

Protecting Nature for Future Generations?

Natural Resources Wales's approach
to designating Sites of Special
Scientific Interest

November 2025



We have prepared this report and present it to the Senedd under section 145A of the Government of Wales Act 1998 and section 15 of the Well-being of Future Generations (Wales) Act 2015.

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Audit snapshot

What we looked at

- 1 Sites of Special Scientific Interest (SSSIs) are recognised for their important wildlife and natural features. They are protected under section 28 of the [Wildlife and Countryside Act 1981](#). Natural Resources Wales (NRW) says there are currently 1,083 SSSIs in Wales.
- 2 NRW is responsible for designating sites as SSSIs and the regulatory management of them. NRW directly manages SSSIs on land in its care and advises other landowners and occupiers on sites it does not manage directly.
- 3 We looked at whether NRW has an effective approach to designating SSSIs. This included how it is applying ways of working expected under the [Well-being of Future Generations \(Wales\) Act 2015](#), such as how it is balancing current challenges with planning to deliver better outcomes for nature over the longer term. Our work has also provided some insight into aspects of NRW's wider operations.

Why this is important

- 4 Wales, like the rest of the UK, has experienced a significant loss of biodiversity and is now one of the most nature-depleted countries on the planet. In 2023, the [State of Nature Partnership](#) reported that one in six species in Wales is at risk of extinction. NRW's [interim State of Natural Resources Report 2024](#) explains that the rate of species extinction in Wales is accelerating.
- 5 NRW has prioritised biodiversity in [Nature and People Thriving Together](#), its corporate plan to 2030. The plan commits to enlarging and better connecting the series of SSSIs as part of NRW's broader approach to nature recovery. This reflects a wider international commitment to protect 30% of land, freshwater and sea by 2030.
- 6 NRW has been seeking to deliver its corporate plan while facing considerable financial challenges. To save staff costs, NRW removed 8% of staff posts from its overall establishment in April 2025 as part of its 'case for change' restructure. These issues make it critically important that NRW can make best use of its resources to deliver for nature, both now and for the future.

What we have found

- 7 Despite knowing of many places where features may qualify for SSSI protection, NRW has only been designating small numbers of SSSIs since it was established in 2013. While NRW has committed to enlarging and better connecting the series of SSSIs it has made limited progress developing its strategic approach. Staff capacity constraints, gaps in key data, and fragmented digital systems are holding it back.
- 8 If NRW does not take action, it is unlikely to be able to demonstrate that it is balancing short term pressures with the longer-term outcomes it is seeking to achieve on SSSIs. It will be important for NRW to consider this risk in the context of its wider priorities on biodiversity and how it can maximise its impact, given resource constraints.

What we recommend

- 9 We have made eight recommendations for improvement. They set out the steps we think NRW should take to improve its planning, delivery, and oversight of SSSI designation.



Auditor General's view



NRW's functions are a fundamental part of Wales's response to the climate and nature emergency. I recognise the financial pressure NRW has been under and the different priorities it has to balance, but SSSI designation is one of the main tools at its disposal to protect nature for future generations. If NRW is to deliver on its commitment to enlarging and better connecting the series of SSSIs, its approach needs a fundamental reset to drive increased activity in the years to come.

Adrian Crompton

Auditor General for Wales



Key facts and figures

Protected sites in Wales

The Welsh Government has committed to the international target to protect **30% of land, freshwater and sea by 2030**



There are **1,083** SSSIs in Wales



12% of the surface area of Wales

20% of SSSI features are in a favourable condition

30% are in an unfavourable condition

The condition of **50%** of site features is unknown



NRW has only designated **31** SSSIs since it was established in 2013

NRW's financial position

£268 million: NRW's opening budget at the start of 2024-25



£9 million: NRW's budget deficit for 2024-25



Which would rise to **£17 million** by 2026-27 without action to cut costs

NRW reduced annual recurring staff costs by **£10.6 million** by April 2025

It removed around **8%** of posts in its staff establishment

£284 million: NRW's total funding for 2024-25 after in-year changes



£298 million: NRW's 2025-26 budget

Our findings

NRW has made a clear commitment to enlarging and better connecting its series of SSSIs, but has made limited progress developing its strategic approach

NRW is not yet clear about how it will extend and better connect the SSSI series, and limited staff capacity is holding back development work

- 10 NRW's corporate plan puts a clear focus on nature. The plan sets out three well-being objectives, one of which relates to biodiversity: 'nature is recovering'. NRW has set out steps to deliver this, including:

'Extending the protection and management of at least 30% of land, freshwater and sea for nature through identifying opportunities to enlarge and better connect the series of SSSIs'.¹
- 11 This step reflects the international '30 by 30' target, which the Welsh Government has also committed to. The target refers to protecting and effectively managing at least 30% of land, freshwater, and sea for nature by 2030.² In 2022, the Welsh Government led a '[Biodiversity Deep Dive](#)' review to develop collective actions to support nature recovery in Wales and contribute to the target.
- 12 Currently, NRW reports that 12% of the surface area of Wales is protected as SSSIs, a long way from 30% coverage. When NRW was developing its corporate plan, the Welsh Government had not agreed with environmental stakeholders which [types of protected area](#) besides SSSIs would count towards achievement of the target.

1 **Exhibit 2 in Appendix 2** sets out further information about NRW's corporate and business plan commitments.

2 This is set out in the [Kunming-Montreal Global Biodiversity Framework](#), agreed at [COP15](#) (the Conference of the Parties to the Convention on Biodiversity).

- 13 NRW recognised that stakeholders would likely agree further protection measures following the deep dive.³ To avoid delay, NRW chose to focus its corporate plan step on enlarging SSSIs in the context of its statutory duty to notify potential sites for designation. It did so knowing it might need to adapt this step once further protection measures were agreed.
- 14 NRW had an ambition to develop a strategic approach to extending the SSSI series prior to the current corporate plan. In July 2018, NRW published a biodiversity plan – Vital Nature – which said it would ‘modify or extend’ existing SSSIs and establish priorities for notifying sites for designation.⁴
- 15 Despite this, progress has been slow. Between 2018 and 2021, NRW staff worked on detailed proposals to deliver Vital Nature, but NRW did not fully implement them. Vital Nature was superseded by NRW’s focus on the Biodiversity Deep Dive in 2022 and the Corporate Plan in 2023.
- 16 NRW has not decided how it will prioritise its activity to extend and better connect coverage, alongside other actions to be taken with or by partners. For example, whether it will focus on notifying new SSSIs or enlarging its existing SSSIs through what is known as ‘renotification’.
- 17 NRW published its Corporate Plan in May 2023. It then developed the more detailed actions to deliver the plan as part of its business planning for 2024-25. The final 2024-25 business plan focused on consolidating evidence to identify priorities for SSSI activity through three ‘key deliverables’ for that year:
 - increasing understanding of the extent and connectivity of existing SSSIs through an assessment of all sites by the end of quarter three;
 - increasing advice to accelerate notifications and renotifications by updating the SSSI notification staff handbook; and
 - delivering a costed approach to support an ‘enhanced’ notification programme based on information from the first two deliverables.

