



Natural Resources Wales (NRW) Consultation on changes to their regulatory fees and charges for 2023/2024

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Introduction

The CLA is the membership organisation for owners of land, property and businesses in rural England and Wales. We help safeguard the interests of landowners and those with an economic, social and environmental interest in rural land and the rural economy. CLA Cymru has approximately 2,600 members in Wales who between them own and manage roughly half of the rural land in Wales. Our membership is engaged in all sectors of the rural economy and includes farmers, landowners and around 250 types of rural business.

Fees and charges relevant to agriculture

The proposals that are directly relevant to agricultural business in Wales include:

- Water quality: Land spreading of sheep dip;
- Installations: Intensive pig and poultry;
- Installations and Waste: Anaerobic digestion;
- Mobile plant land spreading;
- Species licencing;
- Water resources: Abstraction and impoundments;
- Reservoirs.

General Comments

Welsh Government and NRW have a responsibility to support the community by ensuring that Welsh food security is maintained, jobs and the rural economy are protected and that domestic regulatory initiatives do not backfire by supporting foreign importers in low-regulation environments. Our overall view is that the increase in charges across the different areas goes against this responsibility.

While we understand NRW must adhere to Welsh Government legislation and provide value for money for the tax payer we are concerned about the overall impact of any increase in costs to farm businesses at such an uncertain time. Energy and input costs all remain high and there is significant uncertainty regarding farm-gate prices. At the same time the farming

industry is about to transition from an established agricultural policy to the new Sustainable Farming Scheme (SFS). Finally, diversified farming businesses are facing significant challenges around new Welsh Government legislation affecting holiday lets and tourism enterprises – during a much broader cost of living crisis which is predicted to worsen in 2023 and inevitably will reduce demand for holidays and short breaks. All these challenges alongside any proposed increases to NRW charges threaten the overall viability of Welsh farm businesses, many of which have diversified in line with the previous Welsh Government policy and grant and support.

We welcome the opportunity to analyse the impact assessment and appreciate that the significant increases generally only apply to new applications. However new applications indicate rural economic growth and this must not be compromised by significant increases in new permit applications. It appears that the argument NRW is making is because some of the changes will only affect a small number of businesses then they should be acceptable. CLA Cymru does not support this argument as it does not send a supportive message to the industry at such a time of uncertainty. New entrants to the sector which are predominantly young people need encouragement and support, not increasing barriers that will force them to leave the countryside for other better paid occupations. This continues to have a significant impact on Welsh culture and language – two areas of policy that Welsh Government purports to support.

We are concerned that any new increases in the proposals will be introduced in one year making it difficult for businesses to absorb the cost of any new charge. While the farming community understand that costs need to reflect inflation it is not acceptable for an agency of the Welsh Government to put businesses at risk without properly considering their own capacity for savings and efficiencies in their processes. There must also be consideration for support for new or expanding businesses that are facing significantly increased new permit application costs. It is also important NRW considers how these charges compare to those in England and ensure there is no significant divergence between the two nations that may place Wales at a disadvantage to those farmers in England.

To reiterate, we urge Welsh Government to consider the impact of the increased charges on the farming industry during such a time of uncertainty. The current cost of living crisis, the increase cost of inputs and energy costs means it's very difficult to see how businesses who require these charges can absorb the costs while remaining viable.

Land-spreading of sheep dip

The table below shows the proposed changes for land spreading of sheep dip. Although there are low numbers of applicants for new permits the increase of over 800% is unacceptable. Our members understand the need for safe and careful disposal of sheep dip but it may not always be possible to use a waste disposal facility and any new entrant's business that may need a permit will become unviable if they have to pay this charge. We are also concerned the significant increases in varying the permit or surrendering will significantly affect the profitability of the sheep sector at a farm level. Upland sheep farming is the backbone of Welsh agriculture and is often carried out by smaller holdings less able to absorb large increases in costs. We urge NRW to reconsider this proposal and if the ultimate

aim is to encourage farms to move away from land-spreading then some form of incentive scheme must be considered.

Summary of estimated scale of impact

Current charge	New	£402
	Substantial Variation	£77
	Normal Variation	£77
	Minor Variation	£77
	Surrenders	No Charge
Proposed charge	New	£3,728
	Substantial Variation	£3,011
	Normal Variation	£1,935
	Minor Variation	£680
	Surrenders	£352
Percentage change	New	+827%
	Substantial Variation	+3,810%
	Normal Variation	+2,413%
	Minor Variation	+783%
	Surrenders	N/A
Estimated average number of applicants per year	New	12
	Substantial Variation	0
	Normal Variation	1
	Minor Variation	1
	Surrenders	20
Percentage of total Welsh agricultural holdings applying per year (n=13,160)		0.26%

Intensive Pig and Poultry

The charging proposals for intensive pig and poultry are concerning. We acknowledge there is not a significant change for new applications however the cost of any variation, surrender and transfer are not proportionable and the increases bear no relation to environmental impact nor cost of management. We therefore do not support the proposals despite the limited number of farms affected.

