

Agenda – Climate Change, Environment, and Infrastructure Committee

Meeting Venue:

Committee room 4 Tŷ Hywel
and video Conference via Zoom

Meeting date: 31 January 2024

Meeting time: 09.30

For further information contact:

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Committee Clerk

0300 200 6565

SeneddClimate@senedd.wales

Private pre-meeting (09.15–09.30)

Public meeting (09.30–10.30)

1 Introductions, apologies, substitutions, and declarations of interest

(09.30)

2 Annual scrutiny of the National Infrastructure Commission for Wales

(09.30–10.30)

(Pages 1 – 46)

Dr David Clubb, Chair – National Infrastructure Commission for Wales

Dr Jenifer Baxter, Deputy Chair – National Infrastructure Commission for Wales

[National Infrastructure Commission for Wales – Annual Report 2022/23](#) (PDF

5.8MB)

Attached Documents:

Research brief – Annual scrutiny of the National Infrastructure Commission for Wales

Annual Report 2022/23 – National Infrastructure Commission for Wales



3 Papers to note (10.30)

3.1 Draft Budget 2024–25

(Pages 47 – 56)

Attached Documents:

Letter from Wales Environment Link to the Chair in relation to the Draft Budget scrutiny 2024–25

3.2 Landfill Disposals Tax Community Scheme

(Pages 57 – 63)

Attached Documents:

Letter from Wales Council for Voluntary Action to the Minister for Climate Change in relation to the Landfill Disposals Tax Community Scheme
Letter from Wildlife Trust Wales to the Chair in relation to the Landfill Disposals Tax Community Scheme

4 Motion under Standing Order 17.42 (vi) and (ix) to resolve to exclude the public from the remainder of today's meeting (10.30)

Private meeting (10.30–12.00)

Break (10.30–10.40)

5 Consideration of evidence received under item 2

6 Consideration of draft report on the Welsh Government Draft Budget 2024–25

(Page 64)

Attached Documents:

Draft report on the Welsh Government Draft Budget 2024–25

7 Consideration of the Legislative Consent Memorandum on the Automated Vehicles Bill

(Pages 65 – 73)

Attached Documents:

Legal note on the Legislative Consent Memorandum on the Automated Vehicles Bill

8 Infrastructure (Wales) Bill – Order of consideration at Stage 2

(Pages 74 – 75)

Attached Documents:

Stage 2: Infrastructure (Wales) Bill – Order of consideration

Document is Restricted



Comisiwn **Seilwaith**
Cenedlaethol **Cymru**
National **Infrastructure**
Commission **Wales**

Annual Report 2022/23

December 2023



The National Infrastructure Commission for Wales (NICW) was established in 2018 as an independent, non-statutory, advisory body to Welsh Ministers.

Its key purpose is to analyse, advise and make recommendations on Wales' longer term strategic economic and environmental infrastructure needs over a 5–80-year period.

NICW conducts studies into Wales' most pressing infrastructure challenges and will make recommendations to the Welsh Government.

The advice provided by NICW will be impartial, strategic and forward looking in nature.

NICW is accountable to the Welsh Ministers for the quality of its advice and recommendations and its use of public funding.

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Our first full year of delivery:

An Introduction from the Chair and Deputy Chair

Welcome to the National Infrastructure Commission for Wales' annual report for 2022/23.

The last twelve months has seen NICW build a team of highly motivated and engaged Commissioners aligned around a core set of values. We have been active in a wide range of work areas, and engaged individually and as a team with numerous stakeholders from different sectors.

We have also tested ourselves on delivery; we commissioned research on renewable energy, and – with the support of an expert advisory group – formed our own views on ways in which renewable energy could be deployed faster in Wales, whilst delivering greater benefits to the people of Wales.

Our second year of project activity – on mitigating the impact of flooding in Wales by 2050 – is underway, and we are already scoping the third year of activity, on understanding communicating the existential risks and hazards arising from climate change in the very long term.

As well as these major projects, we have also been able to provide opinions and undertake investigations into other policy areas such as urban biodiversity, digital infrastructure and the planning system. We have successfully collaborated with other organisations to deliver events which bring people together to discuss important issues, such as water infrastructure and the consenting of large projects. This collaboration, along with more formal engagement with Senedd Committees on infrastructure-related issues, is indicative of our growing influence on policy in Wales.



There are a number of other positives to take from the last year. In a particularly busy year for Wales' transport policy, the implementation of the Roads Review, and the 20mph 'default' speed limit in residential areas, has sparked interest from transport policy-makers around the world. We await the data over the coming years on the 'real world' success in reducing the social, environmental and financial costs of transport.

Whilst we have made some important strides, we are mindful of the context in which we operate; severe financial pressure on the public sector in Wales; temperatures that are smashing records, even beyond 'worst case scenarios'; and a public discourse on the transition to net zero that is

at risk of being hijacked by people acting in bad faith or self interest. Our work over the coming years will be shaped by the need to act and communicate our views in accordance with the best available scientific evidence.

We present this report to the Welsh Government and interested stakeholders and look forward to discussing its contents with the Senedd in our annual scrutiny session with the Climate Change, Environment and Infrastructure Committee.

We would like to thank all of those stakeholders that have worked with us over the past year that have helped us make a positive difference.



Dr David Clubb
Chair



Dr Jenifer Baxter
Deputy Chair

Our aims, objectives, outcomes and values

Our organisational values and ways of working were established in our first year as our guiding principles and to reflect our remit set out by the Welsh Government.

Our aims:

1. To provide radical, challenging and evidence-informed advice and guidance to a variety of audiences, but principally Welsh Government, that will inform and future-proof decisions on infrastructure deployment from 2030–2100.
2. To use the frameworks of the Well-being of Future Generations (Wales) Act 2015, the climate and nature emergencies, and the socio-economic duty, to guide our deliberations.
3. To support initiatives, organisations or policies that aim to create and maintain resilient and adaptable infrastructure that delivers well-being until 2100 and beyond.



Commissioners at the Centre for Alternative Technology, Machynlleth

Our objectives

Our objectives align with the Welsh Government Programme for Government.

Build an economy based on the principles of fair work, sustainability and the industries and services of the future.

Build a stronger, greener economy as we make maximum progress towards decarbonisation.

Embed our response to the climate and nature emergency in everything we do.

Make our cities, towns and villages even better places in which to live and work.

Celebrate diversity and move to eliminate inequality in all of its forms.



Our outcomes

In last year's Annual Report¹ we defined a range of outcomes that we anticipated being able to deliver from 2022 to 2025, the period that the current Commission has been appointed to serve. This year we are able to assess how we are performing against these outcomes.

Desired outcome	Summary performance to date
Future policy that improves the capture of wealth from renewables; that better manages land for various infrastructure uses; and that builds on a better understanding of local community perspectives	We delivered a renewable energy research project that produced 11 recommendations for the Welsh Government. The report was launched on 17 October 2023. We await a formal response from Welsh Government.
Future policy and practice is better informed about ways to minimise the impact of flooding on Wales' communities and infrastructure.	We have formed a Project Advisory Group and carried out scoping work to pinpoint the areas of activity we wished to focus on. We have contracted research on flooding to inform the Commission about ways to reduce the future impact of flooding. We intend to report on our recommendations to the Welsh Government in Autumn 2024.
NICW and other stakeholders are better informed about how to communicate long-term risks to communities most vulnerable to climate change impacts.	We have issued a Call for Evidence asking for views on communication of long-term risks and impacts. This is part of the scoping that will lead the way for a 'full' project in 2024/2025.
NICW's activities and recommendations are better informed by a wide and diverse range of stakeholders.	We have engaged with a wide variety of stakeholders, in meetings, events and in the media. These are listed on our website and in our Digital Garden ² , a pilot digital project to provide more detailed information on our activity.
An enhanced profile and reputation for NICW.	Whilst it is difficult to objectively assess our reputation, our profile has increased considerably over the last twelve months. We carried out a survey on how we are perceived and received 15 responses. We view this as our baseline for future feedback opportunities. We also have good statistics on activity on our website ³ . These statistics are fully transparent and accessible by visitors to the site.

