

Agenda

Title of meeting:	NRW Board Public Meeting
Date of meeting:	Tuesday 22 nd September 2026
Time of meeting:	13:35 – 16:25
Location:	

Time	Item
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Preliminary Matters

13:35
(5 mins)

Item 1. Open Meeting

- Welcome
- Declaration of Interests
- Explain conduct of meeting

Sponsor and Presenter: Neil Sachdev (Chair)

Summary: To NOTE any declarations of interest

13:40
(5 mins)

Item 2. Review Minutes and Action and Decision Log

2A. Review Minutes from 29th July Public Board Meeting
2B. Review Public Action and Decision Log

Sponsor and Presenter: Neil Sachdev (Chair)

Summary: To APPROVE the minutes of the previous meeting and the Action and Decision Log

13:45
(5 mins)

Item 3. Safety Moment

Sponsor and Presenter: Neil Sachdev (Chair)

Summary: For a member of the meeting to provide a brief reminder or tip related to health, safety, or wellbeing.

Setting the Scene

13:50
(10 mins)

Item 4. Update from the Chair

Sponsor and Presenter: Neil Sachdev (Chair)

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

14:00
(40 mins)

Item 5. Report from the Chief Executive

Sponsor and Presenter: Ceri Davies, Chief Executive

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

Paper ref: 26-09-B06

Governance, Risk and Assurance

14:40
(15 mins)

Item 6. Update Report of Committees

Sponsors and Presenters: Committee Chairs

Committee/Fora met since last Board:

- Finance Committee – 9th September
- Strategic Delivery Committee have not met since the last Board. The Board are asked to **APPROVE** the draft reply to the Chancellor's letter seeking assurance on how NRW will support the delivery of the UK Nuclear Programme.

Paper ref: 26-09-B10

Summary: To APPROVE NRW's reply to the Chancellor's letter.

Committees/Fora not due to meet until after Board:

- Audit & Risk Assurance Committee
- Evidence Advisory Committee
- People Committee
- Protected Areas Committee
- Wales Land Management Forum
- National Access Forum for Wales
- Wales Water Management Forum
- Wales Fisheries Forum

Summary: To NOTE the updates from the Board Committees and NRW Forums.

Strategic Planning

14:55
(20 mins)

Item 7. Finance Performance Report

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

Presenters: Catherine Allan, Head of Finance

Summary: To APPROVE change in the latest forecast from £322.4m to £322.6m. To SCRUTINISE the financial performance to the end of July 2026.

Paper ref: 26-09-B08

Delivering Our Plan

15:15
(60 mins)

Item 8. WBO1 Nature Presentation

Sponsor: Prys Davies, Executive Director of Strategy, Policy and Evidence

Presenters: Mary Lewis, Head of Natural Resource Management Policy; Huwel Manley, Head of Operations, South West Wales; Neil Parker, Team Leader, Biodiversity Policy & Strategy; Paula Harley, Head of Land Stewardship; Matthew Park, Manager, Land Stewardship

Summary: To DISCUSS Wellbeing Objective 1.

16:15
(5 mins)

Item 9. Feedback on today's meeting

Sponsor: Neil Sachdev, Chair

Summary: Review of the meeting, what worked and what we need to do differently.

16:20
(5 mins)

Item 10. AOB

16:25

Close Public Meeting

16:30 – 18:30

Conversation with NRW – International Pavilion (Upstairs)

Unconfirmed Minutes

Title of meeting:	NRW Board Meeting (Public)
Location:	Teams
Date of meeting:	29 th July 2026
Members present:	Neil Sachdev, Chair Ceri Davies, Chief Executive Sarah Albon Mair Gwynant Dr Hushneara Begum Rebecca Colley-Jones Dr Pete Fox Prof. Calvin Jones Lesley Jones Prof Rhys Jones Mark McKenna Helen Pittaway Adam Taylor
Executive Team Members Present	Sarah Jennings, Executive Director of Communications, Customer and Commercial Rachael Cunningham, Executive Director of Finance and Corporate Services Dominic Driver, Executive Director of National Operations Lyndsey Rawlinson, Executive Director of Place Operations Louise White, Executive Director of People, Facilities and Fleet
Attendees present:	Phil Williams, Head of Governance and Board Secretary (All items) Sarah Williams, Head of Corporate Strategy and Programme Management Office (PMO) (All items) Meinir Wigley, Head of Communications and Digital Transformation (All items) Charlotte Morgan, Wellbeing, Health & Safety Manager – item 8 only
Observers present:	

Apologies:	Prys Davies, Executive Director of Strategy, Policy and Evidence
Secretariat:	Rhiannon Spencer, Board Secretariat Team Leader and Deputy Board Secretary Sian Johnston, Board Secretariat Team Lauren Hughes, Board Secretariat Team Deb Lee, Board Secretariat Team
Declarations of Interest	Rebecca Colley-Jones – Board Member of Group Cynefin

Item 1. Open Meeting

Sponsor and Presenter: Neil Sachdev, Chair

1. The Chair opened the meeting and welcomed everyone. Declarations of interest and apologies were noted as above. The Chair noted that he had stood down as Chair from Connecting Places Catapult board on 27th July 2026.

Item 2. Review Minutes

Item 2A. Review Minutes from 20th May Public Meeting

2. The minutes from the public Board meeting on 20th May were reviewed and agreed with minor amendments.

Item 2B. Review Action & Decision Log

3. The Action and Decision Log was reviewed.

Item 3. Update from the Chair

Sponsor and Presenter: Neil Sachdev, Chair

4. The Chair introduced the item and provided an update on matters since the last Board meeting. NRW had hosted the Statutory Nature Conservation Body meeting in North Wales in June, and the Board were reminded that Professor Rhys Jones would represent NRW on the Joint Nature Conservation Committee (JNCC) going forward. The Chair highlighted meetings with the Chairs of both water companies, Dŵr Cymru Welsh Water (DCWW) and Hafren Dyfrdwy (HD), and the President of the National Farmers Union (NFU). The relationship between NFU and NRW would be further developed, to support farmers but also to continue to hold them to account through NRW's regulation role. The Chair had also met with the Chair of the Welsh Revenue Authority (WRA) and attended the Public Bodies Chair meeting.
5. The recruitment process had begun for the new Chief Executive, and the Board would be kept updated. Colleagues were commended for their work during the

Royal Welsh Agricultural Show (RWAS), and this had been a good opportunity for the Chair to meet with a wider range of colleagues. The Chief Executive was thanked for her leadership, which was reflected in feedback the Chair had received from colleagues and stakeholders.

6. The Chair had also undertaken site visits across Wales including Welshpool, Ceri Forest, New Pool Reservoir and Newtown Flood Protection Scheme.
7. The Chair thanked all colleagues that had been working tirelessly on the recent wildfires and asked that this be extended from the Board. Communications would be pursued with local teams being nominated to work on incidents whilst supporting the community. The Chair expressed his frustration that colleagues were being trolled on social media and noted that the Place focused approach may need revisiting if this continued.

Item 4. Update from the Chief Executive

Sponsor and Presenter: Ceri Davies, Chief Executive

8. The Chief Executive (CEO) introduced the item and highlighted key issues. The Chief Executive reiterated their thanks to all colleagues working on the wildfires and noted that this had been disseminated to colleagues via the CEO update email and the Manager's Monthly Update call. It was emphasised that the trolling and negative commentary on social media was being taken seriously, and the Social Media Policy and Procedure were being reviewed to consider what further actions be taken. The Place focused approach would continue to be followed, but appropriate action would be taken if this way of working was being abused.
9. The Chief Executive had spoken on a leadership panel for the Biodiversity and Business Live summit in Edinburgh, and they had been invited to hold their next session in Wales in 2027. NRW would host this with Welsh Government (WG), and this would be a good opportunity to have a debate on the balance between ensuring a sustainable environment whilst growing the economy.
10. NRW were recently awarded with the Silver Carbon Literate Organisation accreditation, but the next aim would be for the Gold accreditation. This would include the Board members undertaking the Climate Literacy training and the Board Secretariat would provide details of this course to the Board.

ACTION: Board Secretariat to provide details of the Climate Literacy training to the Board.

11. The CEO outlined NRW's primary responsibility during wildfire incidents, which was to support the Fire and Rescue Service (FRS) on the land NRW managed. During the wildfire incidents, NRW had access to a helicopter service on contract, but this was a UK wide resource where the helicopter service was available to other organisations across the UK, and prioritisation arrangements were in place. Internal

colleagues had been supporting the FRS with land management activity, communications, social media and the deployment of the helicopter when available.

12. The Executive Director of Place Operations (Place Ops) thanked the colleagues for their response to the recent wildfires, and noted that stakeholders had also expressed their thanks. There had been significant operational pressures, including wildfires in other areas, which contributed to the difficult and intense time-period for colleagues. Following the negative media coverage with reference to the helicopter, Members of the Senedd (MSs) had been informed of NRW's roles and responsibilities with wildfire incidents. The Communications team prepared a brief for the MSs to correct the misinformation. However, it was suggested that the media also needed to be sufficiently briefed on NRW's roles and responsibilities. The Board were notified that due to the focus on these incidents, business as usual work and budgets would be impacted.
13. NRW's investment in adapting to climate change on the land they managed was highlighted. This included what was planted and when, the design of fire lines, training for colleagues and aerial support for FRS. Relationships had also been built in communities and with the FRS. The expectation of the aerial support for this year had been higher than what was possible, and there had been discussions between NRW and the FRS Chiefs. Work was underway to develop an enhanced, Wales-wide approach to ariel support. Short-term options continued to be explored given the ongoing risks.
14. The CEO also highlighted that drought status had been declared for parts of North and South East Wales due to concern on river levels. The Board were assured that reservoir levels were currently sufficient, however the water companies were urging appropriate use of water to sustain this. Increased monitoring of river levels would be implemented, along with increased regulatory work on abstraction. Measures could be taken if river levels were to decrease further including releases from reservoirs.
15. The First Minister's multi-disciplinary review on the wildfires in Wales was noted. It was suggested that NRW could look into the processes from other countries, to further inform NRW's response going forward. The Board were assured that there would be continued effective collaborative working with other UK countries, including developing a UK wide wildfire strategy. There was an England and Wales Wildfire Board that met regularly, and discussions would take place with European partners as well. Lessons learned in Wales would also be fed back to the UK Government via WG. It was also suggested that the multi-disciplinary discussion in Wales should focus on all serious incidents, not only wildfires.
16. In response to a query on developing a strategy on prevention of wildfires, it was explained that NRW had an ongoing campaign including educating the public on how they could help with prevention. The FRS Chiefs across Wales were also informing local communities of their role in reducing the risk of wildfires.

17. A discussion on water quality was suggested, including whether NRW had the right resources to deal with this adequately or if the approach needed to change. The Board were assured that this was still a significant priority for NRW and specific areas were being used as test beds such as in Southwest Wales.
18. An incident exercise plan had been developed. ET held an annual discussion on NRW's strategic approach to incident response, and there was a focus on resilience and prevention. ET and the Leadership Team (LT) also undertook Gold Command training with other public bodies as Duty Strategic Managers, and NRW worked across local resilience forums too. Due to the pace of climate change impacts, NRW were keen to have deeper exercises with partners.
19. Habitat restoration needed to be considered as this could be multi-beneficial by addressing flooding, water quality, droughts and wildfires. NRW could be innovative and bold to show what was possible in managing land in a different way. Teams across directorates were working collaboratively to review Nature-Based Solutions, adapting to all climate change impacts and considering the wider context.
20. The roles and powers of NRW with misconceptions relating to bathing water was queried, and it was agreed that partnership working was required with the local authorities to ensure that misconceptions were rectified.
21. The variety of reasons for NRW's objections to the Mid Wales windfarms were queried, specifically how NRW balanced their different roles and responsibilities when responding to infrastructure developments. When reviewing these applications, NRW reviewed both visual impacts and the wider environmental considerations to determine the most appropriate overall solution. NRW were advocating for better strategic planning at a national level to provide clear direction on the location of future developments.
22. In response to a query, it was confirmed that resources for renewable energy work related to planning was always a challenge. NRW would continue to advocate to WG for further support to ensure that NRW could fulfil its role in facilitating sustainable development for the prosperity of Wales. The Board were made aware that WG had asked NRW to consider reductions in the budget. It was confirmed that this would be difficult but the priorities of the work being delivered would be reviewed prior to upcoming discussions with WG.

Item 5. Update Report of Committees

Sponsors and presenters: Committee Chairs

Audit & Risk Assurance Committee (ARAC) – 4th June & 8th July

23. Mair Gwynant noted that the Annual Report and Accounts (ARA) had been the main focus of both ARAC meetings, with ARAC endorsing the ARA in July prior to Board for approval. The Board's attention was drawn to the changes in the risk management framework process, simplifying it but also embedding risk ownership

across the organisation; the use of PowerBi dashboards should help in this area. ET had begun to undertake deep dives into the Strategic Risks (SRs) and ARAC would provide oversight and seek assurance that the deep dives were effective. This new way of reviewing the SRs would ensure a proper Board assurance framework.

Finance Committee (FC) – 2nd July

24. The Board took the report as read and Helen Pittaway highlighted key discussions from the meeting. Two financial approvals had been brought to FC, one for an increased budget for the Telemetry Replacement Project, to ensure that it could be finalised. A lessons learned exercise needed to be carried out in relation to this Project and discussed further at FC. The Salmon for Tomorrow 2 Project had also been discussed and challenged by the Committee, as there needed to be a cost benefit analysis. A session was also held on programmes as these now reported to FC.

People Committee (PC) – 24th June

25. Mark McKenna noted that the June PC meeting had been held in person, allowing Board members time to connect with the People team. An update was received on Waterfall Country following PC's site visit last September. The draft Strategic Equality Plan had been presented and a session with the Trade Unions had been held. The Annual Welsh Language Report had been received and PC acknowledged that improvements were needed on the uptake of Welsh language in the organisation.
26. The Board queried whether the Report could focus on how using the Welsh language could make NRW work differently and improve in some areas. The Teifi Fyw Project was provided as a good example of using the Welsh language whilst also focusing on protecting nature. In response, it was explained that a Welsh Language Strategy was being developed.