3 At the time of our review, stakeholders were discussing whether Other Effective Area-based Conservation Measures (OECMs) could form part of the approach. OECMs are a new protection measure in the UK. They recognise areas that do not qualify as SSSIs but do contribute to biodiversity conservation.

4 **Exhibit 4 in Appendix 3** explains the designation process. Notification is when NRW informs relevant stakeholders of its intention to designate a site as an SSSI.

- 18 By the end of 2024-25, NRW had made progress on the first deliverable but had not completed the work. NRW had not completed work on the other two because they were largely dependent on the first. At the time of drafting this report, NRW was finalising its strategic review summarising the extent of SSSIs and their notified features to complete the first deliverable.
- 19 Staff we spoke to praised the hard work and commitment of the Biodiversity Policy and Strategy team which leads in this area but recognised it was stretched. Work on the three deliverables has relied heavily on 1.7 full time equivalent staff within the team.
- 20 NRW has now rolled the uncompleted SSSI actions forward into its 2025-26 business plan, which it did not finalise until August 2025. The new business plan commits to developing a costed approach by the end of December 2025 and updating the handbook by the end of March 2026.

NRW lacks information on the condition of many existing SSSIs and a way of prioritising SSSI activity based on site features

- 21 NRW has information about the number of SSSIs, coverage in hectares, and site features such as habitats, species or geology. It also holds information about the condition of features on sites on land in its care.⁵ However, there are big gaps in data on the condition of sites outside NRW's care which make up the majority of SSSIs in Wales.
- 22 In 2020, NRW reviewed the information it holds on the condition of all designated SSSIs. It found that:
- 20% of features on protected sites were in a favourable condition;
 - 30% were in an unfavourable condition; and
 - the condition of 50% of features was unknown.

5 NRW directly manages 37 National Nature Reserves, the Welsh Government Woodland Estate, and land associated with flood risk management assets.

- 23 However, the information NRW holds on some features has not been updated since surveys by the Countryside Council for Wales 25 years ago.⁶ Site features and condition may have changed considerably over time.
- 24 NRW also has limited information on the potential for future SSSIs. In 2021, it compiled a list of 560 areas which may qualify. NRW has not verified the list and recognises that it is unlikely to be an accurate representation, particularly as some supporting information was ten years old. NRW staff told us that a new exercise is required to understand potential future SSSIs.
- 25 These data gaps limit NRW's ability to develop its strategic approach. More reliable data could shape strategic priorities; for example, to focus on sites according to their condition or address gaps in coverage of certain features across Wales.
- 26 At the time of our review, NRW was exploring alternative approaches to site monitoring. Working with its counterparts across the UK, NRW is starting to consider new ways of monitoring the condition of existing SSSIs to enable better coverage, including less rigorous higher-level assessments. One of NRW's environment teams has also started using aerial photographs to gauge the condition and to help prioritise potential SSSIs to notify or renotify. However, the approach is not used consistently across all 16 environment teams.
- 27 In addition to gaps in data, NRW does not currently have a way of prioritising notifications or renotifications based on site features.⁷ Instead, notifications are largely driven by external issues relating to building development plans and other potential threats to nature. NRW recognises that it needs a more proactive approach.

⁶ The Countryside Council for Wales was one of three organisations brought together to create NRW in 2013, alongside the Environment Agency Wales and Forestry Commission Wales.

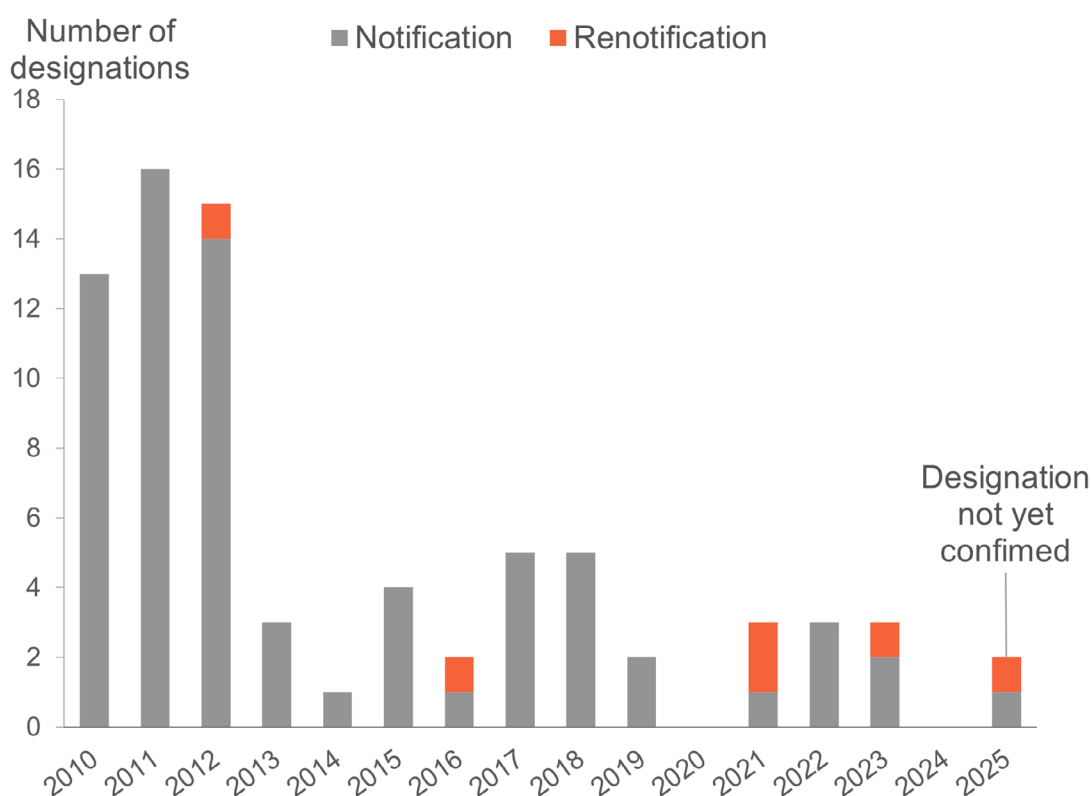
⁷ Under the Wildlife and Countryside Act 1981, existing SSSIs must be renotified if new features are found or the site boundaries change.

