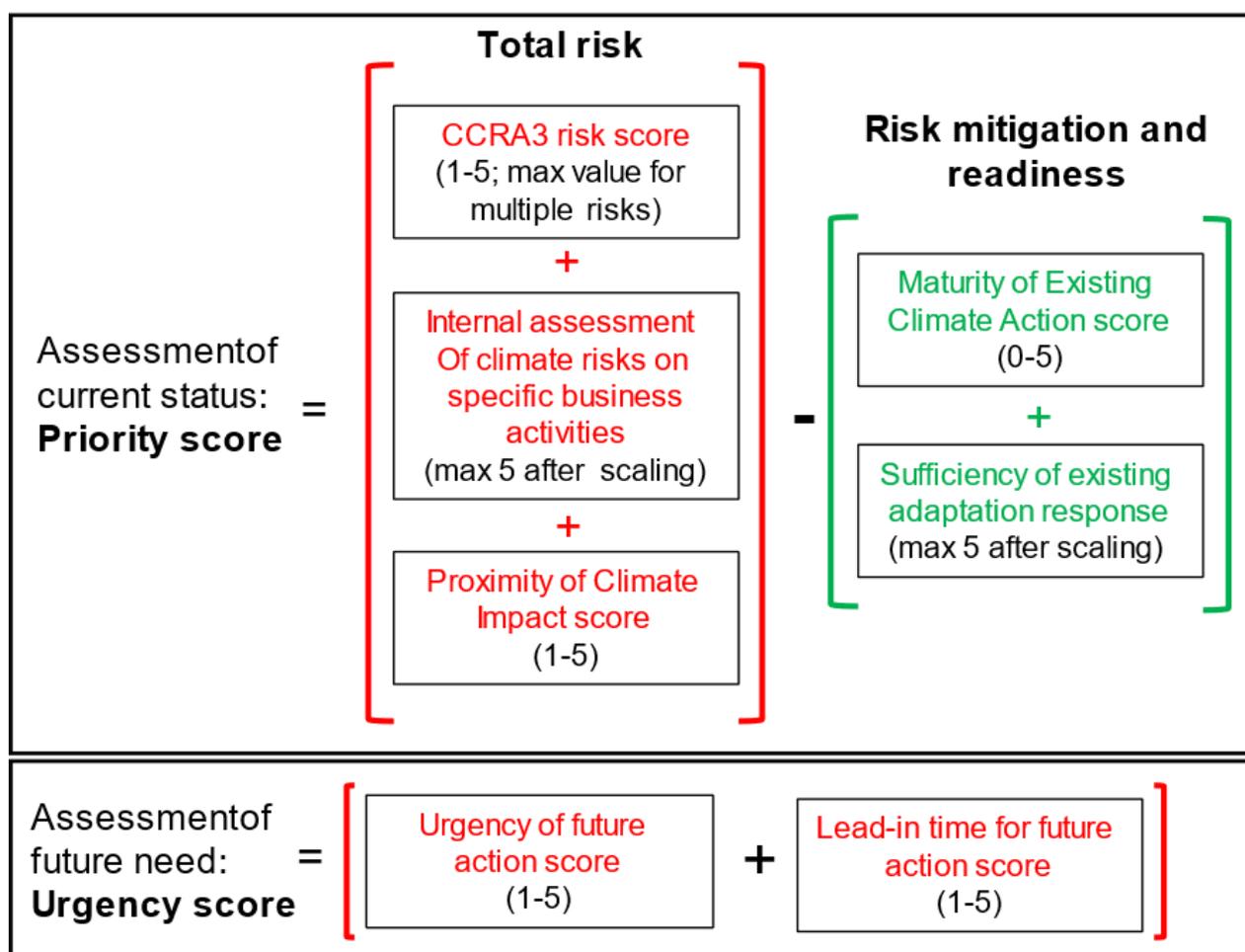


Figure 5: Equations used to calculate climate risk for each Service Plan activity showing the components of the Priority and Urgency score calculations. For a full explanation of the metrics behind these calculations please see the [Baseline Climate Risk Report](#).

## Headline findings

The outcome of the scoring exercise showed that many of NRW's activities are at a high risk of climate change impacts and require adaptation action. Medium-to-high priority scores were distributed across directorates and Business Groups. The widespread high priority scores suggest that all Business Groups and Directorates need to consider adaptation actions to mitigate risks. Some risks occur in multiple work areas and activities across NRW, where it would be beneficial for Business Groups and Directorates to collaborate on shared risks. The current agency or capacity across NRW to adapt to climate change is mostly medium-to-low, with lack of suitable resource indicated as a key barrier. Areas with lower priority scores such as within, the Marine Sub-Group of the Natural Resources Management Business Group indicates that knowledge of the likely climate change risks and the required adaptation actions are recognised and are in large part being planned. Table 2 further demonstrates that climate risk is relevant to all areas of NRW.

When the priority score was combined with the urgency score to map activities with high scores in both metrics, nine urgent high risk activities emerged, one in the Land Stewardship Business Group and eight in the Natural Resources Management (NRM) Business Group. This may potentially be due to the evidence of direct climate change impacts on the environment, the greater awareness of climate change risk in NRM, as well as the proportionally large remit of this Group.

Table 5: Number of activities/actions from NRW service plans with climate risk relevance.

<b>NRW Business Group/Directorate</b>	<b>Number of Service Plan activities/actions with climate risk relevance</b>
<b>Commercial</b>	3
<b>Corporate Strategy and Development</b>	3
<b>Evidence</b>	5
<b>Finance and Corporate Services</b>	6
<b>Flood Risk Management</b>	14
<b>Incident Management</b>	3
<b>Land Stewardship</b>	16

Natural Resources Management	48
Regulatory	9

### Distribution of CCRA3 risks and opportunities across NRW

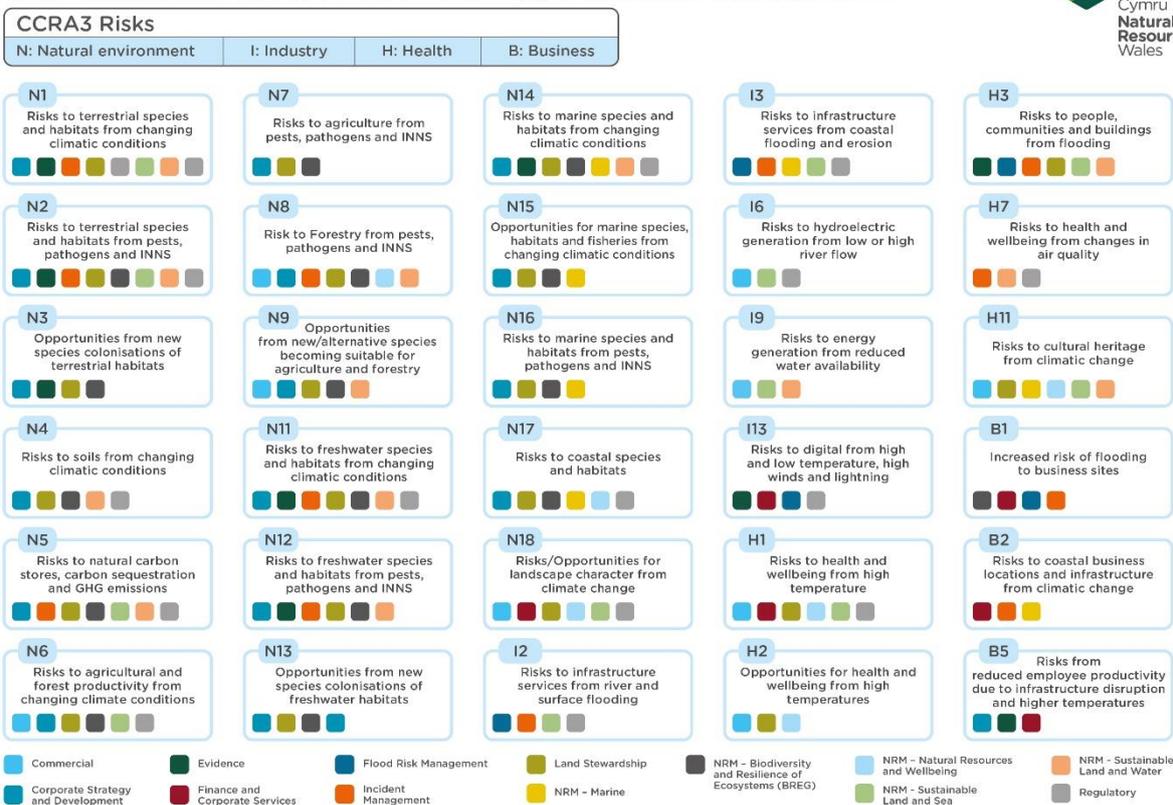


Figure 6– The distribution of CCRA3 risks and opportunities across NRW’s Business Groups and Directorates. Risks shown here (#30) include only those applicable to 3 or more BGs. For the full table of risks please see the [Baseline Climate Risk Report](#).

## Adaptation Plan Consultation

Using the results of the Climate Risk Baseline Assessment, outlined above, further consultation was carried out with subject matter experts across all business areas. This sought to determine what adaptation actions are being carried out to reduce the impacts of the priority climate change risks and activities, whether there were or should be future actions planned and the potential constraints on delivering climate change adaptation action. Feedback received from consultees was used as evidence in developing the climate change adaptation actions that are being taken and/or need to be prioritised in future to reduce NRW’s climate change risk.

In such an organisation wide exercise, it is likely that there will be gaps and uncertainties regarding the actions that need to be taken and some may have been missed in the

consultation. However as this is NRW’s first adaptation plan, it’s purpose is to start NRW’s journey on adapting the organisation to climate change. Future consultations can be refined to address any gaps.

## Adaptation Action Prioritisation

To ensure that the Adaptation Plan is aligned to NRW’s Corporate Plan and its Wellbeing Objectives these have been used to structure the adaptation actions. Figure 7 shows an example to demonstrate the process taken in structuring the adaptation actions to demonstrate their integration in the delivery of the Corporate Plan. While many adaptation actions were suggested through the consultation, others were suggested by the Climate Change and Decarbonisation team based on current evidence and best practice from elsewhere.

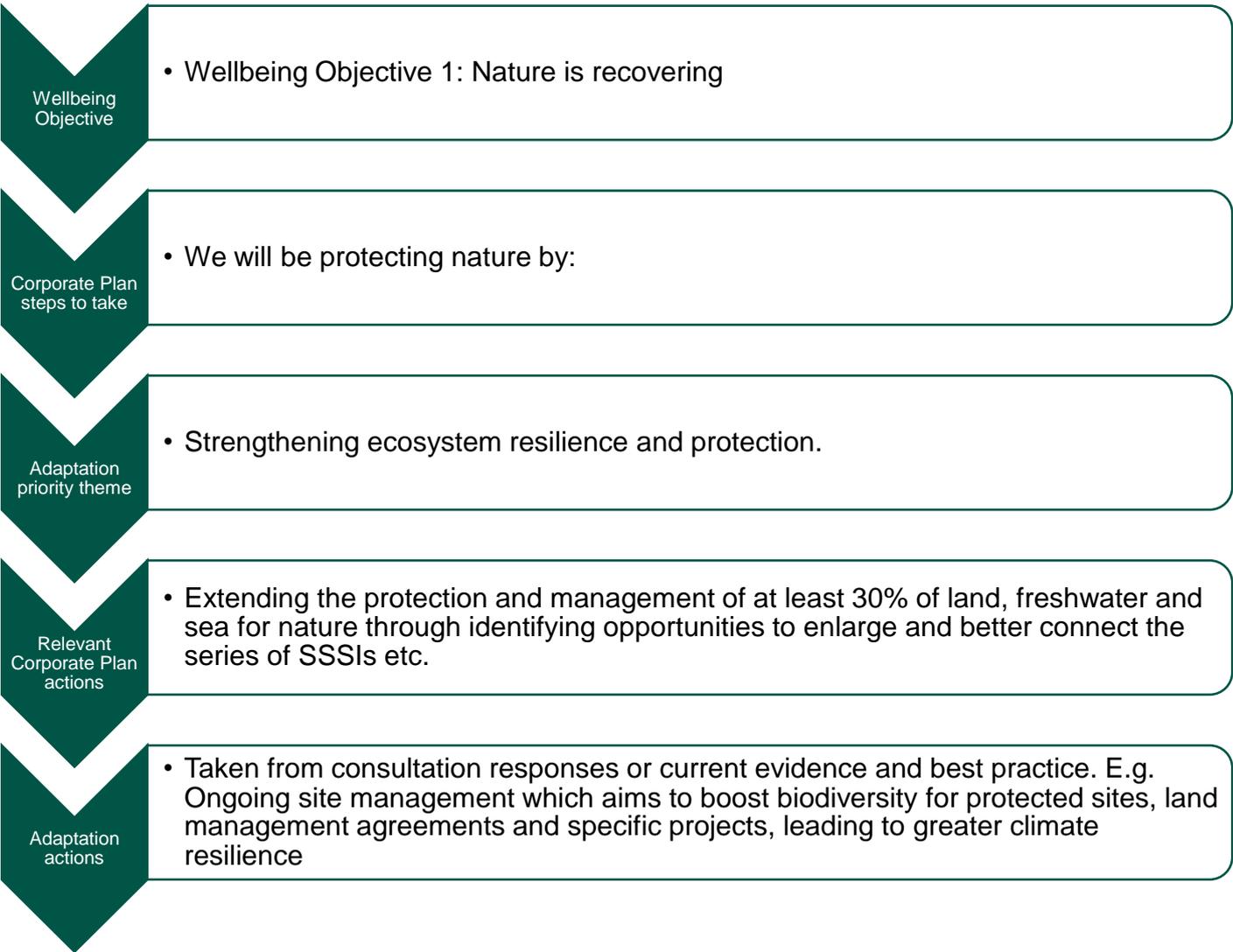


Figure 7: An overview of the structure of the adaptation actions and how they integrate into the Corporate Plan and it’s delivery.

