

# Frequently asked questions

## Contents

<b>Generic questions .....</b>	<b>2</b>
1. Why are you making these changes? .....	2
2. Why are you consulting? .....	2
3. Why are you bringing in these changes at a time when the cost of living and operational costs for businesses are such big issues? .....	2
4. What are the benefits of bringing in these changes? .....	3
5. Will NRW make any profit from these increased charges? .....	3
6. What is in scope for review? .....	3
7. Why does the cost of a permit differ between regimes? .....	4
8. What does the permitting process involve? .....	4
9. Have you looked at the application process to make it more efficient and to reduce costs? .....	4
10. Who will need to approve these proposed charges? .....	5
11. When will the changes be implemented? .....	5
12. How can I have my say? .....	5
13. How will you communicate the outcome of the consultation? .....	5
14. Are you able to demonstrate how the charges were derived? .....	5

## Generic questions

### 1. Why are you making these changes?

We are making these changes because our current charges do not reflect the cost of delivering our service to you. We need to implement these changes to recover our costs.

As a Welsh Government body, NRW must comply with requirements set out in '[Managing Welsh Public Money](#)'. This requires that we fully recover the costs of the regulatory services we provide from those who use them, rather than having those services funded through general taxation.

This is the first wide-ranging review of Natural Resources Wales (NRW) fees and charges since we were established in 2013. Most of NRW's fees and charges have been fixed since then, with costs kept below inflation.

NRW are facing significant pressures on our resources. If we do not change the way we charge for our services, we will continue to see a reduction in our technical skill base, a continued reliance on public funding, and an inability to ensure that our natural resources are sustainably maintained, enhanced, and used, now and in the future.

As a result, our proposals assign the cost of determining a permit, registration, licence, or consent to the applicant benefiting from the permission and reduce reliance on taxpayer funding.

### 2. Why are you consulting?

We want to understand how our proposals would affect those who apply to NRW for permission to undertake an activity. We welcome comments from all interested parties (including permit holders, trade associations, local authorities, non-governmental organisations, and members of the public).

This is your opportunity to tell us how the proposals in this consultation would affect you, and to give us any supporting information that you think is relevant. Further information on the principles and impacts of these proposals are contained within the consultation documents.

We will consider all responses that we receive before this consultation closes on 7 January 2023. The comments we receive will inform our final submission on these proposals to Welsh Government in Spring 2023.

### 3. Why are you bringing in these changes at a time when the cost of living and operational costs for businesses are such big issues?

This is about ensuring a fairer system that will see businesses pay for the costs of the services they use, rather than taxpayers.

We recognise the financial impact our charging proposals will have on some business sectors, especially as our proposals coincide with wider financial pressures such as inflationary increases.

NRW are facing significant pressures on our resources. If we do not change the way we charge for our services, we will continue to see a reduction in our technical skill base, a continued reliance on public funding and an inability to ensure that our natural resources are sustainably maintained, enhanced, and used, now and in the future.

#### **4. What are the benefits of bringing in these changes?**

- It will provide more clarity on what we charge for and why.
- It will provide a more level playing field for legitimate businesses.
- The business or person applying for a permission will cover the cost without it being subsidised by the taxpayer.
- It will support the delivery of our Sustainable Management of Natural Resources, and Well-being goals.
- It will provide an opportunity for us to deliver a better regulatory service, protect the environment and prevent pollution happening in the first place.

#### **5. Will NRW make any profit from these increased charges?**

No, the proposed charges will only help recover the costs of the services we provide.

NRW must work in line with the principles of Welsh Governments' [‘Managing Welsh Public Money’](#). This directs that we should not incur either a profit or a loss from our regulatory activities. We are only permitted to recover our costs.

#### **6. What is in scope for review?**

We propose to change application charges for:

- Environmental Permitting Regulation (EPR) permits:
  - Waste management
  - Industrial processes
  - Discharges of treated water effluent to the water environment
  - Radioactive substances
  - Medium Combustion Plant
- Water abstraction and impoundment licences
- Species licensing
- Reservoir registrations.

We propose introducing charges for some of the Species Licence applications that we receive.

There are several additional regimes that we do not propose to make changes to at this time, including Flood Risk Management, Marine, Forestry and Land Use Management.

We have also included our annual subsistence review in this consultation.

## **7. Why does the cost of a permit differ between regimes?**

Different regimes will have different applicable legislation and permitting rules that are used for determining an application. As a result, the process of determining an application will vary for each type of permit, depending on the information needed and the factors that need to be assessed. We may also need to request more information from the applicant, or from subject experts within NRW.

Our proposed charges will only recover NRW's costs and will reflect the differing cost structures between regimes.

## **8. What does the permitting process involve?**

When we receive a permit application, it is logged, and a series of checks are undertaken to make sure that it is complete and contains all the information we need.

If the application passes this test successfully, it will move into the determination phase where it is assessed against legislation and permitting rules.

Different regimes will have different legislation and permitting rules for determining an application. As a result, the process of determining an application will be different for each type of permit, depending on the information needed and the factors that need to be assessed. We may also need to request more information from the applicant, or from subject experts within NRW.