NRW has only been designating small numbers of sites annually, with staffing levels a long way off what is needed to significantly accelerate activity

From 2013 to 2024, NRW only designated 31 SSSIs and staff are unclear on the level of designation activity currently expected

- 28 Despite knowing of many places where features may qualify for SSSI protection, NRW has only designated nine sites from 2019 to 2024, and 31 since it was created in 2013, up to the end of 2024. Of these 31 designations, four have been renotifications.
- 29 **Exhibit 1** shows that there has been a considerable decline in annual designations since 2012. Activity has never since exceeded five designations per calendar year.

Exhibit 1: annual SSSI designations from notifications or renotifications, 2010-2025^{1, 2}



Source: Audit Wales analysis of NRW data

Notes:

- 1 Before 2013, the Countryside Council for Wales designated SSSIs.
- 2 Renotifications take place when new features are found on existing SSSIs or site boundaries change.

- 30 At the time of our review, two sites were due to be designated. If confirmed, they will significantly increase the overall SSSI coverage due to their size. At a combined total of 4,622 hectares, these sites are substantially bigger than any designated in the previous 15 years. In fact, they exceed the total 3,635 hectare coverage of designations over that period.
- 31 Various NRW staff are involved at different stages of the designation process. Environment officers lead the process, supported by technical specialists with knowledge of site features.
- 32 Notifying and designating SSSIs can be time-consuming. Staff in the environment teams, which cover a range of other functions, told us they lack time to proceed with notifications and renotifications because of capacity pressures and competing priorities.
- 33 NRW does not have contingency arrangements to manage the risk of staff shortages on SSSI designations. Staff were concerned that without increased resources, there is a greater risk of missing the statutory deadline to designate a site within nine months of notification.
- 34 More fundamentally, staff we spoke to were not clear about the level of designations they were expected to deliver. Some felt they should be notifying more sites. Others said they had been told to pause notifying due to pressures on resources or thought that they should be pausing activity while NRW develops its strategic approach.
- 35 In addition, NRW recognises that it needs to revise its guidance for staff to reflect changes in the UK Joint Nature Conservation Committee guidance.⁸ It also needs to provide further clarity on some operational details, such as guidelines for commissioning technical surveys from other organisations. NRW plans to cover such changes in its update of the staff handbook (see **paragraph 17**).

8 The UK Joint Nature Conservation Committee supports and coordinates conservation activity across the four UK nations.

NRW does not know the true cost of designating SSSIs, but recognises that staffing levels fall far short of what is needed to accelerate activity

- 36 NRW does not know how much money it is spending on designating SSSIs. Calculating staff time to designate SSSIs is complicated, particularly as staff have other responsibilities. Staff time also varies from site to site depending on the features, number of landowners and occupiers, and objections to the notification. There are also costs associated with venue hire for engagement activities and press notices.
- 37 NRW knows it needs to better understand the staff numbers and hours spent on designation. In 2021, an internal scoping exercise estimated that designating an average size site takes 51 days of environment team staff time.⁹ The exercise did not include staff time from other teams, or account for variation between sites.
- 38 At the time of our review, NRW had made some progress calculating overall staff time and other costs associated with designation. But it had not finalised those costings or started to develop a costed notification programme to meet its 2024-25 business plan commitment (see **paragraph 17**).
- 39 NRW recognises that without additional resources, or new ways of working, it would likely take many decades to designate all the potentially qualifying areas in Wales. However, as NRW does not have a verified list of potential sites, it is difficult for it to fully understand the resources required for this work (see **paragraph 24**).
- 40 As well as uncertainty on potential sites, there is also uncertainty on the contribution new protection measures will make to the 30 by 30 target (see **paragraph 12**). However, while such measures will reduce the reliance on SSSIs to reach the target, there is still a risk that NRW will not comply with its statutory duty if it fails to notify potential SSSIs with qualifying features.

9 NRW based its estimate on an average 42 hectare size of existing SSSIs at the time.

Recent financial pressure has affected capacity on grant-in-aid funded activity, including SSSI designation

Funding pressures have meant NRW has been unable to protect staff capacity to designate SSSIs, though new funding could support future designation activity

- 41 **Appendix 4** provides a breakdown of NRW's 2024-25 funding by source. Welsh Government 'grant-in-aid' makes up the largest portion of NRW's income.
- 42 NRW began 2024-25 with a budget of £268 million which included £103 million Welsh Government revenue grant in aid. Changes in income and additional Welsh Government funding brought the final total for 2024-25 to £284 million.¹⁰
- 43 NRW started 2024-25 with a staff budget deficit of around £9 million. It forecast that deficit would grow to £13 million in 2025-26 and £17 million in 2026-27 if it did not take action to cut costs.
- 44 NRW has taken action to balance its budgets in recent years. It introduced a recruitment freeze on all posts from August 2023 as part of efforts to balance its budget in 2023-24. The recruitment freeze then continued to April 2025.
- 45 The recruitment freeze affected the technical specialists who advise on site features during designation. At the time of our review there was no uplands expert, the invertebrates expert was on loan from another part of NRW, and there was one heathlands expert.¹¹ NRW had not made plans to increase its technical specialist workforce.
- 46 NRW took more fundamental action to restructure in 2024 through its 'case for change' programme. The programme aimed to save £13 million in staff costs and create a financially sustainable organisation. By 1 April 2025, NRW had reduced annual recurring staff costs by £10.6 million, cutting around 8% of its staff establishment.

¹⁰ The increase was largely due to additional Welsh Government funding. This included a significant payment towards £14.6 million taxes owed by NRW to HM Revenue & Customs (HMRC) for liabilities relating to compliance with off-payroll working and use of contractors. The Welsh Government agreed to provide budget cover to support the payment. NRW will repay the sum to the Welsh Government through reductions in its grant-in-aid over future years.

¹¹ Before the recruitment freeze, NRW had two upland, two invertebrate, and two heathland experts.

- 47 NRW sought to protect staff in permanent jobs by removing vacant posts in its restructure, this included removing one full time equivalent post with specific duties for SSSI work including designation. This approach meant that the environmental teams that were holding vacancies were particularly affected. NRW has also changed the role of Environment Officers (see **paragraph 31**), to divert more of their time to regulatory work from April 2025. It is also considering further changing those roles to increase compliance visits with water companies and businesses holding water quality permits or water abstraction licences.
- 48 NRW has stated that the case for change will mean work to notify and renotify SSSIs is set to 'continue, but at a lower level'. This will likely translate to fewer designations, from what is already a low base. Despite the clear dedication of staff involved, NRW will only be able to increase designations if it increases staff numbers or makes a more fundamental change to its approach.
- 49 In October 2024, the Chair of NRW wrote to the Welsh Government asking for an additional £4 million to avoid reducing service levels across the organisation and to invest in digital improvements. In November 2024, the Welsh Government agreed to provide the additional £4 million as part of a wider increase of around £13 million to its grant-in-aid funding for 2025-26.
- 50 NRW welcomed the increase but found the sudden change from contracting to expanding parts of the organisation challenging. It is taking steps to manage risks to future financial resilience, using alternatives to permanent recruitment such as fixed term contracts, outsourcing, or using other staff differently. There will also be opportunities to better use digital technology to reduce pressure on staff.
- 51 At the time of our review, NRW was considering how to allocate the additional funding and planned to spend £600,000 on biodiversity commitments in its Corporate Plan, including its approach to SSSIs. NRW did not plan to directly or permanently replace the posts it removed from its Operations directorate. Instead, it aimed to create five fixed term roles to support designations and alleviate some of the pressure on Environment Officers.