There are a significant number of adaptation priority themes that support numerous Corporate Plan actions and which also demonstrate the current, planned and future

adaptation action that is either taking place or needs to take place to support the delivery of the Corporate Plan. A full list of the identified adaptation actions structured by Wellbeing Objective is presented in Appendix 1, with only those identified within a prioritisation exercise included in the main report. The prioritisation exercise has been carried out in order to inform the areas where NRW should focus resource and effort.

## Prioritisation Methodology

### Business Group Prioritisation

A simple multi-criteria analysis (MCA) was used to prioritise adaptation actions according to a set of criteria developed by the Climate Change & Decarbonisation team. Multi-criteria analysis is often used in decision-making under uncertainty, such as adaptation planning, as a structured approach for assessing alternative options whereby those options accomplish several objectives. In MCA, desirable objectives are specified, and corresponding attributes or indicators are identified based on the information elements compiled. The actual measurement of indicators is based on quantitative analysis through scoring, ranking and weighting.

In this prioritisation, three criteria to assess each adaptation action were used:

- Priority (risk) scores from the Climate Risk Baseline Assessment as a measure of the level of risk that each adaptation action addresses;
- Urgency scores from the Climate Risk Baseline Assessment as a measure of that risk's immediacy and need for urgent action;
- the number of Corporate Plan actions covered by that action as a proxy for synergistic action within the organisation.

Scores for each of the three criteria were standardised on a 1 to 5 scale and compiled to give an overall priority score, with a maximum of 15. Scores towards the higher end of this scale thus reflect adaptation actions that should be considered a high priority, most often because they address a service plan activity that is at high risk to climate change, requires urgent action, and meets multiple corporate plan objectives.

The top scoring actions up to five for each Business Group were then compiled. In some cases, there were more actions jointly ranked so all are shown. For each Business Group the Heads of Service or equivalent lead were consulted to sense check the priority actions resulting in some rephrasing, inclusion of additional priorities and changes to the prioritisation order to provide a more comprehensive set of agreed actions.

### Organisational Prioritisation

The same methodology as provided in the above section was followed to identify organisational priorities from the adaptation priority themes. In addition to these, the sum of the number of business groups included within each adaptation priority theme was included to highlight the cross-NRW impact.

Both the number of adaptation actions within a theme and the number of involved Business Groups or Sub-Groups were standardised using a 1 to 5 scale. The sum of these led to an overall maximum score of 10, with the highest calculated score being eight. A higher score indicates the following:

- A larger number of adaptation actions within that theme that are addressing a high urgency and priority risk, or a number of risks.
- The adaptation theme meets multiple Corporate Plan actions and is managing risk in more than one Business Group.

Even if a theme has a low priority score, it is still the case that there is a significant risk associated with that theme, and those actions within it are important. In other words the prioritisation is about relative priority rather providing an absolute list of priorities and non-priorities. The thresholds used for adaptation priority themes and actions are detailed in Table 4.

*Table 3: Thresholds used for adaptation priority themes.*

Priority Score	Priority Rank	Explanation
<b>7 to 10</b>	Red – higher priority	These themes contained consultation responses that were of the highest priority and urgency in relation to climate risk and are related to a high number of Corporate Plan activities across multiple adaptation themes. Despite being a ‘red’ theme and containing high priority actions, this does not mean that work is not being done or that any work is not of a high standard. This just means that any activities in these themes by the relevant Business Groups and Sub-Groups are of high importance in relation to reducing climate risk and becoming a more resilient and adaptive organisation to climate change.
<b>4 to 6</b>	Amber – medium priority	These themes contained consultation responses that were of a mid-priority and urgency in relation to climate risk and related often to multiple Corporate Plan activities across more than one adaptation theme.
<b>1 to 3</b>	Green – lower priority	These themes often had a fewer number of consultation responses and/or contained responses that were not ranked as a high priority or urgency and/or did not relate to many Corporate Plan activities. While these themes may not be of the highest priority for this Plan, they should be considered to still be at significant risk from climate change.

There are some key assumptions associated with this methodology that must be considered:

- Adaptation priority themes with a larger score are more likely to have a greater number of Business Groups and sub-groups associated with those themes and it is also likely that there were a greater number of relevant consultation responses in that theme.
- A theme with a low score could indicate a lower, but still present, climate risk or could indicate a low number of consultation responses. A low score does not mean that this area has no climate risk.
- For three adaptation priority themes there were no associated consultation response so these were not included in the scoring.
- A high score does not indicate a lack of action currently or planned. It simply indicates an area within NRW that should be prioritised for targeted climate change adaptation work, as there is a high climate risk associated with these actions.
- Even though adaptation priority themes are presented in a ranked scale, the themes at the bottom of the scale have significant climate risk. These actions and activities are still required and relevant, but this exercise suggests that they are not of the highest priority relative to others in this iteration of NRW's Adaptation Plan.

## Priority adaptation actions - prioritisation results

Based on the prioritisation exercise detailed above organisational and Business Group priority adaptation actions are set out in the following sections.

### Organisational Priorities

*Table 4: Organisational adaptation priorities. BG's highlighted in bold are those identified from their consultation feedback as responsible, whereas those in italics are deemed to be responsible but did not mention relevant adaptation actions in the consultation. C = Commercial, FCS = Finance and Corporate Services, FRM = Flood Risk Management, IM = Incident Management, LS = Land Stewardship, M = Marine, NRM-BREG = Natural Resources Management: Biodiversity and Resilient Ecosystems Group, NRM-NRWBI = Natural Resources Management: Natural Resources and Well-Being Integration, NRM-SLW = Natural Resources Management: Sustainable Land and Water, R = Regulatory.*

Adaptation Priority Theme	Section number	Priority Score	Business Groups Responsible
Building climate resilience into planning, communities and regulated facilities	2.2.2	8	<b>NRM-BREG, FRM, R, IM, M, FCS, NRM-NRWBI, NRM-SLW</b>
Ensuring the right development in the right place to avoid harm to nature	1.1.4	8	<b>FRM, M, C, NRM-NRWBI, NRM-SLW, FCS, R, NRM-BREG, LS</b>
Building resilience of sites on land in our care	1.5.1	7	<b>NRM-BREG, FRM, C, NRM-SLW, LS, NRM-NRWBI</b>
Enhancing the resilience of communities	2.1.3	7	<b>NRM-SLW, NRM-BREG, C, FRM, M, IM, NRM-NRWBI</b>
Reducing risks at, and improving condition of, protected sites	1.1.3	7	<b>FRM, IM, NRM-BREG, R, M, LS</b>
Reducing climate risks to the land in our care and water supply	2.2.4	6	<b>NRM-BREG, NRM-SLW, M, FRM, LS</b>
Restoring, maintaining and improving habitats across Wales	2.1.2	6	<b>NRM-SLW, NRM-NRWBI, NRM-BREG, M, LS</b>
Achieving collective action across the public sector	2.3.2	6	<b>NRM-BREG, NRM-NRWBI, R, M, NRM-SLW, IM, FRM</b>
Leading community engagement through applying behavioural insights and sustained communications	2.3.1	6	<b>IM, C, M, FCS, FRM, NRM-NRWBI</b>

Delivering nature recovery at landscape-scale	1.4.3	5	<b>NRM-BREG, NRM-SLW, M, LS</b>
Making smart business decisions	1.5.2	5	<b>FCS, FRM, IM, NRM-SLW, C</b>
Improving condition and resilience of protected sites and at the landscape-scale through restoration	1.2.1	5	<b>R, NRM-BREG, NRM-SLW, M, LS</b>
Implementing nature-based solutions and building connectivity	1.2.2	4	<b>NRM-BREG, M, NRM-SLW, LS, NRM-NRWBI, FRM</b>
Minimising harm from pollution on land in our care	3.4.1	4	<b>NRM-SLW, R, IM, LS</b>
Embedding nature recovery in NRW's work	1.3.1	4	<b>NRM-BREG, FRM, NRM-SLW, LS, M</b>
Minimising environmental pollution of land and water	3.1.2	4	<b>NRM-SLW, R, M, LS</b>
Reducing the risk to life from flooding and asset damage	2.2.1	4	<b>FRM, LS, IM</b>
Preventing species extinctions and establishment of INNS	1.1.2	4	<b>NRM-BREG, LS</b>
Ensuring social and environmental goals and evidence strengthen decision-making for climate change	2.3.3	4	<b>NRM-NRWBI, FRM, M, FCS</b>
Strengthening ecosystem resilience and protection	1.1.1	3	<b>NRM-BREG, FRM, M, NRM-SLW, LS</b>
Ensuring justice, equity and inclusion inform pollution minimisation	3.3.2	3	<b>IM, NRM-NRWBI, NRM-SLW, R</b>
Evaluating the effectiveness of our nature restoration	1.2.3	3	<b>FRM, NRM-BREG, M, FCS, LS</b>
Engaging with people to take action through education and behaviour change	1.4.1	3	<b>C, NRM-NRW, BI R, LS, M, NRM-SLW, NRM-BREG, FRM</b>
Scaling up nature-based solutions to support pollution minimisation	3.3.1	3	<b>NRM-SLW, M, FRM, LS, NRM-BREG</b>
Collaborating with a wide range of stakeholders and partners	1.3.2	3	<b>NRM-NRWBI, M, LS, R, FRM, NRM-SLW, NRM-BREG, IM</b>

Providing an effective response to flooding and drought	2.2.3	3	<b>IM, FRM</b>
Creating new woodlands and restoring ancient woodlands	2.1.1	2	<i>LS, NRM-SLW, NRM-BREG</i>
Minimising harm from pollution by responding effectively to incidents	3.2.1	1	<b>IM</b>
Embedding climate adaptation into the organisation	2.4.1	1	<b>FCS, NRM-NRWBI, M, LS, R, FRM, NRM-SLW, NRM-BREG, IM, C</b>

## Business Group Adaptation Priorities

There are several organisation wide corporate risks and adaptation actions that will need to be managed strategically and holistically as they effect all parts of the organisation. These are detailed below in Table 3. Actions relating to ICT and telecommunications and buildings and visitor attractions have been taken from consultation responses received from Finance and Corporate Services.

Table 5: Strategic business areas and climate change risks and adaptation actions.

Business area	Relevant CCRA3 risks and opportunities	Actions currently being taken to reduce risk	Planned actions to reduce risk
<b>ICT (IT and telecommunications infrastructure)</b>	I1 (risks to infrastructure networks), I2 (risks to infrastructure services from river and surface flooding), B2 (risks to coastal business locations and infrastructure from climate change), I3 (risks to infrastructure services from coastal flooding and erosion), I7 (risks to subterranean and subsurface infrastructure from subsidence), I13 (risks to digital from high and low temperatures, high winds and lightening)	75-80% of all ICT infrastructure is cloud-based, reducing the climate-related risks posed by physical data centres.	All NRW ICT infrastructure systems, including flood warning, to be 100% cloud-based, reducing climate-related risks posed by physical data centres.  Establish a climate resilience-based evaluation of the cloud-based regional locations to reduce and minimise risks of climate-related failure.
<b>Adfwyio and Commercial (Buildings and visitor centres)</b>	H1 (risks to health and wellbeing from high temperatures), H2 (opportunities for health and well being from high temperatures), H3	Introducing a hybrid working model to adapt to the risks of requiring working to be from specific buildings and/or locations that may	A survey of the NRW estate to understand the climate resilience of buildings and steps to improve this, including

	<p>(risks to people, communities and buildings from flooding), B1 (increased risk of flooding to business sites), B2 (risks to coastal business locations and infrastructure from climate change), ID1 (risks to food availability, safety and quality-relevant to visitor centres), H5 (risks to building fabric from moisture, wind and driving rain), H9 (risks to food safety (high temperatures) and food security (extreme weather), B5 (risks from reduced employee productivity due to infrastructure disruption and higher temperatures), I8 (risks to public water supplies from reduced water availability).</p>	<p>be impacted by climate related events e.g. high temperatures, flooding, storms, power outages.</p> <p>For both new and existing buildings, NRW has adopted a set of guiding principles which will ensure we plan for climate change resilience and adaptation actions at our sites.</p>	<p>retrofitting, changing leases, working practices etc.</p> <p>Developing and implementing an organisation-wide scenario-based testing of building resilience.</p>
<p><b>Procurement and Contract Management Support Services</b> <b>(Supply chain)</b></p>	<p>B6 (Disruption to business supply chains and networks from extreme weather)</p>		<p>Assessing the risk of supply chain disruption due to extreme weather and developing contingency plans.</p> <p>Ensuring that leases and service agreements recognise the need to consider future impacts and adaptation needs</p>

<b>Communications</b>	B6 (risks to business supply chains and networks from extreme weather)		Future actions to review and improve our communications in relation to climate risk and adaptation action needs.
<b>People Management</b>	B5 (risks from reduced employee productivity due to infrastructure disruption and higher temperatures),		<p>Gaining a greater understanding of how temperature extremes are/will affect staff working from homes, offices or in the field to ensure health, wellbeing and productivity is maintained.</p> <p>Ensuring appropriate guidance and support relating to the impacts of temperature extremes or other impacts is provided for all staff whether working from homes, offices or in the field.</p>

The following tables show the adaptation priorities for each Business Group (listed in alphabetical order) based on the top adaptation actions arising from the consultation and subsequent amendment following discussion with Heads of Service for each group. Two Directorates are not included (Corporate Strategy & Development and Communications & Customer Experience) as they did not identify adaptation actions due to their being process-focussed work areas of NRW. The timescale column is defined as follows: Current = adaptation action already being carried out, Planned = adaptation actions already planned in the next two years, and Future = adaptation actions planned for future years. Actions are ranked according to perceived importance, but do not mean that one action should be completed or developed before another. For any Business Group or Sub-group table with actions that are not ranked, all actions are of equal importance.

