



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

Evidence Briefing

Climate Change, Environment and Rural Affairs Committee Annual Scrutiny of Natural Resources Wales 2020.

Briefing on key issues and progress made since February 2019.

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1. Introduction

- 1.1. In the last 12 months, we have seen climate change and its impact on the environment rise rapidly to the top of the global agenda. In response to Welsh Government's Climate Emergency declaration, we too have prepared our own response to the Climate and Nature emergencies and are committed to playing a lead role in helping the whole public sector to be carbon neutral by 2030.
- 1.2. Welsh Government has provided additional funding for us next year to create new woodlands and develop a Wales wide peatland restoration programme - providing natural solutions to carbon management. We have more funding for Wales' special sites for nature - the Natura 2000 sites, vitally important for the habitats and species they contain - and for improving water quality, particularly by tackling pollution caused by run-off from abandoned metal mines.
- 1.3. Over the course of 2019/20, we have been working across our remit to sustainably manage Wales' natural resources. We own and maintain over 3,900 flood risk assets providing a set standard of protection to 73,000 properties in Wales. This work was vital ahead of our incident response to recent storms Ciara and Dennis. We have purchased the first site for new woodland creation on the NRW Estate, 15ha near Llanidloes and should complete the purchase of a second 42ha site in March 2020.
- 1.4. We published our latest Salmon and Sea Trout Stock Assessments which informed our decision to introduce new Catch and Release Byelaws across Wales in early 2020. Our sampling and monitoring data showed that Wales' 105 designated bathing waters met the minimum water quality standards. We supported Welsh Government with evidence-based responses to several consultations including the National Development Framework, National Strategy for Flood and Coastal Erosion and post Brexit related consultations. We led a successful River Dee LIFE restoration bid which has been granted £7m for a 5-year project (2019-2024) taking an ecosystem approach to the restoration of natural processes and functions both in-river and across the catchment.
- 1.5. We held our first Outdoor Learning Week to inspire teachers, learning groups and families to make outdoor learning part of school and family life. Our Carbon Positive project is looking to our staff and our stakeholders to adapt our behaviours and processes to respond to climate change. We continue our partnership working as part of all Public Services Boards across Wales and working to complete seven Area Statements by the end of March 2020.
- 1.6. We have maintained our UK Woodland Assurance Scheme (UKWAS) certification and our Analytical Services Laboratory has successfully retained its UK Accreditation Scheme status, ensuring we are compliant with the new ISO17025 standards for quality control. Both keep key parts of our core services compliant with industry standards. We completed our organisational restructure which will help to embed our new ways of working.

- 1.7. Our focus in the next 12 months will concentrate on what we can do in response to both the climate and nature emergencies, but we will also
- publish SoNaRR 2, explaining how sustainably natural resources are currently managed in Wales and describe the opportunities and challenges we face in future.
 - build positive working relationships, focussing on customer service and working in collaboration with established and new partners as well as being part of each of the Public Services Boards.
 - seize the opportunities and respond to the challenges we face following our exit from the European Union.

2. Remit letter

- 2.1. A summary of actions taken to deliver the 2018/19 priorities can be viewed in Annex 1 (page 13).
- 2.2. A summary of actions planned to deliver 2019/20 priorities can be viewed in Annex 2 (page 26).

3. Commercial activity

- 3.1. NRW is continuing to develop and enhance its commercial service offering. A new Head of Commercial was appointed in 2019 and has established a commercially driven single point of focus, pulling together multiple service areas including procurement, timber, and energy and business development, into a cohesive specialist unit. The Head of Commercial will report to the Director of Communications, Customer and Commercial, and this post is expected to be filled in the new financial year. The commercial team is also continuing to recruit into key specialist areas such as enhancing business development expertise.
- 3.2. We are currently finalising our Commercial Strategy, which will cover income generation opportunities but also set out clearly the approach to measuring commercial gain through Sustainable Management of Natural Resource principles, well-being goals, carbon mitigation impacts, the circular economy and social value. In support of this approach, work is about to start on developing triple bottom line accounting principles as well as a Key Performance Indicator handbook that will give wider scope for measuring success. Social Return on Investment measurement will also be a factor when assessing commercial viability and benefits.
- 3.3. Alongside the emerging Commercial Strategy, a suite of tools are being developed to support NRW to become financially sustainable, efficient and support our ambitions to deliver sustainable commercial growth. We have established a Commercial Business Board to act as a powerful forum within NRW to engage staff on our commercial activities. Once the Strategy is complete, this will provide the key framework for the Business Board's commercial oversight.

- 3.4. How NRW markets commercial opportunities is key to securing growth and future partnerships. Following the delivery of the Timber Sales Governance action plan and the issuing of clearer commercial contracts across our timber business, we are now about to commence an extensive six month internal and external consultation on our new Timber Sales and Marketing Plan, ready for delivery in 2021. Other areas that are being developed include how to enhance the Coastal Path and increase commercial development through marketing and engagement.
- 3.5. The climate and nature emergencies feature prominently in the emerging commercial strategy, with the requirement that developers and other partners will put these issues at the forefront of any pitch or project. For example, Motorsports UK have agreed to provide a Carbon Mitigation Plan for their events to be held on the NRW estate. Schemes such as a small onshore development that help to provide renewable energy and Welsh energy resilience will be promoted and encouraged, as well as larger schemes such as the Pen-y-Cymoedd 240MW development that provides green energy.

4. Corporate Plan and Business Plan

- 4.1. We published our Corporate Plan to 2022 in March 2018. Our plan is structured around our well-being objectives and reflects two key pieces of legislation – the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.
- 4.2. Our annual Business Plan outlines in more detail what we are planning to deliver each financial year towards our corporate plan objectives. Below is a link to our latest dashboard that tracks business plan and corporate plan delivery 2019/20. This is reported quarterly to the NRW Board.
- 4.3. [NRW Board papers: Dashboard 2019/20](#) (see pages 66-113)

5. Self-policing

- 5.1. We have issued three warning letters to ourselves since 1 April 2018 (see table below for details).

Incident Date	Location	Incident Type	Enforcement	Legislation
02/05/2018	Coed y Brenin Visitor Centre	Water Quality - Permit conditions	Warning Letter 25/01/2019	Reg 38 Environmental Permitting
2018/19	Pye Corner IDD	SSSI - Unconsented works	Warning Letter 13/08/2019	Section 28P(2)(b) Wildlife & Countryside Act
30/08/2019	Coed y Brenin Visitor Centre	Water Quality - Permit conditions	Warning Letter 13/02/2020	Reg 38 Environmental Permitting

- 5.2. Between 1 April 2019 to 31 December 2019, 11 environmental incidents relating to our work (or our contractors) were reported and reviewed. Categorised in line with our [Incident Categorisation Guidance](#) as
- 9 Low / 1 Unclassified / 1 Event
- 5.3. Between 1 April 2018 to 31 March 2019, 13 environmental incidents relating to our work (or our contractors) were reported and reviewed. Again, categorised as
- 1 High (European Protected Species breach, investigated by police but no further action taken)
 - 7 Low / 4 Unclassified / 1 Event

6. Organisational design programme

- 6.1. Our new organisational structure went live on 1 July 2019, implementing a new design that created larger teams to ensure more resilience and integration of our activities. We are confident that this design will help to meet our future ambitions and challenges.
- 6.2. The new Operations Directorate has seven geographical areas to reflect the seven area statements that we have for Wales, allowing us to focus our activities around place-based priorities.
- 6.3. The Evidence, Policy and Permitting Directorate departments have been designed to be able to respond to the needs of providing strategic direction, to work with Welsh Government on policy development and provide technical support to the Operations Directorate.

