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NRW Response: Consultation on its regulatory fees and charges 2023/24

NRW consulted on its regulatory fees and charges for 2023/24 between October and January. The consultation included proposed changes to fees and charges associated with applications for new permits and amended permits resulting from NRW's Strategic Review of Charging (SRoC). Proposals covered Installations; Intensive rearing of pigs and poultry (IRPP); Medium combustion plant and specified generators; Non-nuclear radioactive substances; Reservoirs; Site-based waste management; Species licensing; Water quality; Water resources; and, Preapplication advice. In addition to the SRoC Programme, NRW consulted on proposed changes to the annual subsistence charges for 2023/24.

On 30 March 2023, NRW published its [response](#) to the consultation. 102 consultation responses were received. Independent analysis of the consultation responses highlighted:

- Criticism of the timing of charging proposals
- The suggestion that regulatory charges should be partially funded by Grant in Aid
- NRW should offer greater transparency on charge models for proposed fees and charges
- The potential for increased charges to disincentivise good environmental behaviours
- NRW should do more to improve guidance and processes and look to make efficiencies
- Poor performers should pay more for regulatory services

Overall, whilst most respondents agreed that service users should pay, the overriding message was that respondents disagreed with the charge proposals.

Following a review of consultation feedback, NRW agreed several revisions to its proposed charging schemes as follows:

- Water Resources abstraction and impoundment charges - NRW propose to retain the current 2022/23 application charges to support non-commercial activity undertaken wholly and exclusively for the purpose of environmental benefit.
- Minor amendment charge for species licensing - NRW have agreed that some administrative tasks take less time than others and they will therefore charge £73 for minor amendments, with complex amendments charged at an hourly rate of £125/hour.
- Consult on OPRA replacement tool for installation charges - Feedback suggested that respondents were unable to comment fully because of insufficient detail so further consultation will be undertaken.

NRW has not proposed any further revisions to the regulatory fees and charges as consulted upon. NRW recognise that the proposed charges coincide with wider financial pressures, such as inflationary increases and cost of living pressures. However, they state, a failure to manage NRW's

permitting schemes to ensure they reflect full cost recovery would impose significant resource implications and a reduction in NRW's technical skills base.

NRW have confirmed that Welsh Government is continuing to undertake the necessary assurance work on the permitting proposals. Advice will then be provided to the Minister and a decision taken thereafter. NRW's application charges for permits and licences will remain at 2022/23 rates until superseded by the introduction of any new charging scheme. From 1 April 2023, NRW's subsistence charges will increase by 6% in a number of key regimes including water resources, water quality, reservoir compliance and flood risk activity.

Summary of NFU Cymru response to the consultation

- NFU Cymru strongly opposes NRW's proposed charges for new and amended permits. The cost increases will act as a disincentive to take up and/or improve management practices and deter the development of alternative enterprises on Welsh farms in the future, many of which have the potential to bring wider societal benefits.
- NFU Cymru has significant concerns about the proposed level of the charge increases. These involve proposals for several fold increases in application, variation and surrender fees, which are disproportionately high and there appears to be little or no correlation in the rate of increase across various charging regimes.
- We have substantial concerns about the level of transparency in how NRW has calculated the proposed charge increases and any services that will be charged on a time & materials basis.
 - Very little specific information has been provided on the basis of the charge changes, (information provided to NFU Cymru following the consultation closing date, for example, showed that NRW takes 22.9 hours to determine a new application for landspreading of dip).
 - The onus is solely on NRW to demonstrate greater transparency and show that these costs are fair, proportionate and competitive.
 - NRW must also show that it is efficient in its processes and doing everything it can to keep the costs of these services to a minimum and deliver value for money.
- There is a significant risk of unintended consequences or perverse impacts if these proposed changes go ahead un-adjusted. These could include:
 - curbing the adoption of new technologies or the uptake of new innovations;
 - putting up a barrier to new entrants to the industry;
 - impacts to animal health and welfare; and
 - damaging industry-NRW relations and the development of partnerships that will be central to the delivery of NRW's core objectives.
- NFU Cymru is keen to identify and develop solutions that provide mutual benefit to NRW and the industry to help keep costs down. These include developing 'model' application templates for the poultry industry, combining on-farm visits where farms conduct multiple activities under different permits, or recognising the importance of a risk-based approach through the permitting process.
- It takes time to agree and implement any changes. NFU Cymru strongly recommends a delay in the implementation of any charge changes to allow for additional dialogue and solutions of mutual benefit to NRW and industry to be discussed and agreed.
- There is a strong argument for the continued use of grant in aid to contribute to permitting fees. A permit has additional, broader socio-economic and public good benefits, for example, flood mitigation, improvement in air quality or water quality or waste recovery.

The full consultation response can be accessed [here](#)