## Commercial

Table 6: Adaptation priorities for Commercial Business Group

Rank	Adaptation Action	Timescale (current, planned or future action)
1	Assessing and addressing the risks from high temperatures to opportunities for delivery of tourism and recreation due to reduced demand and wellbeing	Future
2	Understanding how current and future climate-related impacts and issues may impinge on commercial opportunities on a site-by-site basis	Planned

## Flood Risk Management

Table 7: Adaptation priorities for Flood Risk Management Business Group

Rank	Adaptation Action	Timescale (current, planned or future action)
1	Develop and deliver catchment approaches, including nature-based solutions to reduce flooding and contribute to ecosystem resilience, working with partners and stakeholders where possible and appropriate.	Planned
2	Develop and deliver Coastal Adaptation Programme pilot sites in most vulnerable locations to build evidence base for longer-term adaptation strategies. Analysis of initial outcomes of this Programme through the Assesses Facing Coastal Change Project.	Current / Planned
3	Extending and continuously improving the flood warning service coverage within Wales, including our understanding and communication of current and future flood risk.	Future
4	Increasing resilience of flood risk management assets by reviewing and maintaining the asset base to allow for greater operability under more extreme weather scenarios.	Planned
5	Provide effective planning advice on flood risks and consequences to reduce inappropriate development in areas at risk of flooding e.g. making space for water.	Planned

## Incident Management

Table 8: Adaptation priorities for Incident Management Business Group

Rank	Adaptation Action	Timescale (current, planned or future action)
1	Updating our Incident Management plans to better include incidents and disruptions that are increasingly likely due to climate change e.g. national power outages, and include consideration of new and unusual incidents not yet experienced	Planned
2	Ensuring that NRW meets appropriate levels of service and flexibility through the Resilient Response to Incidents project to deal with increased occurrence of prolonged and cascading hazards, e.g. flood and wildfires. This can ensure that NRW is better placed to deal with increased incidence and severity of incidents, and able to respond to new and unusual risks not experienced previously	Current
3	Updating the Wales Incident Reporting System to better capture information relating to both the climate and nature emergencies	Planned
4	Reviewing and adjusting plans and public guidance to reflect our growing understanding of risk from climate change	Future

## Land Stewardship

Table 9: Adaptation priorities for Land Stewardship Business Group

Rank	Adaptation Action	Timescale (current, planned or future action)
1	Adapting current and future forests to cope with wildfires by utilising open spaces, selecting suitable species for fire breaks, and working closer together with fire and rescue services.	Planned
2	Undertaking a long-term programme to survey and address risks with forest infrastructure assets such as bridges, culverts, reservoirs, waste tips and forest roads to assess condition	Planned

	and risk from extreme weather, and improving the use of Central Asset Management Programme systems.	
3	Adaptation of the woodlands in our care through the thinning of trees to reduce the risk from drought, disease and windthrow. A move to a thinning model of management from more traditional clear-fell and restocking.	Future
4	Adapting to drought through reducing reliance on core species, especially Sitka spruce, and diversifying tree species through restocking and natural regeneration.	Future
5	The adaptation of high nature value areas through the strategy for nature on the land in our care, such as restoration of degraded peatlands.	Current

### Natural Resource Management: Biodiversity and Resilient Ecosystems

Table 10: Adaptation priorities for Biodiversity Resilience and Ecology Sub-group

Rank	Adaptation Action	Timescale (current, planned or future action)
1	Ongoing site management aims to boost biodiversity for protected sites, land management agreements and specific projects, leading to greater climate resilience	Current
2	Creating corridors of good quality habitat between and within the National Nature Reserves in our care and the wider landscape to reduce the impacts of habitat fragmentation, and increase dispersal and diversity to boost resilience. Such as hedgerows, woodland planting, restored riverbanks and seagrass beds in the development of Nature Recovery Networks.	Current
3	Ongoing site monitoring and risk based targeting.	Current
4	Implementing actions within the delivery of the Natur am Byth and National Peatland Action Programmes that contribute to climate change adaptation	Planned
5	In the long term, developing strategic decision making mechanisms to manage the	Future

	desired future state of Welsh natural resources (species/habitats/geo-diversity) in the light of climate change impacts	
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### Natural Resource Management: Marine

Table 11: Adaptation priorities for Marine Sub-group

Rank	Adaptation Action	Timescale (current, planned or future action)
1	Advise Welsh Government on implementation of the Welsh National Marine Plan and future direction of marine planning, to better reflect the need for climate change adaptation	Future
2	Deliver the Integrated Coastal Management Programme to join up delivery of coastal projects through for example; implementing Shoreline Management Plans, developing nature-based solutions, influencing the Sustainable Farming Scheme to support adaptation at the coast, and engaging with communities around coastal change	Current
3	Advise on marine and coastal adaptation to climate change pressures, including through adaptation of the Marine Protected Area Network and its management, and on maximising blue carbon benefits for Wales	Planned
4	Identify marine and coastal evidence needs and opportunities and develop the evidence base according to a prioritised marine and coastal evidence programme	Current

### Natural Resource Management: Natural Resources and Well-Being Integration

Table 12: Adaptation priorities for Natural Resources and Well-Being Integration Sub-group

Rank	Adaptation Action	Timescale (current, planned or future action)
1	Providing and developing guidance for PSBs for local climate risk assessments.	Current
2	Adapting education systems through advice in ensuring future generations are well equipped to understand and deal with the	Future

	impacts of climate change through adaptation.	
3	Develop, enhance and support communities in being resilient to climate change through various mechanisms e.g. water flows for flood and drought resilience.	Current
4	Providing advice to Welsh Government concerning proposed access reform for coastal regions	Current
5	Working on climate for the Wales Coast Path in context of SMPs and coastal change	Current

### Natural Resource Management: Planning, Landscape and Energy

Table 13: Adaptation priorities for Planning, Landscape and Energy Sub-group

Rank	Adaptation Action	Timescale (current, planned or future action)
	As statutory adviser, develop Management Plan Guidance for Designated Landscape authorities to ensure that the statutory management plan process adequately addresses climate risk and climate adaptation	Current
	Embed SMNR tool with climate adaptation actions into Trydan Gwrydd Cymru wind farm projects (WG's renewable energy developer)	Current
	Scope and deliver guidance to support NRW's role as statutory consultee for Sustainable Urban Drainable Systems (SuDs) Approval Body applications	Planned
	Contributing to the work of the Historic Environment Group on the risks and opportunities of climate change for the historic environment of Wales and the actions needed to adapt to the impact of these changes.	Current
	Continuing the landscape and nature recovery in a changing climate guides, and developing plans for a Wales-wide approach on climate risk, mitigation and adaptation actions for landscapes through place-based projects.	Current

### Natural Resource Management: Sustainable Land and Water

Table 14: Adaptation priorities for Sustainable Land and Water Sub-group

Rank	Adaptation Action	Timescale (current, planned or future action)
1	Assisting the development of the Sustainable Farming Scheme (SFS) to embed adaptation, e.g. in woodland planting and inclusion of shelter belts and the creation of buffer zones for drought and flood management.	Current
2	Developing the creation of natural flood management measures such as floodplain reconnection, wetland 'scrapes', and backwaters	Current
3	The implementation of the River Restoration Programme to restore natural features and associated processes to build resilience of freshwaters across Wales	Current
4	Urban green infrastructure including Sustainable Urban Drainage Systems (SuDs) in built up environments with consideration of water quality and quantity management	Current
5	Restoration of riparian zones to include tree planting along river corridors which can cool river water temperatures by up to 8 degrees	Current

## Regulatory

Table 15: Adaptation priorities for Regulatory Business Group

Rank	Adaptation Action	Timescale (current, planned or future action)
1	Influencing, permitting and regulating those we work with to deliver adaptation through existing permitting and Environmental Management Systems. This links with current work ongoing within the land and water sector to regulate activities through Environmental Permitting Regulation permits that include climate change adaptation.	Current
2	Understanding the significance of climate risk in activities and installations that we regulate, for example, water resource availability in industrial clusters. This can include impacts on water quality and quantity, the increased risk of fires	Future

	and subsequent emissions, and management of waste effluent and nutrient addition.	
<b>3</b>	Actions to ensure communities at high risk regulated sites have their own risk assessments and that these take into account new information e.g. flood risk maps, to guide adaptation. This can include updating existing permits to cover impacts from extreme weather events.	Planned
<b>4</b>	Collaboration with other organisations such as the work with the Environment Agency to understand the possible impact of climate change on how we regulate, establish a consistent approach for adaptation planning for operators, and ensure water utility providers are complying with their statutory regulators.	Current



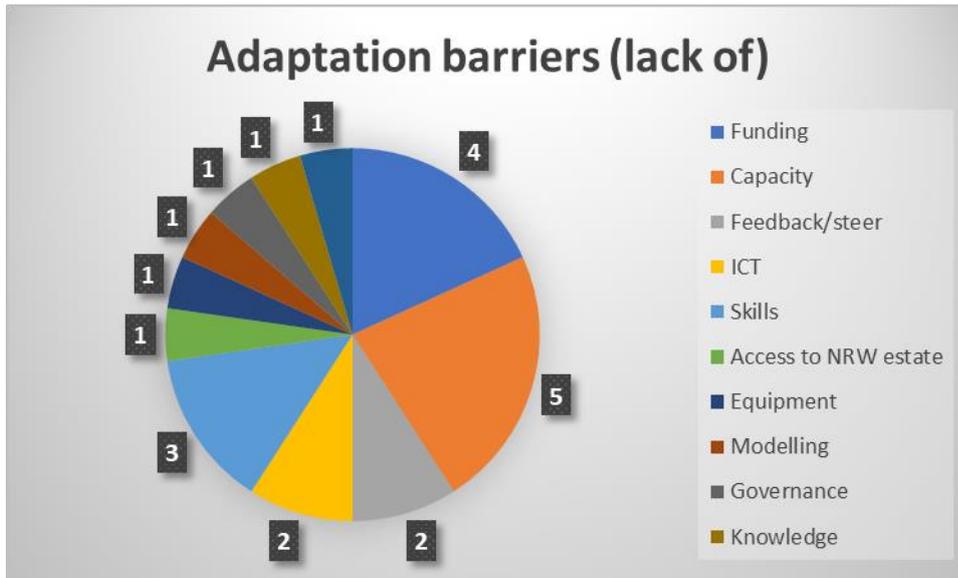


Figure 9: Adaptation barrier categories recognising lack of a particular resource. The numbers refer to the number of Business Groups or Directorates that mentioned a specific barrier in the consultation.

To illustrate the top three barriers, regarding capacity, it was noted in Marine that it is difficult for operational staff to find capacity to progress proactive adaptation work around action within SMPs locally.

As for funding barriers, it was noted that sometimes funding for adaptation is tied up in Welsh Government capital funds. In addition, some Business Groups mentioned that adaptation action was currently being funded through other policy measures, such as nature or habitat funding, as no dedicated funding exists.

With respect to skills, it was reported several times across multiple Business Groups that teams lack the technical expertise or experience, e.g. dedicated analysts, to effectively deal with adaptation priorities. On top of that, softer skills such as community and stakeholder engagement skills, were found to be limiting. These skills are significant because much adaptation action takes place at the local level.

More generally, two significant organisational barriers to successful adaptation were apparent from the consultation. Firstly, that some Business Groups do not see themselves as a priority area in terms of climate risk and thus not responsible for adaptation. Whilst the result of this Plan demonstrates clearly that all areas of NRW are and will be affected by climate change impacts, this speaks to the need for better communication of climate risk. Second, it was acknowledged by a few Business Groups that current adaptation action was reactive rather than proactive. This lends support to the idea that more integrated, informed adaptation planning is crucial for successful adaptation.

Moreover, the key message mentioned by several Business Groups as a solution to some of the barriers to adaptation was that integrated action was necessary. When asked specifically if climate change adaptation needed to be addressed in an integrated manner across NRW, all respondents agreed. Many pointed out that the existing governance

structures, i.e. Business Groups and sub-groups, within NRW were sufficient for the integration of climate action. Some suggested that new working groups would be necessary, e.g. establishing a Business Continuity Steering Group as a sub-group of the IM Business Group. Particular existing programmes, such as the Integrated Coastal Management Programme were flagged as a critical example as to how future climate adaptation projects could proceed.

# Monitoring, Evaluation and Reporting

## Climate Risk Baseline Assessment

The Climate Risk Baseline Assessment will be updated to reflect the feedback received ahead of the next iteration of the climate change adaptation plan in 2027 (Figure 10). The purpose will be to highlight any new and emerging climate risks and their impact on NRW and its operations, particularly any that arise from the 2<sup>nd</sup> Welsh NAP and CCRA4. Additionally, the prioritisation will be revised by the Climate Change and Decarbonisation team in consultation with subject matter experts to account for any changes.