7. Grants and Funding Programmes

- 7.1. Our grant funding powers and resources give us the opportunity to drive investment to the communities, sectors and organisations who can deliver best for the environment and natural resources of Wales. We have listened to feedback from staff and partners and simplified our application processes and requirements. We have prepared a new grant funding strategy, policy and procedure that sets out four considerations that are at the heart of grant funding decision making:
- Proportionality
 - Consistency, transparency and fairness
 - Effective risk assessment and management
 - Due diligence in line with Managing Welsh Public Money
- 7.2. NRW will run three grant funding mechanisms:
- **Competitive Grant Funding:** Applications are received for part of a limited budget during a specified period with specific opening and closing dates
 - **Strategic Allocated Funding:** Work with identified strategic partners who are critical to the delivery of NRW priorities and will be awarded for a minimum of 3-5 years, to demonstrate a longer-term commitment to working on shared outcomes

- **Shared Outcome Request Funding:** Ad hoc applications to NRW for funding from external organisations to deliver projects/initiatives which NRW may have an interest in.

7.3. In developing these funding mechanisms, we have drawn on the relevant Welsh Government's Grant Centre of Excellence Minimum Standards. We have also built in the Welsh Government's requirements, set out in the Code of Practice for Funding the Third Sector.

Progress includes:

- The Shared Outcome Request mechanism was implemented and was open for use from 20 November 2019.
- The Strategic Allocated Funding process has been developed, with outcomes, formula and partners identified.
- Significant progress has been made in transforming the due diligence process for all three grants processes, to ensure alignment with the principles of proportionality and to ensure they are risk based.
- A communication and engagement plan will be rolled out from 1 April 2020.

8. Financial Position and savings

The latest financial position of the body.

Financial Year 2019/20

Revenue Budget

- 8.1. In 2019/20, our 'baseline' Non-Flood Grant in Aid allocation from Welsh Government was reduced by 5% (£3m reduction). This followed a 5% reduction in 2018/19. Our Flood Grant in Aid allocation remained at the same cash level. To help, we have continued to realise real term reductions in our operating costs, relied on additional funding from Welsh Government and commercial income, and through careful management of our cash reserves.
- 8.2. Since NRW was created, Welsh Government has provided additional funding (not baseline) to support us taking on new responsibilities, transformation and dealing with emergency situations, such as tree health (see Table A). We are dependent on the additional allocations to meet new pressures as our baseline funding has reduced.
- 8.3. Despite a reducing 'baseline' budget we have not fully utilised our budget in three areas: workforce, projects and forestry operations. We are proactively tackling these issues and expect to report a significant improvement in our budgetary performance this year and are confident that we will fully utilise our budget next financial year. We have a multi-faceted plan that has looked at processes, structures, competencies and management reporting to improve performance.

Capital Budget

- 8.4. Our biggest capital programme is for flood and coastal risk management. In previous years our programme has spent between £15m and £20m per annum but the scale of the programme this year is less – around £11m. This is mainly due to three construction projects that were expected to conclude in 2019/20 being reprogrammed to complete in 2020-21. There are over 200 projects in the capital programme, of different sizes, at various stages of implementation.
- 8.5. We also receive a much smaller allocation for Non-Flood works (£0.8m) plus another £0.9m for Wales Coast Path improvements. This is insufficient for us to invest in the significant infrastructure improvements required to ICT and our laboratory. Recently, Welsh Government made changes to the legislation that meant a significant improvement programme for reservoirs without NRW having the funding within our baseline. Welsh Government has provided us with additional ‘one off’ funding for both 2018/19 and 2019/20 and has recognised the need to provide additional funding on an ongoing basis in future.

Commercial Income

- 8.6. Following a period of buoyant timber prices from the Welsh Government Woodland Estate, we have started to see more volatility and a reduction in overall prices. Welsh Government has allowed us in the past to carry forward timber income to make the best use of the income. To allow us to continue retaining the timber income, we have submitted a reserves policy to Welsh Government. This is important to enable us to continue to invest in forest infrastructure, create more woodland and plant more trees.

Financial Year 2020-21 and beyond

- 8.7. Our indicative revenue Grant in Aid allocation for next year is standstill compared to this year and we are not expecting any additional revenue allocations, as we have received in previous financial years. These had been used to fund the implications of new legislation, duties and responsibilities and we have requested the ability from Welsh Government to carry forward Grant in Aid from 2019/20 to help fund those pressures.
- 8.8. We expect Welsh Government to confirm enough funding to undertake our Flood Capital Programme next year and we are in the process of agreeing how much additional Non-Flood Capital Grant in Aid we will be allocated to meet the First Minister’s priorities.
- 8.9. The current draft of the Business Plan and Budget has expenditure of £197.4m, £171.2m revenue and £26.2m capital. This is funded by Grant in Aid, charges, commercial income and external funding and income brought forward from 2019/20.
- 8.10. We will need to work with Welsh Government on the future funding of NRW post 2020-21, when we expect there to be much less additional funding provided. We will

no longer be able to carry forward Grant in Aid funding between financial years and the prior year reductions in Grant in Aid will impact on us.

Details of any cases made to Welsh Government for additional funding over and above your budgeted financial allocation for both 2018/19 and 2019/20 to address pressures and new responsibilities.

Additional Funding

8.11. Additional Grant in Aid allocated by the Welsh Government for use in 2018/19 and 2019/20 was as follows:

Table A

Funding allocated for:	2018/19 £m	2019/20 £m
Tree health	3.7	1.9
New legislation, responsibilities and services	5.3	4.4
Welsh Government policy priorities (marine, waste and river basin priorities in 2017-18 and the same in 2018/19 plus LIDAR (£2.2m))	3.5	1.2
Carbon Positive	0.4	0
Laboratory systems	0.2	0
BREXIT	0.3	0
Flytipping Action Wales	0.2	0
Vital Nature	0	0.8
Job Evaluation	0	0.7
Total	13.6	9.0

Explanation of the gap between income and expenditure and how this will be managed

8.12. In our 2018/19 Annual Accounts we recorded income of £76m and funding from Welsh Government of £107m (total £183m) and expenditure of £201m. It is important to note that expenditure in our Annual Accounts includes non-cash items such as depreciation and does not include capital expenditure. This reduces our cash related spend to £176m, so there is the gap between income and cash related expenditure of approximately £7m and this is managed through our reserves.

8.13. We are managing our cash reserves downwards by:

- recruiting to full new Organisation Design structures and over-programming to a greater extent.
- spending less on revenue projects next year and putting in place a Programme Office to help with monitoring delivery and spend.

- more accurate forestry forecasts and increased capacity following Organisation Design.

8.14. Not all NRW's spend is funded by Welsh Government and we must observe the spending rules that are applied to all our funding regimes. It is sensible to retain a level of reserves for parts of our organisation that are funded by timber income, due to the sensitivity to market changes.

9. Implementation of legislation

An update on the cost of delivery of NRW's functions under both the *Environment (Wales) Act 2016* and the *Well-being of Future Generations (Wales) Act 2015*, including any financial pressures.

9.1. In the summer of 2019, we prepared a submission to Welsh Government to baseline into our Grant in Aid (GiA) the costs associated with the Well-being of Future Generations Act and Environment Act. The submission amounted to £3.9m, reflecting staff, project costs and £1 million to support a grant programme aligned to delivery of Area Statements. This submission was not successful. No additional, annual budget has been released for 2020/21. We have absorbed costs through reprioritisation and will not run a grants programme for Area Statements beyond the grant scheme identified in section 7. We will continue to make the case for baselining the costs into our Grant in Aid as this would allow us to plan our resources and finances on a more sustainable, long-term basis.

An update on progress to date in delivering NRW's functions under these Acts, specifically: implementing the five ways of working; development of Area Statements and development of SoNaRR.

9.2. Following Welsh Government's Statutory Guidance on Natural Resources Wales' General Purpose, we are undertaking an in-depth review of three priority functions: Environmental Permitting Regulations; Forestry Environmental Impact Assessment Regulations and Glastir decision making; and Marine Licensing to assess how they are compliant with the Environment Act statutory guidance. In particular, we will assess how well the objective and principles of Sustainable Management have been embedded into the relevant processes. This includes mapping the existing ways in which the objective and principles are being applied, acknowledging any potential gaps, and whether there are actions that can be put in place to bridge those gaps. Since much of this is determined by existing regulatory processes, this review is being carried out with WG as the opportunities identified may require a change to existing legislation or policy. This will continue as a significant programme of work during 2020-21.