- 52 NRW also planned to recruit a Senior Specialist Surveyor to support its efforts to encourage landowners and occupiers to manage SSSI land sustainably. NRW has not yet set out what the additional capacity will mean for the number of designations.
- 53 While NRW's financial position has improved, there are likely to be continuing tough choices on how to prioritise resources. NRW's 2025-26 budget is £298 million.
- 54 Given changes in staffing and future uncertainty, it will be important for NRW to consider how it can best retain and develop knowledge of SSSI designation. Even before the recruitment freeze, there has been little opportunity to learn the process because there are so few annual designations. While NRW designed its organisational structures to support shared learning, staff told us this is not always happening in practice across environment teams. This is a potential risk for NRW.

A lack of staff capacity is limiting NRW's engagement with relevant stakeholders, which restricts its ability to work more efficiently, and improve land management

- 55 To comply with statutory duties, NRW's Environment Officers consult with landowners, occupiers, and other stakeholders during the designation process. Good engagement can prevent or resolve objections to a notification.
- 56 Unresolved objections need to be considered by NRW's Protected Areas Committee along with evidence supporting the notification. This means effective, early engagement can save time and money. However, engagement can also be time-consuming and difficult where stakeholders raise concerns.

- 57 Environment Officers told us they do not have time to carry out proactive engagement with owners of existing SSSIs. Such engagement could be an opportunity to understand new risks or changes to sites, or to offer advice on land management. It could also identify potential renotifications or prevent poor land management from escalating. There are also opportunities to seek feedback on the designation process, which NRW does not currently do.
- 58 Many staff we spoke to told us that NRW and other public and environmental organisations could do more to challenge some negative perceptions that SSSIs restrict land use and create work for landowners and occupiers. When the Countryside Council for Wales was responsible for SSSIs, it shared a newsletter for all SSSI landowners and occupiers celebrating sustainable land management. When NRW was established, it chose not to continue the newsletter.
- 59 NRW uses Land Management Agreements (LMAs) to encourage landowners and occupiers to manage SSSI land sustainably. NRW has increased its overall funding for LMAs in recent years. It has done this by drawing on other external capital funding. NRW's revenue funding for LMAs has reduced slightly since 2020-21, but it has avoided further reductions by securing additional Welsh Government funding in 2024-25 and 2025-26. It plans to spend £3.6 million overall on LMAs in 2025-26.¹²
- 60 NRW was unable to provide us with detailed information on annual LMA allocations since 2016 beyond overall spending. This could include for example, the geographical distribution and impact of LMAs across Wales. NRW told us that limitations in its digital systems and data quality issues hinder its ability to report on annual allocations in such detail (see also **paragraph 68**). We would expect this information to be available to inform ongoing assessment of the overall value for money of LMAs and NRW's overall strategic approach to SSSIs. We did not look at how NRW allocates funding and monitors compliance with the LMAs.
- 61 More generally, staff resources are limiting NRW's ability to engage with potential partners such as large landowners and occupiers and environmental organisations. Some of these potential partners have their own biodiversity ambitions and access to significant funding.

12 The Environment (Wales) Act 2016 provides NRW with powers to enter into voluntary agreements with landowners or other persons through LMAs. In 2026, arrangements for LMAs will change following the introduction of the Sustainable Farming Scheme.

- 62 Internal collaboration across NRW could also be strengthened to aid forward planning. We heard that information on notified sites has been shared with NRW's Land Stewardship Team, which manages land in its care. However, that information is not always distributed across different parts of the team to support their understanding of access and management issues on SSSIs and adjoining land.

NRW's digital systems are outdated, fragmented, and do not support effective data sharing

- 63 As noted in **paragraph 21**, NRW holds certain information about SSSIs, although there are also big gaps in its information base. Also, the information that is held is fragmented across four different sources that are not linked which makes it difficult for staff to share information or work together. Staff described digital systems as 'crumbling' and 'falling over'.
- 64 The four sources cover information on:
- the features, issues, risks and management of SSSIs – held on its AMX protected sites system;
 - consents and assents on SSSIs;
 - the condition of SSSIs; and
 - the management of SSSIs on land in NRW's care.
- 65 NRW published information on the condition of SSSIs from its 2020 baseline review (see **paragraph 22**) in a single data tool. The tool has not since been updated to include new condition assessment results.
- 66 NRW staff also told us that external collaboration is restricted by not having an external platform to share information with landowners and occupiers on SSSI features and recommended actions to manage the land. In the past, NRW allowed some stakeholders to access its data directly, but it stopped access to its system in 2017 to address cyber security risks.
- 67 NRW now responds to ad hoc external requests for information about SSSIs by manually extracting information from its systems. The process is time consuming and depends on proactive landowners who know how to request the information.

- 68 NRW had previously intended that its AMX protected sites system would include information on LMAs, site condition, and have information on site features available for external stakeholders to access. However, plans were scaled back due to lack of digital capacity. NRW is considering improvements to its software as part of a wider transformation programme but has not yet decided on the way forward. It will have to balance its decision about investment with bids to transform other parts of its business.

NRW lacks adequate information to oversee performance and has not been managing risks to delivery effectively

NRW has not been identifying, assessing and escalating the risks relating to the designation of SSSIs effectively

- 69 There are risks associated with the designation process, particularly that NRW fails to deliver its statutory duties to notify SSSIs for designation, and to designate notified sites within the expected nine-month timeline. However, such risks are not effectively identified, assessed, and escalated through management levels.
- 70 At the time of our review, there was only one related risk on NRW's Biodiversity and Resilience Ecosystems Group risk register, this being the overarching register incorporating protected sites alongside risks around NRW's broader biodiversity work.¹³ The case for change risk assessment identified some broader SSSI related risks, but the information has not been included on operational risk registers.¹⁴
- 71 Formal risk management did not appear to be prioritised among staff we spoke to. Some managers and senior leaders told us they were aware of operational risks but accepted that those risks, and efforts to mitigate them, were not usually recorded.

13 **Exhibit 3 in Appendix 2** shows the Group's role as part of wider governance arrangements. The risk identified in the risk register was of 'inappropriate protected sites advice and management due to lack of direction and gaps in guidance'.

