

14 July 2015

Dr. Emyr Roberts

Chief Executive

Natural Resources Wales

Annwyl Emyr

Natural Resources Wales: Annual Scrutiny 2015

During the spring we gathered a range of evidence in relation to the development of Natural Resources Wales since its creation on 1 April 2013.

Whilst accepting that two-years into a merger of the scale faced by NRW is a relatively early juncture at which to draw conclusions on performance, we believe that it is an apposite time to gauge progress. We commend NRW for conducting a staff survey at this point and applaud the fact that you have shared the results with the Committee.

You will be aware that much of the written evidence that we received was critical of NRW's performance in a range of areas. Some of the evidence was more favourable, particular evidence received from large scale industry. We put the themes emerging from this evidence to you and Professor Matthews at our meeting on 6 May 2015.

As a general observation, there appears to be a distance between the understanding that you and Professor Matthews have at the head of the organisation of NRW's progress and the perceptions of some of your key stakeholders on the ground; in particular the view of Environment NGOs. Additionally, it appears from your recent staff survey that the view of the organisation that you have presented to us at this and previous sessions is not shared by many of your staff on the delivery front line.

Based on the evidence we received, NRW does not appear to be clear about its purpose as an organisation. Whilst we accept that the Environment (Wales) Bill presents an opportunity to clarify this in law, we believe that a clear purpose aligned with this future legislation should have been articulated from the outset - particularly given that NRW has been advising the Welsh Government on the contents of the Bill.

These are fairly significant concerns and many of the more specific issues raised through this work stem from the confusion that exists within NRW about its purpose and the apparent lack of awareness at the top of NRW of how it is perceived on the ground by key stakeholders and staff.

To address these challenges, we believe that some of the strong messages coming from the evidence we received need to be heeded and acted upon with pace. I set these out under several headings below.

Communication with staff

We need not reiterate the results of your staff survey, and it was clear from your evidence that you have taken on board the need for better communication with your staff. We were concerned to hear Professor Matthews's comments that staff morale was 'at rock bottom' and of particular concern to us was your acknowledgement that some staff have only recently found out who their line manager is.

External stakeholders are aware of a gap between senior management and staff on the ground. As an example, the FUW told us that, in their experience, they sometimes know more about NRW policies than NRW officers on the ground.



Skills

In previous sessions with us, you emphasised the need to re-profile staff skills to meet the demands on NRW to meet business case savings whilst delivering an increasing number of functions. We also heard in evidence from stakeholders that the voluntary redundancy schemes have had a disproportionate impact on the skills required to deliver nature conservation, fisheries and forestry functions. We were encouraged to hear that you were on the verge of presenting your training offer to staff, but we would have expected this to have been rolled-out earlier as it may be a contributory factor in some of the reports we received about inconsistency of advice; staff morale; and delivery of functions.

Consistency of advice and customer support

We heard differing views on stakeholder access to staff. Industry representatives had a good impression of the service provided by NRW staff. In contrast, environment NGOs, farming unions and angling stakeholders described a different experience. They told us that they had lost many long-established contacts and now found it difficult to contact NRW, particularly at more senior levels.

We ask that you investigate what is causing this difference in customer experience between sectors and provide us with details of how you will address the concerns raised by stakeholders.

A mixed picture emerged from fisheries organisations. The Wye and Usk Foundation had a long established and constructive relationship with NRW. Other fisheries organisations, in their written responses, expressed frustration with the way in which the consultation on hatcheries was run. Whilst the Wye and Usk Foundation and the Salmon and Trout Association agreed with the closure of the hatcheries they stated that NRW should learn a number of PR lessons from its handling of the decision. They stated that communication and engagement with local fishing organisations could be improved.

NFU Cymru also expressed some concerns that land owners were not consulted in all instances about decisions being made by NRW and that communication with the industry could be improved.

A number of stakeholders, in their written responses, outline their belief that a lack of clarity about NRW's purpose has led to the provision of inconsistent planning and permitting advice from different parts of the body. In its written evidence, Friends of the Earth (FoE) Cymru points to a paper considered by NRW's Board in December 2013 in which some of these problems were recognised. The paper states that at that time there was:

'No shared understanding of what NRW is trying to achieve in its involvement in planning and development cases'

and that:

'Staff are unclear whether they should be interpreting NRW purpose in their advice and, if so, how.'

The Board Paper identifies a number of risks if action wasn't taken to tackle these issues.

Concerns about the consistency of advice being provided by NRW in relation to its planning and permitting functions was expressed by Dŵr Cymru, RTPi, WLGA, Vattenfall, WTW, RSPB Cymru, CONFOR, FoE Cymru, Pembrokeshire Coast National Park and NFU Cymru. WTW highlights a particular change to the format of written advice being provided by NRW. It points out that NRW often states that it has no formal objection to a particular proposal but in the same response lists areas of serious concerns it has about potential impacts. This, WTW argues, creates confusion for local authority officers and elected members and can cause problems down the line if NRW staff dealing with the subsequent environment permits of an approved planning application raise these concerns as reasons why a permit may not be granted. Examples of specific cases are provided by WTW in its paper. Pembrokeshire Coast National Park in its oral evidence, the RTPi and some local authorities also express concern about the provision of generic or minimum standards of advice compared to the advice they received from predecessor bodies.