Implementing the 5 ways of working

9.3. The WAO has completed and reported on their audit of NRW's application of the 5 ways of working as a 'step' to meet a Well-being Objective. The audit focussed on our work preparing Area Statements.

- 9.4. The final Audit report was released in January 2020. Overall the report is very positive, noting that NRW is consciously embedding the sustainable development principle in the design of the Area Statements. WAO concluded that NRW is taking a long term, preventative approach but will need to continue to work closely with key senior partners and communities to define the priorities and develop responses. We have reflected on the WAO recommendations and prepared an action plan.
- 9.5. NRW, like other public bodies, received individual and collective feedback on Public Bodies self-reflection on ways of working from the Future Generations Commissioner. NRW's individual feedback was positive highlighting the good progress we have made in considering the five ways of working. Our work on the Carbon Positive Programme was highlighted as an exemplar, while our Sustainable Management of Natural Resources Training for all staff was welcomed and it was suggested that this is rolled out elsewhere in the public sector.
- 9.6. We are currently reviewing the recommendations from our individual report and the wider findings from across the 44 public bodies.

Development of Area Statements

- 9.7. We have held engagement events throughout 2019 with stakeholders to develop Area Statements, taking a place-based approach to implementing the Natural Resources Policy. The first iteration is now being produced and will be available from the end of March 2020. These will be available as an on-line resource. Ongoing work to promote the resource and to further develop the joint actions for delivery identified in Area Statements will continue throughout 2020-21.

Development of SoNaRR

- 9.8. The Draft Report was published on NRW's website, as the [State of Natural Resources Interim Report](#), in December 2019. The Interim report groups the emerging evidence around the two key challenges of Climate and Nature Emergencies and two key responses of A Circular Economy and Green Infrastructure. We undertook both broad and focussed engagement with our stakeholders during 2019. This will continue until the completion of SoNaRR 2020.
- 9.9. The Interim report included an update on the evidence needs and we plan to use this information to help focus resources across Wales on filling evidence gaps.
- 9.10. Work is continuing throughout 2020 to update the assessment of the sustainable management of natural resources, based on the latest available evidence. This was first carried out for SoNaRR 2016.
- 9.11. SoNaRR 2020 will be published in December 2020. We are talking to specific stakeholder groups around the evidence that is available to carry out the assessment of the sustainable management of natural resources.

10. Brexit

An update on the implications of Brexit for NRW

10.1. There are several implications of Brexit for NRW:

- Potential changes to European legislation;
- Impact as an employer and procurer of goods and services;
- Potential loss of funding from European sources;
- An extended period of European Court of Justice (ECJ) jurisdiction following the transitional period where infraction proceedings can be brought for any issues that occurred up until the end of the transition period. NRW will need to continue to monitor and abide by any changes to directives, regulations or ECJ judgements.

An overview of the work undertaken by the body to prepare for Brexit

10.2. There has been significant preparation ahead of Brexit.

- We have recruited 38 posts across operations and policy to fulfil a range of roles, increasing the capacity and building the resilience of functional teams.
- We have established formal BREXIT programmes for no deal work and for policy and regulatory work, which provide updates to each NRW Board meeting;
- We continue to attend the Minister for the Environment, Energy and Rural Affairs' roundtable meetings and have supported the seven working groups;
- Brexit is at the fore in our discussions at a strategic and policy level with Welsh Government, Environment Agency, Natural England, Forestry Commission, SEPA, SNH, and Irish EPA.

Brexit Incident Planning and Management

10.3. We established our internal No-Deal EU Exit project to ensure we identified the risks associated with a No-Deal EU Exit and put plans in place to address these. The key areas we focussed on were associated with:

- NRW's own business continuity arrangements and our ability to deliver our statutory duties;
- the increased likelihood of environmental incidents occurring as a result of the impacts of a No-Deal scenario; and
- our ability to effectively contribute to a multi-agency response.

10.4. We prepared and activated a communications plan to support engagement with our stakeholders as we approached EU Exit deadlines in March and October 2019 and January 2020, informing them that their responsibilities as licence holders, providing advice and guidance as well as support for our operational staff.

10.5. The risk of No Deal remains for December 2020. This includes the risk of disruption to the flow of goods through Welsh ports and may result in companies developing their own contingency plans to stockpile key inputs to or outputs of their production processes to maintain continuity of product supply to markets. This stockpiling may

pose a pollution risk. In addition, companies may seek additional permits/authorisations.

Brexit Policy Response

- 10.6. Since December 2019 we have stepped up our planning for a “deal” Brexit to ensure that NRW is able to maintain Business as Usual, managing and mitigating the impact of Brexit on the sectors we work with and regulate, and on the environment more generally. This includes additional work around preparations for changes to Statutory Instruments, Transfer of Functions to NRW, No Deal preparation, key short-term work for deal/extension and development of longer-term work on policy, legislation, principles and governance to inform our response to developing Brexit scenarios and support to policy teams and the wider organisation.
- 10.7. We have tracked the corrective Statutory Instruments that relate to our remit through the Parliamentary process and have worked closely with Welsh Government leads to understand the impact on the environmental legislation that guides our work. This means that we may need to establish stronger relationships or new relationships going forward.
- 10.8. We have closely monitored the UK Government’s Environment (Principles and Governance) Bill and in particular the proposals for a new Office for Environmental Protection. We have also worked closely with Welsh Government and stakeholders on the task and finish group developing Welsh proposals for Environmental Principles and Governance.
- 10.9. Additional funding has also been made available from Welsh Government to ensure that our regulatory process is robust in the event of a no deal exit. We have updated templates, documentation and the IT infrastructure which underpins the preparation and processing of permits. During 2019/20, we completed an analysis of our permitting systems in preparation for future customer and data management.

Annex 1

A summary of the action taken to deliver the priorities set out in NRW's 2018/2019 remit letter

1. Developing a more robust, competitive and self-sufficient agricultural sector

As a result of our focus on delivering sustainable management of natural resources (SMNR), we have worked in partnership with the land management sector to create the Wales Land Management Forum (WLMF) agricultural pollution sub-group. This is a unique and wide-ranging partnership, working in accordance with SMNR principles with the ambition of eradicating agricultural pollution across Wales. NRW provides both the chair and the secretariat together with additional technical and policy support.

Lying at the heart of the sub-groups' work has been the development of a mutual understanding across sector organisations of the root causes of agricultural pollution.

An interim report on the work of the sub-group was delivered to the Cabinet Secretary in early April 2018. A total of forty-five recommendations spanned five workstreams adopted by the sub-group:

- Ensuring that the formal regulatory regime is sufficiently robust to achieve the outcomes required;
- Developing a voluntary, farmer-led approach to nutrient management;
- Providing better advice and guidance which can then be taken up by farmers;
- Improving the existing range of investment opportunities;
- Identifying and promoting innovation.

Work to develop an Action Plan and feed and implement the recommendation and the outcomes of the sub-group to land managers across Wales continues. Results of the work were also fed into Welsh Government as they developed the next stages of their consultation: Brexit and our land.

Additionally:

- Supporting and providing evidence in relation to post Brexit Land Management and regulatory programme for the agricultural sector. This included providing a member of staff to sit within the programme to support development of the new scheme and act as the gateway for wider NRW input.
- Supporting Welsh Government in the development of Brand Wales and the underpinning sustainable brand values for the primary production sector
- Supporting Welsh Government in relation to the development of Climate Smart Agriculture
- Working with Farm Assurance Bodies in England and Wales (Red Tractor and Farm Assured Welsh Livestock) to influence the industry in relation to delivering wider Corporate Social Responsibility
- Through developing environmental resilience in relation to water; worked with the stakeholder group, Wales Land Management Forum sub-group on agricultural pollution, to deliver a programme of works to deliver significant change in water quality and agricultural incidents. This includes a work programme containing detail of specific work packages and allocation of work to the partners involved from the sub group.