Protected Areas Committee (PrAC) – 11th June

27. Adam Taylor provided key highlights from the PrAC meeting. The Sites of Special Scientific Interest (SSSI) notifications had been discussed, with an expanded list of proposed sites. Issues for SSSIs such as wildfires had also been discussed. The 30by30 Strategy had been presented; additional resources were required to help achieve this. However, it was acknowledged that NRW could not achieve 30by30 alone and collaborative work with partners was needed.

Strategic Delivery Committee (SDC) – 13th July

28. Dr. Pete Fox reminded all Board members that they were welcome to attend SDC meetings. SDC had looked at Corporate Planning and Performance, and it was agreed that the Committees role would be to review the planning aspect of the delivery cycle. SDC had noted the lack of metrics in the 30by30 Strategy. Water company performance had also been discussed, and a combined response to the Cunliffe, Fingleton and Corry reviews would be brought to the Board for approval.

Wales Land Management Forum – 6th June

29. The Board took the report as read.

National Access Forum for Wales (NAFW) – 7th July

30. Lesley Jones highlighted that a note of the meeting would be available at the next Board meeting. NAFW had discuss urban and accessible green spaces, generating much interest. Good connections had also been made for the stakeholders.

Item 6. Finance Performance Report

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

31. The Executive Director of Finance and Corporate Services (F&CS) introduced the Q1 Performance Report and change in forecast. It was reported at the end of Q3 there was an increase in income from Timber, however the forecast remained the same.

32. The expenditure trend was slightly ahead at £36.2 million, which was 3% above the planned expenditure profile due to staff and capital projects. There was a central provision due to cover the additional staff costs, including the pay award and any adjustments to opening staff budgets. There was an overprogramming of £2.6 million which was reduced from £3 million from the original budget.

33. Overprogramming had been increased in the Nature and Climate Emergencies (NaCE) Programme Portfolio to £4 million, which planned to reduce throughout the year. The Flood Capital Programme had also been increased to a total of £2 million. The team wanted to avoid any unexpected overspends towards the end of the year. The Board discussed reasons for previous underspending in the Flood Programme, including recent resource reallocation and increased over-programming to ensure full use of available capital.

34. Recruitment had improved with positive engagement scores, and an ongoing effort to improve retention whilst monitoring the impact on finance.

35. The Board discussed incorporating more Nature-Based Solutions into flood capital spending to deliver multi-beneficial outcomes and mitigate potential underspend.

DECISION: The Board approved the change in forecast from £320.6m to £322.4m.

Item 7. Annual Modern Slavery Statement

Sponsor & Presenter: Sarah Jennings, Executive Director of Communications, Customer and Commercial (CCC)

36. The Executive Director of CCC presented the Annual Modern Slavery Statement and the Modern Slavery and Human Trafficking Prevention Commitments: Five-

Year Plan (2026-31). The Board were assured that a robust discussion had been held at PC.

37. The Board discussed how the Plan would measure the improvement and reduction in Modern Slavery risks. The Plan would aim to demonstrate the difference it would make over the coming years via a baseline. It would investigate deeper into supply chains, move beyond compliance, and measure real impact. The comparative measures against sister organisations were highlighted in the first year of the Plan.

DECISION: The Board approved the Annual Modern Slavery Statement 2026-27 and the Modern Slavery and Human Trafficking Prevention Commitments: Five-Year Plan (2026-31).

Item 8. Wellbeing, Health & Safety Annual Report

Sponsor: Louise White, Executive Director of People, Facilities and Fleet

Presenter: Charlotte Morgan, Wellbeing, Health & Safety Manager

38. The Executive Director of People, Facilities and Fleet introduced the Wellbeing, Health & Safety (WH&S) and Learning & Development Annual Report for 2025-26 and commended the team and wider colleagues for prioritising WH&S throughout their work.
39. The Wellbeing, Health and Safety Manager highlighted aspects of the Report, including increased engagement in hazard reporting, highlighting that several Wellbeing initiatives had been undertaken and 316 WH&S training courses were delivered throughout NRW.
40. The Board discussed Forestry risks and the benefits of collaborating with other agencies including benchmarking with Forestry Scotland, Forestry England, Environment Agency and the Scottish Environment Protection Agency (SEPA) to share best practices and data through quarterly meetings. However, it was discussed that the risks in Forestry were not inevitable and NRW were working to improve safety standards, drawing lessons from the construction industry and the supply chain.
41. The Board discussed the Electric Vehicle (EV) issues highlighted in the Report including staff being anxious with regards to the range of vehicles, and the uncertainty of using automatic cars. It was agreed an EV category would be added to the Report to ensure EV specific queries would not disappear into other categories of data as the business transitioned to EV cars.
42. The Board discussed workplace stress and the efforts to analyse the causes, including the promotion of occupational health referrals through the Manager's Monthly Update (MMU), and to engage with employee groups to address root causes.

43. The uptake of the Learning Management System (LMS) was noted with further focus needed on the uptake of the Welsh version of the LMS. The Wellbeing, Health and Safety Manager discussed plans to enhance the learning and development reporting, succession planning and early talent management, aiming to improve retention and career development within NRW. It was confirmed that a quarterly training report would be developed and shared with Board.

DECISION: The Board approved the Wellbeing, Health & Safety and Learning & Development Annual Report for 2025-26.

Item 7. Business Plan Performance Dashboard Quarterly Update - Q1

Sponsor: Prys Davies, Executive Director of Strategy, Policy and Evidence (Ceri Davies, Chief Executive deputised)

Presenters: WBO Leads; Sarah Williams, Head of Corporate Strategy and PMO

44. The CEO introduced the item and presented the Q1 Business Plan Performance Dashboard. It was noted that further intensive work was underway on outcome measures, Key Performance Indicators (KPIs) and performance management reporting. The Board were reassured that work was happening at pace to improve the outcome measures and reporting and that delivery of the Business Plan was on track.
45. Through Executive Team (ET) and the Portfolio Group there had been focus on learning from Green rated commitments and the CEO confirmed any highlights would be brought through the CEO Report to Board and further reporting would come through the PowerBi platform.
46. The Head of Corporate Strategy and PMO highlighted the progress on commitments and areas requiring intervention in the Amber rating, each outlined with detailed pathways to Green.
47. The Board identified Nature Conservation as an area of greatest concern due to limited regulatory tools and funding to remedy issues. Despite operational challenges, the Executive Director of Place Ops confirmed efforts to prioritise staff training. The Board challenged the ET to set more ambitious targets when the pathway to green was within NRW's remit and prioritise resources accordingly.
48. The impact of additional resources on planning and permitting was discussed, noting improvement may take up to two years to be reflected in metrics.

DECISION: The Board approved the Business Plan 2026/27 Q1 Performance Report.

Item 9. How did we do in this meeting?

Sponsor: Neil Sachdev, Chair

49. The Executive Director of NatOps highlighted the strategic discussion around the recent wildfires and asked the Board to keep the strategic approach in mind during the winter.

Item 10. AOB

50. No AOB was discussed.

Close Public Meeting

Public Board Meeting Action & Decision Logs

Action Log Board Meetings										
Action No.	Meeting Category	Meeting Date	Item No	Para No	Paper Sponsor	Action	Owner	Due	Status	Notes/Updates
14	Public	29/07/2026	4	10	Ceri Davies, CEO	ACTION: Board Secretariat to provide details of the Climate Literacy training to the Board.	Secretariat	22/09/2026	Completed	List of dates added to the LMS circulated to Board members.

Decision Log Board Meetings						
Decision No.	Meeting Category	Meeting Date	Item No	Para No	Paper Sponsor	Decision
52	Public	29/07/2026	6	35	Rachael Cunningham, Executive Director of Finance and Corporate Services	DECISION: The Board approved the change in forecast from £320.6m to £322.4m.
53	Public	29/07/2026	7	37	Sarah Jennings, Executive Director of Communications, Customer and Commercial	DECISION: The Board approved the Annual Modern Slavery Statement 2026-27 and the Modern Slavery and Human Trafficking Prevention Commitments: Five-Year Plan (2026-31).

54	Public	29/07/2026	8	43	Louise White, Executive Director of People, Facilities and Fleet	DECISION: The Board approved the Wellbeing, Health & Safety and Learning & Development Annual Report for 2025-26.
55	Public	29/07/2026	9	48	Prys Davies Executive Director CS&D	DECISION: The Board approved the Business Plan 2026/27 Q1 Performance Report.

NRW Board Paper

Date of meeting:	22 September 2026
Title of Paper:	Chief Executive's Report (Public Session)
Paper Reference:	26-09-B06
Paper presented by:	Ceri Davies, Chief Executive
Purpose	Information and discussion
Summary	The paper provides the Board with an update on current issues.

Introduction

1. The period since our last Board meeting has been quieter for some, as many colleagues have taken well-earned summer breaks to travel and spend time with families. For others, it has remained intensely busy, as we have continued to respond to wildfires across Wales and the wider impact of the summer heatwaves on nature and the environment. Our teams have worked incredibly hard to support the Fire and Rescue Services (FRS), respond to incidents and maintain our business as usual service. As we go into a calmer and wetter spell, we are asking colleagues to take time back and rest properly, to ensure we remain resilient and responsive as an organisation over the months ahead. Some teams' work is now a month behind schedule; we will be bringing a strategic discussion to Board for consideration of the resilience of our services, the costs of the incidents and opportunity lost costs as we see events like these increasing in future.
2. The National Eisteddfod took place in Llantwd in the first week of August. I attended for two days, alongside the Chair, and spent time on our stand meeting elected representatives, stakeholders and members of local communities. As with the Royal Welsh Show, this is a highlight of our summer and an invaluable opportunity to take feedback and engage with people in a less formal environment. We were delighted to welcome the First Minister to our stand to explain more about the work we do and the importance of it to the resilience of the environment to support the wellbeing and prosperity of Wales. We were able to showcase the work of our colleagues through the displays on our stand.
3. My thanks go again to all colleagues who work so hard to prepare our stand and represent NRW so professionally during the course of the event. As a bilingual organisation and service, it is wonderful to showcase ourselves in Welsh at this most important and joyful celebration of Wales' culture, creativity and language. Diolch yn fawr iawn!

4. Also in August, I had my regular catch-up with the Independent Environmental Protection Assessor for Wales (IEPAW), Professor Lynda Warren, and an introductory call with Paul Frammingham, interim CEO of the Mining Remediation Authority (MRA). Paul commented on the excellent relationship our teams have with each other. We discussed the recent establishment of the Disused Tips Authority for Wales (DTA), which will take over some of the work currently undertaken by the MRA in connection with tip safety. The MRA is supporting a managed transition of work and resource to the DTA. I subsequently met Christina Harray, CEO of the DTA, for an initial discussion about the likely timescales and early focus areas for their engagement with NRW. The DTA is due to become operational on 1 April 2027, and we will consider with them how best to deliver the work associated with disused tips on the land we manage.
5. At the end of August, I spent a day with teams in North East Wales, visiting local sites to discuss the water quality impact of illegal waste activity, and learn more about the peat bogs at Fenn's, Whixall and Bettisfield Mosses, a National Nature Reserve that straddles the border between Wales and England. We were joined by colleagues from Natural England, with whom we manage this site. The day was a wet one, but the stark contrast of the varying shades of green and fauna on display in the bogs and the surrounding water-parched earth demonstrated the huge importance of these areas in our fight against the impacts of climate change.
6. During September, I met Dr Kate Roberts of Cadw for a site visit at Tintern Abbey with some of her team. We work closely with Cadw on various sites that have both environmental and heritage importance, and also with Henneb where there is archaeological interest. Our peatland restoration work is an area of significant overlap as peatlands are increasingly recognised as areas of historic and archaeological importance, and we are working hard to find efficient ways to collaborate on projects where heritage and archaeological features need to be protected. On this visit, I was interested to hear about Cadw's work to repair and conserve the weathered stonework of the abbey and map the architecture to support future conservation work.
7. The Executive Team and I also met with the executive team at Dŵr Cymru Welsh Water (DCWW) for another joint working session. I will also attend a Hafren Dyfrdwy Board meeting during September; this is an annual invitation that allows us to talk about their environmental performance and maintain our good working relationship with them.
8. During August and September, we have continued our work to refresh our Corporate Plan to reflect the objectives of the new Welsh Government (WG). This alignment is vitally important to our work, and we continue to meet regularly with our WG Sponsorship team to ensure we understand the expectations and priorities of our Minister and his officials. The refresh has provided an opportunity for us to review our Wellbeing Objectives and establish key performance measures so we can demonstrate progress, delivery and impact more easily. We plan to share the Corporate Plan with Senedd members at an engagement event in the Pierhead early in November.
9. In September, our Head of Finance, Rob Bell, retired after many years of dedicated service within NRW and our predecessor organisations. He has been exceptional in

his role, a steady hand and calm head dealing with the complexities of public finance accounting, ensuring we make the very best use of the public money awarded to us. We wish him a very happy retirement. Catherine Allan will step into the Head of Finance position on an interim basis until permanent recruitment takes place.

Strategic Updates

Ambition North Wales

10. We have continued our engagement with Ambition North Wales on issues relating to strategic planning, development and permitting across North Wales. Following an initial meeting with their CEO, Alwen Williams, our Executive Director for Operations (Place) Lyndsey Rawlinson and members of her leadership team met with Ambition North Wales' senior management team for an open, honest and constructive discussion focused on how we can work together to promote sustainable economic development and the broader priorities of the region. We hope that early dialogue on important projects and a joint understanding of the processes that apply will help to prevent unnecessary friction between economic development, nature and the environment.

Operational Updates

Wildfires Update

11. Wales has experienced a number of significant wildfires over recent weeks that have resulted in the declaration of multi-agency major incidents (adding to those experienced earlier in the year). As a Category 1 Responder, landowner and land manager for the Welsh Government Woodland Estate (WGWE) across Wales, we have continued to participate in tactical and strategic multi-agency meetings and support a coordinated response. Please see the attached annex for more detail on the scale, management and impacts of the wildfires.

River Severn Drought Order

(This is a dynamic issue and may be subject to change between update submission and the Board meeting.)