1. nationalinfrastructurecommission.wales/wp-content/uploads/2022/11/45761-NICW-Annual-Report-2021-Eng_WEB-FINAL.pdf

2. digitalgarden.nationalinfrastructurecommission.wales/

3. esoteric-muskrat.pikapod.net/share/e6QRzcMX/NICW

Our values

During 2023 we agreed upon a set of values that describe how we aspire to deliberate and operate. We wrote a short piece describing them on the NICW website⁴. Our values are:

- **Inclusive:** creating a warm and friendly environment within which people feel supported, and confident to express their views
 - **Transparent:** pushing the boundaries of reporting in near-real-time on our engagement, and demonstrating publicly how we deal with internal disagreements
 - **Radical:** Commissioners have committed to working out of their comfort zones;
- we aim to deliver advice, opinions and recommendations that diverge from 'business as usual' in order to alleviate the nature and climate emergencies and deliver on our remit
- **Challenging:** The Commissioners challenge the status quo with the needs of future generations and an aspiration to do better for the future citizens of Wales
 - **Practical:** The Commission's work is focused on actionable recommendations that move us towards a more sustainable infrastructure for the needs of the people of Wales.



The National Infrastructure Commissioners for Wales

4. nationalinfrastructurecommission.wales/2023/05/03/our-values/

NICW year in review: 2022/23

Infrastructure policy context

Urban biodiversity

One of the first topics we examined as a Commission this year was the challenge of increasing biodiversity in our urban areas. This was prompted by the publication of the Welsh Government Deep Dive⁵ in October 2022 which we responded to with a blog post⁶ offering our initial views. Subsequent to this, we were also held sessions with the Woodland Trust⁷ and Welsh

Government planning policy officials to discuss the issues in more detail, particularly in how new developments can contribute to increasing the opportunities for biodiversity to thrive. We held a development day in January to find out more about the Building with Nature⁸ standard and how it can be used by developers to clearly show their commitment in this area. We responded⁹ to the Welsh Government's planning policy consultation and noted the publication of revised planning policy on this area in the Autumn of 2023.



Building with Nature Training

5. www.gov.wales/biodiversity-deep-dive-recommendations
6. nationalinfrastructurecommission.wales/2022/10/17/biodiversity-the-missing-urban-link/
7. nationalinfrastructurecommission.wales/230124-meeting/
8. www.buildingwithnature.org.uk/
9. nationalinfrastructurecommission.wales/2023/05/25/biodiversity-in-planning-policy/

Roads review

Transport policy in Wales has never been far away from the headlines during our first year of work. The Welsh Government's Independent *Roads Review*¹⁰ report was published in February 2023. In anticipation of this, we published our initial thoughts¹¹ shortly before. We considered that roads, and the services they enable, are essential to many components of life in Wales, but that the balance of policy is skewed in favour of private car transport, and a new approach is required. The publication of Llwybr Newydd the previous year had brought about a change, however, this change needed to be carried forward into investment decisions. After publication of the review, we provided our response¹², broadly welcoming the report and providing additional suggestions on how transport policy and investment decisions could be improved further. We were invited to discuss our thoughts with the media¹³.

Infrastructure Bill

One specific area which the Commission was asked to be involved with by the Senedd's Climate Change, Environment and Infrastructure Committee (in its report on the annual scrutiny of the National Infrastructure Commission for Wales¹⁴) was scrutiny of the Infrastructure (Wales) Bill. Commissioners received a briefing on the emerging thoughts surrounding the Bill from Welsh Government officials shortly before the publication of our last annual report, noting that consultation had occurred in 2018. The Bill was laid in June 2023 and the Commission,

working with the Future Generations Commissioner, submitted our response¹⁵ to the Senedd Committee's consultation in July.

The Commission wanted to ensure that, in responding in more detail to the Senedd Committee on the Bill that it had had the opportunity to hear from as wide a range of stakeholders as possible. Therefore, in collaboration with the Royal Town Planning Institute we held an event¹⁶ to gather relevant over 40 organisations together to discuss issues surrounding the Bill. These discussions were extremely helpful and assisted us in giving oral evidence¹⁷ to the Committee later that week. We recommended that the Bill included a more robust approach to community engagement with the creation of statutory guidance. We will continue to monitor the Bill's passage through the Senedd and will provide further assistance when subordinate legislation is published, to help ensure the detailed implementation of the Bill is optimised.



Infrastructure (Wales) Bill Stakeholder Event, Cardiff

10. www.gov.wales/future-road-investment-wales

11. nationalinfrastructurecommission.wales/2023/02/06/cars-roads-wales/

12. nationalinfrastructurecommission.wales/2023/02/15/reviewing-roads-review/

13. nationalinfrastructurecommission.wales/wp-content/uploads/2023/02/230212PoliticsWales.mp4

14. senedd.wales/media/y1pnpdea/cr-ld15705-e.pdf

15. nationalinfrastructurecommission.wales/2023/07/31/infrastructure-bill-wales/

16. www.linkedin.com/feed/update/urn:li:activity:71456234293657722

17. nationalinfrastructurecommission.wales/wp-content/uploads/2023/09/230920_English.webm

Grid

Our work on renewable energy (see below) did not initially start out specifically looking at grid issues, due to the potential far ranging scope of the project against the time and resources available to the Commission. However, we did ultimately make recommendations on grid planning. In April, we received a briefing from the Welsh Government on current action in this area. In addition we met with stakeholders to discuss the feasibility issues surrounding the ‘undergrounding’ of new grid lines and the implications surrounding the Welsh Government policy position on this. One important factor which we consider is crucial is coordination amongst the devolved administrations on grid development. To this end we wrote¹⁸ to the Welsh, Scottish and UK Governments on this issue in August 2023. We have received responses from all organisations and hope we can take forward discussion on this area during the coming year.

Digital infrastructure

A specific remit of the Commission is to keep our previous reports under review. The previous Commission’s report¹⁹ on digital infrastructure was published in 2020. The Welsh Government has since responded to the report and in November 2022 published²⁰ the results of actions on one of our recommendations; namely, to establish a new ‘barrier busting’ taskforce, with a set of clear objectives. We responded²¹ to this the same month highlighting some areas of concern with the report including that it did not address some of the more fundamental issues covered in our recommendations, such as Wales not having enough public funds to support fibre to every home; and many households having to wait years for fibre when other steps could be taken in the interim. We will continue to monitor

the implementation of all our recommendations and look forward to engaging with Welsh Government colleagues and the digital industry sector in the future.

Events and engagement

Planning and devolution

The Welsh and English planning systems have been diverging for well over 25 years and these changes have accelerated since devolution with new policy and legal frameworks in place across the two nations. We wanted to discuss these issues with stakeholders to see if the situation has provided Wales with different experiences and better outcomes or if opportunities from devolution had been missed.