NRW have been updating the Agricultural Pollution data, producing graphs and undertaking statistics which have been provided to the WLMF Sub Group. The sub-group identified 28 waterbodies failing to achieve good water quality related to agriculture across Wales. Farming Connect organised events and contacted farmers and land owners in the targeted catchments with NRW local officers attending the events. NRW produced a catchment initiative projects map which captures all the various work different organisations are undertaking in catchments related to agriculture

- The Dairy Project Officers have visited 300 farms with a target of 350 visits to be met by the end of March 2019. The project has been extended to 2021 to visit all dairy farms across Wales, producing reports highlighting recommendations and actions for farmers implement to improve water quality.
- Supporting Welsh Government in the contingency planning for agriculture
- NRW and the WLMF sub-group supported Farming Connect to produce the “Reducing Agricultural Pollution Campaign” video which has been shown at events and is available online.
- NRW part-funded the all Wales Farmer Led Nutrient Management Programme with NFU Cymru, Dŵr Cymru and FUW which was designed to establish a Water Standard to provide farmers with comprehensive and robust measures to protect and enhance Wales’ water environment.
- Supporting Welsh Government in relation to the delivery of the European requirements for cross compliance with respect to basic payment scheme.
- Contributing to the strategic direction of the Farming and Forestry Connect advisory service for farmers and foresters. Additionally, we supported specific training events
- Supporting and advising Welsh Government in relation to delivery of current Rural Development Schemes. Supported and advised Welsh Government in the development of monitoring and evidence programmes, decision support tools and action to protect, restore and better manage soils and safeguard Wales’ best and most versatile agricultural land to improve soil quality, productive capacity and its resilience to degradation.
- Supporting Welsh Government in the co-ordination and embedding of best practice for the sustainable management of soils, including the management of soil structure, organic matter (carbon), erosion, acidity and nutrients.
- In November 2018 the Minister for Energy, Planning and Rural Affairs announced an Agricultural Pollution and Regulatory Reform. The proposed regulations will come into force in 2020 and will apply for the whole of Wales to protect water quality from excess nutrients. The WLMF sub-group formed a Task and Finish Group on Regulation in January 2019 to work collaboratively and discuss the proposed basic measures and transitional periods.

2. Responsible marine management and a fair deal for the fisheries industry;

We have supported the sustainable management of the marine environment by delivering our Marine Programme, including:

- Developing an integrated delivery model for marine, delivering a single, prioritised Marine Programme, including establishing a Head of Business for Marine and a single integrated Marine Operations Service
- Preparing for implementation of the first Welsh National Marine Plan, through: providing ongoing advice and support to WG on finalisation of marine plan content and policies and delivering NRW staff training;
- developing guidance to support NRW's delivery of the Welsh National Marine Plan through our regulatory and advisory functions, including marine casework advice and determination;
- advising on and influencing plans for the sustainable development of individual marine industry sectors, such as offshore wind which influenced suitable areas being brought forward for further development of offshore wind in Welsh waters
- Undertaking assessments of the interaction between fishing gear types and protected marine habitats and species, as part of the Assessing Welsh Fishing Activity project, to inform sustainable management of marine fisheries
- Working with Government to develop a joint NRW Welsh Government Marine Evidence Strategy for Wales
- Supporting effective marine spatial planning with the development of good quality spatial data that can be used to inform decision-making. Specifically, through the 'Sustainable Management of Marine Natural Resources' project, funded by the European Maritime and Fisheries Fund and Welsh Government, we have been developing the environmental evidence base in relation to tidal stream energy, wave energy and aquaculture resources in the Welsh marine area. In particular, the project is examining how use of these resources may affect marine protected areas and other sensitive species and habitats.
- Providing advice to Government on the completion of the network of marine protected areas (MPAs), including the use of the Marine Conservation Zones designation to complete the network.
- Supporting the development and delivery of the Wales MPA Network Management Framework and Action Plan, including Delivering collaborative projects to improve the management and condition of the MPA network such as: Welsh fishing activity project assessments, assessment of impacts of non-licensable activities, and developing our approach to reporting on the condition of sites.
- Integrating development and delivery of the marine Area Statement, NRW Marine Commissioning Plan (our external grants), Welsh National Marine Plan and Natural Resources Policy marine-related priorities and embedding a consistent approach to coastal adaptation in all areas. This included, for example:
 - Provision of formal advice on the relationship between the Welsh National Marine Plan and marine Area Statement.
 - Commencing external stakeholder engagement and developing issues and opportunities in relation to three key marine themes in the marine Area Statement, which includes coastal adaptation as one of the three

3. Exceeding our £7 billion target on turnover in the food and drink sector;

We continue to develop Source Protection Zones (SPZs) for groundwater abstraction for the food and drink sector. We apply the policies associated with these through the planning and permitting regimes, steering high risk activities away from vulnerable locations. We have updated incident response manuals to ensure that the team is consulted when pollution incidents occur in SPZs and we prioritise rapid remediation at these sites.

We ensure protection of groundwater supply for the food and drink sector through our licensing regime; we assess any new applications to ensure that regional resources are available, and that derogation of existing supplies will not occur. We are developing new policies and process for groundwater aspects of New Authorisations to ensure protection of existing, previously unlicensed, supplies for the sector.

4. Developing a responsive planning system which delivers our ambitions for good quality homes, jobs and the environment;

- We continued to advise the Welsh Government on how to apply the SMNR approach within the emerging National Development Framework (NDF), and refreshed Planning Policy Wales. We have also advised WG on their review of LDP Manual, TAN15, and a proposed consenting regime for major infrastructure.
- We reviewed our [Consultation Topic List](#) so that it continues to reflect our statutory duties, and responsibilities within the planning system.
- To support our staff to provide a consistent service when responding to planning application and LDP consultations, we published new guidance on EIA screening consultations, landscape, model conditions, and the LDP process. We have also held training on the HRA process.
- We published the findings of our [Customer Service Survey for 2017/18](#) on the NRW website. The feedback to the survey was largely positive, and the report sets out how we are responding to suggestions from our customers.
- We submitted our 2017/18 Annual Report to Welsh Ministers. During the reporting period we responded to a total of 6775 consultations. 97% of those were submitted within statutory or other agreed deadlines. Our latest [Annual Report](#) is available on our website.
- An updated [Annex A to Advice Note 11](#) has been finalised and is available on the PINS website.
- We are implementing a number of new ways of working developed as part of a Joint Improvement Projects with local planning authorities across Wales.

5. Reducing our dependence on fossil fuels and increasing use of renewable energy

- Our Carbon Positive Enabling Plan was developed and approved to provide a strategic steer on decarbonisation action in NRW. We developed an Action Plan to provide a management and reporting tool for mitigation measures.
- Six peatland restoration projects on the NRW estate restored water levels at modified bog or fen sites including Cors Bodeilio and Hafod Elwy. Additionally, three small projects to facilitate active travel or energy efficiency in our offices were delivered.
- The Carbon Positive project has worked with Welsh Government to inform the development of a public-sector emissions reporting approach – including drafting a survey for public-sector bodies and running a contract to review carbon reporting approaches.
- We have used Welsh Government Invest to Save funding to install solar PV panels, LED lighting, and biomass boilers across a range of sites. A strategic feasibility assessment for installation of EV charging infrastructure at all NRW's visitor centres and main NRW offices was completed.
- Additionally, a detailed site-based assessment of feasibility for seven wind, solar and hydro self-supply options identified previously through a strategic assessment of renewables potential on the NRW Estate undertaken by the Carbon Positive project was delivered, with installations planned in 19/20.

6. Improving animal health and welfare.

We responded to the Welsh Government's consultation on the 'Agreement on International Humane Trapping Standards' and we will implement any changes required to our licensing regime when the legislation requires this.

