NRW/Welsh Government Transition Planning Meeting notes

Attendees

[redacted]

[redacted] (BD)

[redacted]

[redacted] (OS)

[redacted] (BC)

[redacted] (RW)

[redacted] (MS)

[redacted]

Defra White Paper

- WG to receive draft White Paper from Defra by 31 October 2025. WG to respond by 5 December 2025.
- ACTION- Time to be blocked out on diaries to review and clear the draft document.

Transition Plan

- Defra and WG at different stages. Defra drafting White Paper and a Transition Plan to new regime whereas WG will be drafting a green paper and a lighter transition plan which highlights how Wales will or will not align with England's new regime.

WG Green Paper

- Green Paper consultation will establish WG direction and help provide certainty for water industry and regulators on the transition period.
- Transition Plan complements Green Paper as it sets out new regulator's full functions and roles.
- Legal team need clarity on functions order and sub-legislation such as the Water Framework Directive.
- ACTION-Decisions need to be made on what will go in Transition Plan and what will go in Green Paper. MS has highlighted priority areas for decision.

National Water Strategy

- WG to continue to follow the National Water Strategy.
- WG to update and review Ofwat's Strategic Policy Statement not rewrite it.

- The National Water Strategy requires official government steers and direction setting. It needs to be connected to other WG policy intentions and legislation such as the Well-being of Future Generations (Wales) Act.
- ACTION-OS to share wording used in the Environment (Principles, Governance and Biodiversity Targets (Wales) Bill on how it fulfils Well-being of Future Generations (Wales) Act.

Working with external partners

- NRW's functions and duties will be changing, therefore, the Sponsorship team would need to be involved as NRW's remit letter which would need to be reissued with an addendum.
- ACTION-BC to speak to CB next week about process of updating NRW's sponsorship.
- ACTION-BD and MW to align list of existing advisory and transition water groups with IWC tasks.

Resourcing

- Advice sought from on engaging with an economic regulator expert.
- Working with Chief Economist and RJ from the Welsh Treasury on economic aspects.
- ACTION-Economist to be recruited.

Ofwat

- Ofwat have started to set up internal structures that will ring fence an Ofwat Wales team during transition period.
- A statement for the Consumer Council for Water may be needed providing clarity on proposed interim arrangements.

Price Reviews (PR)

- More efficient for WG to align Price Review processes with England
- Defra exploring different options for cycle of Price Review.
- ACTION-BWJ to draft briefing on this with input from economy colleagues.
- ACTION- RW to arrange meeting with CB to discuss Ofwat Wales on 7 November 2025.

Cross-border co-operation

- Cross-border governance a high priority. A Common Framework may be needed to facilitate this. Water protocol could be transformed into a Common Framework through a ministerial working group.
- ACTION-OS to lead on this.

Welsh Water

- Consideration needs to be given to Welsh Water's interaction with shadow boards in England.
- An impact assessment will be undertaken in the future. In the interim, set up Regional System Planners when England's shadow boards form.
- It's a statutory requirement of Water Industry Act for Welsh Water to produce plans. They should continue to continue to publish plans while considering future coordination and integration.
- Whether the new regulator will adopt a national planner system to be determined.
- Welsh Water presented papers on price reviews, economic regulations and systems planners at a workshop.

England Shadow Boards

- Defra to establish shadow boards in England in 2026, with them becoming statutory entities in 2027. Unclear whether their executive functions sit with EA (Environment Agency) or Defra.
- A high-level statement is needed on how WG will establish mechanisms to work with regulators.
- BD is seeking clarification from Defra on river basin management plans.
- ACTION-Undertake mapping exercises on all the various existing boards, forums and groups.