Summary of estimated scale of impact

Current charge (average charge where applicable)	New	£7,322 to £10,240
	Substantial Variation	£3,584 to £5,120
	Normal Variation	£388
	Minor Variation	£388
	Full Transfer	£388
	Full Surrender	£388
Proposed charge	New	£9,270
	Substantial Variation	£7,416
	Normal Variation	£5,562
	Minor Variation	£2,614
	Full Transfer	£2,601
	Full Surrender	£5,642 (low risk surrender £2,226)
Percentage change	New	-9% to +27%
	Substantial Variation	+45% to +107%
	Normal Variation	+1,334%
	Minor Variation	+574%
	Full Transfer	+570%
	Full Surrender	+474% to +1354%
Estimated average number of applicants per year	New	5
	Substantial Variation	2
	Minor / Normal Variation	2
	Full Transfer	1
	Full Surrender	0
Percentage of total Welsh agricultural holdings applying per year (n=13,160)		0.08%

Anaerobic Digestion

Anaerobic digestion has an important role to play in the circular economy. Even though there has been only one application per year on average it is concerning the proposed new charge is well over double the existing charge. As the farming industry becomes more reliant on digestate as a fertiliser due to an increase in inorganic fertiliser costs as a result of global events, this increase will inhibit the development of anaerobic digesters across Wales.

Summary of estimated scale of impact

Current charge	New Standard (Installations)	£1,995
(average charge where applicable)	New Standard (Waste)	£1,669
Proposed charge	New Standard (Installations)	£4,510
	New Standard (Waste)	£1,837
Percentage change	New Standard (Installations)	+126%
	New Standard (Waste)	+10%
Estimated average number of applicants per year	New Standard (Installations)	1
	New Standard (Waste)	1
Percentage of total Welsh agricultural holdings applying per year (n=13,160)		0.05%

Species Licensing

There are currently no charges for a range of licensing regarding actions that will affect specific species. The proposals as set out introduce a broad range of charges for various activities relating to monitoring, removing or assessing flora or fauna before some form of development. We welcome the waivers for the removal of invasive species, health and safety and conservation. However, the charge of £965 for farm businesses who require a license before some form of on-farm diversification is not supported. As already discussed, the unprecedented challenges rural businesses are facing will not be reduced by a further charge on farms looking to develop additional income streams.

Water abstraction and impoundment

The proposed increase in charges for new applications or variations are not supported. Although there may be a limited number of applicants for either charge, abstraction and impoundments are vital actions for those businesses that undertake the activity. Again, it seems the industry is facing significant increases with limited opportunity to prepare or offset the costs. Further detail of why these figures were reached must be provided by NRW before any increases are made.

Summary of estimated scale of impact

Current charge	New Bespoke	£135 to £1,500 (£375 to £1,500 for HEP)
	Full Variation	£135 to £1,500 (£375 to £1,500 for HEP)
	Simple Variation	N/A
	HRA	No charge
	S32 GIC	No charge
Proposed charge	New Bespoke	£6,327
	Full Variation	£4,810
	Simple Variation	£1,357
	HRA	£917
	S32 GIC	£1,903
Percentage change	New Bespoke	322% to 4,586%
	Full Variation	221% to 3,463%
	Simple Variation	N/A
	HRA	N/A
	S32 GIC	N/A
Estimated average number of applicants per year	New Bespoke	7
	Full Variation	3
	Simple Variation	3
	HRA	5
	S32 GIC	3
Percentage of total Welsh agricultural holdings applying per year (n=13,160)		0.16%

Reservoir Registration

We reiterate our argument regarding the increase in costs for farm businesses at such a difficult time. However, the charges are not as significant as the other proposals and acknowledge reservoirs under 10,000 cubic metres do not need to register.

Summary of estimated scale of impact

Current charge	Registration of new reservoir	£510
	Risk designation review	N/A
	Notification of abandonment of a large, raised reservoir	N/A
	Notification of the re-use of a large, raised reservoir	N/A
	Notification of discontinuance of a large, raised reservoir	N/A
Proposed charge	Registration of new reservoir	£757
	Risk designation review	£860
	Notification of abandonment of a large, raised reservoir	£318
	Notification of the re-use of a large, raised reservoir	£255
	Notification of discontinuance of a large, raised reservoir	£191
Percentage change	Registration of new reservoir	+48%
	Risk designation review	N/A
	Notification of abandonment of a large, raised reservoir	N/A
	Notification of the re-use of a large, raised reservoir	N/A
	Notification of discontinuance of a large, raised reservoir	N/A
Estimated average number of applicants per year	Registration of new reservoir	12
	Risk designation review	0
	Notification of abandonment of a large, raised reservoir	0
	Notification of the re-use of a large, raised reservoir	0
	Notification of discontinuance of a large, raised reservoir	3
Percentage of total Welsh agricultural holdings applying per year (n=13,160)		0.11%