- We continue to consult staff in Welsh Government's Office of the Chief Veterinary Officer (OCVO) to ensure that any badger licence applications we receive are not likely to result in a spread of Bovine Tuberculosis (bTB) and continue to on request provide advice on the licensing around Welsh Government's ongoing management of bTB in wildlife on farms with chronic herd breakdowns.
- We have liaised with Welsh Government officials regarding the disease risk around wild boar in Wales.
- We consult Welsh Government OCVO on the disease risk of wildlife translocation proposals and licence applications, including beaver and red squirrel
- We have provided advice to Welsh Government OCVO
- We undertook work to produce a regulatory decision in relation to spent sheep dip (completed July 2019)
- We supported Welsh Government through providing technical specialist agricultural support during their dry weather contingency planning

7. Becoming best in the world at recycling;

There are several ways we contribute to the delivery of this priority

Regulation of waste facilities

NRW is responsible for providing a risk-based approach to regulation of the waste industry sector to ensure the sustainable management of our natural resources for human and environmental well-being. We seek to achieve this directly through delivery of our regulatory duties, using powers and tools available as set out in legislation; and indirectly through wider interventions such as raising awareness with waste producers to ensure they are taking steps to segregate, classify and manage their waste responsibly.

In response to the Chinese restrictions on imports of 24 categories of recyclables and solid waste as part of a campaign against “foreign garbage” and environmental pollution we prioritised compliance inspections at material facilities permitted sites in Jan 2018 to assess the potential impacts and advised Welsh Government regarding any concerns and developments.

Through regulatory duties and by providing advice and guidance we will work to ensure that those we regulate understand and comply with regulatory requirements including relevant energy and resource efficiency requirements.

Monitoring role for Landfill Allowance Scheme and Local authority recovery targets

NRW is the designated monitoring authority for the Local Authority Recovery Targets and Landfill Allowances Scheme. Local authorities are required to provide us with evidence that their diverted waste has met the relevant criteria to demonstrate that they have met these annual targets.

This places greater importance on Welsh local authorities to follow the flows of materials after they have been collected and to accurately report data on intermediate sorting facilities, reject rates and end destinations. We work with local authorities to identify and report the end destinations of the waste that they collect as far as practicable. This continually improves the confidence and integrity of the published local authority waste statistics.

For example, in relation to the management of waste wood we are working with the Environment Agency and other organisations to address concerns we have with the segregation, classification and destination of waste wood. We have highlighted these concerns to the Welsh Local authorities to ensure that they are managing their waste wood appropriately and there is consistency in reporting this material for Local Authority Recovery Targets.

Managing our resources

We have a certified ISO14001 environment management system. We already actively manage our waste within our offices and facilities aiming to minimise waste at source and ensuring any waste we do produce is stored securely, segregated and transferred for recycling where possible.

NRW are working with the Clean Seas Partnership contributing to tackling marine litter and we signed the Volvo Ocean Sea pledge to minimise our disposal plastic use.

Our Corporate Plan launched in 2018 makes a commitment to promote successful and responsible business by putting steps in place to work towards a circular economy and zero waste in Wales.

Working with others

NRW continues to work with Welsh Government and represent NRW at the stakeholder groups for the EU Circular Economy package review and Welsh Government Circular Economy stakeholder events.

We provide advice and co-ordinate input to various working groups related to re-use, prevention and the circular economy from across Natural Resources Wales. We support the development of initiatives by WRAP Cymru such as

- Project Board member on Re-use alliance TAG
- Support to the Critical Raw Materials project
- We support Wales's ambition to create a circular economy that moves away from the current linear model, where materials are fed in to the economy at the start and discarded at the end.
- Whilst increasing recycling rates is important, it is essential that mechanisms and drivers are put in place to encourage prevention and re-use of waste as recognised by Welsh Government's waste prevention programme.
- We rely heavily on exports to recycle/recover waste produced and collected in Wales – this is under pressure from global restrictions and bans from Countries no longer accepting some types of waste, for example plastic, paper and tyres.

We contribute to the CL:AIRE Definition of Waste Code of Practice (DowCoP) initiative which enables the reuse of soils on and between different development sites. The DoWCoP offers a sustainable alternative to materials going to landfill where it can be demonstrated that they are suitable for use. Our role is to oversee that risks to controlled waters are addressed. Since April 2017 DowCop declarations relating to over 250,000m³ of material have been received, potentially preventing this volume going to landfill.

8. Improving and expanding the woodlands of Wales;

- We thinned 1,195 ha (46% of the target) in 18/19. Of this, 90 ha was associated with gradual transformation of plantation back to native woodland (PAWS restoration) and 482 ha was linked to Low Impact Silvicultural System (LISS) management.
- We clear-felled 1,195 ha (51% of the target) in 18/19. Of this, 103 ha was associated with PAWS restoration.
- We offered 769,000 m³ of timber to market in 2018/19 against a target of 850,000 m³.
- We delivered a restocking programme of 1035 ha in 2018/19 against a target of 1800 ha.
- We removed threats (INNS) from 7 ha of ancient woodland sites, which was well below the planned target of 90 ha across the WGWE.

- We retained independent forest certification to the UK Woodland Assurance Standard (UKWAS) demonstrating our timber is sustainably managed for customers and other stakeholders.
- We have continued to manage P. Ramorum using Statutory Notices since 2010. High levels of infection were found in 2018 and NRW issued 232 Statutory Notices. The level of infection, resource constraints and a change in how we assess applications impacted on the speed of issuing Notices and NRW were only able to issue 35% of Notices within the 30 days target.
- We continued tree clearance (clear fell) of 955 ha of larch in 2018/19 (81% of the target) and managed the subsequent replanting programme.
- We worked to deliver our umbrella Woodland Creation Programme which was approved by our Board in September 2018. Specifically, we have:
 - Worked with Welsh Government to develop a woodland creation scheme delivering economic resilience and public goods benefits, e.g. natural flood mitigation, carbon, air quality, supply of home-grown timber. This forms part of Welsh Government's proposals contained within the Brexit and Our Land consultation.
 - Worked to ensure that woodland creation is a core part of NRW's 2050 vision for the natural environment and is incorporated in to Local Well-Being Plans (via PSB representatives) and Area Statements.
 - Recruited a Woodland Creation Programme Manager to coordinate the multiple woodland creation projects.
 - Worked with Welsh Government directly, and via the Woodland Strategy Advisory Panel Task & Finish Group, to develop proposals around the First Minister's commitment to a National Forest for Wales.
 - Gained approval for a 10-year project to acquire 350 ha of land for woodland creation to replace permanent woodland loss due to the energy delivery programme on the WGWE. This year 15 ha has been acquired, with a further 42 ha in the pipeline (offer accepted). The planning phase is now in progress to satisfy the Environmental Impact Assessment for afforestation and enable the preparation and planting of the sites. Acquisition of 150 ha in 20/21 and 150 ha in 21/22 is planned as part of this project.
 - Dedicated an arboretum at Garwnant visitor centre to commemorate the centenary of the end of WW1 (11th November 1918) and the creation of the Forestry Commission (1st September 1919). Also, under the Centenary project, we have recruited a Project Manager and started to review and develop projects that both look back at 100 years of forestry and forward at the next 100 years of forestry.
 - Commenced work on refining and gathering data on the Performance Indicators contained in the Purpose and Role of the Welsh Government Woodland Estate report (published July 2018), so that we can monitor and report on progress by us and others against delivery of the purpose and role and the ten key priorities.
 - Launched our long term [Forest Management Plan pilot scheme](#) which will run until December 2020. It is for use by woodland owners, agents and managers in Wales, and covers felling permission for proposed thinning, felling and restocking for the first five years of the plan and outline approval for the following five year. It can also be used as evidence of sustainable forest management if a forest or woodland is certified under [the UK Woodland Assurance Scheme \(UKWAS\)](#).
 - Developed a project (£1 million allocated) which will look to increase the size of the Welsh Government Woodland Estate utilising income from timber sales.

9. Tackling poor air quality;

We continue to ensure that emissions to air from regulated sites are controlled so that there is protection of human health and ecosystems as a result of new and expanding developments while still enabling economic growth.

We have begun work on re-permitting the combustion sector to comply with new European standards. We have analysed the information received from operators and will now update the permits to contain tighter controls on emissions, so contributing to improvements in Air Quality.

We will also consult on updated guidance to assess ammonia emissions from intensive agriculture, with the proposed changes aiming to align the guidance for permitting with the planning process and ensure habitats are protected.

We continue to support WG and governmental organisations to improve Air Quality where an issue has been identified. We are in consultation with WG on the best way to deal with nickel levels in the Swansea Valley and will respond to the recent consultation on the clean air plan.