12. The Environment Agency (EA) and Natural Resources Wales (NRW) have had joint responsibility for drought planning in the River Severn catchment since April 2013. The EA has responsibility in England and we have responsibility in Wales, for alleviating the effects of drought on people, businesses and the environment through sensible management of water resources.
13. In August, NRW and EA applied to WG and DEFRA respectively for a drought order for the River Severn. The application – the first of its kind made by NRW – was made in response to prolonged dry conditions and exceptionally low water levels in Llyn Clywedog Reservoir and across the River Severn catchment. The proposed temporary measures are designed to conserve strategic water resources across the River Severn system, reduce the risk of reservoir exhaustion and help maintain essential river flows, environmental protection and public water supplies.

14. The order would enable a reduction in releases from Llyn Clywedog, lower regulated flow targets on the River Severn, and require an initial 5% reduction in water company abstractions. The purpose is to manage available water more sustainably through the remainder of the drought period, recognising that allowing lower river flows now is expected to provide greater protection to water resources, ecosystems and water supplies later in the year. We and the EA consider this a precautionary and last resort measure to reduce the risk of more severe environmental and operational consequences.
15. Current assessments indicate that the impacts of implementing the order in Wales are expected to be limited and temporary. The principal restrictions would fall on water companies rather than businesses, agriculture or individual consumers, although water companies may choose to introduce additional demand-management measures in line with their drought plans. Our assessment is that the order will help protect important river habitats, fish populations and designated environmental sites while supporting continued resilience of public water supplies across the Severn catchment.
16. We continue to work closely with the EA, WG and the UK Government, water companies (including Hafren Dyfrdwy, United Utilities, Severn Trent Water, South Staffordshire Water and Bristol Water) and other stakeholders (such as Canal & River Trust and Natural England) as the application proceeds. Current forecasts indicate a continued risk of dry conditions and ongoing pressure on water resources during the coming weeks. The proposed order is intended to provide additional flexibility to manage these risks and support a coordinated response. Timely approval remains important to maximise the effectiveness of the measures, while recognising that the application process allows for public and stakeholder scrutiny of the evidence and proposals.

River Tywi Fisheries Water Bank

17. Working with DCWW to help protect fisheries and wider environmental interests on the River Tywi, we commenced a water bank release in July in response to ongoing dry weather conditions. While the release volumes were lower than those associated with traditional spring or autumn fisheries releases, the approach provided a modest enhancement of flows in the main River Tywi and increased downstream flows below the Nantgaredig abstraction point at Capel Dewi, approximately doubling the water flow and associated depth below this point.
18. We are limited in how much water can be released in this way. While some salmonid species require higher flow rates, shad – a designated fish species for the River Tywi Special Area of Conservation (SAC) – require constant flow rates in which to spawn at their location approximately a mile downstream of Capel Dewi.
19. The extent of the release was reviewed at the end of an initial 30-day period, to determine the most appropriate next steps. This conservative approach aims to retain sufficient water within the fisheries water bank should a full autumn fisheries release be required later in the season. Ongoing discussions will continue through future South West drought management meetings.
20. Whilst the release initially helped to maintain water temperatures below 20 degrees centigrade, the water temperatures at the lower reaches of the Tywi reached this

threshold in mid August, placing fish at risk. Angling committees have agreed a voluntary stop on fishing on the river until such time as water temperatures drop again.

Llanelli Fly Infestation Issues

21. The Regulation 37 Partial Suspension Notice against AMG Resources Ltd was withdrawn early in August following completion of the required actions, including weekly submission of fly monitoring results. Records showed a downward trend to very low levels at time of suspension withdrawal. General housekeeping at the site improved dramatically with the removal of windblown litter from all areas, while the volume of waste held on site was reduced to facilitate deep cleaning of infrastructure.
22. During an inspection in August, very low levels of fly activity were observed, leading officers to conclude that the site was unlikely to be a contributing factor to flies in the surrounding area. At a subsequent meeting, Carmarthenshire County Council environmental health officers confirmed they were receiving low numbers of reports of flies in the locality.
23. There remain outstanding actions on the operator including a requirement to review and update their Pest Management Plan for the site to incorporate additional control measures, with the aim of reducing the risk of similar pest incidents occurring in the future and ensuring the site is managed in a manner that protects local communities and the environment. The operator has worked cooperatively with NRW throughout.

Industrial Decarbonisation in South Wales

24. South Wales continues to see significant industrial decarbonisation activity, with progress across Tata Steel Port Talbot's transformation programme, hydrogen and carbon capture projects in Pembroke and Milford Haven, and wider energy infrastructure opportunities linked to the South Wales Freeport and Swansea Bay. RWE remains a key investor in the region's energy transition, with the Pembroke Green Hydrogen project progressing through permitting, the 350 megawatt Pembroke Battery Storage Project under construction, and the Milford Haven CO₂ Project retaining major strategic importance for the future decarbonisation of South Wales.
25. Industry engagement during July reinforced growing concerns around electricity network capacity, energy costs, hydrogen economics and policy certainty, all of which are increasingly being identified as barriers to investment and project delivery. In particular, concerns were raised that delays in delivering supporting electricity infrastructure could become a critical constraint on future decarbonisation projects. The cancellation of the LanzaTech projects in Port Talbot and Milford Haven was a notable setback and may reflect wider challenges affecting investor confidence and the viability of some decarbonisation projects. Overall, momentum across the region remains positive and the pace and scale of delivery will depend on continued investment in enabling infrastructure, supportive government policy and a stable investment environment.

South East Coastal Pipeline

26. With our support, DCWW has secured Ofwat approval in their PR24 (2024 Price Review) business plan for funding linked to a biodiversity improvement driver to resolve issues with the Gwent Levels South East Pipeline (formerly called the South East Coastal Strategy). The existing 33 kilometre wastewater rising main between Chepstow and Nash Wastewater Treatment Works (WwTW) experienced 25 recorded failures between 2013 and 2023, resulting in thirteen pollution incidents between Chepstow and Nash. The current impact on protected sites from repeated failures of the pipe is the justification for the enhancement funding.
27. DCWW have now carried out an options appraisal and have put forward their preferred option of building a new WwTW discharging to the Severn Estuary and decommissioning a significant length of the pipeline. They are working with Ofwat and with us to determine the financial and environmental regulatory requirements before formally applying for the relevant permissions to proceed.

Kronospan, Chirk

28. Our enforcement investigations into two serious incidents at the Kronospan site – significant permit breaches in November last year and an explosion in April this year – are continuing. The site has been subject to increased interest from local councillors and community members, which has resulted in high levels of correspondence and high numbers of Wales Incident Reporting System (WIRS) entries. Site-based regulation and enforcement have placed considerable resource demands on the team. We continue to attend liaison and stakeholder meetings and provide regular updates to the local community via our newsletter and Citizen Space website.

Illegal Waste Sites

29. The Waste and Enforcement team continue to progress investigations into more than twenty illegal waste sites across North East Wales. There are links to organised crime and we are working closely with the EA, North Wales Police and other agencies. Our response involves convening a North East Wales Task Force to agree coordinated multi-agency approaches to managing these sites, one of which involved the illegal disposal of approximately 15,000 tonnes of material.

Kidwelly Tinworks Weir

30. During the winter flood events of 2025, a substantial section of the historic Kidwelly Tinworks weir collapsed, resulting in damage to the listed structure. Carmarthenshire County Council has since secured funding to support redevelopment and restoration works. While the existing structure incorporates a box culvert that is considered sub-optimal for fish migration, the redevelopment presents a valuable opportunity for us to work collaboratively with partners to achieve improved fish passage outcomes.
31. Our fisheries colleagues are actively engaging with the project to promote a pragmatic, evidence-led approach that balances heritage considerations with opportunities to improve river connectivity and facilitate the free movement of migratory fish species. This could deliver long-term benefits for fish populations within the catchment while contributing to wider river restoration objectives.

Innovation at Chester Fish Trap

32. The Dee Stock Assessment Programme (DSAP) team has recently installed a Tiva camera system within Chester fish trap. This equipment has been loaned by the Fisheries Assessment team as a trial and provides real-time information about the fish in the trap, using artificial intelligence to identify the fish. It also provides temperature information, indicating if the river is too warm to carry out monitoring and thereby saving a wasted visit.
33. The trial is part of our long-term vision of using automated fish-counter equipment within DSAP. The camera will provide supportive evidence to move towards the permanent installation of a Tiva fish tunnel. This would provide continual monitoring of the site (we currently fish the trap four days per week), allowing the team to visit the site only when fish are in the trap and spend more time analysing the additional data from the autonomous monitoring systems. Funding will be supplied through the Nature and Climate Emergency (NaCE) Salmon for Tomorrow funding stream.

Commercial Updates

Timber Sales and Marketing

34. The timber programme remains on track, with the first two timber sales of the financial year delivering 64% of the annual programme. Demand for high-quality timber parcels remains strong, with good competition helping to sustain prices. However, overall demand has softened across UK and international timber markets, and while Welsh timber prices remain comparatively strong, timber uplift in the first quarter has been lower than expected. Market conditions continue to be influenced by international factors, including lower import volumes from Scandinavia, weaker demand linked to reduced housebuilding activity, and falling log prices across parts of Europe. Although some sectors, including packaging, pallets and wood fuel, have shown resilience, the overall market remains volatile.
35. The reduced income position against forecast is equivalent to the value of one strong timber parcel and around twelve weeks of harvesting activity by a contractor. Market recovery is not expected until later in Quarter 3, following the annual summer sawmill shutdown period and seasonal reductions in demand. Looking ahead, market conditions are expected to remain challenging and unpredictable over the next six months. A recovery in UK housebuilding activity would help strengthen demand, but ongoing consolidation across the timber sector in the UK and Europe is likely to continue driving market volatility.

Visitor Centres Update

36. The commercial opportunity at Cwm Carn Forest Drive in Caerphilly is in the final stages of agreeing terms with the preferred bidder, with operations expected to commence in early 2027.
37. At Bwlch Nant yr Arian in Ceredigion, the first round of competitive dialogue has concluded with the shortlisted bidders. The process has been supported by Place colleagues and community representatives nominated by local community councils, whose input has added significant value. Competitive dialogue will continue over the coming months, with final bids expected by the end of October and a preferred bidder

recommended by December. The centre is targeted to reopen by Easter next year, or earlier should the successful operator be able to accelerate delivery.

38. At Coed y Brenin in Gwynedd, the initial evaluation stage has been completed and shortlisted bidders have been invited to enter competitive dialogue in September. All shortlisted organisations are established within the local tourism and hospitality sector.

Communications

Corporate Communications

39. During this period, communications activity focused on supporting major operational incidents alongside the delivery of proactive campaigns and stakeholder engagement. July was the busiest month of the year for the Communications team, with a significant increase in media activity and public interest. Significant resource has been directed towards supporting multi-agency responses, coordinating media handling and ensuring consistent public information relating to wildfire incidents across North, Mid and South Wales, as well as a number of industrial fires. Activity included promoting prevention and public safety messages, supporting partner communications and addressing misunderstandings about our role and responsibilities.
40. The team also managed national media interest following the BBC's *Buried* series examining historic waste sites in Wales, while providing communications support on water quality, pollution incidents, environmental enforcement activity and fisheries issues, including concerns relating to the River Tywi.
41. As drought conditions intensified and all of Wales entered drought status, extensive media and stakeholder communications were undertaken. This included technical briefings, interviews across national and regional broadcast outlets, and proactive content explaining environmental impacts, our regulatory role and the actions being taken to manage water resources.
42. Proactive storytelling remained a key focus, particularly highlighting the work of our people and the impact we make for communities across Wales. Colleague-focused content and videos were showcased at both the Royal Welsh Show and the National Eisteddfod, demonstrating the breadth of work undertaken across the organisation. We also launched our new impact-focused Annual Report and the Sustainable Growth and Value Strategy, providing a clear account of NRW's achievements and future ambitions. Across all communications activity, emphasis was placed on climate resilience, pollution prevention and nature recovery, helping to increase understanding of NRW's role and impact.
43. Social media channels continued to support operational priorities around wildfire prevention, water efficiency, water safety, pollution reporting and responsible access to the outdoors.

Internal Communication and Engagement

44. Internal communications have focused on supporting colleagues during a period of sustained operational pressure associated with drought conditions, wildfires and incident response. The team also supported the launch of the *Ein Llais* survey, which achieved a 78% completion rate, with almost 2,000 colleagues participating; work is underway to analyse the feedback and identify actions. Efforts have also focused on improving the planning and coordination of internal communications: a new communications calendar will help reduce duplication, improve prioritisation and ensure communications remain manageable for colleagues.

External Affairs and Public Affairs

45. External affairs activity focused on stakeholder engagement through the Royal Welsh Show and National Eisteddfod, providing valuable opportunities to raise awareness of NRW's work, discuss key environmental issues and strengthen relationships. Feedback was overwhelmingly positive, demonstrating strong interest in our work and the expertise of colleagues.
46. Use of the Tractivity platform for recording stakeholder engagement continues to grow, with nearly 200 engagement activities recorded. A final training cohort will ensure all fifty pilot licences are fully operational.
47. Preparations are underway for the September *Conversations with NRW* event in Builth Wells, building on the success of the previous event held in March. The team has also continued to provide engagement support across a range of strategic projects, including the Forestry Management Plan, River Basin Management Plan, State of Natural Resources Report (SoNaRR) webinar series and Sheep Dip consultation.

Summary of Complaints, Commendations and Correspondence

48. During June and July, the Central Correspondence team responded to a wide range of correspondence from WG, elected representatives, local authorities, stakeholders, businesses, community groups and members of the public. The main topics raised were water quality, sewage discharges and pollution, and the issues at Kronospan and Hafod, with wildfires and emergency response emerging as additional concerns in July. 98% of responses were issued within the ten or fifteen working day service level agreement (SLA), and 44% answered within five working days.
49. There were 54 new Access to Information requests received during June and July, with 80 responses issued. Performance remained high, with 86% completed within the twenty working day SLA, slightly below the 90% target due to summer leave pressures and several large and complex requests.
50. Since the last update, fifteen commendations have been received for NRW and individual members of staff.
51. During June and July, 29 new Stage 1 complaints were opened, with 96% responded to within the twenty working day SLA. One new Stage 2 complaint was received, alongside one ongoing case from the previous period. In total, 30 complaints were closed, with eleven upheld and nineteen not upheld. The main themes in June included parking at Newborough, automatic numberplate recognition and penalty charge notices; in July, wildfires and helicopter deployment. Three Ombudsman

decision notices were also received, none of which were upheld, with all decisions being not to investigate, providing assurance that complaints are being handled appropriately.