Planning and devolution event in Deganwy

In March and April 2023, in conjunction with the RTPi, we held events in north and south Wales to discuss these issues. We heard from Sue Essex, former Minister for Environment, Transport and Planning on her initial vision for the planning system in Wales as devolution was getting underway and speakers from across the built environment giving their perspective on whether the devolved Welsh planning system has delivered its potential to date. We will shortly be publishing

18. nationalinfrastructurecommission.wales/2023/08/04/four-country-coordination-on-grid/

19. www.gov.wales/digital-communications-infrastructure-wales-report

20. www.gov.wales/barrier-busting-taskforce-report-html

21. nationalinfrastructurecommission.wales/2022/11/14/barrier-busting-for-digital-in-wales-whos-breaking-down-the-barriers/

the report from these events along with our thoughts on what changes could be made to optimise the opportunities presented by the devolution of the planning system in Wales.

Water infrastructure

In March 2023, in collaboration with the Consumer Council for Water and the Design Commission for Wales, we held an event to discuss water infrastructure issues. Together, we recognise that water is a precious natural resource, and ensuring there is enough for both nature and the people of Wales to survive and thrive is one of the most important issues of our time. We recognise that we need to use water in such a way that we have sufficient amount and quality of this resource, in the right place, whilst meeting our obligations to mitigate against the effects of Climate Change and improve biodiversity.



Water and Infrastructure Event in Cardiff

We heard from a range of speakers including the Met Office, Natural Resources Wales and Waterwise to discuss the impacts of climate change on water use, the use of water in new developments and how the public can be engaged on this issue.

Engagement with stakeholders

Throughout the year, we have met with a range of stakeholders relating to our three main projects as well as those involved in wider infrastructure

issues. We detail these on our website²² and we look forward to meeting with more organisations and individuals over the coming year that can enrich our knowledge of issues relating to the built environment and infrastructure more generally.

Study tours

The Commission is keen to deepen its existing understanding of particular infrastructure issues and hear about the new and exciting responses being developed, right across Wales. We therefore organised several study tours in north, mid and west Wales this year.

Conwy Valley

In October 2022, we travelled to the Conwy Valley to learn about the initiatives taking place in the area to mitigate the impacts of flooding. We met with Natural Resources Wales and the National Trust to discuss the current flood issues in the area, the use of demountable flood barriers in Llanwrst and the impacts of NRW's work. We also travelled to the upper catchment areas of the River Conwy to learn about how partnership working on areas such as peat restoration and catchment management planning are having a beneficial impact on flood mitigation in the area.



Viewing flood management techniques in the upper Conwy Valley

Machynlleth

In February 2023, we travelled to the Centre for Alternative Technology near Machynlleth to hear about the organisation's involvement in innovation in the renewable energy sector. We also discussed with local renewable energy stakeholders about the future of the sector in Wales. We had the opportunity to learn about the Living Wales research programme from the University of Aberystwyth and undertook a visit to the Bro Dyfi Community Renewables project in Machynlleth and took the chance to view their wind turbines up close. We also heard directly from the organisation on the challenges and opportunities afforded to community-based energy generation in Wales. This provided additional useful background information for our renewable energy project (See below).



Bro Dyfi Community Renewables Site Visit

Milford Haven

In June 2023, we visited Milford Haven and undertook a visit of the port and surrounding facilities. The port is one of the recently announced freeports in Wales and Commissioners heard from the Port Authority about the potential that this designation brings along with the challenges for delivery. We visited Pembroke Port and saw, up close, the scale of the infrastructure challenges in optimising renewable energy from our seas. We also took the opportunity to speak to local stakeholders on issues such as skills and training, climate change adaptation and communication as well as hearing from organisations involved with energy generation in the area and the future implications of energy policy.



Milford Haven site visit

NICW organisational development

We are committed to developing ourselves as Commissioners in order to equip us to undertake our roles effectively, communicate successfully both internally and externally, and ensure we are meeting our remit as set out by the Welsh Government. To this end we have allocated time this year to considering the Inner Development Goals²³ in how we work with each other but also develop as individuals.

In order for us to be able to take a long-term view of policy goals and development, we are also seeking to adopt Futures²⁴ thinking in our work and plan to hold an event next year to bring together infrastructure providers to think spatially about their future plans and requirements and to get conversations going on how these different organisations can start interacting with one another early enough to ensure that effective collaboration takes place.

In association with this annual report, we have also undertaken some reflection on our first full year of work and how we can improve the way we operate to be an even better organisation delivering on our remit.

Digital systems

During the last twelve months we have continued to develop our digital communication offering, building on a basic website to offer a platform that helps us share our updates and narrative about infrastructure in Wales.

Website

Our website hosts NICW meeting notes and other publications²⁵, records of external engagements and meetings²⁶, project information and videos of our appearances in the media, Senedd or on fact-finding visits²⁷. It also embeds images from our Pixelfed social media account, and acts as the hub for most of our public activity. Over the course of the year we have made a considerable effort to publish our outputs in web format as well as, sometimes, via pdf. Screen readers often struggle with proprietary formats such as pdfs. This initiative should improve the accessibility of our content

Our web statistics²⁸ are open for all to explore. In the twelve months since our last report, the website has been accessed more than 15,000 times, with more than 6,000 individual visitors. The statistics demonstrate that our most popular blog post was on cars and roads in Wales, viewed nearly 2,000 times.

The UK was the country of origin of the vast majority (86%) of our visitors, but in total we received visits from 48 countries.

23. www.innerdevelopmentgoals.org/

24. www.gov.uk/government/publications/futures-thinking-and-foresight-a-brief-guide

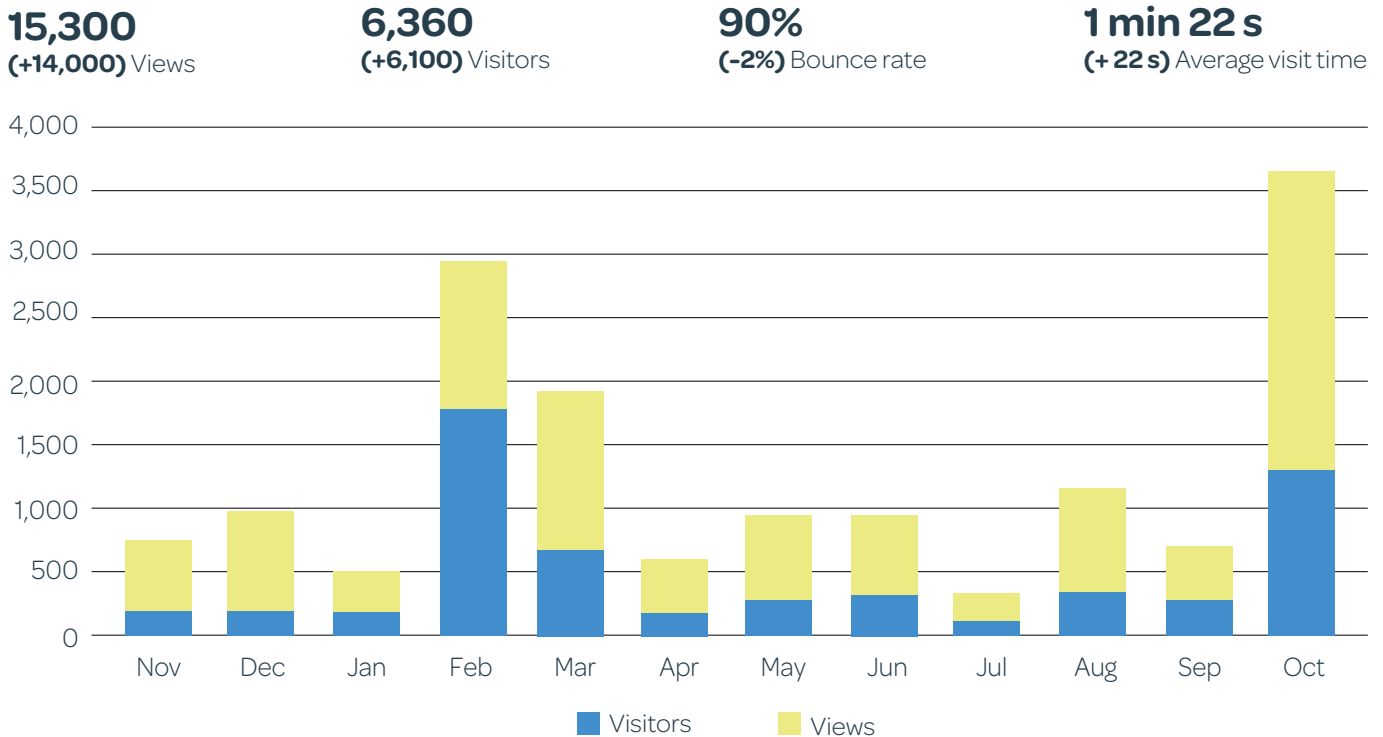
25. nationalinfrastructurecommission.wales/publications/

