



Department for Environment Food & Rural Affairs

Emma Hardy MP
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Ruth Jones MP
Chair of the Welsh Affairs Committee
House of Commons

25th June 2025

Dear Ruth,

Thank you for your letter of 4 June on behalf of the Welsh Affairs Committee about the situation concerning the Monmouthshire and Brecon Canal.

This Government recognises the wide range of public benefits that our inland waterways bring, with people simply enjoying being by them, using them for leisure and recreation, deriving health and wellbeing improvements, and visiting industrial heritage attractions located beside many of them. Many people also live on the waterways, and there are many waterway-related jobs and businesses.

Waterways also form an important part of our natural environment by providing green corridors along which biodiversity can flourish, as well as contributing to the growth of local economies, such as through domestic tourism and providing active transport links. In certain circumstances they also can have a role in flood risk management planning and response situations.

In responding to your questions, it is important to note that the Canal and River Trust is independent of government and as such we do not have a direct role in its management or operational matters and decisions. DEFRA officials stay joined up with Welsh officials via meetings on Grant Oversight. The £52.6 million annual grant funding provided by the government, while made in consideration of the Trust's responsibilities, supports the Trust's network infrastructure maintenance to ensure public safety and navigability. The Grant Agreement does not stipulate how the grant funding should be allocated within the maintenance programme, and it is for the Trust to decide those priorities based on operational need.

Accordingly, Defra does not assess the Trust's management of individual canals in the network. The use of the grant funding across the whole network is monitored on a quarterly basis by officials, and senior level meetings are held three times a year with the Trusts' executive management team at which operational matters linked to grant funding are noted along with a report on the Trust's financial situation. Our view at this time is that the Trust is financially sound and is making good progress towards increasing funding from alternative non-grant sources, in line with the objective agreed when the Trust was set up in 2012 to move towards greater financial self-sufficiency and reduced reliance on public funding.

As you have noted, water abstraction regulations and their enforcement is a devolved matter for the Welsh Government and Natural Resources Wales (NRW). The Canal and River Trust works with NRW in the same way it does with the Environment Agency (EA) as the environmental regulator in England. Defra does not direct the EA on matters concerning the application of environmental regulations to the Canal and River Trust, or any other organisation. Likewise, it does not direct NRW on its regulation due to the devolved nature of the policy area.

As far as future funding for the Canal and River Trust is concerned, we have agreed to provide a further 10-year government grant of £401 million from 2027. It will bring the total amount of government support for the C&RT since 2012 to around £1.14 billion and will continue to support the Canal and River Trust in planning for the future of the waterways. Welsh Government officials attend the cross-Whitehall oversight board that has been established for the development of the new grant agreement and accompanying key performance indicators.

Thank you for your continued and constructive engagement regarding this matter, which will help to ensure our waterways are protected and supported to flourish, benefitting local communities, economies, and environments alike.

I trust that this response has answered the questions you raised in your letter.

I am copying this letter to Rt Hon Alistair Carmichael MP, Chair of the Environment, Food and Rural Affairs Committee, and Carolyn Thomas MS, Chair of the Senedd Petitions Committee.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Emma Hardy', written in a cursive style.

EMMA HARDY MP

Parliamentary Under Secretary of State for Environment, Food & Rural Affairs