14 For instance, 'failure to meet the 30 by 30 targets with relation to protection and management', 'failure to deliver on the status quo due to reductions in the Environment Team resource', and 'deterioration of protected sites network and further loss of biodiversity through lack of positive management and changes to land management practices'.

- 72 NRW has recognised there are weaknesses in its organisational approach to risk management. It tasked its Head of Internal Audit with refreshing its approach. The refresh was designed to focus on simplifying NRW's arrangements and developing clearer lines of sight from operational to executive and board level. The refresh had not started at the time of our fieldwork, but we understand changes have now been introduced.

NRW lacks a good enough understanding of progress towards its corporate plan ambition for SSSIs and the efficiency and impact of its designation work

- 73 Currently, NRW's internal reporting includes tracking key deliverables against its business plan commitments. It also provides narrative updates to its Protected Areas Committee and Biodiversity and Resilience Ecosystems Group on progress with live notifications and renotifications, although these do not include analysis of trends in notifications and renotifications over time.
- 74 **Paragraphs 21 to 25 and 36 to 40** describe gaps in NRW's information on the condition of existing SSSIs and staff time and the costs of designation. Other significant gaps in management information include annual investment in LMAs (see **paragraph 60**), the proportion of SSSIs with LMAs, and the timeliness of each stage of the designation process to support learning and improvement.
- 75 NRW's 2024-25 business plan set out its approach to understanding progress towards its well-being objectives. It aims to measure progress towards its long term strategic outcomes as well as shorter term operational outputs. At the time of our review, the only SSSI metrics NRW was reporting against were delivery milestones, rather than output and outcome measures.
- 76 NRW has recently started developing performance measures for its work to extend the SSSI series, which is likely to include:
- measures on annual hectares coverage of SSSIs;
 - the percentage of sites covered by LMAs; and
 - measures to understand the efficiency of the designation process.

- 77 This will be critical if NRW is to move ahead with enlarging the series, at a time when resources are strained. NRW will also have to consider how its SSSI work contributes to actions to deliver other aspirations in its corporate plan beyond simply protecting nature.
- 78 NRW will also need to consider how it can incorporate effectiveness measures based on stakeholder feedback into the framework. It seeks feedback from staff and technical experts attending each of its Protected Areas Committee meetings to identify ways to improve the meetings. However, there is a gap in NRW's insight because it does not ask landowners and occupiers for their feedback on the meetings or other aspects of the designation process (see also **paragraph 57**).

NRW has structures to oversee SSSI work but this oversight is limited by the lack of adequate performance and risk management information

- 79 NRW has various operational and board level governance structures to oversee SSSI designations and wider related work. Specifically:
- Officers provide operational oversight through the Natural Resource Management Business Board. The Board is supported by the Biodiversity and Ecosystems Resilience sub-group and the Protected Sites Technical Group. Various other groups feed up into these structures (see **Exhibit 3 in Appendix 2**). The sub-group provides bi-monthly reports to the executive team.
 - The Protected Areas Committee oversees the designation process, receiving narrative updates on progress with live notifications and renotifications. It provides regular assurance reports to the board and, as noted in **paragraph 56**, considers unresolved objections.
 - Members of the executive team act as sponsors to provide leadership and delivery of across the well-being objectives. Sponsors meet quarterly to review performance against business plan commitments.
 - NRW's board oversees delivery of the corporate plan including progress against the well-being objective 'nature is recovering'. It receives quarterly performance reports and holds deep dive sessions on each well-being objective through the financial year. The 'nature is recovering' session for 2024-25 was held in May 2024 and focused on NRW's approach to protected sites.

- 80 Between them, these groups receive general information about work on SSSIs. However, as outlined above, NRW does not have adequate performance measures and had not been managing risk effectively. This restricts board and committee oversight.
- 81 We did not look in detail at the effectiveness of NRW's oversight structures. However, members of the Protected Sites Technical Group that we spoke to were not clear about aspects of its role and responsibilities, particularly its decision-making powers. Also, where the Group had escalated decisions to the Biodiversity and Ecosystems Resilience Group, the outcome was not always fed back to the Protected Sites Group and the Group itself did not seek an update.



Recommendations

- 82 Some of the recommendations we have made are relevant to wider issues raised by our review of how NRW set its well-being objectives in 2023. We recommended previously that NRW should better align its financial and business planning to ensure that its well-being objectives are shaping decisions on service delivery, resource allocation, and savings targets. We also recommended that NRW should ensure alignment between service performance measures and measures to oversee progress in achieving its well-being objectives.

Developing the approach to SSSIs

- R1** NRW should develop a clear strategic approach to enlarging and better connecting the series of SSSIs, which takes account of the sustainable development principle. In doing so, it should:
- 1.1** Decide how it will prioritise its activity to extend and better connect coverage to help meet the 30 by 30 target, alongside other protection measures, and the increases required each year (**paragraph 16**).
 - 1.2** Develop a clear picture of potential sites and a consistent way of prioritising them for notification and renotification (**paragraphs 24 and 27**).
 - 1.3** Set out how it will more proactively involve external stakeholders in the process to prevent poor land management on SSSIs and explore collaboration opportunities (**paragraphs 57 to 58, and 66**).
- R2** NRW should assess options for how it can improve its understanding of the condition of existing SSSIs and take action to do so (**paragraph 21 to 23**).

- R3** NRW should set out its model for delivering the SSSI programme including:
- 3.1** Which staff will contribute to the SSSI programme and what proportion of their workload it will take up, resource allocation across place-based teams, and how it will use more experienced staff to support learning (**paragraphs 36 to 39, 43 to 47, and 53**).
 - 3.2** How it will better share information on new notifications with its Land Stewardship Team to improve forward planning to manage land on or adjoining SSSIs (**paragraph 62**).

Integrating digital systems

- R4** NRW should clarify whether it will invest in improvements to integrate its AMX protected sites system with other digital sources, including timescales for implementation (**paragraph 68**).

Improving oversight

- R5** NRW should strengthen how it manages risks associated with the designation of SSSIs by refreshing its risk assessment as part of the planned Internal Audit refresh of wider organisational risk management arrangements (**paragraphs 69 to 72**).

R6 NRW should finalise measures in its planned SSSI performance framework to understand the efficiency, cost effectiveness, and impact of its designation programme. In doing so, it should:

6.1 Demonstrate how SSSI work contributes to actions to deliver other corporate plan objectives (**paragraph 79**).

6.2 Ensure that performance measures incorporate stakeholder feedback on the designation process, including from landowners and occupiers (**paragraph 78**).

R7 NRW should work with its Protected Areas Committee and Natural Resource Management Board to decide what performance information on SSSI designation they will receive and how frequently (**paragraph 80**).

R8 NRW should review the effectiveness of key groups involved in its oversight structures for SSSIs to ensure that the roles and responsibilities and information sharing arrangements are clear (**paragraph 81**).