26. nationalinfrastructurecommission.wales/about/

27. nationalinfrastructurecommission.wales/media

28. esoteric-musktrat.pikapod.net/share/e6QRzcMX/NICW

Figure 1: Web statistics from the NICW website. Peaks in February and March are likely related to our posts about roads; the peak in October probably results from publication of the renewable energy report



Social media

In September 2023 we took the decision to stop posting on Twitter/X. We created a blog post²⁹ to describe our reasoning.

We are now active on three social media sites:

- 1. LinkedIn³⁰**, with currently more than 1,200 followers. This has doubled since the previous year.
- 2. Mastodon³¹**. Our most popular post highlighted three Commissioners with an account on toot.wales, the Welsh server for Mastodon³². We have nearly 100 followers on this platform.

- 3. Pixelfed³³**. An open source social media platform optimised for image sharing. We have over 100 followers on this platform.

29. nationalinfrastructurecommission.wales/2023/09/28/leaving-twitter/

30. www.linkedin.com/company/26268509/admin/feed/posts/

31. toot.wales/@nicw

32. toot.wales/@nicw/109325275561464895

33. pix.toot.wales/nicw

Our profile and working with others

Commissioners have presented at, or been panel members in, more than twenty conferences or similar events over the last twelve months, including the RTPI annual conference for Wales, the RICS annual conference for Wales, the Institution of Civil Engineering zero carbon Wales event³⁴, and our first appearance internationally, which was remotely at the International Seminar on the future of the City in Bilbao³⁵.

In keeping with the Future Generations ‘Ways of Working’, and where resources allow, we work with other publicly funded bodies and professional bodies. As highlighted above, this year we have actively worked with the Future Generations Commissioner’s Office, the Design Commission for Wales, the Consumer Council for Water and the Royal Town Planning Institute. Working together helps to maximise skill sets, reach and resource availability. We look forward to working

with other bodies and organisations in the next 12 months, in order to fulfil our remit.

Two of our Commissioners are also members of the Net Zero Wales 2035³⁶ group which is exploring how the country can speed up its transition to net zero. Our Chair is also a member of the Investment Delivery Forum Advisory Board³⁷ which brings together the major insurance and long-term savings firms with an interest in large-scale infrastructure investment.

Response to survey on our performance

In May 2023, we issued an online survey to gauge NICW’s performance to date from our stakeholders. We obtained 15 full or partial responses. This is not sufficient to be statistically representative of people interested in our work but we consider it our first baseline measurement. We aim to increase the number of respondents in subsequent years.



Meeting with the Centre for Alternative Technology and renewable energy stakeholders, Machynlleth

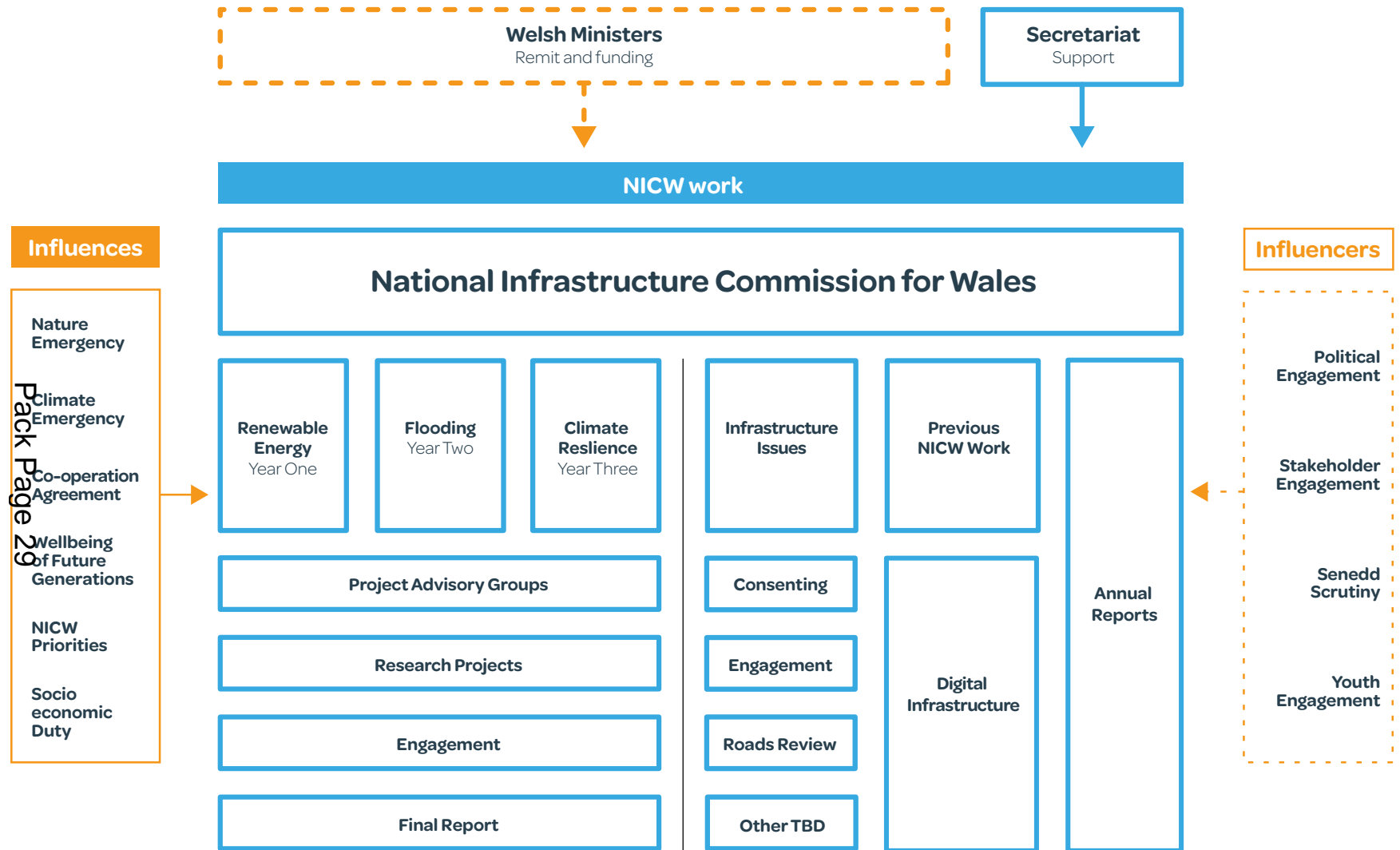
34. www.ice.org.uk/events/past-events-and-recordings/recorded-lectures/a-route-map-to-delivering-net-zero-in-wales

35. nationalinfrastructurecommission.wales/wp-content/uploads/2023/03/DavidClubbBilbao.webm