We are pleased that you are taking steps to improve the consistency of advice by establishing a single team, but it appears as though these improvements have yet to be translated into improvements on the ground.



Approach to third sector and grants processes

We heard from Third Sector stakeholders that the relationship between them and NRW has become strained. As you readily stated, partnerships between NRW and the Third Sector are essential if NRW is to deliver its objectives. We have addressed issues around communication and transparency elsewhere in this letter.

An area that is causing particular problems is around the grants process. We have received evidence that suggests that Third Sector organisations are being expected to run partnership projects at a loss due to the restriction that has been placed on the recovery of costs for delivering projects. This is an unacceptable and unsustainable set of circumstances. Wildlife Trusts Wales have set out their concerns in detail to us and I ask that you investigate and address these concerns (I attach the correspondence we have received from Rachel Sharp, CEO of Wildlife Trusts Wales). We are concerned this could breach the Welsh Government's code of good practice on funding for the Third Sector.

We ask that you set out how you will ensure that Third Sector partners will be properly supported by NRW in future grant rounds so that we can test this against the experience of stakeholders in the coming years.

Third Sector organisations and local authorities expressed a series of concerns about NRW's management of its grant processes for this financial year. Including:

- That guidance and advice provided to bodies by NRW was contradictory and changed;
- That the timescales provided for applications were unrealistic;
- That the time it took to make decisions was too long;
- That the capping of overhead costs at 7% made projects unsustainable for NGOs (a point addressed above);
- That where organisations were successful there has been delays in receiving the formal offer letters; and
- Difficulties were caused by the late payment of grant invoices by NRW.

We ask that you set out whether you recognise these concerns and the steps that you intend to take to address them.

During oral evidence, we also heard that administrative processes required by these schemes may be overly bureaucratic and may go beyond what is necessary to ensure that value for money is being achieved.

We ask that you review the concerns raised and report to us on the audit requirements that are expected of you in this regard and whether the approach you have taken could be made less burdensome on grant recipients.

Transparency

In some respects, you have demonstrated a commendable level of transparency. In particular, publishing the results of your staff survey represented a bold step and is something that other organisation may not have been willing to confront so openly.

In other areas of activity, we believe that you could go further.

You mentioned in evidence that NRW published all of its responses to planning applications.

We would be grateful if you could confirm that this is the case and inform us of where these responses are published.

We also believe that you could proactively publish more information around other decision making processes, including correspondence between NRW and the Welsh Government. Stakeholders should not have to resort to FOI requests to understand decision making processes and this step could help reassure stakeholders of your independence from the Welsh Government.



On the point of independence from Government, there is a perception held by certain stakeholders that NRW is too close to Government. The most prominent example provided to us of this was in relation to the Circuit of Wales.

This example emphasises the need for transparency and we believe that all correspondence between the Welsh Government and NRW, when NRW is providing independent advice on environmental evidence, should be proactively published so that it can be subject to public scrutiny. It is vital that concerns about NRW's independence from Government are not ignored and that they are addressed through enhanced transparency.

We are tasked with holding the Welsh Government to account and should you, or NRW's Board, wish to utilise the Committee as an avenue for raising any concerns that you might have about your relationship with the Welsh Government then we would of course take any such representation extremely seriously and act accordingly.

Business case

At the time of our scrutiny session with you, updated figures relating to progress against the business case objectives were not available.

We would be grateful if you could send these to us as soon as you are able.

The predecessor bodies

Professor Matthews made some strong statements regarding the predecessor bodies. We have since received correspondence from Roger Thomas, former Chief Executive of the Countryside Council for Wales, challenging this. I enclose a copy of this correspondence.

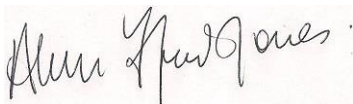
We ask that you or Professor Matthews provide us with a written explanation of these comments and that in doing so you address the points raised in the correspondence from Mr Thomas.

Conclusion

This letter raises a range of concerns and highlights a number of ongoing challenges for NRW to address.

As a committee, and as Assembly Members engaged in myriad issues within our constituencies and regions with NRW staff, we are acutely aware of the high levels of professionalism, knowledge, expertise and commitment displayed by them on a daily basis. The criticism we make here is made in the knowledge that if improvements are made now then many of the issues that have contributed to stakeholder concerns and low staff morale can be addressed.

Yn gywir



Alun Ffred Jones AC

Chair of the Environment and Sustainability Committee

C.c. Minister for Natural Resources