Appendices

- 1 About our work
- 2 NRW's corporate and business planning, and oversight of protected sites
- 3 NRW's designation process
- 4 NRW's funding

1 About our work

Scope of the audit

In recent years we have been shaping our work programme around four key themes, one of which is the climate and nature emergency. We chose to focus on NRW's approach to SSSIs as a key part of its work to achieve the aim of extending the protection of land, freshwater and sea to 30% by 2030.

This work follows on from our report on [The Biodiversity and Resilience of Ecosystems Duty](#) in March 2025. That report focused on how bodies, including NRW, have responded to key planning and/or reporting requirements under the Environment (Wales) Act 2016. Our work on SSSI designation also follows on from on our 2023 [review of how NRW set its well-being objectives](#) through its current corporate plan.

As part of our work, we considered the extent to which NRW's approach to designating SSSIs demonstrates that it is applying the sustainable development principle and expected ways of working under the [Well-being of Future Generations \(Wales\) Act 2015](#). The sustainable development principle concerns acting in a manner 'which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs'. To do this, public bodies must take account of five ways of working; long-term, prevention, integration, collaboration and involvement.

Most of the evidence we have considered relates to NRW's current SSSI designation arrangements and developments relevant to them over the past four to five years. However, we have also considered evidence relating to designation activity since and before NRW's creation in 2013 and trends in its funding over that period. We did not seek the views of external stakeholders involved in the designation process directly.

Areas that we touch on in this report but did not explore in detail include the overall effectiveness of NRW's:

- arrangements to allocate spending on Land Management Agreements (see **paragraphs 59 to 60**) and monitor compliance and outcomes from them;
- oversight structures relating to SSSIs;
- the approach to protecting other types of protected site, including protected marine areas.

Audit questions and criteria

Questions

We focused our work around three specific questions:

- Does NRW have an effective approach to identifying and prioritising potential SSSIs to help meet its aim of extending the protection of land, freshwater and sea to 30% by 2030?
- Does NRW have an effective approach to the designation of SSSIs?
- Has NRW got appropriate arrangements to oversee and review its designation process?

Criteria

We drew on a range of sources to develop our audit criteria, including:

- UK Joint Nature Conservation Committee SSSI guidelines and NRW's SSSI Notification Operational Handbook:
- The Wildlife and Countryside Act 1981; and
- Audit Wales internal guidance, including our 'positive indicators', which are an illustrative set of characteristics that describe how the sustainable development principle could be applied effectively. These indicators have been used to inform previous sustainable development principle examinations. They were developed through engagement with public bodies and informed by advice and guidance from the Future Generations Commissioner for Wales.

Methods

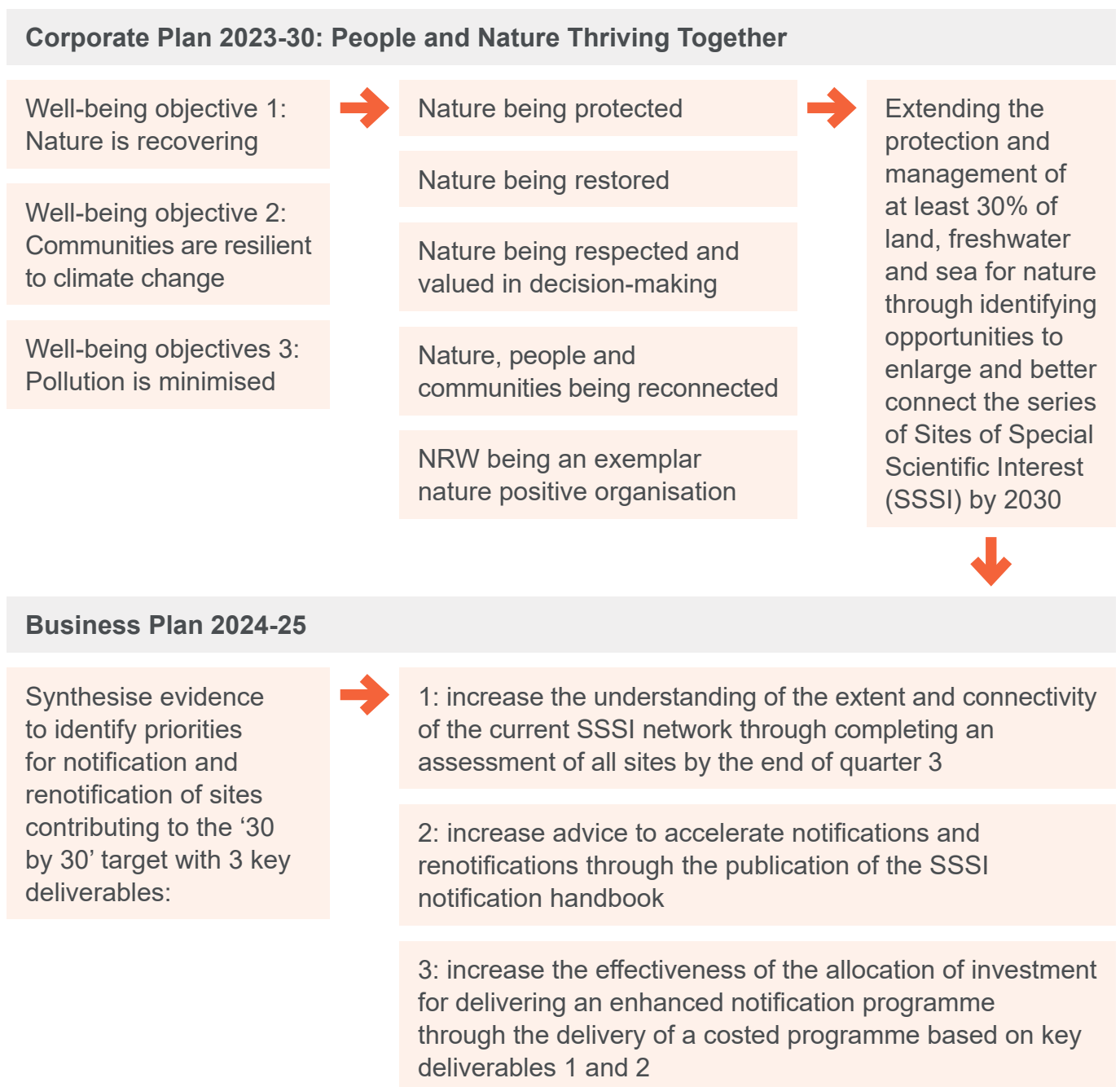
We conducted most of our fieldwork during January and March 2025, although we sought additional information from NRW after that point. We used the following methods:

- review of documents relating to the planning and management of the designation process and NRW's broader strategic commitments in its corporate and business plans.
- analysis of financial and performance data relating to the designation of SSSIs and wider information on NRW's finances.
- interviews with relevant NRW staff from officer to Executive Director level, and members of the Protected Areas Committee.
- two focus groups to hear views from a sample of four NRW habitat and species specialists, and from five NRW Environment Officers and technical specialists. Those participating came from different place-based teams and specialisms.