36. netzero2035.wales/

37. idforum.org.uk/

Our Framework



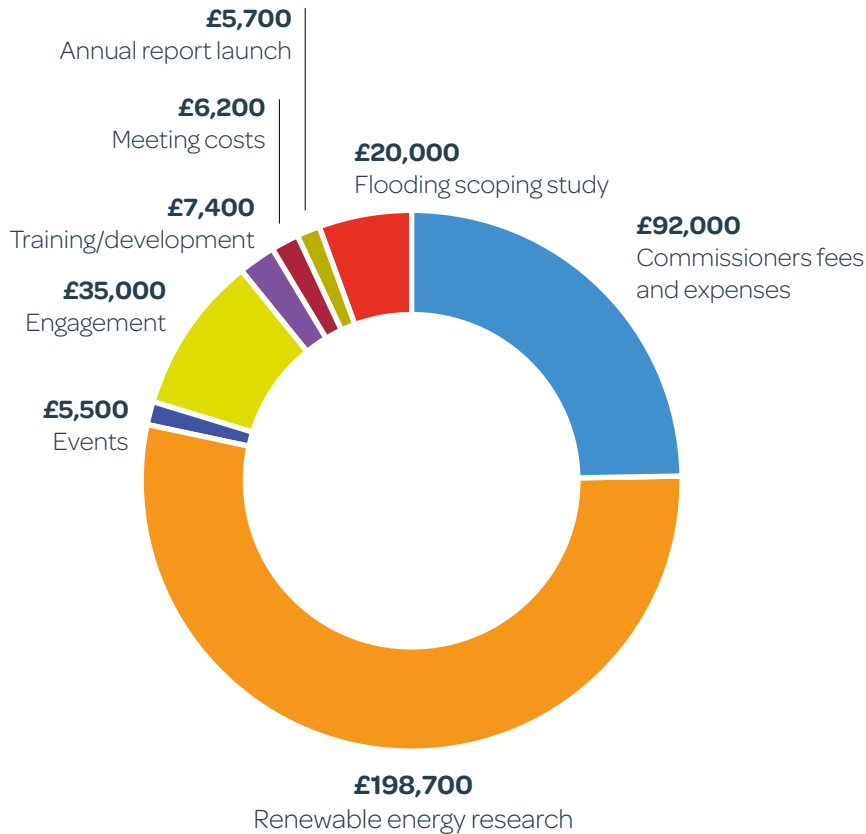
Our 2022/23 Expenditure and 2023/24 Budget

For the first time in 2022/23 NICW was allocated a specific budget from the Welsh Government in order for it to drive forward its work and, specifically, to undertake research to further its aims and objectives. We publish our intended areas of spend for transparency.

From our £400,000 budget allocation, we spent approximately £370,500. The majority of this

was spent undertaking the renewable energy project which is outlined in more detail below. This was spent primarily on the three research contracts and the incidentals associated with producing and publishing the report. We also undertook a scoping study to inform our Year 2 work on flooding and commissioned research into engagement activity.

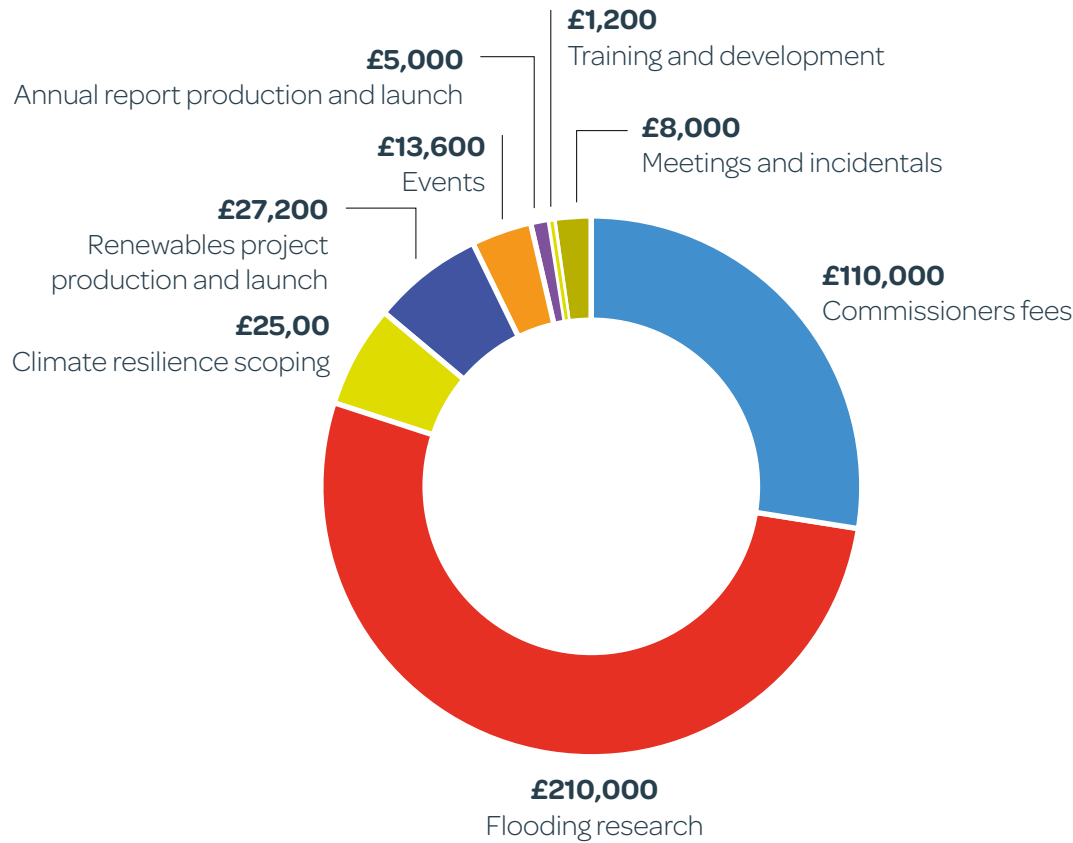
Figure 2: NICW Expenditure 2022/23



For 2023/24 we have been set the same budget allocation of £400,000 by the Welsh Government. We have allocated over half of our budget to the flooding research which is currently underway. We are preparing for our future work with funds allocated to help Commissioners to prepare for our third year work, to ensure that we are ready to begin our work on communicating the existential threat of climate change to communities (see below) at the earliest opportunity.

We have been given a one year budget settlement by the Welsh Government, with no guarantee that this will continue. However we are confident that the delivery of the renewable energy report together with the other activity demonstrated in this report has shown that NICW can be effective with its work, and will give us a strong platform for making a case for continued funding in the future.

Figure 3: NICW Budget 2022/23



Our 2022–2025 Work Programme

Renewable Energy: 2022/23

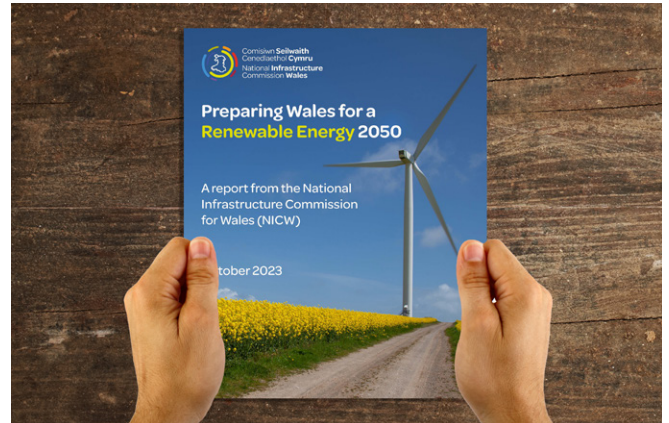
Lead Commissioners:

Aleena Khan and Nick Tune

Project update

In October 2023 we published our first major report of this Commission, *Preparing Wales for a Renewable Energy 2050*³⁸ which was the product of a large amount of work undertaken by us, our contractors, our Project Advisory Group and other stakeholders.