We continue to work with WG and the operators of Port Talbot Steel works on the Benzo[a]pyrene target levels in the South Wales agglomeration, the effectiveness of improvements made to the operation of the coke ovens will be assessed as monitoring data is available.

The Citizen Science project at Cardiff Schools is coming to a close in 2020, the data to date has shown that the NOx concentrations around the schools monitored are within the current limits. Further work on establishing best practice from the data collected will be completed in 2020.

10. Improving understanding of the value of nature, including through national parks and areas of natural beauty

We worked with Welsh Government and the Designated Landscapes to develop and agree a programme of work to deliver the Welsh Government policy statement 'Valued and Resilient: the WG Priorities for Designated Landscapes'

We worked with Welsh Government and AONB`s in response to the request from Hannah Blythyn on issues to be addressed to provide greater parity of AONB`s compared to National Parks. We also worked with the designated landscapes to prepare a joint report, submitted to the Minister on 2 October 2018 followed by a meeting with the Minister on 14 November 2018 where a request was made for further work on resourcing. This was completed and submitted for Welsh Government consideration on 18 December 2018.

11. Reversing the decline in biodiversity

Developing 'Vital Nature'

We completed the development of Vital Nature, our biodiversity strategic steer, and launched this in July 2018. It outlines our biodiversity priorities and ways of working to help maintain and enhance biodiversity and build ecosystem resilience. Through a series of goals, it identifies high-level commitments to drive action aligned with the Nature Recovery Action Plan (NRAP). We have used the goals and priorities in Vital Nature to help embed and promote biodiversity delivery across NRW and steer work programmes including our Business Plan priorities for 2019/20.

We invested an additional £0.8m of funding for delivering NRW actions in 19/20 that focus on our Vital Nature priorities with the intention to develop this into an on-going work programme for subsequent years.

We integrated the delivery of our Section 6 biodiversity duty into our corporate planning mechanisms and embedded the reporting duty into our 2018/19 Annual Report process.

We incorporated the delivery of our Section 6 biodiversity duty into our Environmental Assessments operational guidance to help project managers understand how they can deliver biodiversity enhancements and developed an engagement programme to support this.

Building Ecosystems Resilience

Working with Welsh Government and other stakeholders we developed multi-sector guidance supporting habitat restoration and creation assessments and identifying delivery opportunities. We have been developing tools to support the delivery and measurement of habitat creation and restoration requirements with partners and improvement opportunities across NRW's activities. We provided outline guidance to support the developing Area Statements on aspects of ecosystem resilience, including connectivity mapping.

Managing Protected Sites and National Nature Reserves

We met our 2018/2019/19 work programme target for actions to improve conservation features on protected sites. We embarked on the development of a new ICT protected sites data management system to help move from the legacy platform and enable more effective collaboration with stakeholders on protected sites management issues.

Across the suite of National Nature Reserves owned/managed by NRW there were around 150 active projects specifically delivering biodiversity gains.

Species Management

We continue to use our species licensing regime to ensure the continued ecological functionality of breeding and resting places of the species concerned and that adequate mitigation is put in place and monitored. We issue approximately 1,200 protected licences annually with approximately 700 relating directly to scientific, conservation or educational activities to improve species distribution knowledge. We also issue approximately 400 licences that are directly associated with development works that can affect European protected species.

We continue to deliver smaller scale actions that can make a significant difference - particularly for invertebrates for example such as the Southern Damselfly, Large Mason Bee and internationally rare Scarce Yellow Sally stonefly. These actions include specific small-scale site management work to maintain or restore habitat alongside site-based survey work to help improve knowledge about species range or populations in Wales.

External Funding Support

We developed our organisation's Competitive Funding round to support SMNR and help build ecological resilience and biodiversity with others including other funders. A SMNR Open Call resulted in 63 projects being supported across Wales through circa £2.4 million of NRW Grant funding. This leveraged around another £2.4 million in funding for environmental projects.

Green Market and Payment for Ecosystem Services

As part of developing a Payment for Ecosystem Services (PES) work programme, we investigated what role NRW can play and the potential for developing a market-based mechanism to support greater business sector funding for the sustainable management of natural resources in Wales including maintaining and enhancing biodiversity. We undertook Green Marketplace studies to identify and assess opportunities to help organisations with project facilitation or management roles for building relationships and transactions between business investors and landowners or others that can provide ecosystem service improvement benefits or deliver environmental improvement projects. We explored the concept of a 'Green Marketplace' information platform for facilitating potential project opportunities and matching these with appropriate funding opportunities.

Supporting Biodiversity Through Planning

We reviewed our Consultation Topic List for our role as a consultee in the planning application process and following that exercise, we are currently scoping what advice we can develop to help embed ecosystem resilience considerations within the planning system.

Agri-environment Scheme Support

On behalf of Welsh Government, the NRW Woodland Programme team verify Glastir Woodland Creation and Glastir Woodland Restoration schemes in compliance with the UK Forest Standard. As part of the verification process, we look to ensure Section 7 Environment Act priority habitats are excluded from planting schemes and require consultation on Section 7 species e.g. protected bird species, great crested newts which have been recorded within a proposal woodland creation site.

INNS Management

Following up on our NRW biosecurity audit recommendations, we have continued to work to implement biosecurity best practice across NRW to reduce the risks to biodiversity, ecosystem resilience and well-being posed by Invasive Non-Native Species (INNS). We have developed an organisation wide biosecurity policy, implementing specific training and developing internal communications including an intranet page and establishing an NRW Biosecurity Focus Group to share best practice. We assisted with implementing the Invasive Alien Species Regulation and the GB Invasive Non-Native Species Strategy by helping to develop pathway action plans and contingency plans alongside progressing priority INNS management work including for topmouth gudgeon.

River Restoration and Other Freshwater Biodiversity Improvements

We identified key river restoration opportunities for use in Area Based Statements and to support our river restoration programme work we established a River Restoration Task and Finish group to help co-ordinate related work across Wales. We have continued our work on integrating Water Framework Directive and Habitats Directive water quality standards and incorporating these into river SAC Core Management Plans in Wales. We developed a freshwater pearl mussel strategy to outline the current situation and pressures and the actions needed with a view to establishing a funded programme of improvement actions.

Flood and Coastal Risk Management

We continue seeking to deliver water environment and biodiversity improvements through Flood Risk Management scheme designs and work programmes. We also continue to assess coastal compensatory habitat delivery options to offset predicted saltmarsh losses caused by coastal squeeze.

Freshwater Fisheries Management

With partners, we continued delivering our 5-year programme (value ~£270K per annum) to improve salmon access and habitats as an alternative to mitigation stocking on the rivers Dee, Seiont, Mawddach, Cleddau, Tywi, Taff and Wye. Work included spawning improvement actions and riverbank fencing. We also removed the last significant weir on the Taff to improve salmon and sea trout access to over 10 km of good quality spawning habitat and completed 15 other schemes on neighbouring South Wales rivers. We also instigated river catchment surveys with Afonydd Cymru to guide future restoration work for vulnerable salmonid populations. Following the conclusion that new statutory fishing controls were required, we continued to promote and implement a new Net Limitation Order for the 13 Welsh public net fisheries, new byelaws including catch and release for all salmon and method controls to ensure released fish have the best chance of survival. We also supported the Public Local Inquiry into these proposals; and to ensure existing protections were maintained, an emergency byelaw was approved in December 2018 to protect early returning 'spring' salmon. These emergency measures mirrored controls that expired in 2018 and were valid for one year - expiring on 31st December 2019.

LIFE Projects

NRW worked on several key LIFE projects –

- **'Sands of LIFE'** £4m (£3m EU LIFE and £1m Welsh Government) - covering most of Wales' SAC sand dunes. Following EU funding approval in July 2018, we set up a project team and planned initial actions including substantial procurement work so on the ground delivery could commence in 2019/20. The project aims to bring dunes into favourable conservation status by remobilising some, re-introducing grazing, removing scrub and invasive species and developing a comprehensive communication programme.
- **'LIFE Welsh Raised Bogs'** £4m (£3m EU LIFE and £1m Welsh Government and support from Snowdonia National Park) to restore Wales's 7 SAC raised bogs. Initiated in 2017 our 18/19 work focused on establishing a framework contract for ground works, procuring a wetland harvester to begin mowing actions along with small scale scrub removal and hydrological work. We have developed a successful communications programme.