## Adaptation Plan

The publication of NRW's first adaptation plan soon after the new NRW corporate plan, is so that it is both informed by and able to integrate with it. We then propose to fully revise this Plan on a five-yearly basis in line with the timeframe for revision of the Welsh National Adaptation Plan and the CCRA. However, our adaptation plan should be very much a live document that advises and informs our annual Business and Service planning, Business Continuity plans and risk management activities. A light touch review of the Plan will follow the publication of the upcoming Wales Adaptation Plan in 2024 and the 4<sup>th</sup> UK Climate Change Risk Assessment (CCRA4) in 2026 (Figure 10).

Measuring change and action comes in many different formats from vulnerability-level metrics to RAG output status assessment of actions. We recognise that it is important to attempt to quantify the success, or otherwise, of adaptation actions in order to understand the steps that have been taken and the adaptive capacity and resilience of a team or the organisation. The Climate Change and Decarbonisation team will undertake monitoring of the progress of delivery of adaptation actions but it will also be important that monitoring is addressed in our corporate performance framework that is currently being revised following publication of the new Corporate Plan. Given that so much of the delivery will need to be integrated into the Service Plans of Business Groups and Directorates it will be crucial that key actions are monitored through monitoring of those Plans.

The ISO14090 standard that provides guidance to organisations in the development and implementation of an adaptation plan, includes useful guidance on monitoring and evaluation. Five key principles for monitoring and evaluation from the standard are set out below:

- Document results of monitoring and evaluation and determine whether the adaptation and its implementation plan are still valid;
- Update policies and strategies and plans using the outcomes of the evaluation;
- Adopt a formal structure to capture learning from monitoring and evaluation to inform current and subsequent policies, strategies and plans;
- Determine the periodicity of monitoring and evaluation according to policies, strategies and plans;
- Evaluate the outcomes of monitoring at appropriate stages during the implementation cycle.

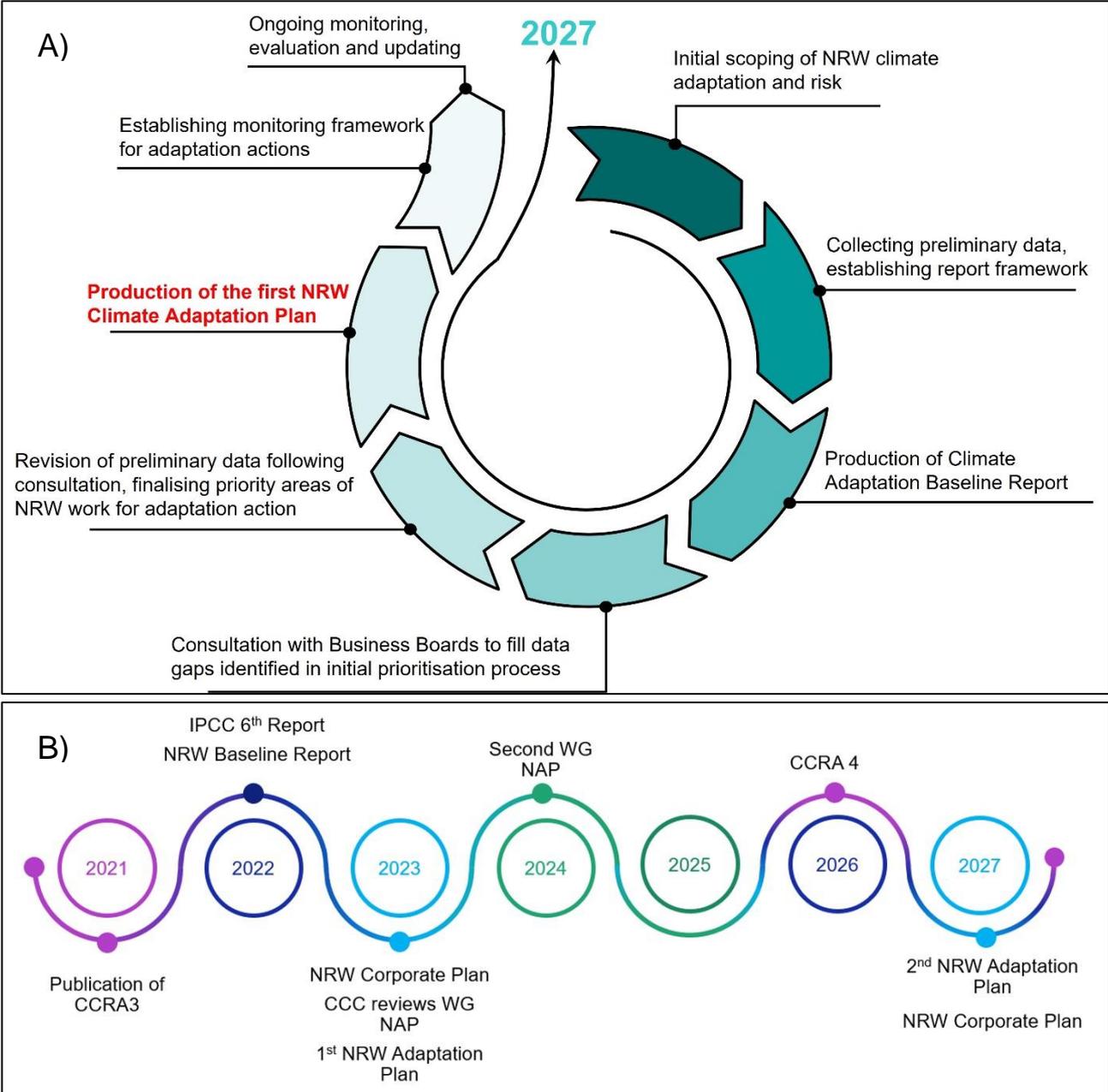


Figure 10: A) The NRW Adaptation Planning cycle highlighting the process, B) The key policy and evidence reports timeline leading to the second NRW Adaptation Plan in 2027.

Following publication of this Plan, NRW will develop a monitoring and evaluation process as the adaptation cycle continues over the coming years, which will help us feed into the monitoring of the Welsh NAP too. The Adaptation Plan monitoring and evaluation framework will be developed after we have greater clarity on the forthcoming Corporate Plan Performance Framework and its performance metrics. The Adaptation Plan monitoring and evaluation framework will also demonstrate the best practice principles, such as those set out above from the ISO14090 standard.

It is important to develop indicators as a way of measuring progress and understanding how the organisation is adapting to climate change. Indicator development should contain quantitative and qualitative aspects to understand the narrative alongside numerical data. These indicators might include benchmarking against other relevant organisations,

performance tracking over time and comparisons to a baseline, including our Baseline Climate Risk Assessment.

This Adaptation Plan must be owned by the organisation as a whole. The Climate Change and Decarbonisation team are responsible for reporting overall progress made in adapting to climate change and the success of the Adaptation Plan, while Business Groups and teams within NRW will be responsible for delivering most of the actions through their Service Plans, and will also be responsible for providing updates into the monitoring and reporting process. The internal Climate Emergency Group will have organisation-wide oversight of the Adaptation Plan and progress will be reported to this group.

## Conclusions

Climate change and its impacts are affecting NRW's work today and climate change will increasingly have greater impacts, with a likelihood of increasing severity. Whilst the steps NRW takes to mitigate climate change and reduce its greenhouse gas emissions are incredibly important, it is also vital that the organisation undertakes climate change adaptation action to ensure the way NRW works, its remit and the organisation as a whole is resilient to climate change. NRW is a leading public sector organisation and the wider Welsh public sector will look to NRW to be a leader in integrating adaptation into our work.

This Adaptation Plan clearly demonstrates that addressing climate risk supports and is essential to the aims of NRW's Corporate Plan, its Wellbeing Objectives and priority actions. All of the adaptation priority themes indicate how the delivery of the Wellbeing Objectives are being or must be supported by adaptation action.

The Adaptation Plan consultation has shown that many adaptation actions are already ongoing and that there is a desire to go further as well as the need to address gaps in adaptation. The Plan illustrates that all areas of the organisation have a responsibility for climate change adaptation and there are actions that all Business Groups can take to improve, and further adaptation actions to plan and deliver. There is a clear need to increase action across the whole organisation.

The Plan suggests five adaptation priority themes need to be prioritised in the short term over the next 1-2 years:

- Building climate resilience into planning, communities and regulated facilities.
- Ensuring the right development in the right place to avoid harm to nature.
- Building resilience of sites on land in our care.
- Enhancing the resilience of communities.
- Reducing risks at, and improving condition of, protected sites.

The three biggest barriers highlighted in the consultation to taking climate change adaptation action are a paucity of funding, capacity and skills. It is vitally important that these barriers are addressed at an organisation-wide scale to ensure that adaptation actions can be scaled up and delivered effectively. Further work is required to investigate these barriers to increase the adaptive capacity of staff and the organisation. The bespoke NRW one-day climate change training course that has been trialled and is now being rolled out is a starting point for addressing the capacity and skills issues at a generic level.

This is NRW's first Climate Change Adaptation Plan and is to be considered a living document, particularly due to the scale of NRW and its remit such that it is likely that current or required adaptation actions have been missed. The plan is iterative and will be updated as and when new policy, evidence and best practice becomes available.

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## NRW Board Paper

<b>Date of meeting:</b>	2 <sup>nd</sup> February 2024
<b>Title of Paper:</b>	Wellbeing, Health and Safety (WH&S) Quarter 2 Update
<b>Paper Reference:</b>	24-01-B16
<b>Paper sponsored by:</b>	Prys Davies, Executive Director Corporate Strategy and Development
<b>Paper prepared by:</b>	Charlotte Morgan, Wellbeing Health and Safety Manager
<b>Paper presented by:</b>	Charlotte Morgan, Wellbeing Health and Safety Manager
<b>Purpose of the paper</b>	Approval
<b>Summary</b>	To approve the Quarter 2 2023 WH&S Update

## Background

1. This is the Quarter 2 (Q2) summary of the Wellbeing, Health & Safety (WH&S) performance for Natural Resources Wales, which provides an overview of how NRW have managed WH&S through Q2 2023/2024. The Report has been scrutinised by the Executive Team on 28<sup>th</sup> November 2023 and the People and Customer Committee on 12<sup>th</sup> December 2023.

## Summary

Headlines from Quarter 2 2023/24 include: -

2. Serious incident reviews (SIR). There were two SIRs commissioned in Q2 2023/2024. One of these is in relation to a member of the public being injured at Bike Park Wales and the second SIR is an eye injury to staff whilst undertaking work activities.
3. Reporting of Injuries, Dangerous Diseases and Occurrences Regulations (RIDDOR) reportable Lost Time Reportable Injuries (LTI's) and Injuries – Two RIDDOR for NRW in Q2. The first RIDDOR was in relation to an employee being hit by a flying projectile hitting their eye. The second RIDDOR is in relation to a slip/ trip / fall whilst undertaking work duties. There were no LTIs in Q2. Near miss reporting has decreased slightly this quarter, but is still higher than the average.

4. Several wellbeing initiatives. These included the new Employee Assistance Programme provider being launched, Display Screen Equipment hints and tips, and Samaritans - Talk to Us campaign.
5. Occupational health referrals for work-related mental health have stabilised, with referrals for home-related mental health increasing, showing NRW not only helping employees at work but in their personal lives too.

## Wider implications

6. **Finance:** It is recognised that the mismanagement of WH&S has significant financial implications. The WH&S team working together with the business are continuing to put new systems in place in order to manage our WH&S risks and therefore reduce any costs. As well as protecting our staff and those working on and using the estate NRW manage, there could be significant financial implications arising from failures to implement a robust WH&S system.

## Next Steps

7. The WH&S team will continue to support the business to ensure wellbeing, health and safety risks are being managed effectively by NRW. In looking ahead, NRW will need to maintain and also develop and improve further our own strong culture of wellbeing, health and safety monitoring and learning. This will continue to be the key element of our future strategy to move forward.
8. There will be a review of the strategic risk level as there is a move to the new risk register.
9. The WH&S team will use the information gathered and lessons learnt in the development of our future strategy and action plan.

## Recommendation

10. The Board is asked to approve the Q2 2023-2024 WH&S Update.

## Index of Annexes

Annex 1 – WH&S Report Q2 2023 -2024

## Approval / Consultation process

<b>Approval/consultation process</b>	
<b>Responsible:</b> Who has developed the	Paper was developed by the WH&S Team.

<p>paper/process and who has had input?</p>	
<p><b>Accountable:</b> Who is accountable for the ultimate approval? Who will be or is being asked to approve?</p>	<p>Board is asked to approve the Q2 2023-2024 WH&amp;S Update.</p>
<p><b>Consulted:</b> Who has been consulted to date? Where endorsement is required, is this in place? Will further consultation be required?</p>	<p>Executive Team People and Customer Committee</p>
<p><b>Informed:</b> Who has been informed or who needs to be further information about the work?</p>	<p>N/A</p>

# Wellbeing Health and Safety Q2 2023/2024

## Highlights

In summary, Q2 2023/24 resulted in the commissioning of two serious incident reviews. One of these is in relation to a member of the public being injured at Bike Park Wales and the second SIR is an eye injury to staff whilst undertaking work activities. There are 9 outstanding SIRs which have been paused due to external factors awaiting the coroner's report.

Positives from this quarter includes; several wellbeing initiatives were delivered and there has been an increase in hazard reporting. Further to this, cancellation costs have reduced to £2306.00 from £5170.00, highlighting how the businesses understanding of risk has improved since L&D has been aligned with WH&S.

