

NRW Regulatory charge proposals for 2026/27

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Share your views on proposed Regulatory charges

We want to hear your views on our proposed updates to Regulatory fees and charges. Your feedback will help shape our proposals, ensuring that they are fair, transparent, and effective.

Following this consultation, we will use your feedback to inform our new charging scheme before seeking approval from Welsh Ministers. Subject to approval, we aim to introduce updated charges from 1st April 2026.

This twelve-week consultation opened on Monday 20th October 2025 and closes at 23:59 on Monday 12th January 2026.

About Natural Resources Wales

Our purpose is to pursue the sustainable management of natural resources. This means looking after air, land, water, wildlife, plants, and soil, to improve wellbeing, and provide a better future for everyone in Wales.

We believe that natural resources should be used responsibly, in a way and at a rate that strengthens the resilience of our ecosystems and the benefits they provide, meeting the

needs of current generations without compromising the ability of future generations to meet their needs.

Safeguarding Wales's environment

Natural Resources Wales (NRW) plays a crucial role in protecting ecosystems and preventing harm to our environment for communities, businesses, and future generations. With increasing pressures from climate change and biodiversity loss, safeguarding our environment has never been more important and complex.

Regulatory services provide a foundation that prevents environmental harm and ensures a level playing field, where well managed businesses are not undercut by illegal operators in the same sector. We assess and determine permit applications, set conditions to protect the environment and monitor how legislative standards are being met - all key to maintaining a high-quality, sustainable environment. Our decisions are underpinned by evidence and support our response to the nature and climate emergencies we currently face.

Our regulatory effort prioritises activities and locations of greatest environmental risk. We help make sure those we regulate comply with their permit or licence conditions by providing advice and guidance and undertaking compliance work normally funded through annual subsistence charges. Where non-compliance is identified, we have a range of actions available to us to bring operators into compliance, or if necessary and proportionate to do so, take enforcement action including prosecution.

With evidence-based decision making and proactive regulation, we are working to create a fair, resilient, and thriving environment for Wales, now and for generations to come.

Funding environmental regulation responsibly and fairly

Our Regulatory work is funded through a combination of Welsh Government grants (Grant in Aid) and, where legislation allows, charges levied on those we regulate.

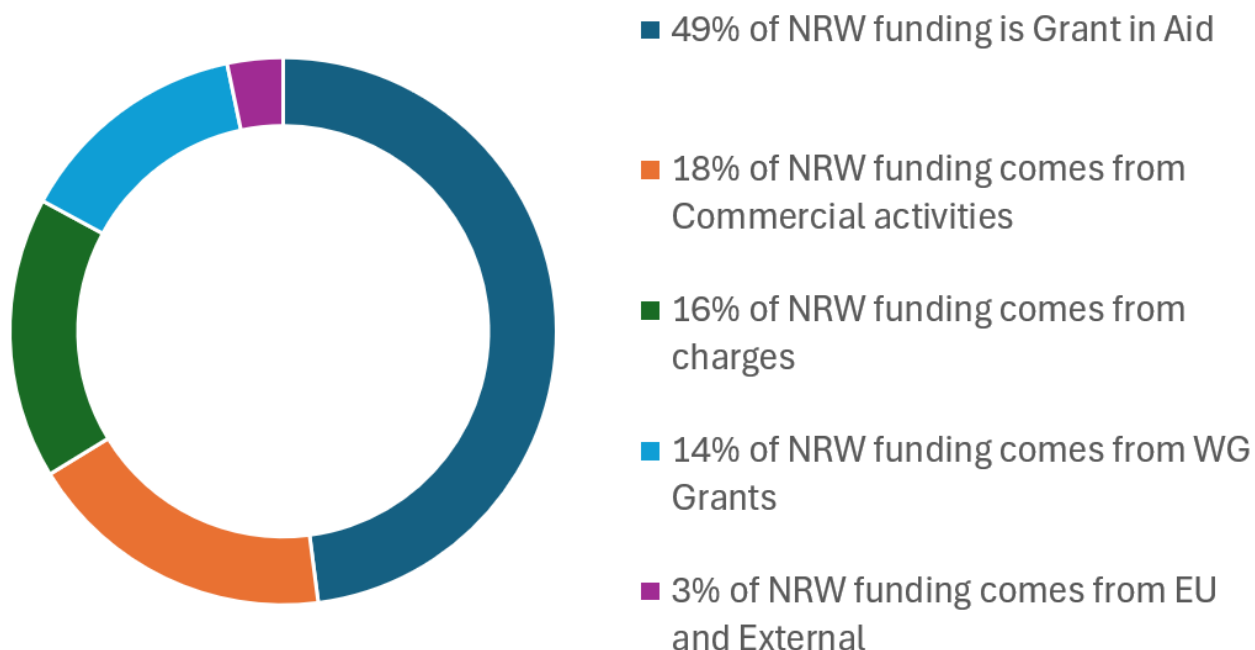
*Managing Welsh Public Money*², published by Welsh Government in 2016 sets out the cost recovery and funding management principles and framework that NRW must follow. Our approach is to wherever possible recover the full cost of providing our services from those we regulate, rather than through general taxation. The income we generate from our charges must only be used for the regulatory service it is intended to support.