- **‘River Dee LIFE restoration’** - following work to identify key river restoration opportunities in Area Based Statements, we developed a catchment-wide bid for a 5-year £7 million project with Environment Agency, Dŵr Cymru Welsh Water, Snowdonia National Park Authority and Welsh Government. If successful, that aim was to start in autumn 2019.

Annex 2

A summary of actions put in place to deliver the priorities set out in 2019/2020 remit letter

1. Preparation for EU Exit

- Continue to work with Welsh Government as statutory advisors and as part of their codesign process, to refine proposals for the post-Brexit Sustainable Land Management (SLM) scheme, underpinned by clear minimum standards, to help achieve Wales' objectives for the natural environment and a low carbon economy.
- Continue to advise and support the WG ERA Regulatory Board and WG Land Management Reform Unit to better integrate our evidence, regulatory and advisory functions, with SLM scheme management, administration and delivery that underpins business resilience and payments for the production of public goods.
- Together with our partners in our Wales Land Management Forum, continue to implement our innovative programme to tackle water pollution from agricultural businesses and land management. We will utilise £0.5m to work closely on Wales' future land management scheme based on our approach to this issue. We are also engaging with Welsh Government to align their Water Regulation proposals to the sub-group approaches and SMNR principles and assessing how NRW can deliver Welsh Government aspirations.
- The EU Response Programme has developed 3-year programmes of prioritised work recruiting a number of fixed-term Brexit posts to build capacity/resilience in Operations and policy teams, to lead NRW's response to Brexit. We will review our permitting and licensing systems to ensure they are fit for purpose post Brexit and communicate and changes that maybe needed to our stakeholders. Policy, regulation and IT work continues through 2020 underpinned by a close working relationship between NRW and Welsh Government policy leads. We continue to attend meetings with Welsh Government and other regulators where relevant information is shared with respect to potential future Deal and No Deal planning work.
- Should it be required, we will enact our preparations for a "no deal" exit from the European Union, ensuring risks to people and the environment are managed.

2. Renewable Energy – production and investment in technology

- Work with WG to identify solar and wind energy opportunities which can potentially be reflected in the Welsh Governments Energy Atlas, our Area Statements, and the National Development Framework. We will publish guidance on Landscape Sensitivity Assessment to help ensure the right development in the right place.
- Develop and pursue opportunities for renewable energy, such as windfarms, solar, hydro, battery storage and energy parks, along with our own renewable energy programme.
- In 2019/20 this has included:
 - Pen y Cymoedd wind farm in Operational phase. 76 turbines with a 228MW output (enough to power 140,000 homes). Community Benefit fund (annual budget £1.8 million) and £3 million Habitat Management Plan operational.

- Brechfa Forest West – Construction completed, and Operating Lease signed with Innogy for the 28 turbine / 57MW wind farm. £11m Community Benefit fund established and operational;
- Clocaenog Forest - Construction of turbines completed and site-reinstatement underway for the 27 turbine / 96MW project with associated community fund;
- Alwen Project – Option signed with Innogy and Dŵr Cymru for the development of a 9 turbine 33MW wind farm development offering commitment to shared ownership via a 15% ownership stake with Community Energy Wales. The project is now in pre-planning scoping and investigation of grid connection options;
- Y Bryn Project – Open market tender exercise resulted in the award of an Option to a joint venture between Coriolis Energy Ltd and ESB (Electricity Supply Board of Ireland). The winning bid is for a 26 turbine 109MW wind energy project with an £8,000/MW Community benefit fund and a 20% local ownership commitment with 10% for local communities and 10% public sector.
- Preparatory work underway for putting out to tender the next large-scale opportunity.
- Active negotiations ongoing with developers relating to three separate projects to locate a total of 8 turbines on NRW-managed land as part of larger wind farm developments.
- Active negotiations ongoing with developers relating to six wind farm projects and one solar project where access across NRW land is required for construction and grid connection for developments on neighbouring land.
- 23 small scale hydro schemes facilitated by EDP on NRW Managed Estate. 4 more schemes still in development.
- Provide advice on the delivery and implementation of the Wales National Marine Plan including ensuring our advice on marine renewables is proportionate to the potential impact.
 - In 2019/20 the Welsh National Marine Plan has been adopted and NRW has focussed on awareness, staff training, embedding use of the plan in our regulatory and advisory functions, and developing guidance and tools to support effective implementation. This has included developing marine advice principles to support proportionality in our advice. We have been using these principles to guide our advice in relation to the development of offshore renewable energy - wind, wave and tidal. In relation to support for sustainable offshore renewable energy we have also established an Offshore Renewable Energy Programme in NRW, coordinating across all our relevant functions, advice, evidence and regulation, to provide efficient proportionate support to development of low carbon energy at sea.
- Lead by example in engaging with partners, the public and stakeholders on the impacts from climate change.
 - In 2019/20 we have stimulated and developed regional collaborative working on climate change through working with PSBs and local authorities across Wales. In North Wales, 4 PSBs/6LAs have agreed to work together on aspects of climate change action including renewables and procurement. In both Gwent through Climate Ready Gwent and N. Wales, the Carbon Positive programme and its outputs have been promoted as a way to embed consideration of decarbonisation across Welsh public sector organisations. A further regional West Wales collaboration is planned to cover 5 PSBs/LAs taking a similar approach with a workshop by end of the financial year.

- Using our Carbon Positive Enabling Plan to embed actions across our organisation, including retaining our Environmental Management System certification. We will apply our learning from the Carbon Positive project to support Welsh Government and the wider public sector in becoming low carbon.
 - In 2019/20, a Carbon Positive Enabling Plan and our Climate Emergency response have been finalised and endorsed. A wide range of actions have been compiled into an Action Plan with the focus now on delivery. A number of self-supply solar PV projects have been planned for delivery in 19/20 while work planning EV charging infrastructure installation is on-going. Behaviour change and embedding decarbonisation action is a key goal and all staff team NRW and individual directorate/team workshops on climate change action have been completed, with a series of energy efficiency projects being delivered as a result. We also measure our carbon footprint annually
 - Following external audits by BSI, NRW continued to maintain certification to the internationally recognised ISO14001:2015 environmental standard. Third party certification provides assurance to stakeholders that we are managing our environmental impacts and continually improving our environmental performance.

We also have measures linked to this on our 2019/20 Business Plan Dashboard “Deliver our renewable energy programme” and “Reducing our carbon footprint and enabling Welsh public sector decarbonisation in support of the declaration of climate emergency”. We monitor these through the year, reporting progress to the NRW Executive Team and Board every quarter.

3. Maximise our impact on flood alleviation, coastal adaptation and climate change

- Lead by example in engaging with partners, the public and stakeholders on the impacts from climate change. Particularly coastal adaptation and flood risk where we investigate and deliver options to reduce the risk of flooding to people, business and communities
 - In 2019/20 we have continued to manage the impact and risk of flooding through our key flood risk management activities, the future risks presented by climate change continues to focus our efforts in planning for future challenges
 - Through the management of our flood risk structures and assets (NRW maintains 319 miles of flood defences) we have sustained the level of protection offered to approximately 73,000 properties in Wales, we have also developed projects which will reduce the risk of flooding to communities such as Crindau (Newport) and Llanfair Talhaiarn (Conwy), we have also advanced project work on Stephenson Street (Newport) and Llyn Tegid (Gwynedd) which will enter construction in future years
 - As part of our community engagement and resilience work, we held two events for Community Flood Plan members in Autumn 2019. These network events built on feedback from the public regarding what information and interaction they need to increase resilience to flooding.
 - Following on from a review of Public Flood Information improvements were made regarding digital information provided by NRW to the public, specifically improved information on the ‘What to do Before, During and After a Flood’ pages.

