

Appendix 1:

Legislative powers to charge

We charge for our regulatory activities through powers given to us by legislation. Our charging schemes have been developed on the principle of full cost recovery in line with the requirements of Welsh Government's policy Managing Welsh Public Money, HM Treasury's Classification of Receipts, and obligations under the Natural Resources Body for Wales (Establishment) Order 2012.

Our charging schemes are underpinned by the 'polluter pays' principle, which is enshrined in UK and international environmental law. It sets out that the polluter should be financially responsible for the costs associated with pollution that arises from their activity. As part of our SRoC programme we have reviewed over 750 regime specific enactments building an extensive understanding of our legal powers to charge.

We have a number of specific powers to impose charges, chiefly arising out of our 'legacy functions.' For example, the functions of authorities such as the Environment Agency, Countryside Council for Wales and Forestry Commission that were transferred to Natural Resources Wales under [the Natural Resources Body for Wales \(Establishment\) Order 2012](#) and [the Natural Resources Body for Wales \(Functions\) Order 2013](#). Under Article 12A of the [Natural Resources Body for Wales \(Functions\) Order 2013](#) we also have a wider power to charge for work undertaken.

Key legislation that enables our charging schemes include:

- Water Resources Act 1991
- Water Industry Act 1991
- Environment Act 1995
- Environmental Permitting (England and Wales) Regulations 2016
- Natural Resources Body for Wales (Establishment) Order 2012
- Natural Resources Body for Wales (Functions) Order 2013