Occupational health referrals have identified that mental health is the primary referral reason (40% of referrals down from 50%). Of these referrals, 26% are perceived to be work related, which is a 7% decrease on last quarter.

Areas that need focus, include the RIDDOR trend, the decrease in near miss reporting and the increase in staff injuries.

Embedding a positive culture of near miss and hazard reporting has a direct relation to a reduction in incidents and work related stress. To further embed this, the WH&S team will be providing the business with near miss and hazard reporting drop-in sessions for team leaders and line managers.

## Serious Incident Reviews

There were two serious incident reviews commissioned during Q2.

### Serious Incident Reviews Summary

Key:	
Green	All actions completed with evidence uploaded
Amber	Actions to be completed or SIR paused due to external investigation

SIRs Closed	13
<p>11.</p> <p>Details: Fatal accident on NRW estate to member of the public. Sgwd Pannwr plunge pool, Brecon Beacon.</p> <p>Reference: ACCB1092 / A11</p> <p>Incident date: 05/06/2021</p> <p>Type of SIR: Fatal incident.</p> <p>Full investigation: SIR opened and paused.</p>	<p>External commissioned report was presented to NRW and other stakeholders. This report is to be discussed at the Land Stewardship Board meeting in October.</p>
<p>12.</p> <p>Details: Fatal accident on NRW estate to member of the public. Sgwd Gwladus waterfall in Pontneddfechan, Glynneath.</p> <p>Reference: ACCB1092 / A9</p>	<p>External commissioned report was presented to NRW and other stakeholders. This report is to be discussed at the Land Stewardship Board meeting in October.</p>

<p>Incident date: 16/08/2021</p> <p>Type of SIR: Fatal incident.</p> <p>Full investigation: SIR opened and paused.</p>	
<p>14.</p> <p>Details: Fatal accident on NRW estate to a sub-contractor working on a standing sales site. Coed Taff Forest.</p> <p>Reference: ACCB1092/A12</p> <p>Incident date: 12/10/2021</p> <p>Type of SIR: Fatal incident.</p> <p>Full investigation: SIR opened and paused.</p>	
<p>15.</p> <p>Details: Fatal accidents on River Cleddau. NRW has a fish pass asset in the vicinity of the incident and therefore is being recorded on AssessNET as a precautionary measure.</p> <p>Reference: ACCB1097/A4</p> <p>Incident date: 30/10/2021</p> <p>Type of SIR: Fatal incident.</p> <p>Full investigation: SIR opened and paused.</p>	
<p>20.</p> <p>Details: Damage to 3<sup>rd</sup> asset on NRW land</p> <p>Reference: ACCB1096 / A2</p> <p>Incident date: 20/10/2022.</p> <p>Type of SIR: Property Damage</p>	

Full investigation: SIR in progress	
<p>21.</p> <p>Details: Major injury to contractor</p> <p>Reference: ACCB1095 / A3</p> <p>Incident date: 11/10/2022.</p> <p>Type of SIR: Major Injury - fracture</p> <p>Full investigation: SIR in progress</p>	SIR has commenced and in the reporting writing stage.
<p>22.</p> <p>Details: MoP fatality at Sqwd y Pannwr, Mannau Brycheiniog</p> <p>Reference: ACCB1092 / A14 &amp; A15.</p> <p>Incident date: 11/10/2022.</p> <p>Type of SIR: Fatal incident.</p> <p>Full investigation: SIR in progress</p>	External commissioned report was presented to NRW and other stakeholders. This report is to be discussed at the Land Stewardship Board meeting in October.
<p>23.</p> <p>Details: MoP major injury at Bike Park Wales</p> <p>Reference: ACCB1044/A13</p> <p>Incident date: 09/07/2023</p> <p>Type of SIR: Major Injury</p> <p>Full investigation: SIR in progress</p>	This SIR has been paused pending outcome of statutory investigation. There is a legal agreement with BPW, and they have control of the works.
<p>24.</p> <p>Details: Eye injury from projectiled stone in Coed Y Brennin Forest</p>	SIR has commenced and in the reporting writing stage.

Reference: ACCB890/A10	
Incident date: 11/09/2023	
Type of SIR: Injury	
Full investigation: SIR in progress	

## Recent incidents on NRW Estate

### Incidents

	Q2 2023/24	Q1 2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
<b>RIDDOR – staff</b>	2	1	3	7	3	6	2	8
<b>Lost time injuries – staff</b>	0	1	3	3	1	4	5	8
<b>Injuries, no lost time – staff</b>	13	20	43	51	19	121	53	59
<b>Near miss – staff</b>	24	60	175	156	109	183	163	201
<b>Serious incident reviews</b>	1	0	8	4	4	5	2	3
<b>Injuries - contractors</b>	0	2	8*	3*	5*	5	9	9
<b>Injuries – public</b>	11	13	38	38	18	53	53	95

<b>Near miss – contractors</b>	15	19	68	62	46	50	40	44
<b>Near miss – public</b>	6	6	33	30	23	33	20	39
<b>Property Damage</b>	10	11	53	36	35	32	43	48
<b>Hazards Reported</b>	41	26	199	166	65	83	103	78

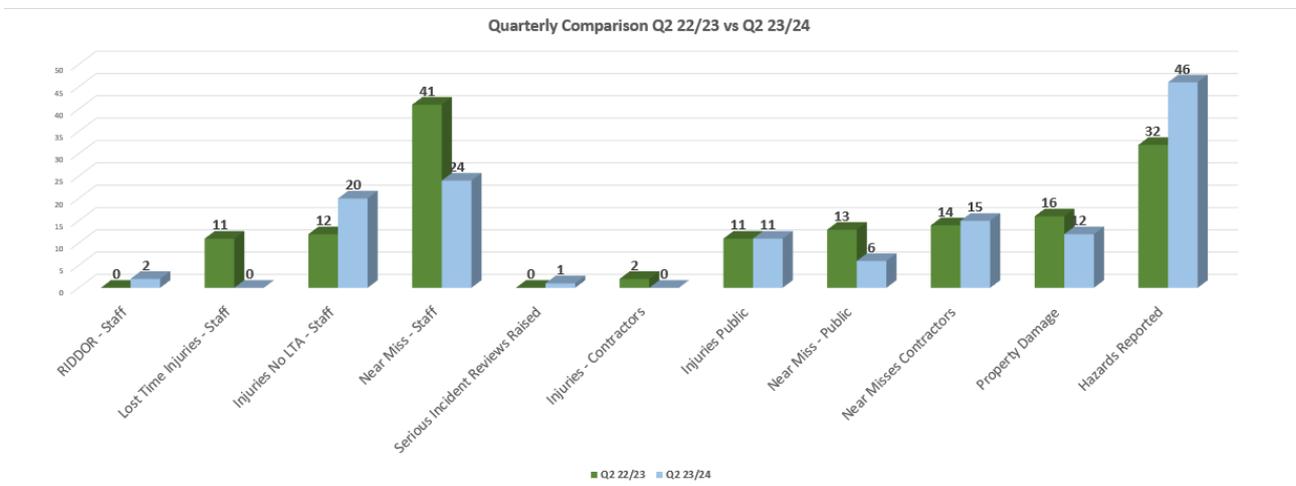
There are three key areas of focus to look at with regards the above table.

Firstly, RIDDORS still show an interesting trend of a high reporting year followed by a low reporting year. If this trend continues, then 2023/2024 will be a high RIDDOR year. As it stands, at the mid point of the year, there have already been the same number of RIDDORS as there were for the whole of last year.

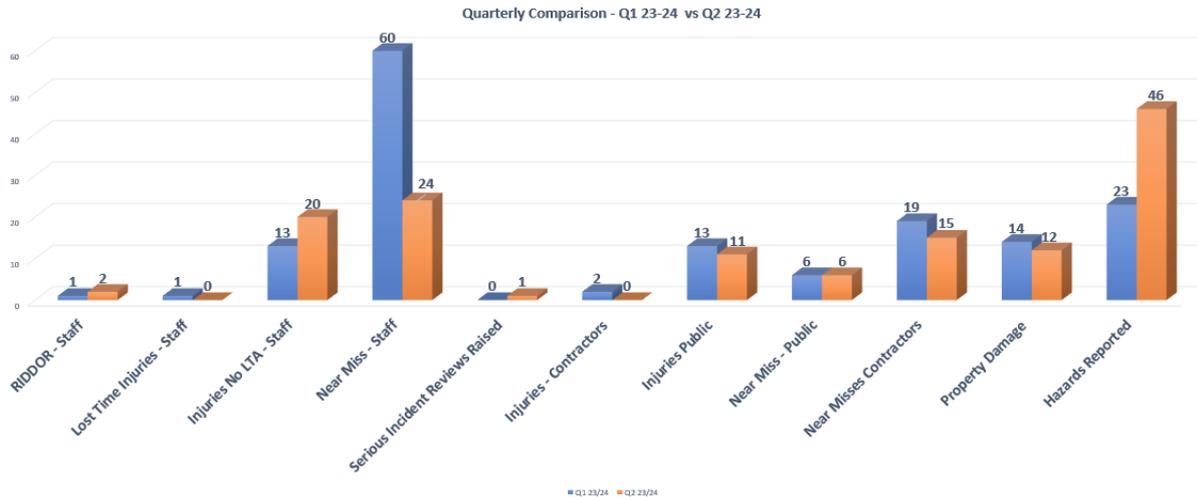
The second area of focus is Staff Near Misses, where there has been a 40% decrease in staff reporting from Q1.

The third area of focus ties into the second area and that is Hazard reporting. Hazard reporting has seen a 157% increase on Q1 23-24, which is really positive. It is important to keep this reporting high as embedding a positive culture of near miss and hazard reporting has a direct relation to a reduction in incidents. In order to support the reinforcement of this message, the WH&S team will be providing the business with Near miss and hazard reporting drop-in sessions for team leaders and line managers.

## AssessNET incident data comparison (all NRW) Q2

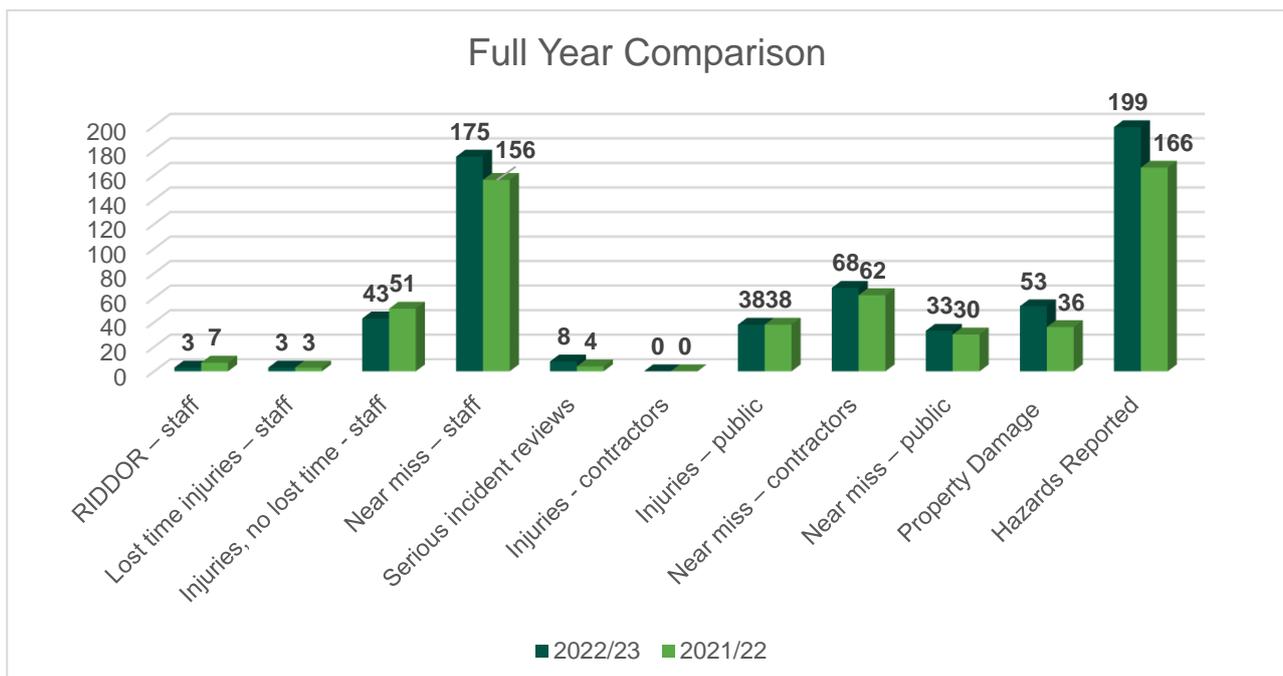


Q2 has seen a downward trend in both near misses and hazard reporting compared to Q2 22/23. There has also been an upward trend in staff injuries with no lost time. This reinforces the message that a reduction in near miss and hazard reporting can lead to complacency and therefore injuries. This further reinforces the importance of NRW running Near Miss and Hazard reporting drop in sessions to support the teams to identify the hazards before an incident occurs.



Q1 23-24, there was a higher number of both near miss reports and hazard reports compared Q2 23-24. There was also a lower number of injuries in Q1 23-24 that Q2 23-24 which further supports the statement that low reporting of near misses and hazards can lead to an increase in staff injuries.