Our report finds that Wales is in the middle of an energy crisis. We know we need to reduce our dependence on fossil fuels, be less dependent on imported fuel and cut down costs for people, communities and organisations. The good progress that has been made in recent years to



ramp up clean and green energy generation will stall unless Wales redoubles its efforts. Whilst the Welsh Government does not have full responsibility for energy in Wales, it has a number of formal and informal powers we think could be better used in the years ahead.



Working with the media to promote the report, Newport

Our report concludes that the Welsh Government should move to rapidly accelerate renewable energy generation in Wales by thinking long term, providing a clear plan and investment ensuring new schemes are supported by or independent of the grid. It should use its influence to help solve problems with insufficient grid infrastructure and ensure the economic benefits are kept in Wales and shared more fairly. Unless action is taken now, Wales will fall behind, leaving householders with less choice and higher costs in the future.

- Ensure more of the economic benefits stay in Wales and benefit the people of Wales, including pooling of profits in a new sovereign wealth fund.

The report was widely publicised in the media and has generated a significant amount of debate about what Wales can do to move forward with renewable energy developments. We hope this is the start of many conversations with stakeholders on this issue and look forward to returning to our recommendations in the future.

Flooding: 2023/24

Lead Commissioners:

Eurgain Powell and Eluned Parrott

Project overview

As reported last year, the 2021 Co-operation Agreement states – “we will also ask the National Infrastructure Commission for Wales to conduct an assessment of how the nationwide likelihood of flooding of homes, businesses and infrastructure can be minimised by 2050”. Preparatory work was undertaken in the winter and spring of 2022/23 by the Commission to focus on the areas in this sector where NICW would make the most meaningful recommendations. We commissioned Arup to help us in this respect.



Renewable Energy report launch event, Techniquist, Cardiff

In summary, NICW made 11 recommendations which want to see the Welsh Government:

- Rapidly accelerate renewables in Wales by setting a clearer vision and action plan that business and communities can understand.
- Provide upfront investment to help more projects get off the ground.
- Help communities own and share the benefits of local schemes.
- Update planning rules and building regulations.
- Use its influence with UK bodies to help solve problems with insufficient grid infrastructure.



Upper Conwy Valley Flood Management

After carrying out a scoping study earlier in 2023, the Commission wrote³⁹ to the Welsh Government outlining our plans on how we would approach this work. Our initial work consists of 4 research workstreams which cover:

- developing a vision for flood risk management;
- exploring the options for coordinated strategic and spatial responses to flood management;
- the funding and workforce resources needed; and
- quantifying and analysing the land use planning issues associated with flooding.

These are outlined in more detail below.

Project governance

This work is being overseen by a Project Advisory Group (PAG) made up of experts in flood management and infrastructure with a Wales focus. This group's role and purpose is to support and act as critical friend to challenge the consultants undertaking the research work and add value to their work. We are grateful to the members of the PAG for giving up their time to help drive this project forward.



Project advisory group members

Alan Netherwood

Cardiff University

Andrew Stone

Rhondda Cynon Taff County Borough Council

Dominic Scott

Dŵr Cymru

Ed Beard

National Infrastructure Commission (UK)

Ed Evans

Civil Engineering Contractors Association

George Baker

JBA Consulting

Gwenllian Roberts

Ofwat

Jean-Francis Dulong

Welsh Local Government Association

Jeremy Parr

Natural Resources Wales

Owen Conry

Conwy County Borough Council

Richard Betts

Met Office

Roger Falconer

Cardiff University

Roger Thomas

Mid and West Wales Fire Service

Clare Fernandes

Welsh Government

Hayley Warrens

Transport for Wales

Jonathan Fudge

Welsh Government

Alex Hinshelwood

Network Rail

Mark Hand

Monmouthshire County Council

Workstream one: 2050 Vision - Arup

The purpose of this workstream is to work with stakeholders, politicians and the public on developing a Vision for Wales in 2050 where homes, businesses and infrastructure are more resilient and adaptive to impacts from flooding and sea level rise. This vision will be supported by an action plan setting out clear actions/ recommendations for organisations in order to achieve it and an educational resource to improve understanding of current and future challenges, along with what is needed to build local resilience and bring about change in the future.

The key outcomes for this workstream are:

- Provide a shared Vision for Wales 2050 and beyond, where adaptive communities are resilient to impacts from flooding and sea level rise.
- Build on the understanding of flood risk, within the context of Wales, and climate change, given the increased impacts that we are going to see.
- An action plan that enables collective action across communities and organisations, to take steps towards resilience to flood events and associated climate risks, and enhance their ability to recover more quickly.
- Assert collective responsibility to lessen the impacts of flood events, and work together towards adapting to a new norm.

Workstream two: Strategic and Spatial Responses - JBA Consulting

The purpose of this workstream is to review existing catchment planning and other spatial/strategic practices currently occurring across Wales to learn the lessons from existing partnerships. This study aims to identify barriers and to make recommendations on how these may be overcome, exploring structures and resources for enabling strategic, integrated partnership working at a catchment/coastal zone scale.

The questions for this workstream are:

- Why isn't coastal/catchment planning/ partnership working happening more across Wales?
- Where is it happening and working?
- How can coastal/catchment working be set up to achieve long-term and multi-benefit outcomes? e.g. 100-year time horizons & resilience to climate hazards
- What needs to change to unlock effective coastal/catchment planning and partnership working?



Presenting NICWs flood work to the Welsh Local Government Association, Llandrindod Wells

Workstream three: Resources - Miller Research

The purpose of this workstream is to work with stakeholders in scoping out the current issues regarding resourcing flood risk management in Wales. This includes workforce and finance. This would take further forward work already undertaken by the Wales Flood and Coastal Erosion Committee.

The key messages for this workstream are:

- The research approach is firstly based on establishing a baseline and current status quo of roles, statutory obligations and existing processes for risk identification and project delivery.
- We want to produce innovative solutions to standing problems, but first we need to have an accurate and detailed understanding of the roles, tasks and processes of all stakeholders. We want to encourage a holistic and participatory engagement process.
- We are aware that both resources and finance are two of the biggest barriers to ensuring effective and long-term flood risk management, so we are seeking to effectively explore the nuances around these issues.

- Within the context of these barriers, we are considering what are the challenges being faced on a regular basis, as well as what the long-term issues may be. In this sense, and for the sake of identifying truly innovative solutions, we want to be open-minded, ambitious and creative.

Workstream four: Land Use Planning - JBA Consulting

The purpose of this workstream is to quantify the issue of flooding and land use planning and to assess attitudes in the sector towards the consenting of new development on land identified as flood plain. This workstream will also examine the need for monitoring of consents data and recommend a way forward on this issue.

The key questions for this workstream are:

- How much development has historically taken place in the floodplain?
- Does development in flood risk areas place an additional burden on the public purse?
- How can we better monitor the consenting of development in flood risk areas?
- What are public attitudes toward development in flood risk areas?



Climate resilience and existential risk: 2024/25

Lead Commissioners:

Helen Armstrong and Steve Brooks

Project overview

We have begun our Year 3 work looking at how climate impacts threaten key infrastructure, and how we communicate with communities whose existence is therefore under threat. In 2025 we plan to produce a report that makes recommendations to Welsh Ministers on how to help public bodies better engage and involve communities and the general public in the response to these threats.