Forward Look

- Friday 25 September – Audit and Risk Assurance Committee
- Tuesday 29 September – Protected Areas Committee
- Thursday 8 October – People Committee
- Thursday 15 October – Board Update Call
- Thursday 5 November – NRW Evidence Conference
- Friday 6 November – Strategic Delivery Committee
- Tuesday 10 November – Evidence Advisory Committee
- Wednesday 18 November – November Board Meeting
- Wednesday 25 November – Finance Committee
- Friday 27 November – Audit and Risk Assurance Committee
- Wednesday 9 December – Board Update Call
- Thursday 10 December – People Committee

Annex 1

2026 Wildfire Season – Great Britain Overview

The 2026 wildfire season was one of the most significant recorded across the UK, with approximately 27,200 hectares (ha) of land affected by large wildfires identified through the European Forest Fire Information System (EFFIS).

Wales experienced a disproportionate share of this activity, accounting for 15,471 ha (57%) of the total UK wildfire area, exceeding the combined total recorded in England, Scotland and Northern Ireland. England accounted for approximately 3,290 ha (12%), Scotland 5,986 ha (22%), and Northern Ireland 2,449 ha (9%).

While the summer season has gathered the media headlines, wildfires in terms of extent were concentrated during the spring period. Following substantial wildfire activity in March, April was the most severe month, accounting for over 10,000 ha of burned area across the UK, driven largely by extensive upland fires in Wales and Northern Ireland. A second period of elevated activity occurred during July and August, when prolonged warm and dry conditions resulted in a series of significant wildfires across Welsh uplands, forestry and heathland sites.

The largest wildfire recorded anywhere in the UK during 2026 occurred in the Elan Valley, Powys, where two connected wildfire events burned a combined 7,847 ha, representing almost 29% of the total UK wildfire area and over half of the total area burned in Wales. This was not only the largest wildfire in Wales but also more than twice the size of the second largest UK wildfire, the Cairngorm wildfire in Scotland (3,347 ha).

Analysis of the ten largest wildfire incidents recorded in the UK shows that six occurred in Wales, including the four largest incidents. The prominence of Welsh upland and moorland fires reflects a combination of fuel loads, prolonged dry weather, exposed landscapes and the occurrence of both accidental and deliberate ignitions. Several of the largest incidents affected internationally important habitats, including Special Areas of Conservation (SACs), Sites of Special Scientific Interest (SSSIs), National Nature Reserves (NNRs) and extensive peatland systems.

Overall this year, Wales was at the centre of the UK's wildfire challenge, with the scale of several Welsh incidents comparable to some of the largest recorded wildfires in recent UK history. The season highlighted the increasing vulnerability of upland habitats, commercial forestry, designated conservation sites and rural communities to prolonged periods of elevated wildfire risk and reinforced the importance of coordinated prevention, preparedness, response and recovery measures.

Summer 2026 Wildfires in Wales – Summary of Known Impact

Across Wales, the high risk period started on 8 July. As at 25 August, risk is still elevated with a multi-site major incident in South Wales still active.

Multiple incidents have been declared by the Fire and Rescue Services (FRS), with fires affecting woodland, peatland, grassland, designated conservation sites and parts of the land in our care (the Welsh Government Woodland Estate (WGWE) and National Nature

Reserves (NNRs) in our direct care). We worked closely with FRS, other local resilience partners, contractors and military personnel to help contain fires, create firebreaks, manage public access and protect communities and key environmental assets.

Number of Wildfires and Scale of Impact

The reports identify at least sixteen separate wildfire incidents requiring monitoring, response or reporting by NRW during the summer period (listed below). A number of smaller flare-ups and re-ignitions also occurred.

Based on the situation reports (sitreps) issued, at least 2,200 ha of land is known to have been affected across Wales during the reporting period. This figure is conservative because several significant fires had no area estimates recorded in sitreps. Estimated areas of damage are shown where known.

• Rhinog SSSI/SAC/NNR and Cwrt Forest	1,050 ha
• Llangynidr to Brecon	400 ha
• Llanwynno	400 ha
• Blaenavon (including subsequent re-ignitions)	286 ha + 15 ha re-ignition
• Penrhys	40 ha
• Gethin	35 ha
• Llanwynno South	1 ha
• Caerphilly (Van Road)	
• Wattsville / Hafod Tudor	
• Rhiwderin	
• Coed Mawr, Risca	
• Brombil, Port Talbot	
• Penyreglyn Tip	
• Llwyn Onn reservoir area	
• Glaschwmm Hill (Mid Wales)	
• Pentre	

Impact on the WGWE

By mid-August, wildfires were affecting:

- Llanwynno, where approximately 400 ha of woodland, vegetation and peatland were affected
- Blaenavon (Cwm Avon Road), where around 286 ha of woodland, peat and ground vegetation were affected
- Gethin, where around 35 ha of woodland and peatland burned
- Penrhys, approximately 40 ha affected
- Caerphilly (Van Road), Pentre and Brombil, where areas of woodland were affected, although final burn areas were not confirmed at time of writing.

Many of these incidents involved deep-seated peat fires that continued to smoulder for weeks, creating an ongoing risk of re-ignition and requiring prolonged monitoring and intervention.

Environmental and Community Impacts

The wildfires affected a range of environmentally important habitats, and posed risks to nearby communities, infrastructure and businesses. Examples included:

- Threats to residential properties at Blaenavon, Llanwynno and Pentre
- Temporary closure of public rights of way
- Temporary closure of Bike Park Wales
- Evacuations associated with major fires outside the NRW estate, including Conwy Mountain
- Significant pressure on water supplies and fire-fighting resources during prolonged dry weather

NRW's Response

We played a significant operational role by:

- participating in Tactical and Strategic Coordinating Groups established under major incident arrangements
- providing on-site technical advice and operational support
- supplying water bowzers and forestry machinery
- deploying staff and contractors to create firebreaks and maintain access routes (in safe areas away from active fire-fighting)
- managing public access restrictions on affected land
- supporting helicopter operations where our contract made this possible
- advising on peatland and designated site protection

At time of writing, we continue to operate enhanced duty rotas and daily incident management arrangements to support partner agencies.

Due to the scale and longevity of the incidents across South Wales, the response included South Wales (SW) FRS requesting and receiving military assistance. The extent and severity of demands on its capacity and capabilities could not be addressed despite UK-wide mutual aid from other FRS. Military resources have been deployed on parts of our managed estate under the direction and control of SWFRS, for example with troops manually creating fire breaks. We continued to receive requests and provide advice on relevant fire-fighting and control activities via SWFRS.

During the same period, we supported FRS in responding to seven industrial / waste fire incidents (Impala, Aberthaw Power Station, Tata Steel, Gwyddelwen Waste Fire, Llantrisant Waste Fire, Delyn Metals Talacre, and Five Lanes Transfer Station), and responded to two slurry pollution incidents, one bathing water classification incident, and two reports of drownings on or close to the land in our care.

We also moved the whole of Wales into drought status, with lots of additional work regulating water abstraction and impoundment licences.

Conclusion

This summer has brought one of the most significant wildfire events experienced in Wales in recent years. At least sixteen separate wildfire incidents were recorded in NRW sitreps, with more than 2,200 ha of land known to have been affected. At least 750 ha of the WGWE and other land in our care was damaged, particularly in South Wales, where large wildfires affected woodland, peatland and designated conservation sites. Much of the impact was

prolonged by deep-seated peat fires, requiring sustained multi-agency intervention long after visible flames had subsided.

Right now the impact feels huge. The incidents were serious and the damage significant and costly. We should remember, however, that we have around 160,000 ha of Welsh land in our care and perhaps 1% of this has burned.

Recovery from Incident Response

We started a “hot debrief” process on 11 August and will join up with FRS, other resilience forum members and partners such as the National Parks to consider how we further develop our preparedness and incident response capability for wildfires.

Heads of Business and Service are developing our approach to recovery from the incident response. On the land in our care, much of the recovery work will be business as usual (restocking, re-fencing) rather than bespoke activity. As far as possible, we want to keep the process simple, avoiding potentially unnecessary work in setting up an additional recovery strategy for little benefit.

Our Head of Communications and External Affairs is leading our communications work; there are lots of enquiries, complaints, media stories, and, indeed, commendations to process with key messages to amplify.

We have an established process to work out the impact on the land in our care, including Place teams preparing reports for central collation. Previous reports are summarised at [3-1-A Impact of reported wildfires - Power BI](#). For context, the 2025 wildfire season saw 450 ha burn with a total additional cost of £0.8 million (incident response, recovery work of which restocking and refencing was the main cost).

Costs for 2026 could be double, around £1.6 million. Subject to eligibility and forecast spend, we could seek additional funding from WG to cover these costs. We are developing enhanced reports on the impact on protected sites beyond our estate, which should be available by the end of October. This timescale allows operational colleagues time to recover from the period of high pressure and intense activity.

While this summer has been described as “unprecedented”, it is, in fact, now normal with the kinds of weather that created the extreme fire risk set to occur more frequently. We set out below the key areas of enquiry for resilience to wildfires.

Review of Strategy for Resilience to Wildfires

We have started a review of our strategy for resilience to wildfires. This will frame our input to the forthcoming Ministerial summit on wildfires and other processes such as a WG initiative to coordinate wildfire resilience work across government departments.

At time of writing, the major incident is ongoing; recovery is only just starting and time will be needed for our operations to return to business as usual. Accordingly, this is a high-level outline framework that will be finalised as colleagues become available.

Strategy for incident response:

We have an annual cycle of strategic reviews of incident readiness. The most recent, held in March this year, included the wildfire season. Overall, our conclusion was that we were reasonably well prepared but that responding to multiple or prolonged incidents would be challenging.

Our high-level strategic direction across all incident types was a risk based approach to reduce the rate and intensity of our response to specific incidents to enable us to put more into prevention, noting that the Civil Contingencies Act applies to civil emergencies not necessarily the types of incidents we currently often respond to.

The Executive Team will review whether this remains a credible strategy in the light of the apparent pace of increase in the severity and frequency of weather-related incidents caused by climate change, and other risks such as cybersecurity. At time of writing, the Met Office is warning of the potential for an extreme El Niño event to generate a wetter and stormier autumn than usual for the UK, and the media is reporting Russian threats of disruption to our economy and society.

Resilience to wildfire from land management:

The evidence we have collated supports greater heterogeneity in upland landscapes (extensive grazing, re-wetting of peatland, areas of broadleaved tree planting, carefully planned and implemented “burning to protect”) along with continued public education. This is counter to a tendency for some people to lobby for more land management that fulfils their particular interests. Our *Wildfire Wise* report, an output of the Healthy Hillside project, forms a strong evidence-base. Our new Strategic Approach to Protecting Nature provides further support and our Head of Knowledge and Evidence is looking again at the evidence including the early learning from the wildfire season.

On the WGWE, we reviewed land management practices for wildfire resilience after the 2024 wildfire season. Key actions included assessing wildfire risk and, in the riskier areas, planning linear managed open space features and/or bands of less fire-prone vegetation along which FRS can set fire-fighting lines; greater diversity in tree planting, changes in timber harvesting practice and closer liaison with FRS. We will assess progress in implementation and whether the actions go far enough as part of recovery.

Aerial support provision:

With support from procurement and contract management colleagues, we reviewed our existing arrangements for providing aerial support for fire-fighting on the land in our care. Due to the severity of the risks, while FRS remained responsible for wildfire response and incident command, we introduced greater flexibility to our helicopter support provision.

With partners, we put in place a temporary arrangement until the end of September (or until wildfire risk reduced), broadening access to helicopter support while maintaining clear governance, funding and deployment responsibilities. We streamlined procurement processes to support quicker decision-making, improve visibility of supplier availability and provide greater flexibility to secure support during periods of heightened risk.

Despite this flexibility, we feel that aerial support has been shown to be inadequate with apparently just six suppliers across the UK and no military capability. At several key moments in our wildfire season, there was no aerial support available for the FRS. Our reputation was damaged by misplaced expectation from stakeholders that providing aerial

support in general was our responsibility. We have worked closely with WG and Fire Chiefs to clarify our role and manage communications.

We and the Welsh Fire Chiefs have agreed a position on our preferred long-term solution, a proposal that WG should coordinate setting up a Wales-wide mechanism for aerial support, with greater capacity and different technical capability, overseen by an organisation other than NRW. The response from WG officials has been supportive and we continue to work with them and our FRS colleagues.

We feel urgent action is needed so we can be ready for the 2027 wildfire season.

Technical matters:

These include use of salt water for fighting fires (probably better than allowing a fire to burn when other supplies are running low, despite the environmental impact), use of fire retardants and surfactants (being assessed), techniques for fighting peat fires (this season, the response tended to involve digging trenches down to the bed rock / mineral soil, which may damage peat in the long-term making it more vulnerable to fire) and whether our actions at all times reflected health and safety guidance that colleagues and our contractors should not get involved in fire-fighting.

Enforcement:

Alongside public education campaigns, which we feel are best led by Local Authorities and FRS, we should consider whether we have greater powers than we currently deploy, for example to enforce responsible upland burning, enforce bans on risky activities, or support the Police in preventing arson in South Wales.

NRW Board Paper

Date of meeting:	22 nd September 2026
Title of Paper:	Nuclear – Chancellor’s letter
Paper Reference:	26-09-B10
Paper sponsored by:	Dominic Driver, Executive Director of National Operations
Paper prepared by:	Victoria Watson, Principle Adviser, People Transformation Manager
Paper presented by:	Dominic Driver, Executive Director of National Operations
Purpose of the paper	Approval
Summary	We have drafted our reply to the Chancellor’s letter seeking assurance on how we will support delivery of the UK Nuclear Programme, reflecting comments from the Strategic Delivery Committee. We ask you to approve our reply to the Chancellor.