- The new Flood Risk Assessment Wales project has produced updated flood risk maps for all of Wales, significantly improving our understanding of current and future flood risk, this work will enable more effective planning work with partners to be undertaken and improve the way our work is prioritised in the future.
- We have worked with partners in the development of Area Statements highlighting the need to consider future adaptation as a key priority considering the implications of climate change. We have also worked with the coastal groups and Wales Coastal Forum to develop a new process to enable Shoreline Management Plan policies to be reviewed. We will also be progressing adaptation planning for a range of at-risk locations to ensure future risks are being managed effectively.
- Through 2019/20 NRW has continued working on developing the first round of area statements and coastal adaptation is one of the three key themes in the marine area statement. Through this process, we have been working collaboratively with partners to identify the key actions we can take, across relevant organisations, to progress adaptation at the coast and nature-based solutions. We have also established an Integrated Coastal Management Programme in NRW to ensure close working across all our various functions that can support coastal adaptation and joint management at the coast.

We also have measures linked to this on our 2019/20 Business Plan Dashboard “Maintain NRW flood risk management assets in high risk locations in target operating condition” and “Deliver our flood risk management capital programme”. We monitor these through the year, reporting progress to the NRW Executive Team and Board every quarter.

4. Woodland management, regulation and creation

- Improve the rate of new woodland creation through ongoing implementation of our umbrella Woodland Creation Programme, working closely with Welsh Government and other stakeholders, and internally through Area Statements.
 - Ongoing delivery of our 10-year woodland planting project to replace permanent woodland loss due to the energy delivery programme on the Welsh Government Woodland Estate.
 - Using a portion of our timber income (£1M allocated) to expand the Welsh Woodland Government Estate.
 - Ongoing projects to commemorating 100 years of forestry and the end of the First World War via our Centenary Planting project.
 - Identifying opportunity spaces for new woodland creation through Area Statement processes.
- Work with Welsh Government to develop guidance on implementing SMNR and forestry, including in relation to new woodland creation.
- Continue to work with Welsh Government to develop and deliver the vision and plans for a National Forest for Wales.
- Work with Welsh Government to support delivery of Brexit and our Land, including demonstrator projects, which may result in an increase in tree planting applications.
- Continue to monitor for *Phytophthora ramorum* and issue Statutory Plant Health Notices in-line with Welsh Government’s Disease Strategy.
- Work with Welsh Government and Animal and Plant Health Agency to deal with any further interceptions of Oak Processionary Moth in Wales.

- Work with Welsh Government to update the Section 83 Arrangement for the provision of plant health functions.
- Manage the WGWE to:
 - Retain independent forest certification to the UK Woodland Assurance Standard (UKWAS) demonstrating our timber is sustainably managed for customers and other stakeholders;
 - Plan and market 850,000m3 of timber;
 - Enable everyone working on or visiting the Welsh Government Woodland Estate to get home safe and well every day;
 - Restock clear-felled sites to reduce the overall landbank to under 4% of productive area by 2022/23;
 - Prevent plant disease outbreaks and detect and respond rapidly if any occur;
 - Thin woodland in accordance with sustainable forest management to support conversion to Low Impact Silvicultural Systems (LISS) or to promote productivity;
 - Accelerate our prioritised ancient woodland site restoration programme including tackling Invasive Non-Native Species to improve woodland condition, and converting PAWs to tree species better able to protect the natural and cultural value of ancient woodland;
 - Maintain management access, recreation, and tourism infrastructure to allow sustainable management of natural resources, safe access for visitors, and tourism and take opportunities for further commercial development of recreation;
 - Increase carbon storage by re-wetting peatland through repair of hydrological systems; and
 - Begin reporting progress towards delivery of the Purpose and Role of the WGWE report (published July 2018).

Additionally, we are working closely with Welsh Government to develop a National Forest proposal to increase woodland cover in Wales. Alongside this we are looking to further support Welsh Government through our established Glastir Woodland Verification role to increase spend in woodland plant schemes across Wales.

We also have measures linked to this on our 2019/20 Business Plan Dashboard “Creating new woodland and replanting felled sites”, “Improve Wales’ future land management”, “Monitor and address tree and plant health issues” and “Bring sustainably managed timber to market”. We monitor these through the year, reporting progress to the NRW Executive Team and Board every quarter.

5. Waste

- An action plan which guides our approach and interventions in tackling waste crime and illegal waste activities. Working with other UK regulators and partners this will build on best practise and target disruption with innovative tactics at high risk activities to deter criminals from continuing to undertake illegal activities. Develop a joint approach to unauthorised disposals with the Welsh Revenue Authority.
 - A tackling waste crime action plan has been produced and is being implemented.
 - 5 new Place based roles have been created.
 - There is also a full time National co-ordinator in post.
 - Action plan implementation activities are ongoing and include:

- Taking proactively action to improve our understanding of, and tackle illegality / non-compliance in two problematic waste streams.
 - A communications strategy has been finalised and we have started releasing targeted press releases.
 - Several training events and partner liaison meetings will take place before the end of the financial year.
- The Industrial and Commercial Waste arisings survey, providing an updated statistically robust estimate of waste generated by industry and commerce in Wales
 - We have project managed the survey of industrial and commercial (I&C) waste generated in Wales for the 2018 calendar year on behalf of Welsh Government that funded the project.
 - The survey has been delivered by SLR Consulting Ltd in partnership with Anthesis (UK) Ltd. Ainsworth & Parkinson and Groundwork Wales provided fieldwork on the project.
 - The fieldwork and preliminary data quality assuring work has been completed by the survey contractors. We are currently reviewing the survey outputs and draft findings of the work undertaken.
 - We are aiming to publish the survey report in April 2020 to provide an updated statistically robust estimate of waste generated by industry and commerce in Wales. The outputs will not be published as 'Official Statistics' for a variety of reasons, notably that the survey is unlikely to an ongoing publication since the development of a UK mandatory electronic tracking system should provide an alternative regular robust dataset.

We also have a measure linked to this on our 2019/20 Business Plan Dashboard “Deliver our tackling waste crime action plant”. We monitor this through the year, reporting progress to the NRW Executive Team and Board every quarter

6. Brexit and our Land

- Work with Welsh Government and advise as they develop a new approach to financially support land managers to help achieve Wales’ objectives for the natural environment and a low carbon economy.
- Develop proposals to better integrate our evidence, regulatory and advisory functions, with scheme management, administration and delivery that underpins business resilience and payments for the production of public goods.

7. Agricultural pollution and enforcement

- Together with our partners in the Wales Land Management Forum subgroup on agricultural pollution, continue to implement our innovative programme to tackle water pollution from agricultural businesses and land management. We will utilise £0.5m to work closely on Wales’ future land management scheme based on our approach to this issue. A costed programme of work has already started to deliver products and outcomes.

We also have a measure linked to this on our 2019/20 Business Plan Dashboard “Improve Wales’ future land management”. We monitor this through the year, reporting progress to the NRW Executive Team and Board every quarter.

8. New Clean Air Bill

We have had several discussions with WG, including attendance at WG workshops, to input into the development of the new Clean Air Plan for Wales which is out for consultation until 10th March 2020. We look forward to providing a response to this and setting out how we can support WG with the delivery of the Clean Air Plan.

We also have a measure linked to this on our 2019/20 Business Plan Dashboard “Tackle the impact of air pollution”. We monitor this through the year, reporting progress to the NRW Executive Team and Board every quarter.

9. Support measures to create local and accessible green spaces

- Invest £1.7m in partnership work to deliver the Wales Coast Path Programme and National Trails Programme – to benefit public health, well-being, education, enjoyment and the Welsh economy
 - Through direct spend and grant aid to local authorities, we have invested the allocated £1.7 million in the National Trail and Wales Coast Path Programmes. This covers on-site work - maintenance, improvement and realignment - plus staffing, marketing and monitoring.
 - To gather supporting evidence, a one-year visitor survey on the Wales Coast Path is currently in progress

We also have measures linked to this on our 2019/20 Business Plan Dashboard “Deliver the Wales Coast Path and National Trails programmes” and “Prepare a green infrastructure steer and programme”. We monitor these through the year, reporting progress to the NRW Executive Team and Board every quarter.