We have commissioned Cynnal Cymru to help us in scoping out the issues in this area, talking to stakeholders, finding out about existing practice from Wales, the UK and around the world and ultimately help us to focus and identify our research priorities in 2024/25.

To aid in this work, we have recently held a call for evidence⁴⁰ to collect information and views regarding communities facing increased risk

from more frequent flooding and coastal erosion, extreme and rising temperatures, high winds, lightning and precipitation; changes to the natural environment brought about by climate change.

The call for evidence aimed to:

- bring together information and evidence about communities at risk of long-term climate risks.
- collect ideas, opinions and views about the infrastructure issues facing communities and how they might be addressed
- collect ideas and views on how public bodies might best engage with communities
- identify interested stakeholders already working in this area.

We also want to understand how different and diverse individuals and communities might be impacted differently, and to hear from under represented individuals and groups.

We are in the process of analysing the responses we have received and look forward to developing our research phase, which will begin in the Spring of 2024.



Commissioner reflections

Our Commissioners reflect on their first full year in office and take a forward look at things to come.

Helen Armstrong



This year I have been busy getting to grips with the key issues facing infrastructure in the light of the climate and nature emergencies. We have visited places across Wales relating to our priority projects, learning about Wales' renewable energy capacity and our responses to flooding; these visits have given us the opportunity to meet stakeholders and shaped our thinking in these areas.

I have supported the Commissioners leading on these projects, and in addition I have been encouraging and supporting the Commission to use the Inner Development Goals⁴¹. This is an internationally recognised framework of skills and qualities that help us develop the inner capacity to deal with the complex and challenging environment we find ourselves in. I hope we can promote it to industry, the third sector and government, to improve the resilience and mental health of everyone working in the field, and prevent burnout.

Together with my colleague Steve Brooks, I have been preparing for our year 3 project which is looking at the impact of climate change on our key infrastructure, and how we communicate with and engage communities whose existence is threatened by climate impacts, including sea level rise, flooding, drought and other extreme weather events. This work also has relevance to the general public as responding to climate change will have a significant impact on future public spending and investment decisions. The project will seek examples from across Wales, nationally from the UK, and internationally to understand what works, what doesn't work, and explore innovative and creative ways to respond to the challenges before us.

41. www.innerdevelopmentgoals.org

Jen Baxter



As Deputy Chair of the Commission, this year it was my pleasure to sponsor the launch of the renewables report. One key take away from the report is that I will continue to champion throughout my term is the development of a clear vision for energy in Wales. What can we expect to see in Wales and how will we communicate and deliver this? Without this vision it will continue to be tricky for the people of Wales to engage fully in the delivery of new infrastructure.

I have enjoyed the opportunities this year has presented me particularly in terms of expanding my knowledge of biodiversity and the planning system alongside

the eternal problem of suitable grid capacity that meets our energy ambitions. I hope to be able to continue to use these new skills beyond the Commission.

Moving forward, I would like to see more delivery of new infrastructure across Wales, and we will continue to work hard to create an environment that promotes a pipeline of new climate ready infrastructure. Our world is changing and for Wales to keep up with these changes we must move beyond policy and strategy and into accelerated manufacturing and delivery, which will in turn come with challenges of its own in the current financial landscape.

Steve Brooks



It's been a busy first full year for the new commission, where we've sought to balance our resource and attention between our bigger multi-year projects and some of the smaller pieces of work that enable us to do quick deep dives on particular topics.

This year, along with Helen Armstrong, we've been laying the foundations for our work on communicating climate threats to at-risk communities. It's a very broad topic, so the first priority has been to scope out the key issues, identify potential stakeholders and interested parties, and better understand how economic and social factors need to be taken into account.

Alongside this, my work over the last 12 months has focused on planning. Working with the Royal Town Planning Institute (RTPI), NICW hosted two events

exploring the extent to which a divergent Welsh policy agenda on town, country and spatial planning had led to different outcomes compared with England. NICW was also asked by the Welsh Government to facilitate an engagement exercise on the Infrastructure (Wales) Bill to inform a Senedd committee's scrutiny of the draft legislation. David Clubb and I were able to appear in front of the committee to reflect back the findings of our engagement exercise.

Work on the Year 3 project looking at communicating climate threats to at-risk communities will now ramp up, so whilst the topic is difficult, I'm looking forward to working with organisations across Wales to identify how best we can engage communities in this crucial challenge facing Wales.

David Clubb



The last twelve months have seen NICW demonstrate competence in delivering projects and provide a considered opinion on a range of topical issues, including urban biodiversity and roads in Wales. Interest in our activity is increasing. We look forward to continuing our engagement with a wide range of stakeholders in order to better understand the issues facing the communities of Wales.

We have worked internally to try to develop a framework that allows us to consider how the perspectives of people being born in 2100 should be taken into account. Although we are

a long way from a finished product, we are nonetheless pleased to be an organisation that explicitly and consistently calls for such long-term thinking. We will continue to encourage others to incorporate empathy and connection to the future citizens of Wales into their own considerations and decision-making.

I am keen to demonstrate the value that NICW has delivered from our funding, and to continue to help prepare Wales for the challenges and opportunities that our infrastructure will face and provide in the future.

Aleena Khan



Over the past year, I've taken a unique journey across Wales through the lens of infrastructure. My adventure at NICW began when I became co-lead, alongside Nick Tune, of the renewable energy project; the goal of which was to present radical recommendations to accelerate the Welsh Government's goals of achieving net zero carbon emissions in Wales by 2050 through the deployment of renewable energy.

A key success of the project to me, was the application of NICW's values and aims in addition to the Well-being of Future Generations Act's goals and ways of working, throughout. This ensured that the project output not only touched upon policy,

environment and economics, but also encompassed wider features such as community benefits, socio-economic duties and the future-proofing of decisions on infrastructure deployment.

As the youngest commissioner, I've felt the weight of my responsibility to represent not only the views of my peers today, but also those of the future. NICW has facilitated a healthy working culture guided by internal reflection opportunities and the Inner Development Goals which has given Commissioners the opportunity to work confidently, and provide the space for continuous improvement.

With this I look forward to my next challenge at the Commission!

Eluned Parrott



As the Commission has settled into its new ways of working, there's a real sense of urgency and desire for pace within the team. The past year has seen record-breaking sea and air temperature rises, with a stormy winter looking very likely. The work that we are currently undertaking on mitigating flood risk is important on a strategic level, but also on a deeply human one.

Flood events bring misery to communities and destroy homes, businesses and lives. That's always in my mind as we take this project forward.

Eurgain Powell



I've found my first full year as Commissioner interesting and challenging! We've had an opportunity to engage with a range of organisations and stakeholders, and I've enjoyed visiting the three corners of Wales (by train) to discuss the infrastructure challenges being faced. It's also been a great opportunity to raise the profile of the Commission but also to remind stakeholders that we have a fairly tight remit and limited capacity to manage their expectations of us. I have enjoyed getting to know the other Commissioners and developing our knowledge and skills on a range of topics including biodiversity and building with nature, Futures and long-term thinking and using the Inner Development Goals.

As one of the lead Commissioners on the Flooding project, it's been a busy year! We have established a Project Advisory group to support and advise us with this work and undertaken a Scoping phase to better understand the current challenges and how the Commission could add value. When considering the long-term impacts of flooding and sea level rise on people, communities and infrastructure in Wales, a key theme has been the need to develop resilience and how this could be achieved. We are currently working with three organisations to develop a positive vision, consider current barriers and also practical solutions and I look forward to bringing it all together into our report next year.