Background

1. We in Natural Resources Wales (NRW) received a letter from the then Chancellor, Rachel Reeves on 13 March 2026 seeking assurance on how we will support delivery of the UK Nuclear Programme following the Nuclear Regulatory Taskforce Review. The letter asks for Board level input, a draft was considered at the Strategic Delivery Committee (SDC), we revised it following feedback at SDC, and we now present it to full Board for sign-off.
2. A draft response (Annex 1) has been prepared, setting out how we are increasing the efficiency of regulation to support nuclear development that achieves high standards of environmental protection and delivering for nature.
3. We have shared our draft reply with Welsh Government and have taken onboard their feedback. We have reviewed the Environment Agency's draft response and checked for alignment on key messages and commitments, while ensuring NRW's response reflects the Welsh context and our statutory responsibilities.

4. Our letter highlights NRW's unique position as both environmental regulator and Statutory Nature Conservation Body, enabling more integrated and efficient decision-making.
5. We have a dedicated Nuclear Team and Gwyndod/Wylfa Small Modular Reactor Project support arrangements in place, supported through our Service Level Agreement with the Environment Agency.
6. In December we brought the Planning and Permitting teams together under one Directorate to help improve customer service and efficiency. A Transformation Programme is being established to improve planning and permitting performance, digital services, process efficiency and customer experience.
7. Expected benefits include improved consenting performance, reduced rework, lower administrative costs and greater certainty for developers. Successful delivery will require sustained investment in digital systems and specialists. We will table quantitative estimates of benefits at the meeting, if we have been able to calculate them.
8. **Overall message:** NRW is well positioned to support UK nuclear ambitions that bring benefits to Wales by balancing net zero, nature recovery and sustainable economic growth.

Risks, Risk Appetite and opportunities

9. Most relevant to and will help to mitigate Strategic Risk 7: Regulatory Failure.

Wider implications

10. Wider implications of this work are:

- a. **Well-being Objectives:** The work we set out in the letter will be brigaded in our wider Multi-year Plan (MyP), which arises from our Corporate Plan which is based on Wellbeing Objectives.
- b. **Finance, Resource implications:** There are no specific direct financial implications to the response. The extent to which we can achieve the benefits depends on wider budget negotiations, part of the MyP.
- c. **Equality, Data Protection:** n/a for the letter, covered in the MyP.

Next steps/recommendation

11. We recommend you approve our response to the Chancellor.

Index of Annexes

Annex 1 – NRW Draft letter

Annex 2 – Chancellor's letter

Approval / Consultation process

Approval/consultation process Responsible: Who has developed the paper/process and who has had input?	Victoria Watson Dominic Driver and Nadia De Longhi
Accountable: Who is accountable for the ultimate approval? Who will be or is being asked to approve?	Dominic Driver
Consulted: Who has been consulted to date? Where endorsement is required, is this in place? Will further consultation be required?	Dominic Driver, Rhian Jardine, Ruth Jenkins, Rhodri Morgan, Nadia De Longhi, Becky Favager and members of the internal Infrastructure Consent Oversight Group + Philip Bowen (Welsh Government), SDC, Executive Team
Informed: Who has been informed or who needs to be further information about the work?	Infrastructure Consent Oversight Group

Annex 1

Natural Resources Wales

Chancellor of the Exchequer – Rt Hon John Healey MP
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Dear Chancellor, Implement the Nuclear Regulatory Taskforce Review

Thank you for the Chancellor's letter of 13 March 2026 and for the UK Government's commitment to improving delivery in the nuclear sector.

As Wales' principal environmental regulator and statutory nature conservation body, Natural Resources Wales (NRW) acknowledges the ambition to deliver nuclear infrastructure at pace, recognising the benefits to climate mitigation while maintaining the highest standards of safety, environmental protection, and delivering for nature.

Our Corporate Plan sets out our ambition to protect and enhance Wales's natural resources, built around our four Well-being Objectives. We are committed to building an organisation that is skilled, resilient, and equipped to deliver for Wales.

NRW understands the national importance of accelerating nuclear deployment, including the Gwyndod/Wylfa Small Modular Reactor (SMR) project and the wider UK nuclear programme. We also recognise our role in achieving a proportionate, predictable, and collaborative regulatory system.

We seek to ensure the sustainable management of our natural resources for human and environmental well-being in Wales through delivery of our regulatory duties. We ensure that our decisions and advice are based on evidence and assessed against international standards and guidance.

Our response below sets out how NRW will contribute to this national effort, and what support is required to ensure Wales can meet UK-wide expectations while fulfilling devolved environmental responsibilities and our statutory duties under the Well-being of Future Generations (Wales) Act.

1. NRW's commitment to timely, proportionate and cost-effective delivery

NRW is already taking significant steps to improve delivery, aligned to the nuclear programme. We have in place the following:

- Dedicated Nuclear Teams to provide an integrated approach to our policies, approaches and regulation of the nuclear sector, and connecting to all our regulatory and advisory functions
- Maintaining an enduring Service Level Agreement with the Environment Agency to provide the technical capability, nuclear expertise, and resilience for our regulation of nuclear sites in Wales, radiological environmental monitoring in Wales, and nuclear incident and emergency arrangements.
- Working Group with Welsh Government to focus on matters arising from the Nuclear Regulatory Review recommendations that fall within devolved competence, affect devolved interests, or require engagement with UK Government or other administrations on a Wales-specific basis.
- Support for the Gwyndod/Wylfa SMR project, with a dedicated place-based team leading NRW's response and acting as a single point of contact. Key to this is early engagement with developers. [We are aligning this approach with the Lead Regulator Model to strengthen collaboration with our supply chain.](#)
- Close working relationships with key partners and commitment to projects including the Atlantic Partnership for Advanced Nuclear Energy and the GRR Outreach Project, which provides guidance to ensure radioactive waste is safely managed.
- [NRW will work with partners across North Wales to coordinate strategic mitigation, strengthen ecological resilience and maximise regional benefits from new nuclear development.](#)
- A collaborative approach would help build a nuclear-ready supply chain and support local skills growth, aligning with both UK and Welsh Government priorities. We have already demonstrated the value of this model through the Morlais Tidal Demonstrator project, where early partnership working enabled strategic mitigation and delivered wider community and environmental benefits.
- Strengthened consenting capacity and improved digital solutions, supported by Welsh Government funding.
- Work to streamline permitting processes, including framework permits, which respond to GBE-N requests for progressive permitting.

These actions will allow NRW to focus resources on the most critical issues while reducing unnecessary delay.

2. NRW's integrated structure

NRW is unique within the UK in having the environmental regulator and the statutory nature conservation body within the same organisation. This provides a significant advantage for nuclear regulation in key areas including:

- A single regulatory voice for permitting, conservation advice, habitats regulation, marine licensing, and environmental assessments.
- Faster, more joined-up decision-making, avoiding delays that can arise between separate bodies.
- Better alignment with the Lead Regulator Model, which seeks exactly this type of integrated approach.
- We brought our Planning and Permitting teams together within a single Directorate to improve customer service and efficiency.

This integrated model is a key advantage for the UK nuclear programme in Wales.

3. NRW's New Nuclear Team – Lead Environmental Regulator

NRW has established a dedicated new nuclear team to act as the lead environmental regulator for all nuclear sites in Wales. This team works collaboratively to:

- Permit radioactive waste discharges and ensure compliance with environmental limits.
- Assess new reactor designs, working together with EA and ONR to ensure they meet strict environmental and radiological protection standards.
- Oversee the entire lifecycle of nuclear facilities in Wales, from design assessment to decommissioning.
- Work in close collaboration with the Office for Nuclear Regulation and the Environment Agency to ensure consistent UK-wide standards.
- Provide specialist environmental and ecological advice to support planning, permitting, and strategic decision-making.
- Engage with the Nuclear Regulatory Implementation Panel (NRIP) and communicate with Welsh Government and the WG Nuclear Taskforce Working Group.

This team strengthens Wales's readiness for new nuclear development.

NRW is also applying lessons from major UK nuclear projects such as Hinkley Point C and Sizewell C. These developments highlight the value of early engagement, clear environmental requirements, and rapid issue resolution to avoid delays. They also demonstrate the importance of integrated regulatory working and transparent communication with communities. Embedding these lessons into our approach for Wylfa and future Welsh projects will support timely delivery while maintaining robust environmental protection.

4. How we work for people and nature

NRW's Corporate Plan and our new Well-being Objective 4 provide a strong foundation for improving our processes by committing to:

- Modernising public-facing services with inclusive digital platforms that enable easy self-service, real-time information, and improved transparency.
- Designing services around user needs using people-centred and digital-by-design principles, ensuring they are integrated, intuitive, inclusive, and responsive. In March 2026, we undertook an independent Stakeholder Perception Audit, covering feedback from stakeholders and the public, to underpin organisational improvement work.
- Improving efficiency and effectiveness through technology by redesigning processes, adopting digital tools, automation, and modern systems.
- Using evidence and digital tools to streamline decisions and ensure a more proportionate approach to risks, within robust legal limits.

This improvement work will directly support the needs of nuclear developers, regulators, and communities by reducing uncertainty, improving efficiency, and ensuring environmental protection is embedded throughout the project lifecycle.

5. Implementation via a transformation programme

To meet the expectations of the Taskforce Review and the Infrastructure Wales Act, NRW is running a transformation programme for infrastructure consenting services. This is needed to deliver the pace and predictability expected by you and Welsh Ministers. The transformation programme will therefore prioritise:

- Investment in modern permitting and advisory systems, improving processes to meet the expectations of customers and stakeholders.
- Customer-facing digital services that provide clearer guidance, predictable timelines, and real-time progress tracking.
- Automation of routine processes, freeing specialist staff to focus on value-added tasks.
- Strengthening staff confidence and competence through targeted training on proportionate decision-making, risk management, and regulatory judgement, alongside digital and analytical skills, enabling more consistent, timely, and outcome-focused decisions.
- Improving our culture through clear process ownership and continuous improvement tools.
- Building the specialist skills needed for modern regulation through targeted development and training, including early-career pathways.

This approach is essential to deliver the cultural and operational shift required by the Taskforce Review. This work is dependent on sustained, multi-year investment in digital systems and specialist capability.

6. Expected time and cost savings

With the transformation programme and ICT investment in place, NRW anticipates:

- Compliance with consenting timelines.
- Significant reduction in rework due to earlier issue identification.
- Lower overheads through automation and digital workflows.
- Improved predictability for developers.
- Better data quality and faster cross-regulator collaboration.

We are confident that the combination of organisational transformation and targeted ICT investment will generate measurable time and cost savings, enabling staff to spend less time on manual and administrative activities and more time on strategic planning, value-added decision making, and the continuous improvement of services and processes.

[INSERT QUANTIFICATION, if possible]

Conclusion

NRW shares the UK Government's view that the Nuclear Regulatory Taskforce Review represents a major opportunity to reset the UK's approach to nuclear regulation. Our integrated structure, combining environmental regulation, statutory conservation functions, a dedicated nuclear regulatory team, and an ICT-driven transformation programme, positions Wales strongly to make improvements. NRW is ready to play a leading role in delivering the UK's nuclear ambitions in Wales.

This work will also sit within the context of the new Welsh Government, which has set out a focus on bringing together net zero, nature recovery and sustainable economic growth, with a forthcoming Climate and Nature Action Plan.

We look forward to close engagement with HM Treasury and the wider Government as this programme progresses.

Yours sincerely,

Annex 2



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

13 March 2026

Dear CEOs and duty holders,

IMPLEMENTING THE NUCLEAR REGULATORY TASKFORCE REVIEW

I am writing to you alongside the publication of the Government Response to the Nuclear Regulatory Taskforce led by John Fingleton. This is a critical report in ensuring we work together to build the nuclear capacity we need at pace. It will require substantial change from Government, from regulators and from industry at all levels of the supply chain. We will implement the measures we have outlined by December 2027.

Nuclear power and the renewal of the nuclear deterrent are strategic priorities for the United Kingdom. Nuclear power will play a critical role in delivering our clean energy ambitions, but also driving the UK's energy security well into the future. The nuclear deterrent is the cornerstone of our national security, providing the ultimate safeguard of the UK's values and way of life for over 70 years, and is as critical now as it has ever been. Success in both these areas is vital for our economic growth, energy, and national security objectives. The urgent need to deliver means that we need to work together to avoid delay, inertia, and the prioritisation of process over outcome.

The Government is committed to safe standards and outcomes. A new approach will not dilute the UK's commitment to nuclear safety; it will enable resources to be focused on the most significant risks. The Government expects regulators and industry to treat nuclear programme delivery as a national priority. Safe, but timely and cost-effective, deployment of nuclear power, defence nuclear infrastructure and capabilities, decommissioning works, and other related infrastructure is directly in the public interest.

The Nuclear Regulatory Taskforce found both that regulators can overreach, leading to gold plating, and that companies do not challenge that overreach often enough. It also found that companies can choose expensive bespoke solutions rather than more efficient standardised options. The report highlighted three fundamental drivers of high cost and delay in the nuclear sector: risk aversion, the priority of process over outcome and a lack of incentives aligned with the public interest.

The Government will work with regulators and industry to ensure that we all take time and cost efficiency as seriously as if they were in a competitive market. We must all put serious effort into stripping away duplicative or gold-plated processes, overly complex guidance, rules, and regulations, both in our own organisations and in supply chains. We should focus resources on the most safety-critical issues. We should evolve from a culture that resists new technology and practice to one that actively enables their safe implementation.

The accountability for progress rests not just with Government, but with the leadership of each organisation across the civil and defence nuclear sectors, including the supply chain. The Nuclear Regulatory Taskforce Review makes clear that an essential route to better outcomes is a more joined-up and collaborative set of work across organisational boundaries. Across and between the public and private sectors engagement and dialogue on regulatory decisions – including both those taken by regulators and within private sector organisations, should be default. We should move immediately towards more transparent information and advice sharing, with an emphasis on a culture of constructive problem-solving. This should include coordinating actions, and sharing lessons and best practice to ensure that this new culture is embedded across the industry.

Timeliness and predictability of decision-making are essential to successful delivery. Alongside the commitments the Government has made to implement the recommendations of the review, I am asking you to rigorously review your internal processes, incentives and performance management approach to identify where complexity, delay, or uncertainty can be reduced, and to ensure that responsibility for decision-making is understood and supported by clear timelines and effective oversight.