Depending on the type of application, we may be required to consult with the public and other stakeholders, like health boards and local authorities. Where this is the case, the responses received are reviewed and considered.

Once we have received all the information we need, we make the decision to issue or to reject the application. Permits issued contain conditions the permit holder must comply with to prevent pollution and harm to health. The applicant is informed, and where the application is successful, a permit is issued.

We maintain a Public Register to view permits and a holder's compliance with the permit requirements.

Our proposed charges will only recover NRW's costs and will reflect these differing costs between regimes.

## **9. Have you looked at the application process to make it more efficient and to reduce costs?**

We have reviewed our permitting process and, while we always strive to improve our performance, we are satisfied that the charges proposed reflect the work needed.

The process improvements and efficiency savings we identified have reduced the scale of proposed increases.

We have identified changes we need to make to guidance for customers on our website and improvements are planned. Any further efficiencies will be built into future charge reviews.

## **10. Who will need to approve these proposed charges?**

When this consultation period ends on 7 January 2023, we will consider the comments we receive and will finalise our charge proposals.

The finalised charge proposals will be submitted to our NRW Board for approval. Subject to their decision, we would then seek approval for implementation from the Welsh Government Minister for Climate Change.

## **11. When will the changes be implemented?**

Subject to consultation responses and approval from NRW's Board and Welsh Government, we aim to implement the new charges in April 2023.

Our formal consultation on these charges launches on 10 October 2022. It will remain live for 12 weeks and will end on 7 January 2023.

## **12. How can I have my say?**

We have developed an online questionnaire to capture responses to our proposals. We want to know how the proposals in this consultation would affect you and would encourage you to give us any supporting information that you think is relevant.

The package of documents that accompanies this consultation is extensive, covering several regulatory areas. It is split into sections that allow you to look at some, or all the information depending on what is relevant to you. Similarly, you can respond to all the questions in the consultation or only those you feel are directly relevant.

We will consider all responses that we receive before this consultation closes on 7 January 2023. The comments we receive will inform our final submission on these proposals to Welsh Government.

## **13. How will you communicate the outcome of the consultation?**

Following the consultation, we will make all comments (excluding personal information) and our responses publicly available on our website.

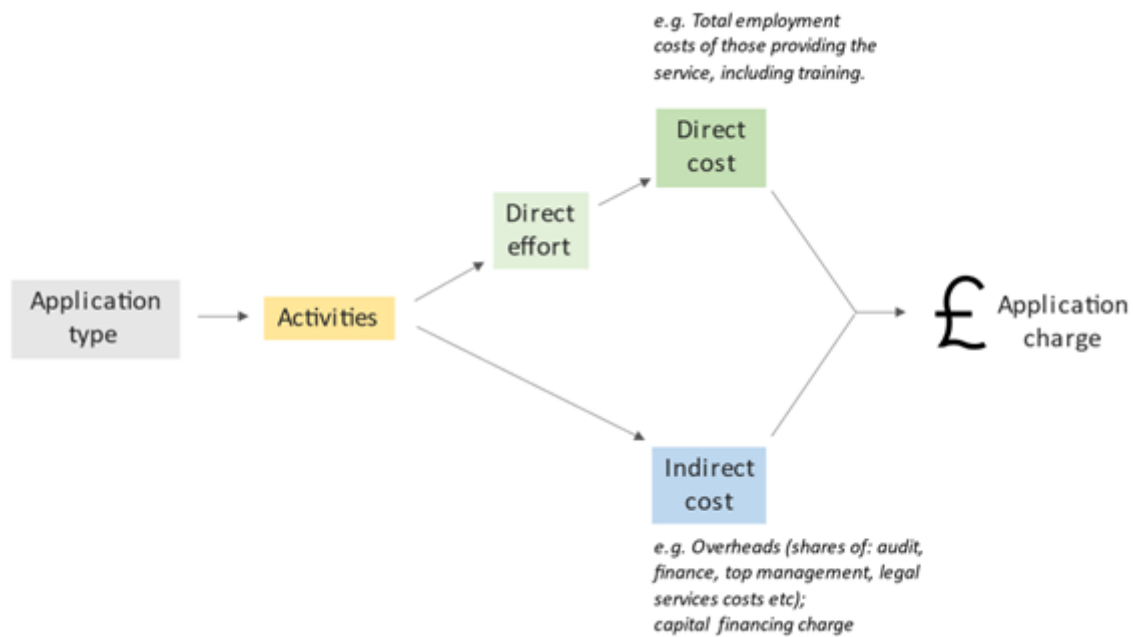
## **14. Are you able to demonstrate how the charges were derived?**

Yes, NRW used the principles of full cost recovery, in line with '[Managing Welsh Public Money](#)' to arrive at the proposed charges.

We have calculated each application charge by identifying the direct activities involved in determining each type of permit/licence, how long they take and at what cost.

We then applied a fair and proportionate allocation of the cost of indirect activities, based on the level of direct activity.

## Developing an application charge:



Further information and the complete list of costs that can be recovered through our charges, can be viewed here: [‘Managing Welsh Public Money’](#).

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