2 NRW's corporate and business planning, and oversight of protected sites

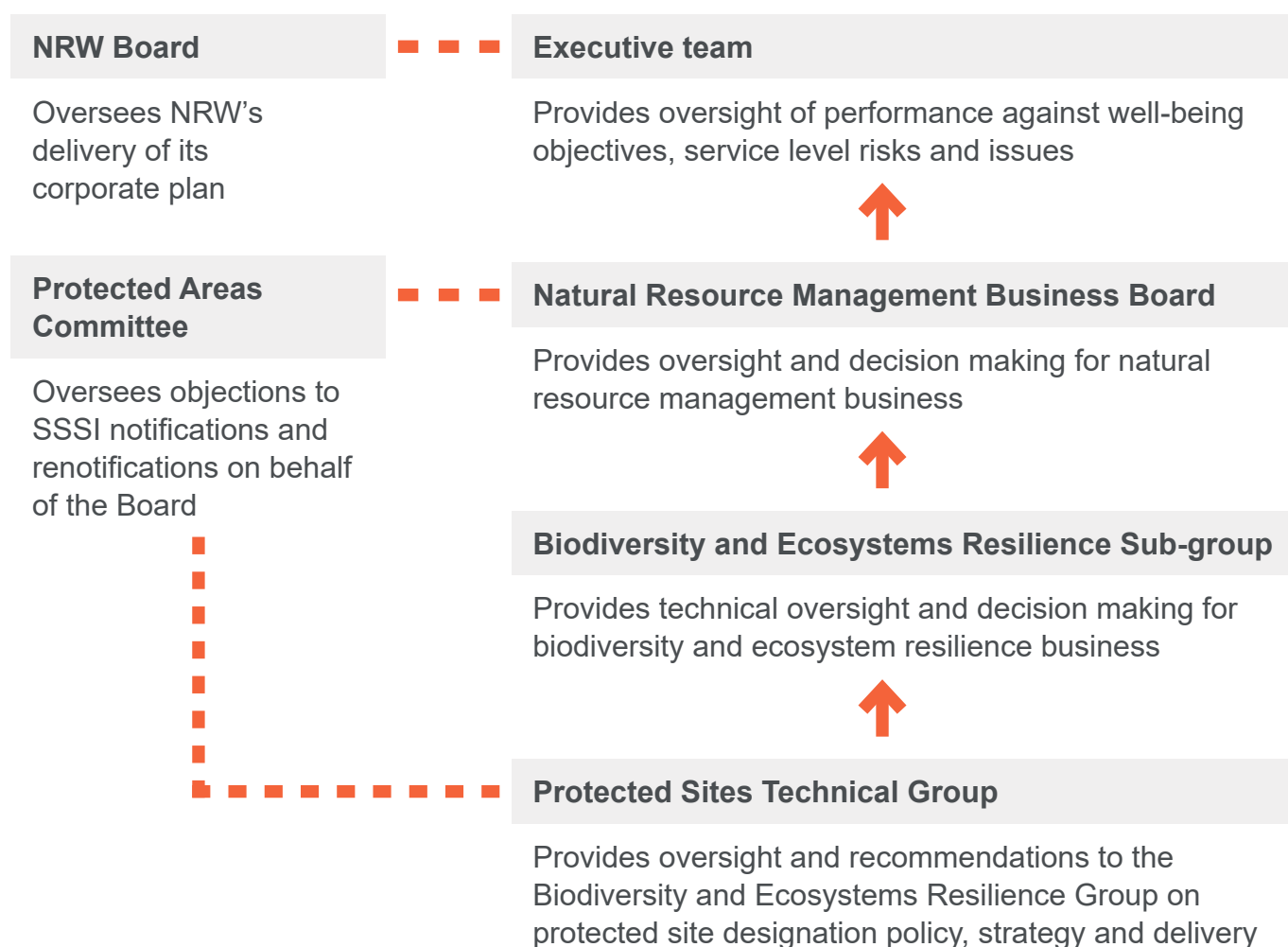
NRW's corporate plan for 2023-2030 sets out its well-being objectives and the steps it will take to achieve them. **Exhibit 2** shows how NRW's ambition to enlarge and better connect the SSSI series supports its well-being objectives and is itself supported by actions in its 2024-25 business plan.

Exhibit 2: SSSI related actions in NRW's corporate plan and 2024-25 business plan



NRW's Biodiversity and Ecosystems Resilience Group oversees the organisation's approach to SSSIs and other protected sites, with support from the Protected Sites Technical Group. The Technical Group shares information with and/or receives information from other relevant parts of the organisation, including directly with the Protected Areas Committee. However, most information flows upwards through the oversight structures set out in **Exhibit 3**.