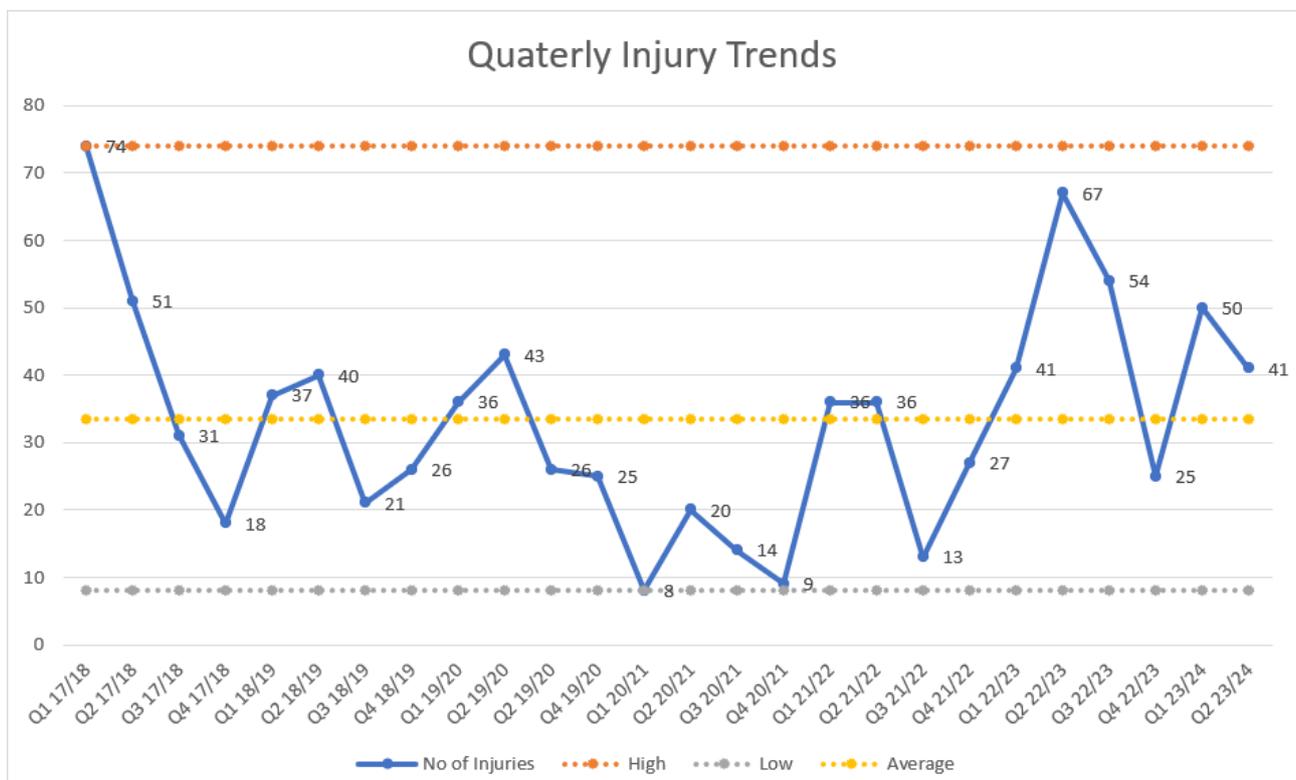
## AssessNET incident data comparison (all NRW) full year



There was a 17% increase in the number of hazard reports from 2021/22 to 2022/23, alongside an 11% increase in the number of reported near misses. This in turn, showed a 16% decrease in the number of injuries to staff.

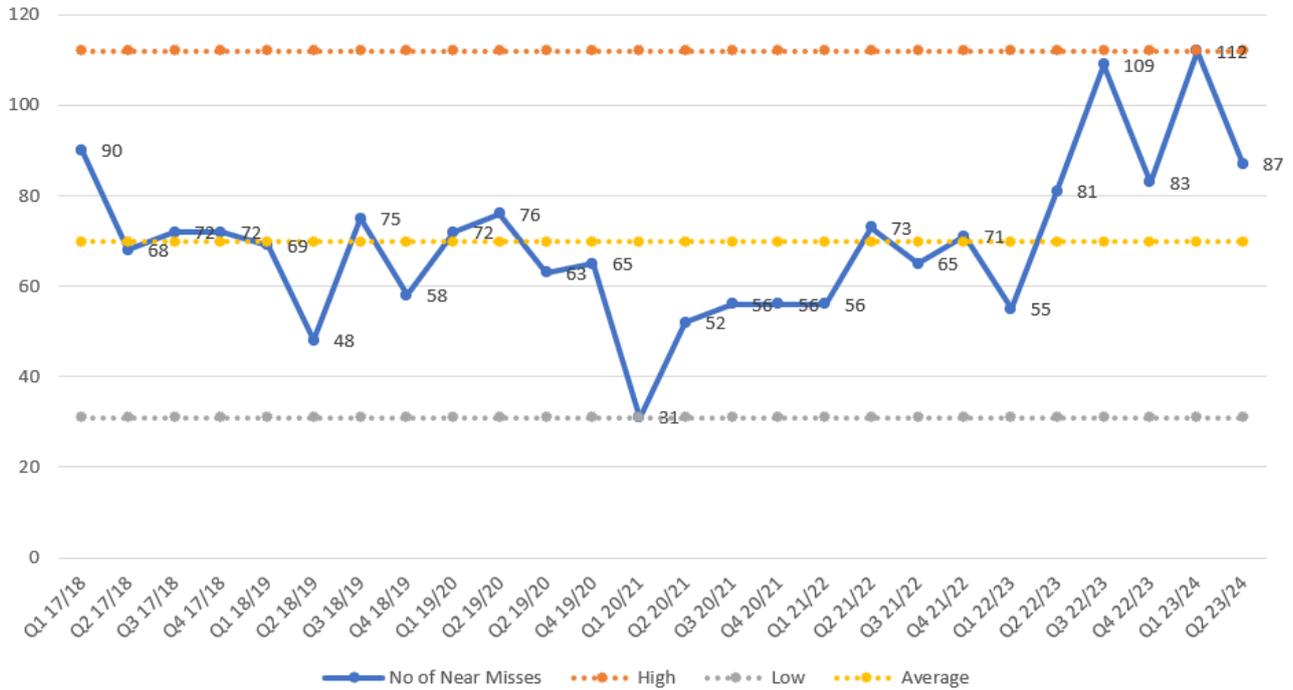
## NRW quarterly trend analysis

The following quarterly trend graphs include a high, average and low line. This provides an idea of where NRW are against their highest number of reports in each graph as well as against their average reports and lowest. By looking at these graphs as a visual, it is possible to ascertain where NRW are and if the trend is decreasing or increasing.



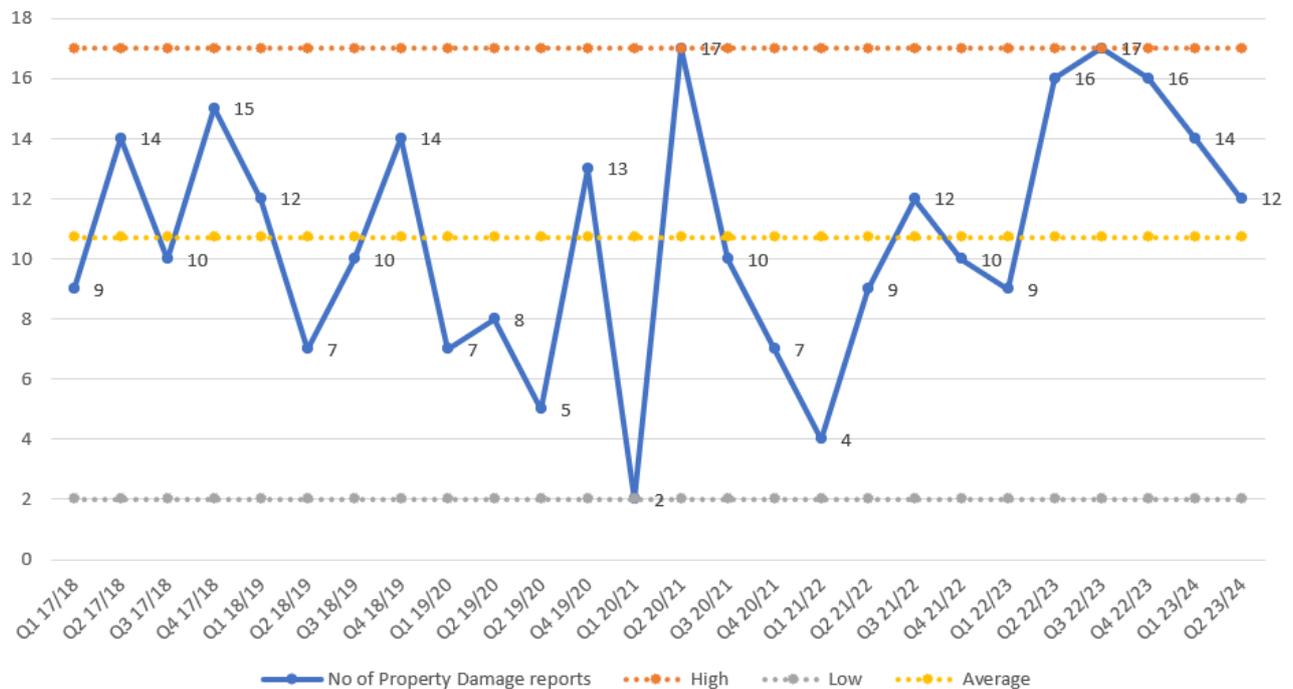
Total injury trends are continuing to stabilise slowly and are comparable to previous years. 2020/21 was an abnormally low year due to COVID, with Q1 22/23 being an abnormally high year due to all COVID restrictions being lifted.

### Quarterly Near Miss Trends

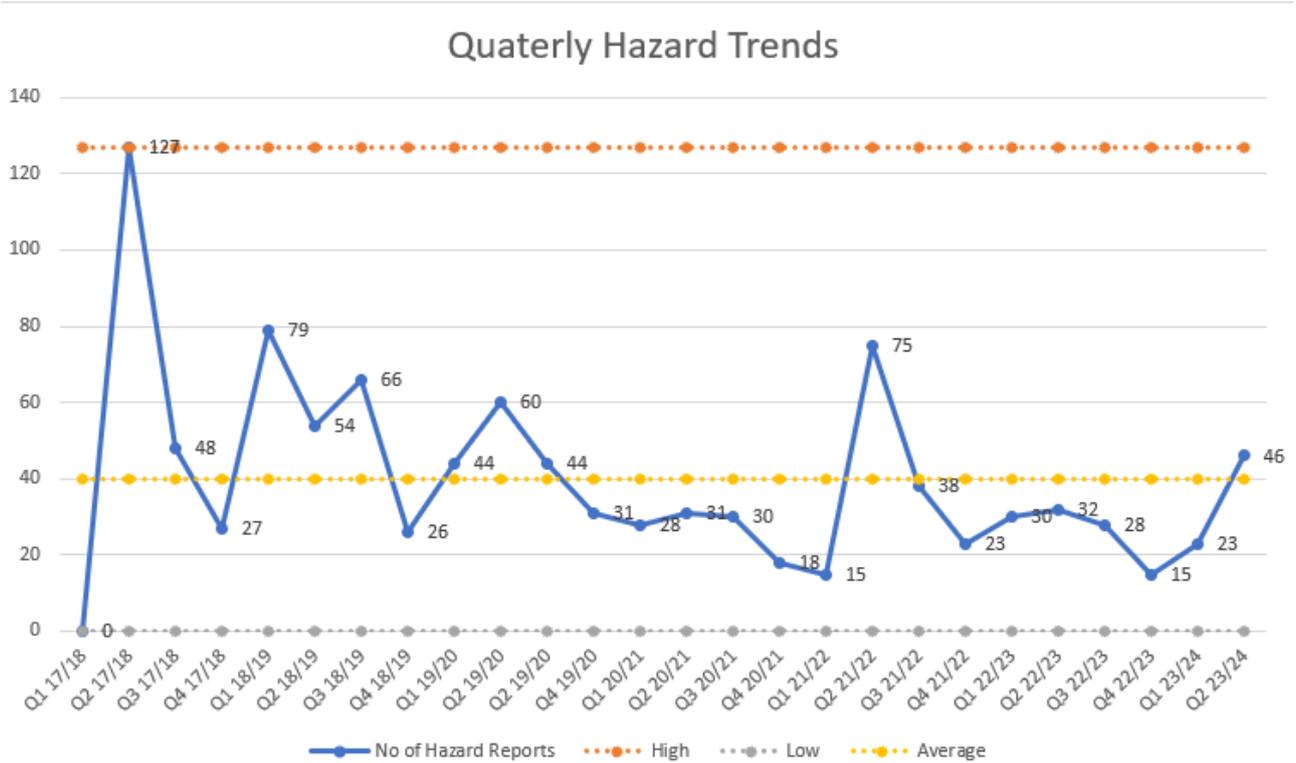


Near miss trends are overall increasing slightly, with a drop this quarter compared to last. The decrease in Q2 is not a trend that NRW typically follows as, NRW would anticipate an increase in near miss reporting from Q1 to Q2 this year. This emphasises the importance of the planned drop-in sessions.