Regulatory fees and charges make up approximately 16% of our total funding for 2025/26. Details of our current charging schemes are available on our website¹.

¹ [Natural Resources Wales / Our charges](#)

² [Managing Welsh Public Money](#)

Figure 1 – Breakdown of NRW's £298 Million Budget for 2025/26



Annual review of charging for 2026/27

For 2026/27, we are consulting on changes which would maintain our charging schemes in response to inflationary pressures and forecasted deficits, ensuring our funding model remains sustainable.

We have also started a comprehensive review of subsistence (annual compliance) charges to make sure our service is efficient, and our charges adequately recover our costs. This will ensure that we are sustainably funded to perform our regulatory duties.

The proposals for 2026-/27 review have been guided by our charging principles:

- **Full cost recovery** – Charges reflect the full cost of providing our services, including permit applications and subsistence (annual compliance assessments).
- **Transparency** – We have been transparent in how we have made our charging decisions.
- **No cross-subsidisation** – Each regulatory regime is funded by its own charges, maintaining fairness across sectors.
- **Support for long-term planning** – Wherever possible, we support long-term planning, providing resilience for the future and certainty for charge payers.
- **Balanced financial management** – We actively manage surpluses and deficits to avoid sudden fluctuations in charges.

- **Efficiency** – A continued focus on streamlining processes helps keep charges as low as possible.
- **Not-for-Profit approach** – We do not generate profit from charge payers.
- **Independence from taxpayer subsidies and based on ‘polluter pays’ principles** – Our funding model aims to minimize reliance on public funds.

Proposed Regulatory Fees and Charges for 2026/27

Managing forecast deficits and future charging reviews

For the period from 1st April 2026 we propose, as far as possible, to maintain our regulatory charges at current levels. However, adjustments are necessary to manage inflationary pressures and to address deficits in specific regimes.

Our ongoing annual charge review has highlighted the following areas where we need to change our charges for 2026/27:

Permitting (application) charges

We are proposing a +3% increase in the following permitting areas in line with inflation and other cost pressures:

- Water Resources (Abstraction & Impoundment)
- Environmental Permitting Regulations (EPR) Installations (including, Medium Combustion Plant Directive (MCPD))
- EPR Waste
- EPR Water Quality (also including Water Industry Act charges)
- EPR Non-Nuclear
- Species Licensing
- Reservoir Safety.

Annual Subsistence (compliance activity) charges

We are proposing a +3% increase in the following permitting areas in line with inflation and other cost pressures:

- EPR Installations (including MCPD)
- EPR Water Quality
- EPR International Waste Shipments
- Reservoir Safety
- Flood Risk Activity Permits (FRAPs).