Exhibit 3: NRW's main oversight structures and information flows for SSSIs



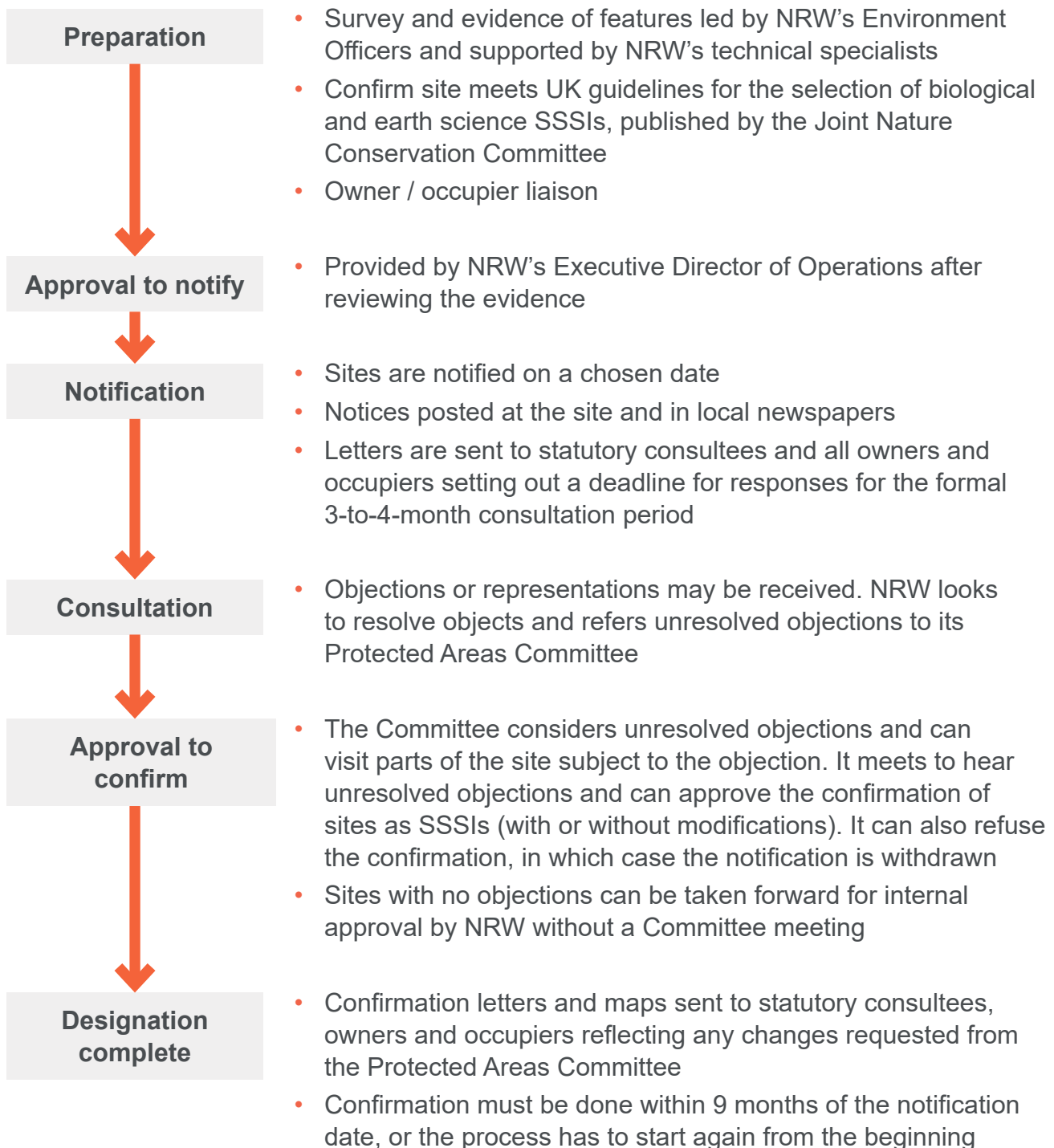
Source: Audit Wales

Note: Other management boards – including those for regulatory and land stewardship business – share information with the Natural Resource Management Business Board where information relates to regulation of SSSIs, or the management of SSSIs on land in NRW's care.

3 NRW's designation process

Exhibit 4 sets out each stage in NRW's designation process. NRW has a statutory duty to notify land with special interest as a SSSI, as identified through surveys and other evidence. It must then, within nine months of notifying, either confirm (designate) those sites as SSSIs (with or without modifications) or withdraw its notification.

Exhibit 4: steps NRW takes to notify and designate SSSIs

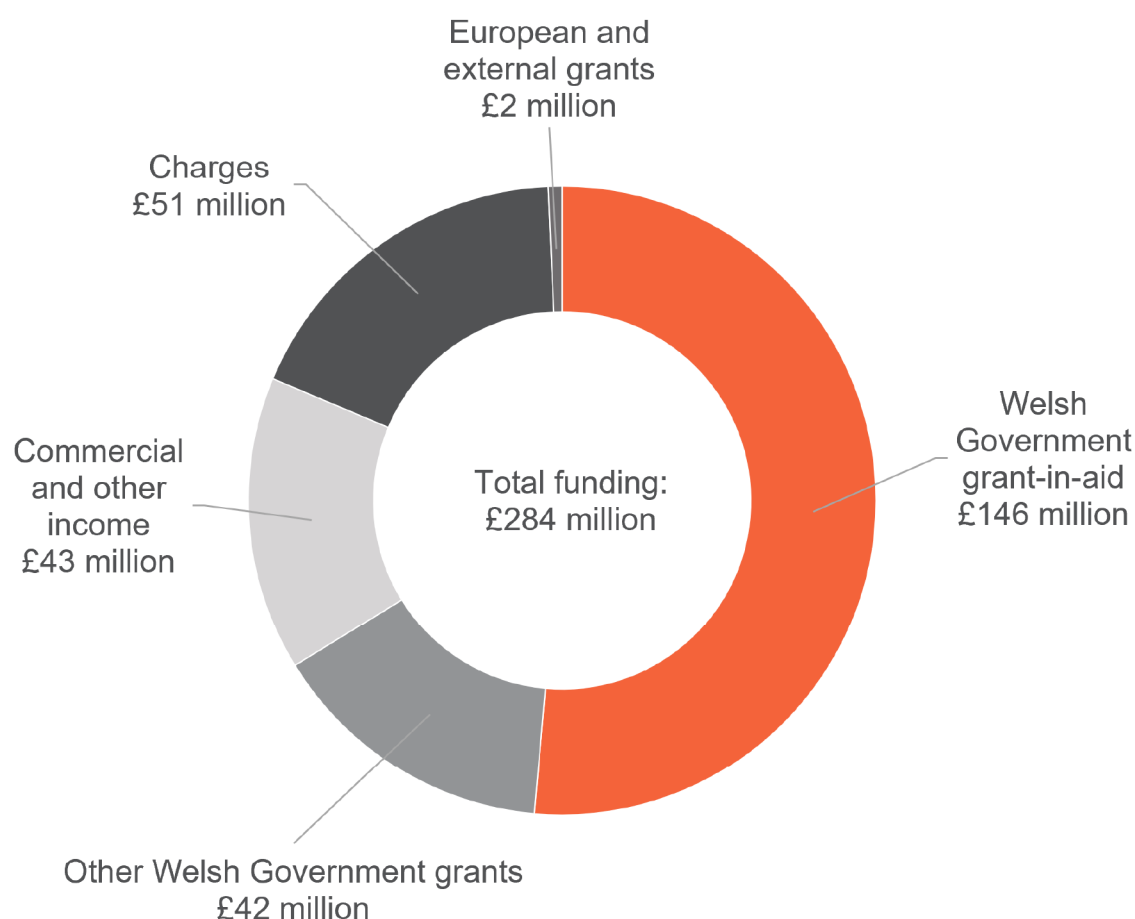


4 NRW's funding

This section provides contextual information about NRW's overall funding as financial constraints are also impacting SSSI designation work. **Exhibit 5** describes total funding at the end of 2024-25 of £284 million (see **paragraphs 42 to 43**).

Welsh Government 'grant-in-aid' is NRW's largest source of income, funding its core business including SSSI designation.¹⁵ The Welsh Government also provides grants for specific programmes. NRW generates other income from regulatory charging schemes, and from commercial and other income.

Exhibit 5: NRW funding, 2024-25



Source: Audit Wales analysis of data in NRW's published annual reports.

Note: Other Welsh Government grants including £2 million working capital funding from the Welsh Government.

¹⁵ Some staff involved in designation are partly funded by other sources, such as regulatory charging. As NRW does not know how much staff time is used on designation, it does not know the extent to which designation might be subsidised by other activities.

About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out his work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

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