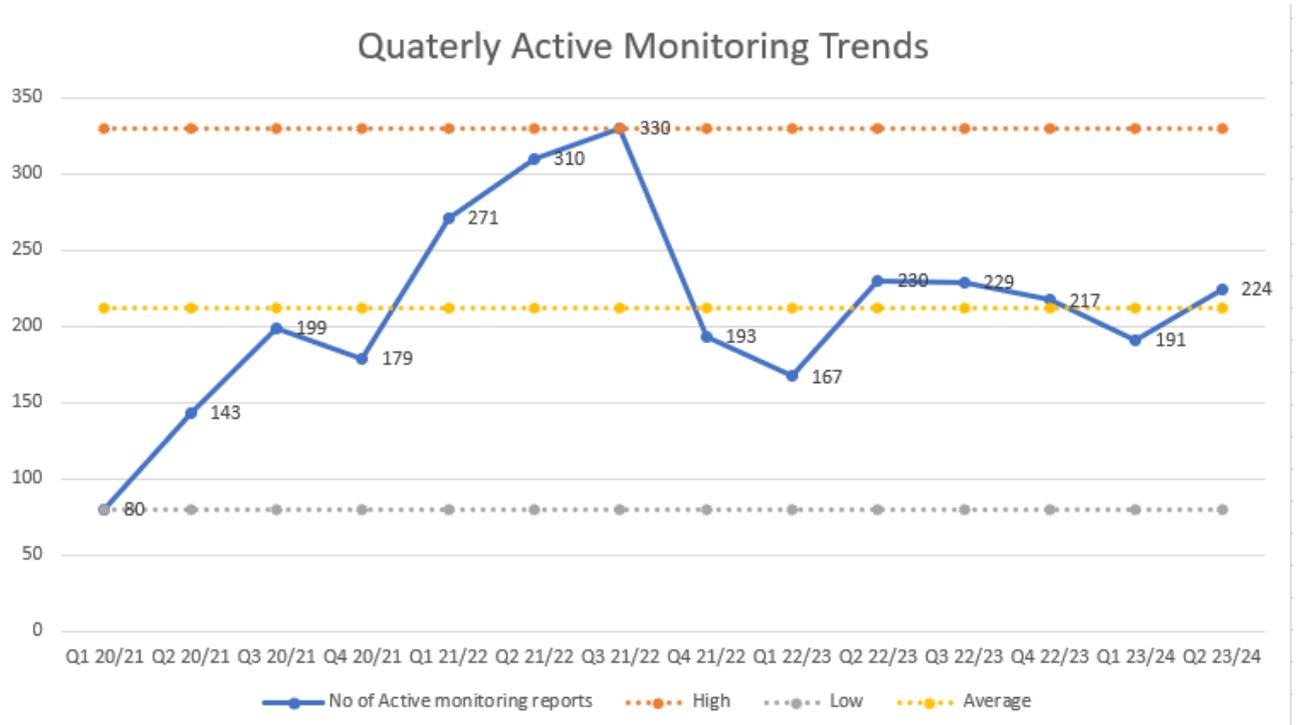
### Quarterly Property Damage Trends



Property damage is seeing a downward trend towards pre COVID levels.



Hazard reporting has increased, with reports increasing over the last 2 quarters.



Active monitoring has shown a slight increase in reporting trends. This will be largely due a change in the system used for reporting and as NRW train more managers and raise awareness of the new system we expect this to rise further.

## NRW totals for Q2 2023/2024

NRW had 2 RIDDOR reportable incidents to staff in Q2 2023/2024. The first was RIDDOR was in relation to an employee being hit by a flying projectile hitting their eye. The second RIDDOR is in relation to a slip/ trip / fall whilst undertaking work duties.

## Wellbeing initiatives and developments

- Risk Assessment procedure was amended to clarify responsibilities.
- Samaritans - Talk to Us campaign
- Portable Appliance Testing (PAT) and agile working reminders were sent out.
- Stay Alive App (Grass routes Suicide prevention) was shared to staff
- NEW EAP provider was launched
- New Corporate eyecare contract with Eyemed was launched
- Noise and Vibration awareness information was shared
- DSE reminders and tips were provided.

## ISO 45001

As part of the ISO 45001:2018 standard, a series of surveillance visits are required to ensure compliance to the standard. There will be 10 audit days in total, starting with the first audit in August. This took place in an operational team, which raised no issues. The rest of the audits are due in September, October, November and December.

The current minor non-conformities will be assessed and closed off in the surveillance days, this will ensure NRW are improving and fulfilling the legal requirements.

## Safety Alerts

Safety alerts issued in Q2:

- 3<sup>rd</sup> Party Property Damage
- LPG Forklift Trucks
- Forestry PPE

## NNR Audits

Collaborative audits were carried out on the following National Nature Reserves in Q2, which covered conservation, health and safety and environmental management. These

audits are designed in a collaborative way with other teams to reduce the impact on operational staff involved in the audit process. The site that were audited were:

- Cwm Clydach NNR
- Craig Y Cilau NNR
- Craig Cerrig Gleisiad NNR
- Cors Erddreiniog NNR
- Cors Bodeilio NNR

## Learning and Development (L&D)

### • Training Requests/correspondence:

During Q2 an average of 62 emails were received per day into the main L&D mailbox from delegates, team leaders and suppliers combined. In addition, the Welsh Language L&D mailbox receives on average 15 emails per day.

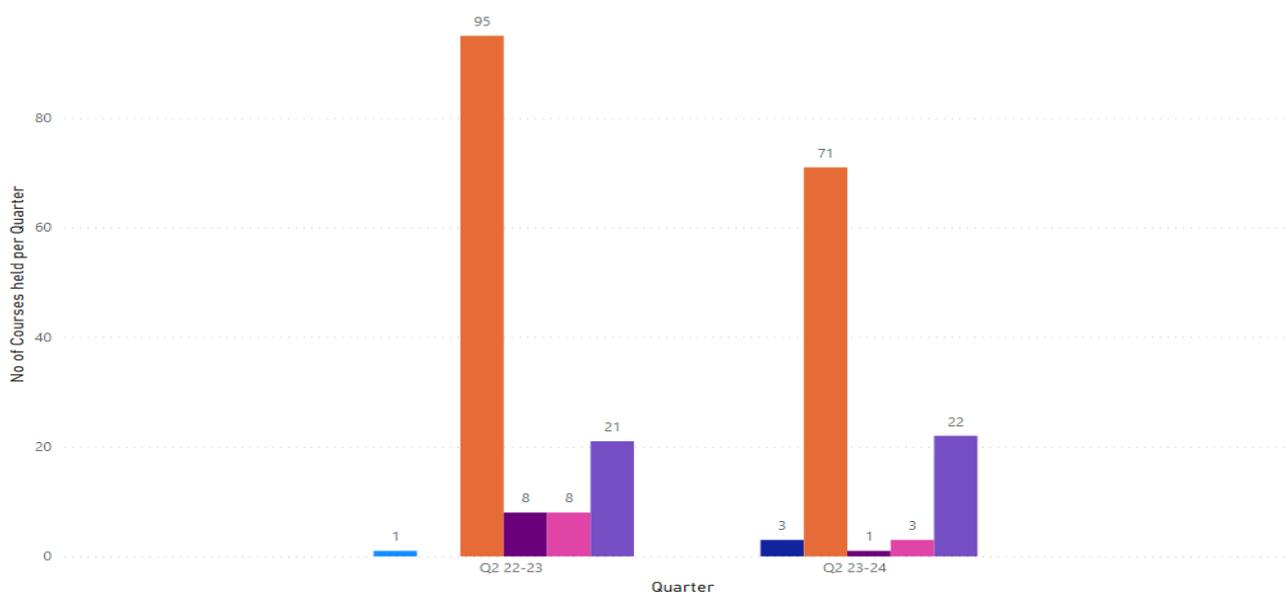
In Q2, L&D received 858 new training requests through the tracker, that’s 20 less than Q1 and of these 448 were for essential H&S courses. During the quarter 328 colleagues accepted dates to attend H&S courses.

### • Courses:

In Q2, L&D sourced and provided 99 courses, this is down on Q1 but to be expected with Q2 incorporating the summer holiday period. 71 of these were H&S courses which is lower in comparison to Q2 last year where 95 H&S courses were arranged. The budget for this financial year has been reduced so the trend each quarter should be down on last year. 449 colleagues attended the 71 courses in Q2.

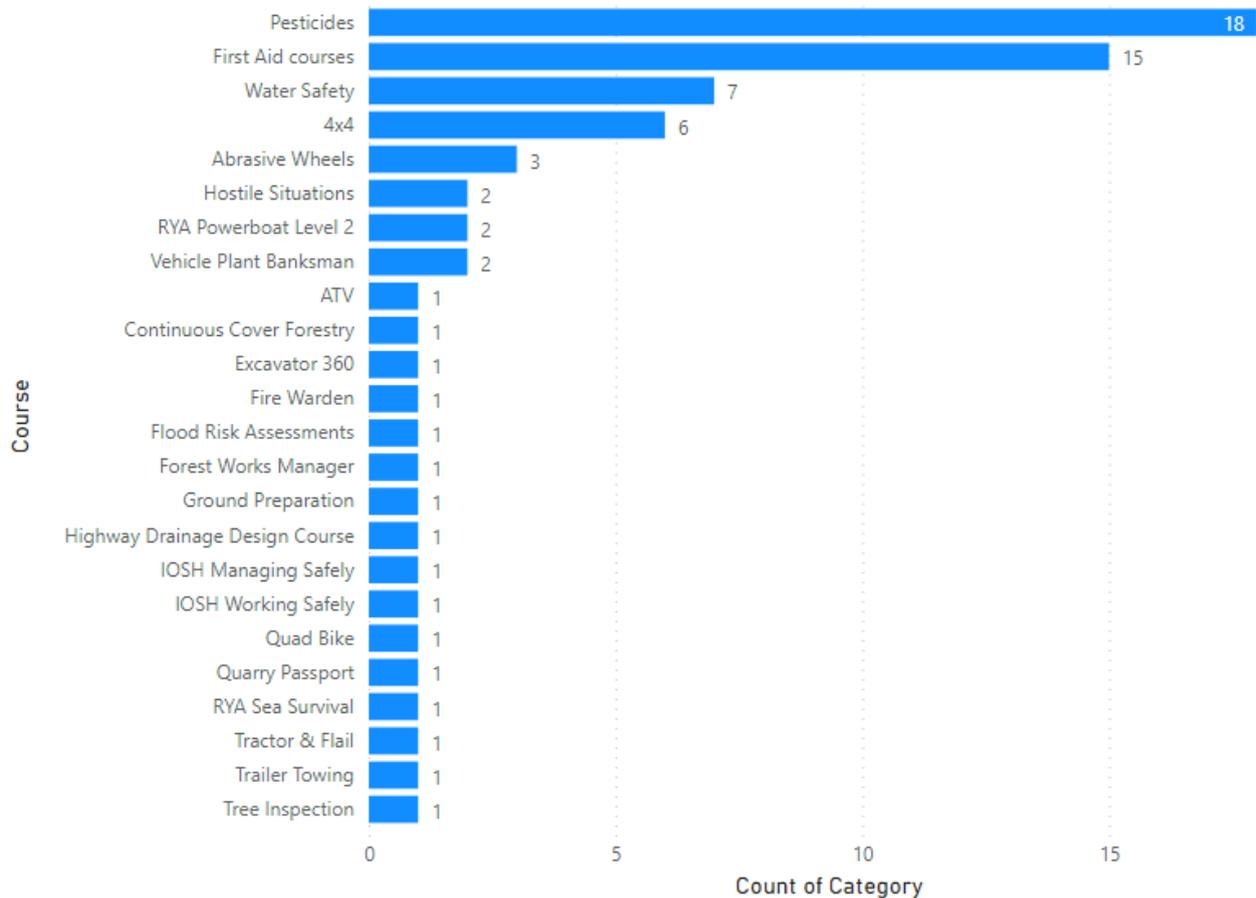
Comparison of Q2 Course run last 2 years

Category ● Corporate ● EDI ● H&S ● Management/Leadership ● Personal ● Technical



## H&amp;S Courses held in Q2 23-24

Quarter ● Q2 23-24



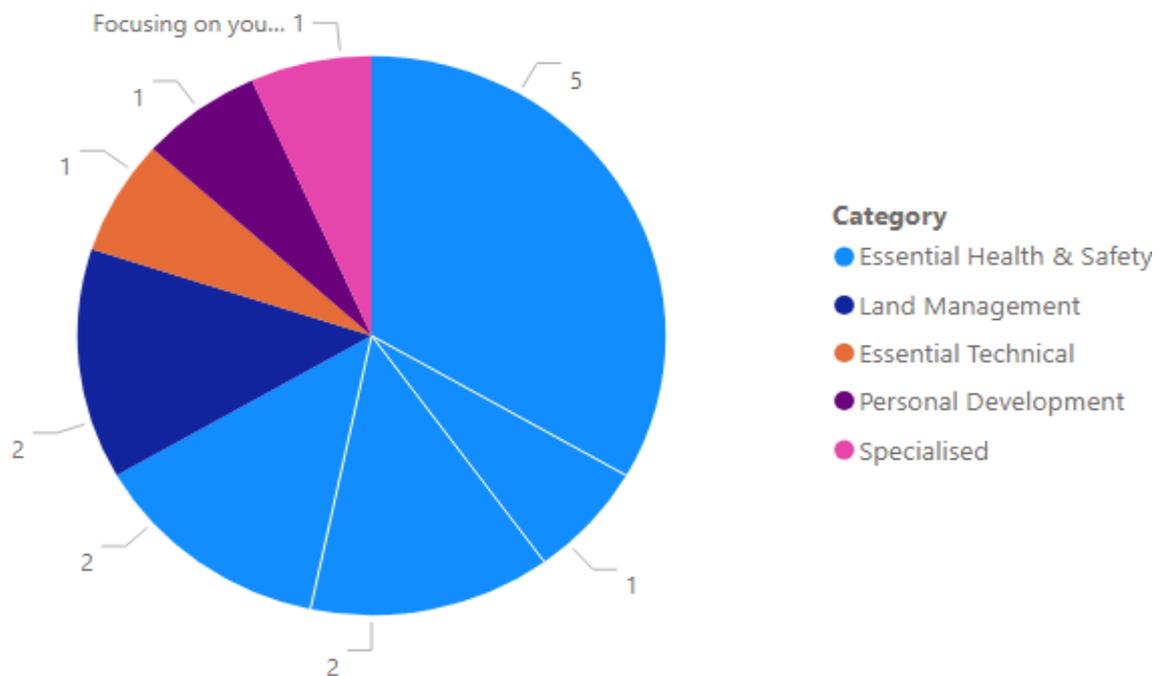
- **Cancellations:**

During Q1 L&D started working on cancellation reports following the launch of the new Training Policy. These reports are compiled manually from multiple data sources and have taken the L&D Team some time to develop using Power Bi. The reports have been developed following consultation and feedback with managers.

