



Ein cyf/Our ref MA/P/LG/0921/19

Sir David Henshaw
Chair
Natural Resources Wales
Cambria House
29 Newport Road
CARDIFF
CF24 OTP

13 March 2019

Dear David

Natural Resources Wales: Remit for 2019-20

This letter sets out the Welsh Government's strategic remit for Natural Resources Wales (NRW) in 2019-20.

I would like to start by thanking the whole team at Natural Resources Wales for the hard work over the past year to ensure the effective management of natural resources across Wales. This has delivered important results, from protecting communities and businesses from flood risk, enhancing biodiversity, supporting the development of renewable energy and ensuring strong environmental protection and effective regulation. I recognise there have also been challenges around organisational governance and development which you have been addressing since your appointment.

NRW's core purpose remains to pursue the sustainable management of natural resources and meet statutory duties in the exercise of its functions. NRW has some key functions and regulatory duties which it must discharge effectively and efficiently, working in partnership with Local Authorities, the Third Sector and other bodies.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400
Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I am pleased my officials worked closely with you and the Future Generations Commissioner during 2018 to produce statutory guidance on your general purpose for sustainable management of natural resources, which also provides evidence to support your duties under the Well-being of Future Generations Act. I place great importance and value in NRW's continued contribution to Public Services Boards.

Looking ahead to the 2019-20 year, as part of meeting the core purpose, there are a number of areas where it is important NRW delivers new work. The work of NRW must be aligned with key new and developing policy issues reflecting the priorities set out by the First Minister, including taking forward the Economic Action Plan in delivery of the overall programme of the Welsh Government. It is important NRW is making the necessary preparation for the UK leaving the EU. This letter highlights these key issues.

This year will be key for the development of **Area Statements**, which need to be produced by March 2020. They are central to the delivery of NRW's general purpose and provide the opportunity to enable you to plan, prioritise and drive action to deliver outcomes of most benefit for Wales. This year is also crucial for production of the second **State of Natural Resources Report (SoNaRR)** which is due for publication during 2020, with an interim report due in December 2019. Both of these are pivotal to NRW's leadership role in encouraging and supporting action across public service delivery, the private sector and stakeholders more widely.

In addition to the above overarching roles and responsibilities there are **further priorities** which are pertinent to outline separately.

- ***Preparation for EU Exit***

The work to deal with Brexit will impact heavily on NRW, especially in terms of the Welsh Government's regulatory reform proposals. Your teams will need to provide the advice and regulatory support to many of your stakeholders, including where appropriate implementing new systems to meet the additional responsibilities which will now fall to you. To this end, you have received extra funding to allow you to manage an upgraded permitting IT system. However, in the case of a no deal Brexit, I accept incident management may take priority and resilience within NRW might be impacted. You will need to work with my officials to re-assess your priorities in this scenario.

- ***Renewable Energy – production and investment in technology***

NRW should continue to support the renewable energy targets I have set. This includes exploring a range of opportunities to increase local ownership of energy generation and storage assets, balancing risk and reward. NRW should also take a timely approach to advising on and consenting, where appropriate, to energy applications. As has been done successfully in hydropower, this advice should be proportionate to the potential impact (and provide clear and up to date guidance and support to applicants). This is particularly relevant for all marine consenting given the First Minister's priorities set out at the Marine Summit in January 2019.

I am keen to ensure Wales makes the most of the opportunities afforded by supporting the delivery of the Marine Plan and UK Marine Strategy using the ecosystem-based approach. Your technical experts are key to helping the government meet this aspiration. In addition, I would like to take your advice about the development of wider energy policy matters, in both the Welsh and UK context.

- ***Maximise our impact on flood alleviation, coastal adaptation and climate change***

The Welsh Government will consult on our new National Strategy for Flood and Coastal Erosion Risk Management this year. This statutory document has benefitted from NRW's collaboration throughout its development and sets out measures over the short to medium term.

Over the next year I expect further improvements to help the public access information on flooding, including the publication of new flood risk maps which help to realise the benefits of our investment. Getting the best value from schemes is crucial, so I want NRW to seek partnership funding where businesses and infrastructure will benefit, alongside a greater consideration of wider catchment approaches. Officials will write to you separately about the expectations for expenditure against your Flood Risk Management Grant in Aid.

- ***Woodland management, regulation and creation***

NRW has important responsibilities relating to the management, regulation and creation of woodlands in Wales including the management of the Welsh Government Woodland Estate. My officials are working with your staff to develop guidance to support increased woodland creation across Wales. In addition your staff should work with my officials to develop the vision and plans around the First Minister's commitment to a National Forest for Wales.

- ***Waste***

I would like you to continue working with the Welsh Revenue Authority (WRA) in accordance with the Memorandum of Understanding. This includes developing a collaborative approach to the taxation of unauthorised disposals of waste, and providing the information and data necessary for the WRA to fulfil its main functions.