Annual Subsistence (funding compliance activity) charges where there is a deficit

We recognise the importance and urgency of a full review of subsistence charges, which includes considering our future processes and service levels. We will be prioritising the larger regimes, beginning with Water Resources which has already commenced, followed by Water Quality, Waste and Installations over the next 5 years.

When NRW was formed, our charges reflected those of predecessor bodies. These charges remained static for a number of years and did not always fully reflect the increasing cost of running our services.

We continually seek ways to streamline our service and challenge our approach to ensure we deliver outcomes and our legal duties, however, despite this subsistence charges in specific regimes have failed to adequately recover our costs, with deficits increasing.

Over recent years, NRW like other businesses across Wales, has experienced significant inflationary pressures. In practice this means the cost of providing our existing regulatory service is also increasing. Our funding needs to match the cost of delivery, to mitigate potential for deficits to accumulate, we have started to increase our charges in line with inflation. In some regimes this has required larger increases in recent years to ensure a move towards full cost recovery.

We financially plan over a five-year period and, in line with the accounting standards that we have to comply with, aim to balance our charge schemes on an annual basis. This reflects the principle of charging those who benefit from our services and avoiding cycles of cutting and raising charges.

Over the last two years, we have invested in regulatory charging, building up better knowledge, evidence and understanding around charging. We have increased our capacity and knowledge to allow us to undertake comprehensive process and charge reviews.

Specifically for Water Resources, we have proposed an above inflation increase to recover the significant ongoing costs of Dwr Cymru / Welsh Water's Dam Safety Programme which have doubled, and whereby NRW has to meet the annual cost of Section 20 reservoir operating agreements.

These deficits are likely to continue until detailed subsistence reviews are completed.

The following proposals for 2026/27 seek to ensure that current service levels are maintained:

- Water Resources Standard Unit Charges - We propose to increase the Standard Unit Charge by 7% to manage the deficit in this area.
- EPR Waste - We propose an increase of 8.5% for 2026-27 to manage the deficit in this area.
- EPR – Non-Nuclear – We propose an increase of 8.5% to manage the deficit in this area.
- EPR – Materials Recycling Facilities - We propose an increase of 8.5% for 2026-27 to manage the deficit in this area.

- EPR – Waste Carriers, Brokers & Dealers - We propose an increase of 8.5% for 2026-27 to manage the deficit in this area.

Responding to this consultation

We are seeking your views and opinions on our proposed regulatory charges for implementation from **1st April 2026**. Your feedback will help shape our final charging schemes, which will be submitted for approval by the Welsh Government.

This consultation closes at **23:59 on Monday, 12th January 2026**. You can participate by visiting our consultation page:

<https://ymgynggori.cyfoethnaturiol.cymru/sroc/nrw-charge-consultation-2026-27>

Data Protection and Use of Responses

All responses will be reviewed by Natural Resources Wales (NRW) staff leading this consultation and may be shared within NRW to support future consultation planning.

We will analyse and publish a summary of the responses received. Free-text responses submitted via email or post may be published in full.

To ensure transparency, we will include the name and part of the address of respondents when publishing consultation feedback. If you prefer to withhold these details, please indicate this when submitting your response, and they will be removed from published materials.

While we take steps to protect personal information, names and addresses may still be disclosed under the *Freedom of Information Act 2000* or *Environmental Information Regulations 2004*, which allow public access to information held by NRW.

Next steps

Following the consultation, we will publish all comments along with our responses on our website.

If you provide an email address when submitting your response, we will acknowledge receipt and notify you when the summary of responses becomes available online.

Depending on the responses we receive to this consultation, we aim to seek Ministerial approval in Spring 2026 for the changes proposed. Subject to Ministerial approval, we aim to launch our updated charge scheme on 1st April 2026.