During Q2 some cleansing of the data for Q1 was undertaken to understand the gaps and issues in the report, this included manually checking emails from the L&D mailbox and chasing reasons for cancellations. In Q2 the number of cancellations within 14 days of the course date dropped significantly from 63 in Q1 to 15 in Q2. The total number of cancellations during the period was 44 which is significantly lower than the 114 cancellations received in Q1.

The total cost of cancellations in Q2 was £2306.00 this is down from £5170.00 in Q1. Following the launch of the Training Policy the L&D Team now copy LMs in on all course appointments and inform them if staff decline the training. Where possible the L&D Team try to fill any places on the course by emailing LMs with the details. The cancellations will be monitored going forward with future updates provided.

## Cancellations per course



- **Budgets**

At the end of Q2 the L&D budget is 67% spent with a further 24% committed. Training is prioritised to courses identified by the Training Needs Analysis (TNAs). The L&D Team is continuing to work with the business to organise courses paid for from local budgets, ensuring compliance with the use of contracts/frameworks in place.

- **Policy**

The Training Policy was approved by ET and launched on the intranet during Q2, four Managers Briefing sessions were held to explain the new policy to managers offering the opportunity for questions to be asked and to ensure clarity on the new policy.

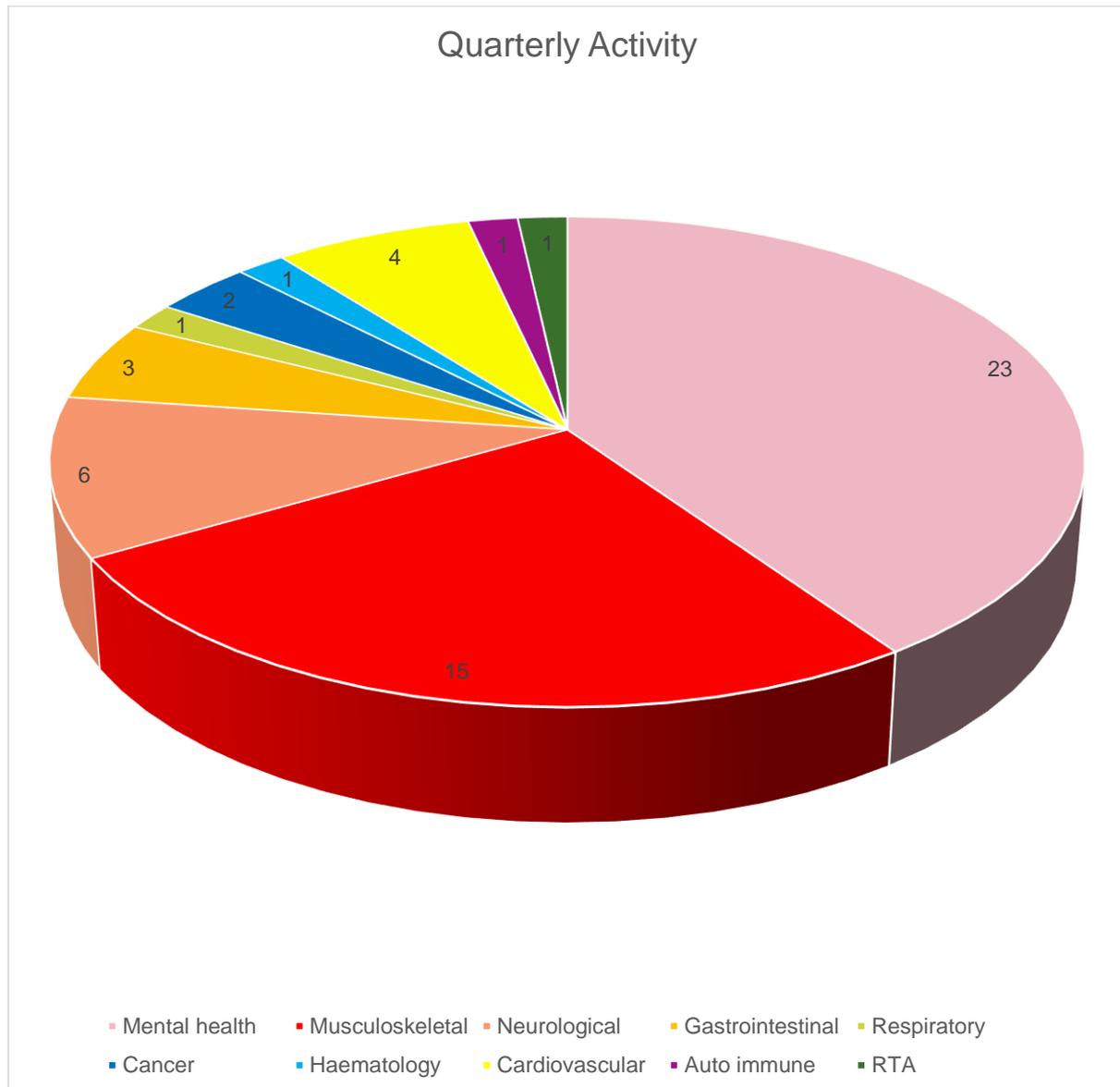
# NRW occupational health statistics

## Quarter 1 – April – June 2023

	<b>Q2 2023-24</b>	<b>Q2 2022-23</b>	<b>Q2 2021-22</b>	<b>Q2 2020-21</b>
Referrals/reviews	57	28	38	95
HAVS screening	13	0	0	50
HAVS Tier 4	1	0	0	2
Conflict Resolution screening	19	27	0	23
Whole Body Vibration assessments	0	0	0	0
Post offer screening	0	0	0	1
Night worker assessments	0	0	0	0
Physio assessments	0	0	80	23
<b>Total</b>	<b>90</b>	<b>55</b>	<b>118</b>	<b>194</b>

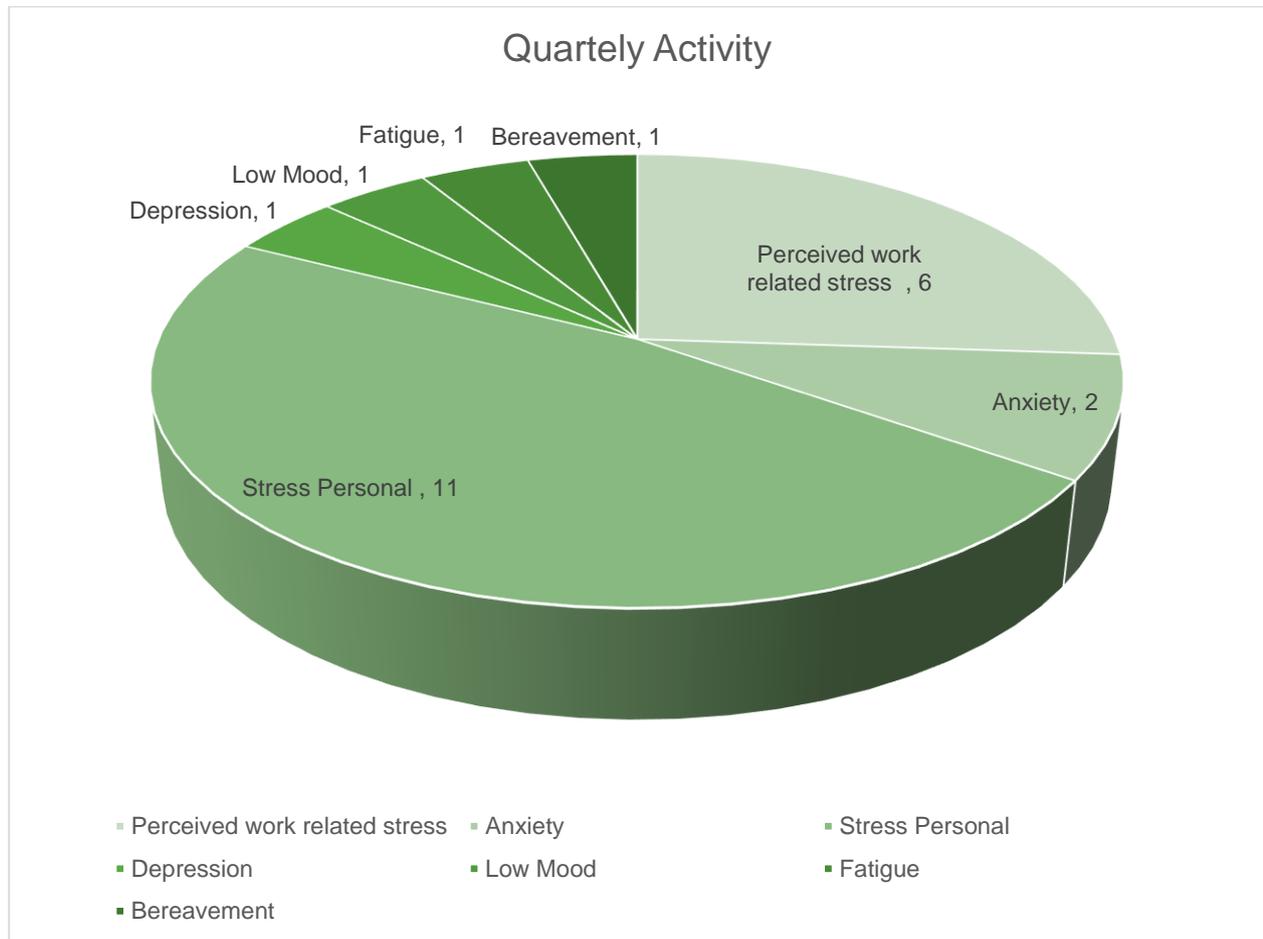
Q2 2023/24 has seen a 63% increase of Occupational Health appointments compared with Q2 2022/23.

## Medical reason for referral



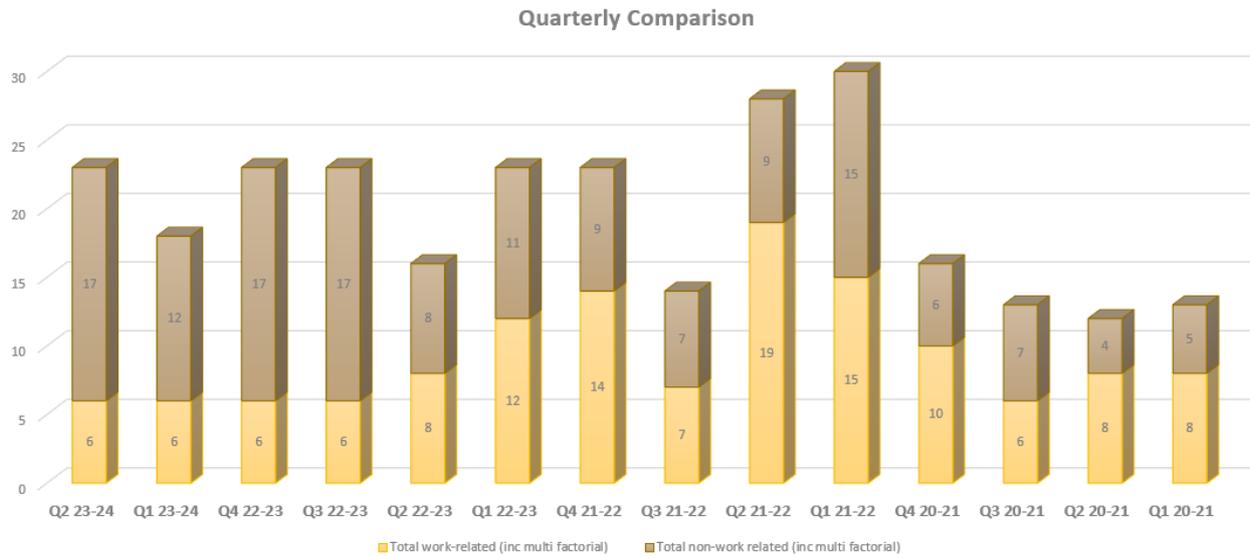
Mental health is the main reason for referrals this quarter at 40% which is a 10% decrease from last quarter.

## Mental health categories



26% of the mental health referrals are perceived to be work related which is a 7% decrease from the last quarter.

Perceived work-related stress is where it is identified that the employee perceives that their stress is solely work related, i.e., work is the stressor. Where there is both work related and personal related stress this is identified as multi factorial.



Note: Multifactorial is in the totals for both work and non-work related.

When looking at the data for mental health across the quarters, it is possible to see that the number of work related referrals has stabilised for the last 4 quarters, having reduced from 19. This highest number of referrals for mental health are for non-work related, showing that NRW are supporting employees in their home life as well as work life.

People management will continue to monitor trends of sickness absence.