It is important NRW continues to provide a key role in ensuring the Welsh Government delivers against its strategic aim of making Wales free from the unacceptable social, economic and environmental harm caused by fly-tipping. To help achieve this, there is a need for a continued commitment to properly support and resource the Fly-tipping Action Wales programme. It will require your continuing work with local authorities and others to encourage the effective gathering of data, sharing of intelligence to support enforcement action and maintaining communication with stakeholders.

In addition, I expect NRW to continue to provide support and advice to local authorities when undertaking their duty to address contaminated land.

- ***Brexit and our Land***

Delivering *Brexit and our Land*, the future land management programme for Wales, will be a priority for Welsh Government throughout this Government's term and there are several areas for you to provide support. NRW's technical experts may be asked to work with my officials to contribute to developing proposals especially with regard to ecosystem services, public goods and a revised regulatory regime. Area Statements will be used as part of future spatial targeting and prioritisation, and as such we expect them to be developed in a way which underpins this delivery. NRW also needs to consider how it will address the increased advisory and governance capacity anticipated as part of this programme, for example the potential increase in tree planting applications. Each of these are complex issues and the detail will need to be explored in collaboration with WG officials.

- ***Agricultural pollution and enforcement***

NRW should continue to support the development of a suite of measures to address agricultural pollution. This should include contributing to the development of a regulatory regime which will ensure continued market access and underpin future land management schemes, as well as improved knowledge transfer and voluntary initiatives. The regulatory regime will need to be enforced effectively and robustly to ensure a high level of compliance.

- ***New Clean Air Bill***

NRW should support development and implementation of work under the Clean Air Programme for Wales. This should include the identification of options and solutions to address national challenges and opportunities such as air quality and noise pollution. Under the programme, your staff will have a key role in developing and implementing the Clean Air Plan for Wales and potentially a Clean Air Bill for Wales. NRW must ensure it has the equipment procedures and resources at its disposal to respond effectively in the event of an air quality emergency.

- ***Support measures to create local accessible green spaces***

NRW already has important responsibilities with regards to public access and outdoor recreation in Wales, including a key management role for National Trails and the Wales Coast Path. In line with these responsibilities, NRW should support measures to create local accessible green spaces.

I recognise NRW has had significant challenges in the recent past. It is important NRW continues to consolidate the actions it has been taking to respond to the substantial governance challenges faced over the last few years. I am assured you and the new Board, together with changes in your management structure, will mean the organisation can move forward in a positive manner, demonstrating robust governance and good staff engagement.

This will need to be done whilst delivering the changes which are required, specifically responding to those identified in the Public Accounts Committee inquiry and the Grant Thornton report.

I know you, the Board and executive team are working hard to provide leadership, ensuring staff are equipped and motivated, sharing a sense of purpose, mission and commitment. This will include the implementation of the organisational design programme.

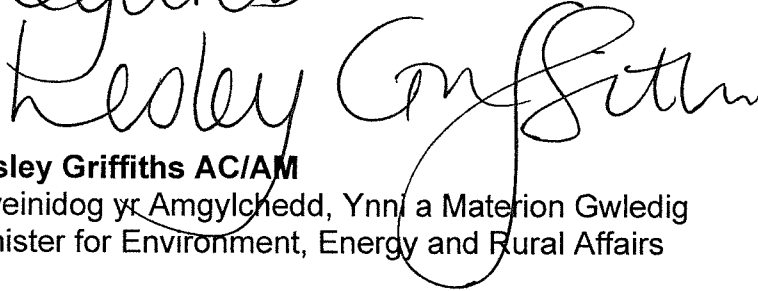
It is important to ensure wide and proactive engagement with the public on emerging and sensitive issues, with relevant evidence and information. This should take account of lessons learnt following my Direction letter of 10 October 2018.

The implementation of the Public Bodies Review requires a need for greater accountability within sponsored bodies. Officials are working with your staff to update the Governance Framework to allow you to put renewed delegated responsibilities in place. There will be ongoing work with the Public Bodies Unit to allow you to work more closely with other sponsored bodies to enable sharing and learning.

Annex 1 of this letter sets out the Welsh Government's financial support for natural resources activities in Wales for 2019-20. The financial climate remains challenging for 2019-20. You will need to take hard decisions about your activities, maximising the resources you have at your disposal. I would, therefore, want you to ensure there is continued and full engagement with my officials on these decisions, to ensure they are made with the information available about Welsh Government's future planning.

I look forward to working further with you with a sense of common purpose and commitment. I am keen to support the continued leadership from the Board and Chief Executive providing the platform to deliver the core role of NRW as well as respond to Welsh Government priorities, whilst building on the changes already being put into place to develop NRW further.

Regards



Lesley Griffiths AC/AM

Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs

Annex 1
NATURAL RESOURCES WALES
Welsh Government's Financial Support for Natural Resources activities in Wales:
2019-20
Grant in Aid

£000s

Total Grant in Aid	
Non Flood	5.825
Capital	56.952
Revenue	
Flood Risk Management	
Capital	12.700
Revenue	19.750