



Board Paper

09 July 2014

Paper Title	Update on the Regulatory Principles
Paper Reference:	NRW B B 56.14
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Purpose of Paper:	Decision
Recommendation:	The Board's endorsement is sought on our proposal to publish the document 'Our approach to regulation to support Natural Resource Management'. This expands the regulatory principles that were approved by the Board on 17th December 2013
Decision Required:	To advise and approve publication of the document (Annex 1)

Impact:	Impact on the Environment: Adopting the proposed approach to regulation should allow us to improve delivery of environmental outcomes whilst reducing our reliance on legacy processes. Impact on the Economy: Adopting the proposed approach should provide scope for tailoring our regulatory approaches, leading to a reduction of bureaucratic burden on businesses, and delivery of shared outcomes. Impact on Community: Adopting the proposed approach should allow us to properly explain what, how and why we regulate to ensure that liabilities are not inadvertently passed to the public purse. Impact on Knowledge: Adopting the proposed approach will elevate the use of evidence to inform regulatory approaches and actions aimed at delivering outcomes.
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Issue

1. Our regulatory strategy “Ecosystem and Regulation: Our approach to regulation to support ecosystem services” provides the fundamental principles from which our behaviour and regulatory documentation is formed (Annex 1). This will be a key document for scrutiny when the Better Regulation Delivery Office (BRDO) review Natural Resources Wales in September 2014, as described in the previous Board paper May 2014.

Background and update

2. The Board discussed and endorsed the following regulatory principles in December 2013 (ref Board Paper Annex 2):
 - a. We seek to deliver environmental outcomes, not just deliver regulation, seeking shared outcomes where we can.
 - b. We will challenge and address barriers where they don't contribute to the environmental outcome.
 - c. We seek to be flexible and personalise the approach to the needs of the recipient, using innovation and novel approaches where appropriate and learning from past experience.
 - d. We should use all available data from a range of sources and seek to ensure the data we collect from those we regulate works hard to generate knowledge to inform action to deliver outcomes.
 - e. We seek to apply a wide range of tools, chosen on their effectiveness to deliver outcomes. This includes using the law to deal with those who act illegally, to protect honest business, society and the environment.
 - f. We seek to ensure we have the skills to use the right tools effectively, or seek access to and work with those who do.
 - g. We will seek to ensure everyone understands the role and purpose of the “regulator” and what our outcomes are, in such a way that it is easy to see the link between what we are doing and why.
3. These were developed to shape our approach on how we implement our regulatory activities. They were also created in response to the public and regulatory community expecting that our new body would have a unified approach to delivering outcomes, minimise burdens on business and the public purse and incorporate the ecosystems services approach into our core purpose.
4. We have therefore further developed these principles into an overarching document to provide greater clarity on the direction we are pursuing and to highlight some of the challenges we will face through the journey of achieving them. Comments have been sought through various groups in the business, including regulatory, planning and ecosystem staff. The document also

reflects the comments made during the original development of the Principles themselves. In addition, we have also shared with Welsh Government policy colleagues to ensure that the document links through to the Regulators Code and also the 'Sustaining a Living Wales' Green Paper.

Recommendation

The regulatory strategy "Ecosystem and Regulation: Our approach to regulation to support ecosystem services" is attached for Board endorsement in Annex 1. It is desirable to have this published such that this reflects our current regulatory purpose and demonstrates our commitment to the revised Regulators' Code, ready for the review by BRDO in September 2014.

Next steps

5. It is intended that this document would be made available via our webpage on our regulatory pages. By publishing here, we wish to ensure that those we regulate and work with have an opportunity to comment on our approach. To achieve this end, we intend to use an innovative approach with regards gaining feedback and steer on our intentions.
6. Our plan is for the document to be consultative in nature and open for comments, views, suggestions and ideas until December 2014. At which point we will look at any feedback and use this to inform and reflect upon our Principles and approach to delivery. We will also consider the recommendations that we receive from the BRDO following their review in relation to Hampton Compliance and Regulators' Code.
7. Moreover, in line with our Regulatory Principles, as an organisation, we will continue to review our Principles and strategy on a regular basis to ensure they are fit for purpose. To support this, we intend for this document to be continuously in scope and to proactively engage with those who have an interest in what we do, and how we do it.

Risks

8. Any delay in publication of the regulatory strategy, will reduce the time available to properly embed the approach with key parts of our business, react to external customers feedback and modify the document before the Better Regulation Delivery Office review begins.
9. Insufficient capacity in the business to develop the approach without affecting front-line delivery.
10. Existing legal frameworks may act as barriers to innovative approaches, and the risk appetite of Natural Resources Wales or Welsh Government may limit the ability to challenge these.

Financial Implications

11. There are no direct financial implications. However, the shift in focus is likely to have some short term efficiency impact whilst we develop new ways of working and embed this across the organisation.

Communications

12. The task and finish group established to prepare for the BRDO Review will develop a communications plan for internal and external customers, this will include the external consultation of the regulatory strategy.

Equality impact assessment (EqIA)

13. No Equality Impact Assessment is required for this paper.

Index of Annex

Annex 1 – Our Ecosystem and Regulation: Our approach to regulation to support ecosystem services

Annex 2 – Board Paper 17th December 2013 – Regulatory Principles and Waste Storyboard