Please assess the way your organisation approaches risk management and challenge yourselves on whether those responsible for risk management are properly equipped and empowered to make proportionate judgements on acceptable risk, or if the location or mandate of those decision-makers should change. The Government has an active interest in the performance and speed of the system as a whole. **Delay is not a neutral outcome; it carries its own risks.** The Government will support you in making prompt, well-reasoned, evidence-based decisions, including where those decisions involve managed risk.

I am therefore asking you to respond within six months setting out:

- How you, your organisation and your supply chain plan to improve the timely and cost-effective delivery of the Government's nuclear programme while maintaining safe outcomes.
- What changes you are making to your or others' processes and systems that will improve pace, proportionality and coordination, especially measures which will adopt a more proportionate approach to risks that are already within robust legal limits.
- What measures your organisation will take to respond to the cultural issues identified within the Taskforce's report.
- Where relevant, how contractual arrangements can be modified to ensure incentives are aligned to the prompt delivery of projects.
- What savings you expect this to produce in terms of both time and cost.

The significant response time is to allow for board-led engagement at all levels of your organisation before responding. I ask that you separate your responses into those parts you are comfortable with Government publishing and those that are commercially sensitive, keeping in mind the ambition for a substantial step change. Please let your relevant points of contact in Government know the identity of your organisation's Senior Responsible Owner for this programme of change.

In addition to implementing the recommendations of the Nuclear Regulation Taskforce we are also taking steps to ensure the Office for Nuclear Regulation (ONR) in particular is set up in a way to maximise the success of our national priorities. We are merging the Defence Nuclear Safety Regulator with the ONR, with appropriate national security safeguards, and

we will be legislating to give the ONR an explicit secondary mandate to support delivery of growth, energy, and national security objectives through the nuclear sector. Across the regulatory system for which the Government is responsible we will take further steps where needed to ensure the level and speed of change we are seeking.

Finally, I would like to reiterate that the Government views these changes as an enormous opportunity for the nuclear sector to deliver more effectively in these nationally important areas. We want to work with you to deliver this radical reset at pace.

Given the positive reaction to the review in the sector, I expect the support of everyone in the sector, whether in a leadership, management or delivery role, private or public sector, military or civilian, in delivering these changes.

Yours sincerely,

A handwritten signature in black ink that reads "Rachel Reeves." The signature is written in a cursive, flowing style.

RT HON RACHEL REEVES MP
Chancellor of the Exchequer

NRW Board Paper

Date of meeting:	22 September 2026
Title of Paper:	Finance Performance Report
Paper Reference:	26-09-B08
Paper sponsored by:	Rachael Cunningham, Executive Director of Finance and Corporate Services
Paper prepared by:	Catherine Allan, Head of Finance; Mark Collins, Business Finance Manager
Paper presented by:	Catherine Allan, Head of Finance
Purpose of the paper:	Approval (change in forecast) / Discussion (Financial Performance)
Summary	To approve: Change in the latest forecast from £322.4m to £322.6m. To scrutinise: Financial performance to the end of July 2026.

Background

1. 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 budget forecast compared to the opening position.
 - Performance to the end of July 2026.
2. Income to July is £1.8m behind plan, driven almost entirely by commercial timber income. The timber sales team has implemented mitigation measures and will reassess the outlook in September. No change has been actioned to the full year forecast yet.
3. Expenditure to July totalled £74.9m, £1.4m (2%) lower than planned. Lower spending on staff (£0.6m) and non-staff costs (£1.0m) was partly offset by Capital Projects (£0.2m) being ahead of profile.

4. We have a central provision to manage additional staff-related costs, including pay awards and flexible resourcing, alongside a general contingency for unforeseen pressures. This currently stands at £8.3m. A central over-programming allocation of £3.6m is also in place, an increase from £3.0m in the original budget, which is still reasonable given our size of budget.
5. Within the main programmes, over-programming totals £3.2m in Nature and Climate Emergency (NaCE) and £1.4m in Flood. As in previous years, this will be managed throughout the year to align Programme expenditure with approved allocations. Across the NaCE, Digital, Data and Technology (DDaT), Fleet and Facilities programmes, £0.3m, £0.2m and £3.7m respectively remains to be allocated to projects and profiled.
6. At this stage in the financial year there are some significant risks and opportunities to the utilisation of our budget. Funding pressures include timber income possibly being below budget and the achievement of our over-programming targets. Pressure relievers include capital spend risks, salaries, spending against investment areas and our contingencies. These may possibly balance against each other and are being monitored closely, and we may need Welsh Government to agree to flip some Revenue to Capital.

Risks and opportunities

7. We hold a risk in the Finance and Corporate Services Risk Register for 'in year spend.' This also links to the Strategic Risk "Failure to achieve financial stability". For this financial year, risks of overspend have been mitigated through actions taken by the Executive Team and additional funding from Welsh Government.

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

8. The Executive Team will continue to monitor the principal risks within the budget.
9. This Report is produced every two months for the Board and Executive Team.

Recommendation

10. Board to approve changes to the latest forecast, from £322.4m to £322.6m.
11. Board to scrutinise financial performance to the end of July 2026.

Index of Annexes

Annex A – Financial Performance Report



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**Natural
Resources**
Wales

26-09-FC-03slides



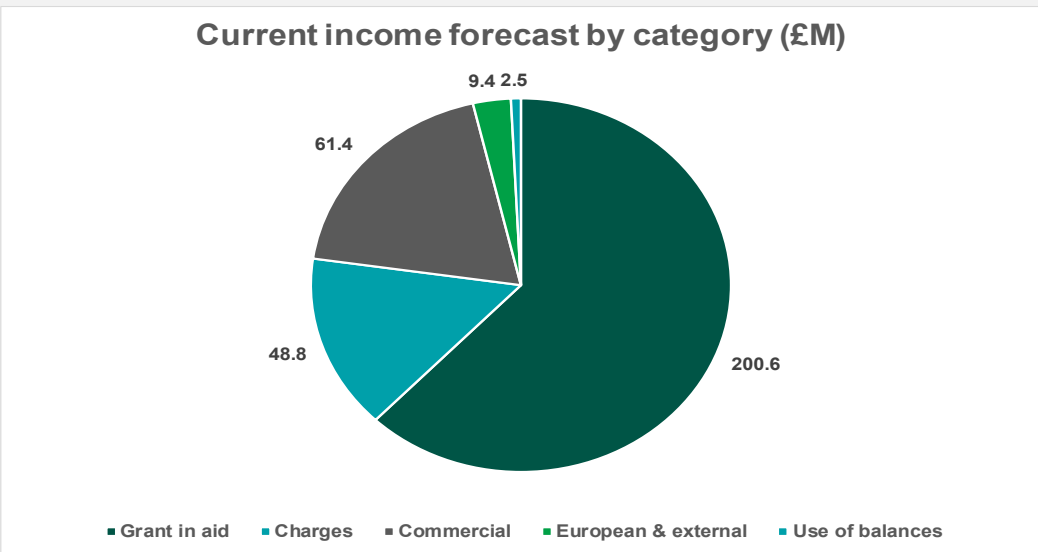
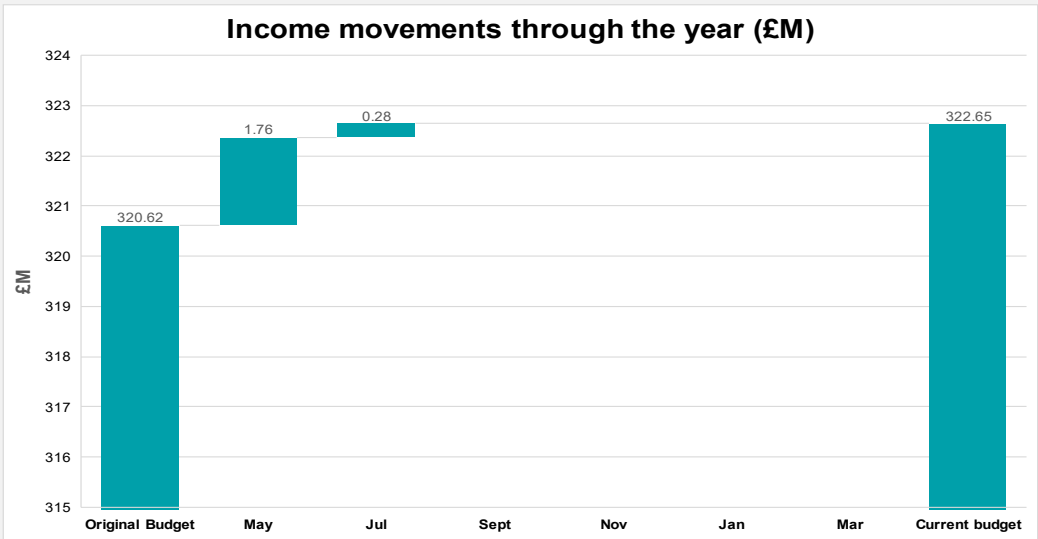
NRW Board – September 2026

Financial Performance Report – July 26

Content and Key Messages

Update will cover:	Messages:
Update on the latest forecast changes as at July 2026 compared to the previous reporting period, an increase from £322.4m to £322.6m.	No material change since the last reporting period, with a £0.2m increase in commercial and European and external income.
Financial performance as at July 2026.	Income to July is £1.8m behind plan, driven almost entirely by commercial timber income. The timber sales team has implemented mitigation measures and will reassess the outlook in September. No change has been actioned to the full-year forecast. Expenditure to July totalled £74.9m, £1.4m (2%) lower than planned. Lower spending on staff (£0.6m) and non-staff costs (£1.0m) was partly offset by £0.2m capital projects ahead of profile.
Update on contingencies and under/over programming.	Further detail on contingencies and over-programming is provided within the report. Central provisions of £8.3m are held to manage additional staff-related costs, including pay awards and flexible resourcing, alongside a general contingency for unforeseen pressures. A central over-programming allocation of £3.6m is also in place, an increase from £3.0m in the original budget. Within the main programmes, over-programming totals £3.2m in NaCE and £1.4m in Flood. As in previous years, this will be managed throughout the year to align programme expenditure with approved allocations. Across the NaCE, DDaT, Fleet and Facilities programmes, £0.3m, £0.2m and £3.7m respectively remains to be allocated to projects and profiled.
The main risks and opportunities to our budget this year	The report has been revised so that risks and opportunities are presented alongside the year-end income and expenditure forecasts, providing a clearer view of the overall financial position. At this stage in the financial year there are some significant variables – timber income, capital spend, salaries, spending against investment areas and achievement of our over-programming targets. They are possibly balancing against each other (will need to monitor very closely) and we may need Welsh Government to agree to flip some revenue to capital. .
	The individual pages within the report provide further detail on the points raised above.

Financial Performance – Income Forecast



Income movements

Minimal movement since the last reporting period, with an overall increase of £0.2m.

Commercial income increased by £0.1m predominantly linked to the recovery of secondee costs, along with a small increase in retainable wind energy income.

European and external income increased by £0.1m linked to the Natur Am Byth project.

No formal income re-forecast has been approved for timber.

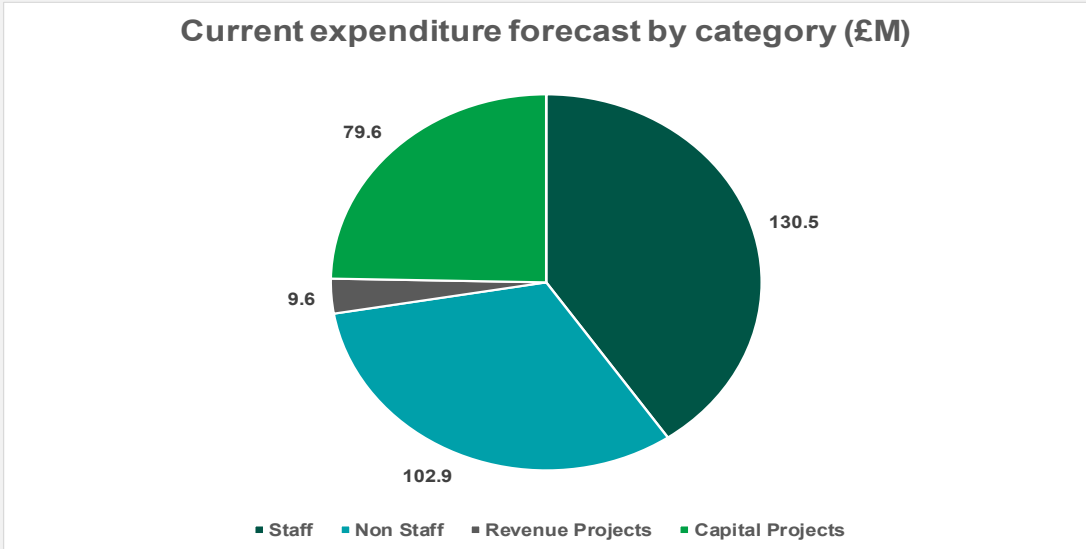
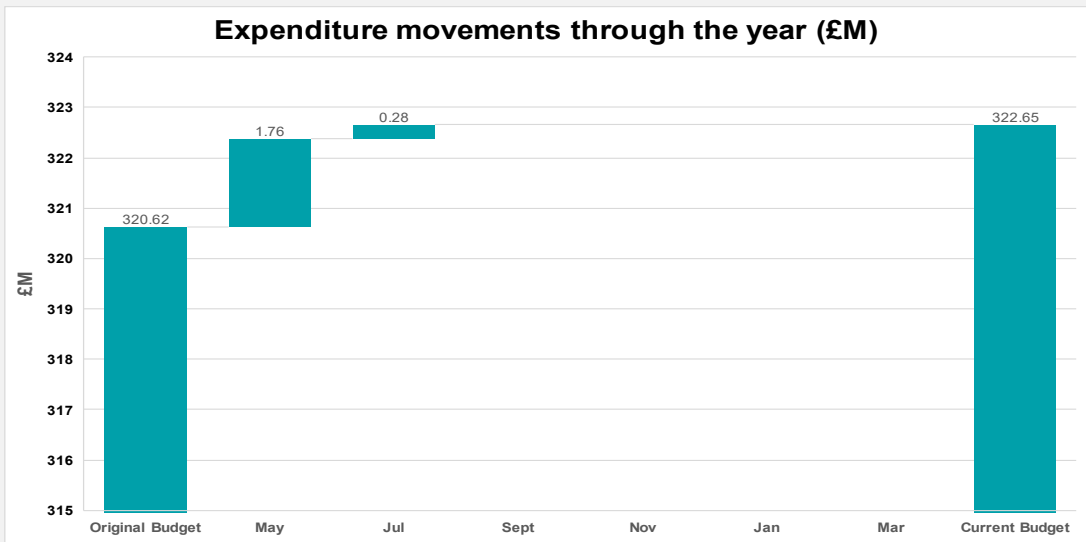
Risk and opportunities

1. Timber (Commercial) Income
The budget has been set at £35.6m this financial year - more than £4m above the actual income received for each of the last two financial years. This is based on an increase in volume being brought to market. There is a real risk that we will not achieve £35.6m but we are looking at mitigations and reforecast will follow in September.

2. Wind Energy
Due to a projected increase in income and reduction in planned spend (land purchase) we are anticipation an increased repayment to Welsh Government of £1.4m. This will be for Welsh Government to reallocate.

3. WG Funding (GiA & grants)
The budget is £200.6m, compared to £186.7m used last financial year. We have confirmed a return of the waste grant underspend. It is important that any budgets are returned to Welsh Government as early as possible in the financial year. More detail on the specific risks can be found on the expenditure page.

Financial Performance – Expenditure Forecast



Expenditure movements

Staff Budgets

Staff budgets have increased by £1.9m (transferred from non-staff), reflecting the creation of posts funded from the investment pots (£0.9m), additional pay provision (£0.4m) and a correction to the opening project delivery recharge position (£0.4m).

Non staff

Non-staff budgets have decreased by £2.2m, reflecting the transfer of £1.9m to staff budgets and the reallocation of £0.3m to capital expenditure for the service transformation.

Revenue Projects

Minimal movement (£0.1m).

Capital Projects

Capital projects have increased by £0.4m due to the service transformation transfer and additional funding for Natur Am Byth.

Risk and opportunities

1. Capital contingency

We are holding a £2.8m capital contingency. A decision has been made to use some of the funding for the planning and permitting service improvement. Further allocations will be considered as part of the multi year planning work.

2. Capital programmes

We have our largest capital budget this year spread across a number of programmes. Whilst the NaCE and flood programmes have over-programming in place, there are risks in other places. Specifically, accommodation related projects (£5.1m) including the Maes-Y-Ffynnon project. There are opportunities to re-invest, so it is important to flag any underspend as soon as possible.

3. Land purchase opportunity

We are seeking funding from Welsh Government to acquire an important piece of land (that we current lease). The site is one of Wales and Europe's largest and ecologically significant dune systems; a Special Scientific Interest (SSSI), Special Area of Conservation (SAC) and National Nature Reserve (NNR).

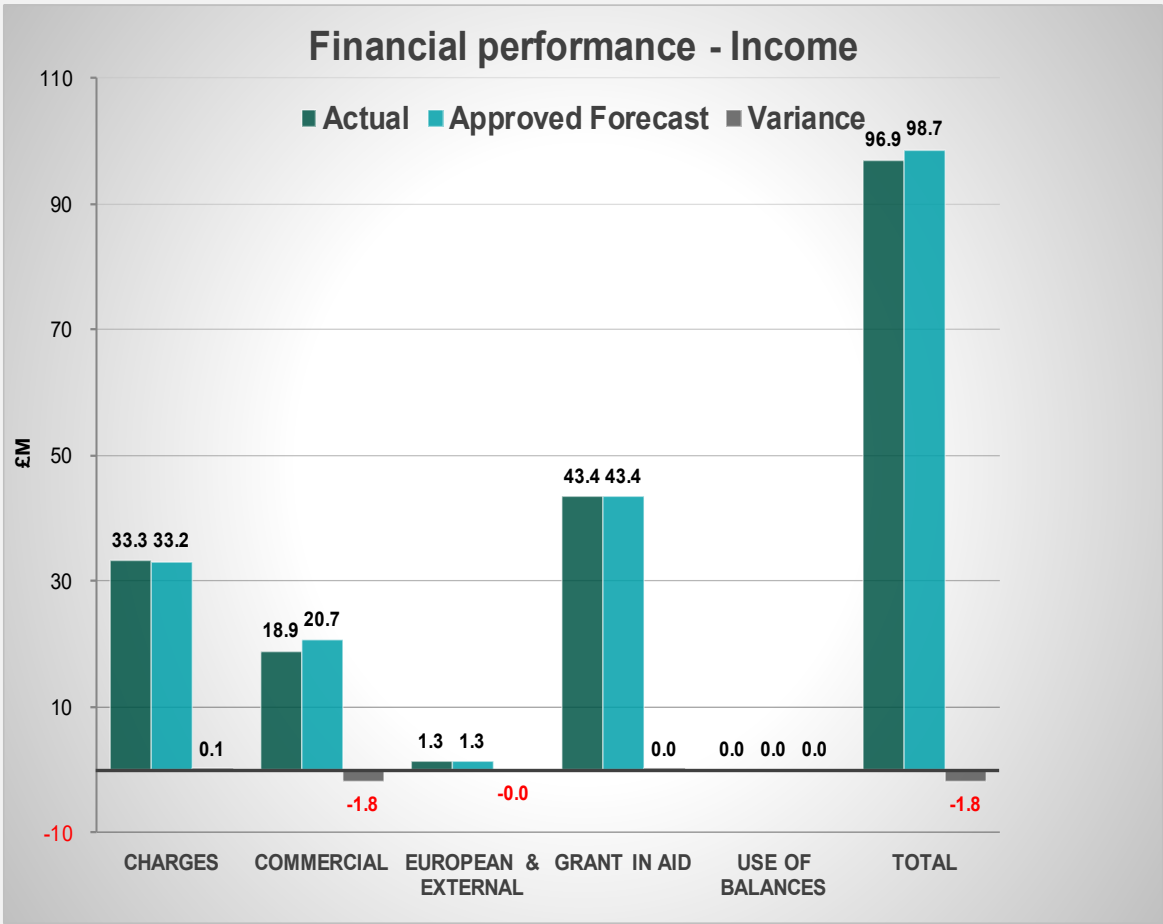
4. Staff budgets

The position has improved since May, but needs to be closely monitored by Directorate Workforce Planning Groups. Underspend to date is £0.6m. The headcount report after recruitment shows us to be at our affordable structure.

5. New investment areas

Work continues distributing the £3m budget into water quality, biodiversity and other. Any further delays will lead to risk of underspend.

Financial Performance - Income



Charges	Approved Forecast (£m)	48.8	Original Budget (£m)	49.1
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Charge income is in line with plan at the end of July. We are continuing to work with the regulation team to confirm the year-end position for charge income, including any surplus or deficit and the use of balances. This work is progressing well.

Commercial	Approved Forecast (£m)	61.4	Original Budget (£m)	60.8
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Timber income is £1.7m below plan at the end of July, primarily due to lower dispatch volumes. A customer insolvency has also resulted in £2.6m of contracted sales requiring resale. Mitigation measures are being implemented, including an interim eSale in September which will inform a re-forecast.

Energy income is in line with forecast at the end of July. However, higher-than-expected wind generation is expected to increase surrenderable income by £0.6m for the year. Combined with a £0.8m reduction in land acquisition costs, this would increase the payment to the Welsh Government by £1.4m. This revised forecast is currently under review and is not yet reflected in the budget.

European & Other	Approved Forecast (£m)	9.4	Original Budget (£m)	8.6
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In line with profile.

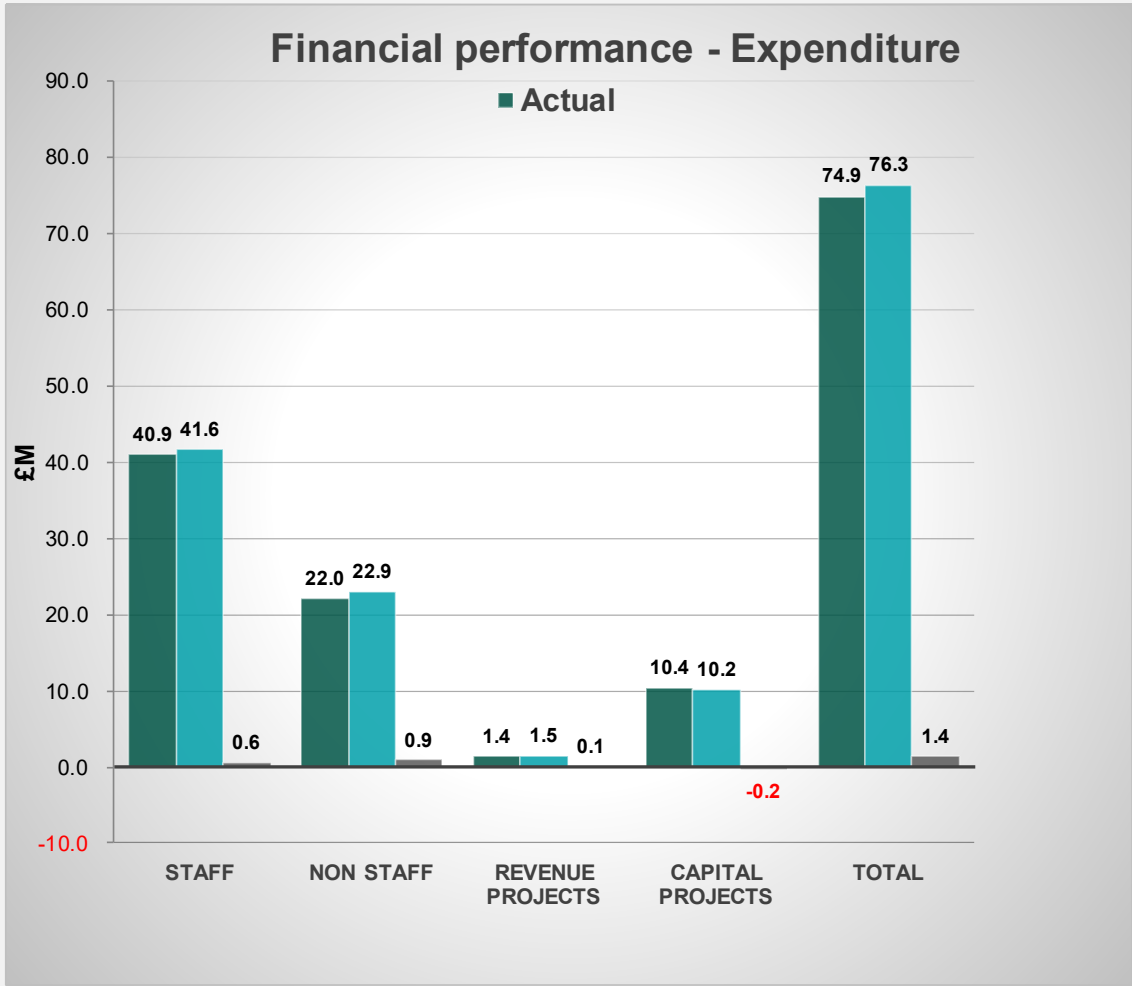
Grant in Aid	Approved Forecast (£m)	200.6	Original Budget (£m)	200.0
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In line with profile.

Use of Balances	Approved Forecast (£m)	2.5	Original Budget (£m)	2.1
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In line with profile.

Financial Performance - Expenditure



Staff Approved Forecast (£m) 130.5 Original Budget (£m) 127.9

Staff costs are £0.6m below plan at the end of July, primarily due to vacancies. The underspend has reduced by £0.1m since May due to the re-profiling of workforce recharges to projects etc. Staffing levels are expected to increase through ongoing recruitment but a year-end underspend is still forecast.

This position is partly offset by £0.2m of flexible resource pool costs, which are expected to rise to £0.6m by year end and could increase further if Welsh Government funded projects are not extended.

Other staff costs are £0.2m above plan due to budget profiling, with no year-end overspend risk currently identified.

Non Staff Approved Forecast (£m) 108.8 Original Budget (£m) 114.0

Non-staff expenditure is £0.9m below plan, primarily due to lower spend on land stewardship activities and the Welsh Government-funded Waste Grant. Discussions are underway with Welsh Government on the use of the forecast underspend.

Central over-programming has increased by £0.6m to £3.6m, reflecting additional pay provision and Multi-Year Planning.

Revenue Projects Approved Forecast (£m) 9.0 Original Budget (£m) 9.6

The revenue project programme is performing broadly to plan with current costs in line to budgets.

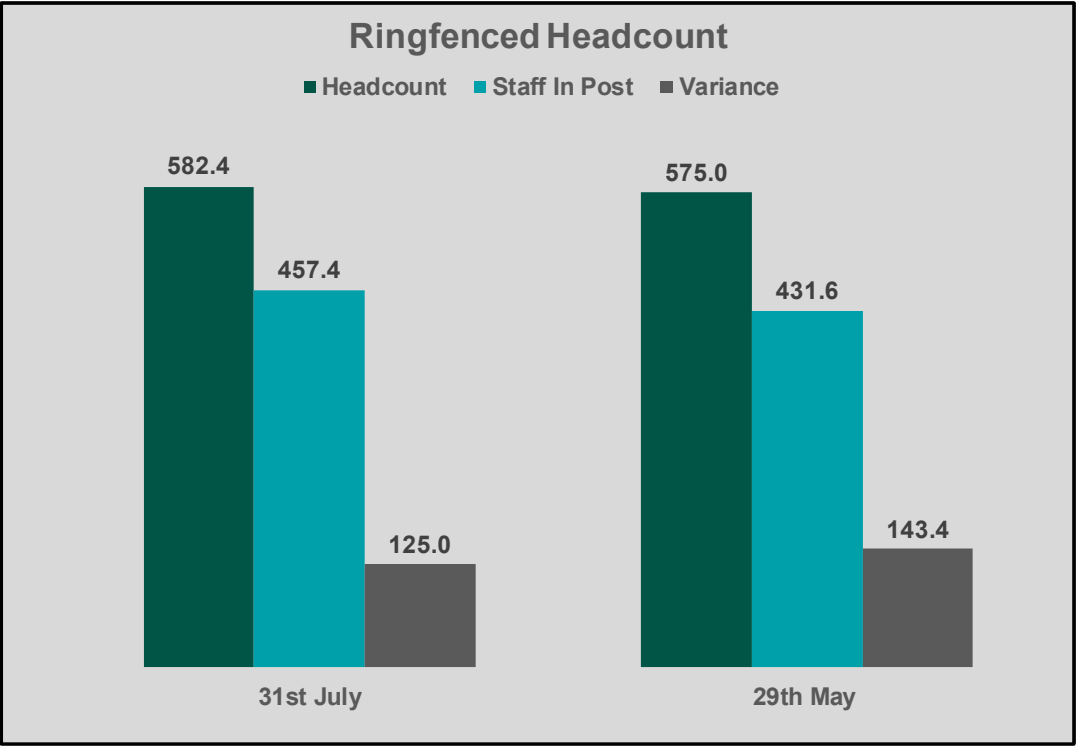
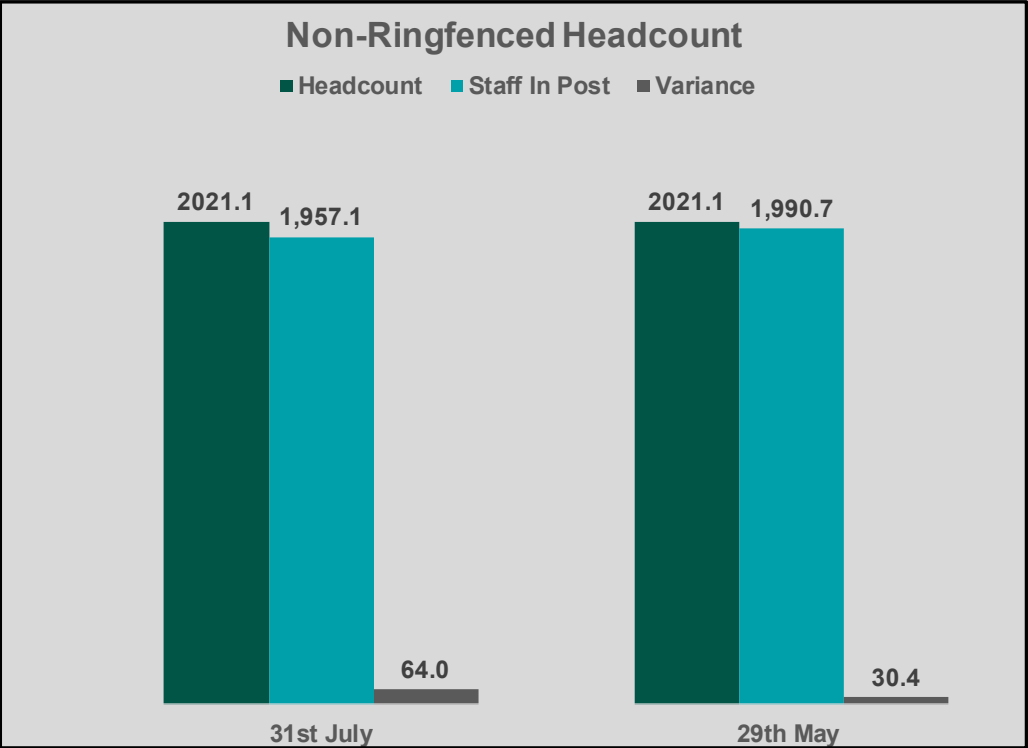
Capital Projects Approved Forecast (£m) 74.4 Original Budget (£m) 69.0

The capital programme is also broadly in line to profile, with minor variances across the flood and NaCE programmes.

Over/under programming within the main programmes is minimal apart from NaCE and flood which stand at £3.2m and £1.4 respectively. Whilst the flood element has increased from the opening position, we would ideally like to see it increase further.

Should the accommodation changes be delayed, there is a risk of underspend. Similarly with the waste grant, we are currently forecasting an underspend, although we are in discussion with Welsh Government to repurpose the funds to the service transformation projects.

Financial Performance – Headcount Ceiling



Commentary

1. Non-ring-fenced staffing levels have reduced slightly from 98% to 97% since May, mainly due to leavers and internal transfers. Ring-fenced staffing levels have increased from 75% to 79% as a result of new appointments and staff moving into funded roles.
2. The number of staff now stands at 2,414.5fte, a decrease of 7.8fte.
3. The number of agency staff now employed is 44, an increase of 3.
4. There are approximately 88(fte) active recruitments (as per Kallidus) from advertising to interview stage. 62 non ring-fenced and 26 ring-fenced.

5. An additional 47 posts are currently at the requisition stage of the recruitment process awaiting approval.
6. CCC continues to be slightly over their ceiling and have a number of posts in the recruitment process. National Operations and PFF could also join CCC by exceeding their ceiling depending on the outcome of current recruitment.
7. Staffing levels have reduced slightly since May but are expected to increase through active recruitment. Current projections indicate staffing levels could reach 99% of the non-ring-fenced headcount ceiling and 82% for ring-fenced posts.

Financial Performance – Revenue Projects

Revenue Projects by Programme	Actual YTD £m	Approved Forecast YTD £m	Variance YTD £m	Approved Forecast FY £m	Remaining Budget FY %	Original Budget FY £m	Commentary
External Funded	0.2	0.2	0.0	2.6	91%	3.1	All projects spending align with profiles; however, 91% of the full-year budget remains to be spent. The project leads are confident that they will spend later in the year.
NaCE	0.2	0.2	0.0	1.4	84%	1.4	In line with profile. Over programming will be managed down as we move through the year.
Land Stewardship	0.3	0.4	0.1	1.4	82%	1.5	Minor variances, no concerns.
Tech Transformation	0.4	0.3	0.0	0.9	59%	1.1	Three projects in total; disaster recovery being the largest budget (£0.4m of the £0.6m budget already spent). Discussions being held with the business to determine whether there is a budget pressure.
Reservoirs	0.0	0.0	0.0	0.3	92%	0.3	In line with profile.
Other WG Funded	0.2	0.2	0.0	1.1	78%	1.1	In line with profile.
Other (inc Fleet & Facilities)	0.1	0.1	0.0	1.2	93%	1.0	In line with profile.
TOTAL: NRW	1.4	1.5	0.1	9.0	84%	9.6	

Financial Performance – Capital Projects

Capital Projects by Programme	Actual YTD £m	Approved Forecast YTD £m	Variance YTD £m	Approved Forecast FY £m	Remaining Budget FY %	Original Budget FY £m	Commentary
External Funded	1.2	1.2	0.0	5.7	80%	4.8	Funding reflects the LiFE programme along with wind energy option fees. There is a possible risk of underspend within one of the LiFE projects, which has been flagged within the programme risk register.
Flood Risk	3.2	3.0	-0.2	17.9	82%	17.9	Whilst the overall funding for the programme remains at £17.9m, over programming has increased to £1.4m. The majority of this is due to Stephenson Street. The actual spend is slightly ahead of profile at £0.2m which again, is due to Stephenson Street.
NaCE	3.1	2.9	-0.2	23.7	87%	23.7	The NaCE capital programme is slightly overspent by £0.2m. This almost solely related to over programming, which will be managed down as we move through the year.
Land Stewardship	0.0	0.1	0.1	1.0	88%	0.0	The majority of the funding relates to infrastructure improvements funded by Welsh Government. These are due to start later in the year.
Coal Tips	0.2	0.3	0.1	2.7	92%	2.7	The programme is made up of nine projects totalling £2.7m. All projects are on track with no known risks to date.
Waste	0.0	0.1	0.1	1.0	90%	1.0	The electronic waste project will not spend the full allocation. Discussions are in place to repurpose the funds to the service transformation projects.
Reservoirs	0.7	0.8	0.1	2.2	73%	2.2	All projects are on track to spend according to plan, no known risks.
Water Resources Capital	0.3	0.3	0.0	2.0	88%	2.0	Over programming stands at 10% of the £2m programme and will likely be removed due to reduced spend on fleet. There are also concerns with the Water Resources Model project. Any underspend will be returned to charge balances.
Other WG Funded	0.4	0.4	0.0	2.7	88%	2.1	The funding consists of nine projects with Wales Coastal Path the largest at £1.5m. No known risks.
Other (to include fleet, facilities & central contingencies)	0.4	0.3	-0.1	11.0	97%	8.4	Made up of three main streams; fleet and facilities (£6.6m), IFRS 16 Leases (£1.3m) and central capital contingencies (£2.8m). There is a risk of underspend should the accommodation changes be delayed.
DDaT (including service transformation)	0.9	0.9	0.0	4.5	81%	4.2	Whilst the current costs are in line to profile, there still remains £1.8m awaiting project setup.
TOTAL: NRW	10.4	10.2	-0.2	74.4	86%	69.0	

Contingencies

Rag status



Confidence					
Balances (contingencies and programme under/overs)	May-26	Jul-26	Movement	Level (RAG Status)	Comments
	£m	£m	£m		
Contingencies and provisions					
Pay Award Provisions	3.9	3.9	0.0		Budget held centrally at 3%.
Other staff contingency	0.5	0.7	0.2		Contingency held for flexible resource pool and any corrections required to the opening budget.
Central Contingencies	1.3	0.9	-0.4		Central contingencies have been set aside to cover unexpected costs, particularly those associated with the review of personal vehicle use but the outcome looks positive.
Staff Budget Undistributed (Directorates)	1.3	1.7	0.4		Budgets linked to new funding will be transferred to posts once established. The balance awaiting allocation has increased in recent periods due to decisions on use of the investment budgets and is expected to reduce as posts are filled.
Capital Contingency (currently revenue funded)	2.8	2.8	0.0		The capital contingency is unallocated. Executive Team have agreed to allocate additional funding to the planning and permitting programme and we are in the process of scoping out the work and likely funding level.
Over-programming					
Central over programming (revenue)	-2.6	-3.6	-1.0		This has increased due to the additional pay provision (£0.4m) and further costs associated with the Multi Year Planning work (£0.6m).
Overprogramming (Directorates)	-0.4	-0.4	0.0		Primarily linked to Land Stewardship.
Flood Risk Capital (Directorates)	0.2	-1.4	-1.6		Further allocation of the flood capital programme, moving to an overprogramming position. Ideally we would like this to be slightly higher.
NaCE (Directorates)	-4.0	-3.2	0.8		Overprogramming has reduced by £0.8m , this will continued to be managed down as we move through the year to be in line with the overall allocation.
Under-programming					
Water Resources Capital (Directorates)	0.5	-0.1	-0.6		Further projects have been added to the programme moving the overall position to a slight over programming.
Awaiting distribution					
DDaT Programme	0.6	0.2	0.4		Mostly awaiting projects being assured and approved allowing codes to be set up.
NaCE Programme	1.5	0.3	1.2		
Fleet & Facilities Capital Programme	3.7	3.7	0.0		
Note					
All contingencies/over programming are held centrally unless indicated otherwise.					

New Funding Update

WG Grant or Externally Funded	Full Year Budget £000	Spend YTD £000	Full Year Forecast £000	Forecast Var to Budget £000	Risk to spend
Wales Infrastructure Fund	5,000	1,787	5,000	-	No risk to spend highlighted at this stage.
Water Enforcement Funding	3,520	756	3,204	316	A minimum underspend of £0.3m is forecast, driven mainly by recruitment delays. This excludes any impact from ICT integration activity, which remains the key spending risk. Mitigation actions are underway, including identifying additional work and exploring an extension to the multi-year funding arrangement with Welsh Government.
Reservoir Safety	3,065	871	3,065	-	Risks to delivery of the capital programme have been identified and are under review. Project managers are reassessing these during August and September, supported by programme-level oversight to manage any potential financial variances.
Sustainable Farming Scheme	1,628	545	1,628	-	No risk to spend highlighted at this stage.
Waste	5,237	935	4,737	500	A forecast underspend of £0.3m to £0.5m is subject to agreement with Welsh Government on the reprioritisation of up to £0.85m capital and £0.2m revenue funding. If funding cannot be reprioritised, particularly for the customer platform, the underspend is expected to exceed £1.0m.
Progress redistributing the wellbeing objective investment budgets (£3m) & other budget 'pots'					
Investment Area	Full Year Budget £000	Budget Allocated £000	Balance yet to be allocated £000		What is the plan for redistributing the remaining budget?
* WQ (GiA into WBO)	1,200	593	607		Managers were invited to submit eligible schemes to the Water Quality Fund to support full utilisation of the available budget.
* Biodiversity (GiA into WBO)	1,200	712	488		The most significant unallocated scheme is Safle/AMX (circa £0.4m), pending PMO and IPAG review prior to DDA approval.
* Other (GiA into WBO)	600	449	151		Plans are in place to fully allocate and spend the budget.
DDaT staff (GiA)	963	771	192		Three of the 21 planned posts have yet to be created in Kallidus. A detailed implementation plan is in place, including post status, grades and cost centres. Budgets are transferred from the relevant work order once posts are established.
Land Stewardship (timber income >£33m)	2,669	2,295	374		Of the additional £2.7m budget, £2.3m has now been allocated, including £0.8m to DDaT, £0.2m to the Customer Platform and £1.3m to Land and Asset Managers. The remaining £0.4m will be allocated once the revised timber sales forecast has been confirmed.

* **TO NOTE:** prioritisation of the WBO investment budget was approved by the Exec Directors of Strategy, Policy & Evidence and Place Operations and included in the opening budget, as agreed by ET.

25-26 Financial Performance Review by Directors

Finance & Corporate Services

Reallocated budgets following NRW 2030 programme closure.
Holding some programme budgets centrally until robust forecasts and delivery plans are agreed.

National Operations

Increased challenge during budget reviews.
Improved budget reporting and greater engagement from budget managers. Where profiles are not provided, escalate to Leadership Team/Director.

Strategy, Policy & Evidence

Strong monthly engagement between Finance, Directors and Leadership Team.
Early identification and reallocation of underspends.
Targeted finance training and closer budget management within NRM.

Communications, Customer & Commercial

Review of opening budgets before delegation.
Uncommitted budgets held centrally until plans are agreed.
Improved forecasting tools and clearer budget accountability.
Finance training for managers and team leaders.

Place Operations

Continued monthly financial review meetings.
Strong leadership focus on financial management and forecasting.
Financial performance embedded into routine management discussions.
Ongoing finance training for budget holders.

All Directorates focused on strengthening forecasting, improving budget-holder accountability, increasing leadership oversight, and identifying underspends earlier to maximise effective use of budgets.