Nick Tune



As a co-leader, alongside Aleena Khan, of the Renewable Energy project over the past 12 months, I've been inspired by the unwavering dedication of individuals spanning various communities and business leaders in their shared vision for Wales to transition into a 100% renewable energy-driven nation. What's equally impressive is the determination exhibited by many to ensure that the establishment of a carbon-neutral energy infrastructure truly benefits the people of Wales, whether through more affordable energy bills, expanded business opportunities, or a reduced impact on climate change. While some of our recommendations may pose

challenges for the Welsh Government, it is essential to acknowledge that we are in the midst of a climate crisis, and conventional approaches will no longer suffice.

On a personal note, I've had the privilege of collaborating with my fellow commissioners, who have been not only welcoming but also profoundly committed to enhancing infrastructure for the people of Wales, with a keen focus on the well-being of future generations.

I am firmly convinced that our collective efforts are steering the dialogue on what sustainable infrastructure should entail in Wales and how it should be effectively implemented.

Engagement/Resources



You can email us at NationalInfrastructureCommissionforWales@gov.wales



You can telephone the Secretariat on **0300 025 5200/5040**.



You can check out our [LinkedIn](#) Page.

We maintain a register of our engagements online:

<https://nationalinfrastructurecommission.wales/about/>

Our new Remit Letter can be viewed here:

<https://gov.wales/national-infrastructure-commission-wales-remit-letter>

Our updated Terms of Reference can be viewed here:

<https://gov.wales/national-infrastructure-commission-wales/terms-reference>

Our register of interests can be viewed here:

<https://gov.wales/national-infrastructure-commission-wales-commissioners-register-interests>

Our meeting notes can be found here at:

https://gov.wales/publications?keywords=&All_=All&field_external_organisations%5B5328%5D=5328&publication_type%5B8%5D=8&published_after=&published_before=

Response to Welsh Government Draft Budget 2024-25

Date: Fri 19th January 2024

Summary

This is a high-level response to headline figures published for the Welsh Government's Draft Budget for 2024/25. We submitted a [pre-scrutiny paper](#) to the Finance Committee too.

As always, we need to reiterate the difficulty of enabling civil society's scrutiny of budgets when released over the Christmas break; we appreciate that this is not fully within the Welsh Government's control, but the departmental papers that inform the Senedd committees' scrutiny of Ministers – i.e. the [evidence papers](#) that accompanied the Rural Affairs & Economy Ministers on 18th Jan – are hugely valuable to enabling third sector input into changes. It would be helpful for these to be published earlier, so that meaningful input is more easily obtained within the budget setting process.

Nature restoration for all of Wales – including reviving the most important and vulnerable sites – could be achieved over the next decade with just £158m of additional funding annually. We outlined this in our ['Pathways to 2030' report](#), with full costings in the [expanded report available here](#) (Tables 2 and 3, p17 – 18). This is a small amount compared to what is spent in other sectors, but unfortunately, in a period of austerity and widespread cuts, we fear this will be forgotten as something that Welsh Ministers consider we can 'no longer afford'. What we cannot afford to do, is to let our habitats decline, our species go extinct and for our clean water, clean air and healthy soils to linger as no longer a government priority. And we must not forget the commitments we made at COP 15 to meet protecting and restoring 30% of our nature by 2030.

The cheapest path to a nature-rich future is the one that we take today, not the one that we lose and have to scramble to find our way back to, 20 years later.

Overall year-on-year changes on environment-related spending

The Climate Change MEG has seen a £28.3m addition to revenue; the Rural Affairs MEG as seen a £73.6m cut to revenue.

In terms of capital, the Climate Change MEG's capital has been cut by £60.3m and the Rural Affairs capital increased by £23m (to around £60m overall). With a lot of reprofiling of budgets, to shore up gaps in inflation, this is difficult to track. However, we welcome that decarbonisation is still a priority in capital budgets; for example, the £20m allocation to develop a Further and Higher Education Decarbonisation Scheme to modernise infrastructure in line with net zero targets.

On the face of it – at least how changes have been presented in the [Budget Narrative](#) document – we do note some particular nature-related areas highlighted. For example, there is a £500,000 decrease to the flood risk management budget line. Whilst the Welsh Government assures that they will “carefully monitor the impacts to our flood risk management preparedness and response” following this, it does show that budget pressures are high enough that we may not have funding available for coping with unexpectedly detrimental and dramatic weather changes. A resilient Wales is one that has resourcing for preventative nature-based flooding solutions and, ideally, short term funding available to help remedy negative impacts to communities when it does have an impact on homes, businesses and communities.

£2.7m of revenue and £1m of capital has been modified from previous Forestry programmes and their delivery ‘reprofiled’ into the National Forest. Details on this would be welcome, in terms of if and how that money will be used differently. But ultimately, tree-planting – in the right place and under the right conditions – is one of our best tools in tackling carbon capture, flooding and providing natural habitat for broad ranges of species. It’s important that the impetus and available funding is not lost, so we don’t lose pace in meeting tree-planting targets.

Nature-related spending

It is outlined that £1.5m has been cut from the Biodiversity, Evidence and Plant Health BEL, which seems to be the BEL the [Nature Networks Programme](#) is resourced from. This is an extremely useful fund and will be vital to meeting our biodiversity

commitments from COP 15; in our [pre-budget paper](#) to the Finance Committee, we emphasised the Nature Networks Fund as the best available opportunity to reverse the nature crisis in Wales, particularly in the way it enables large-scale partnerships. This is reflected in there being three times the amount of Expressions of Interest as was available to be allocated from the last funding round (more information on the hyperlink in our previous paper, above).

However, as feared, the Budget Narrative does point out that the Nature Networks programme is expecting a cut next year, stating that “investment [is] to continue next year, albeit at a smaller scale”. Whilst we don’t expect our sector to be exempt from the cross-portfolio wholesale cuts that had to take place this year, it is important to highlight that programmes that we know are value for money, high in demand and creating improved and more resilient sites, are still facing cuts. We would welcome clarity on where this sits in the BEL lines and how much is expected to be available for this fund.

The [Budget Narrative](#) also outlines how £250,000 has been released (i.e. cut and put somewhere else, we presume) from marine projects, £250,000 from air quality and £700k from coal tip safety spend. More information on which projects or schemes will be affected by this would greatly help us monitor what kind of impact it will have. This is mentioned in the same paragraph (para 89, page 39) as the Nature Networks Fund, so it seems that money might be available for bidding in future rounds. It’s regrettable if we have to take ‘money for nature’ from one area to another, particularly when there are broader safety concerns when it comes to coal tips (and their [broad potential to become havens for nature](#)).

In other nature-related funding, we do welcome that Local Places for Nature has gone from £16.7m in 23/24 to £19.7m in 24/25. This small increase likely has been decided upon to keep up with inflationary pressures. It’s a very well received fund, spreading smaller amounts of money to local organisations, and is a good way to encourage and incentivise projects that improve urban and park green spaces and infrastructure, as well as involve communities as much as possible.

The BEL lines feeding into the theme of ‘Developing and managing Welsh Marine, fisheries and aquaculture including the enforcement of Welsh Fisheries’ show a

£1.565m cut, with £1m from 'Fisheries' and £565,000 from 'Fisheries Schemes', resulting in a total of zero for that BEL for 2024-25. We're unsure what this would impact and if this is just a moving around of funds. It would be helpful to know if changes here reflect anything from the ongoing NRW project for [Assessing Welsh Fisheries Activities in MPAs](#).

Funding Natural Resources Wales

The Draft Budget appears to indicate an increase in resource for Natural Resources Wales (NRW), which would be welcome, as we have repeatedly pointed out that NRW's critical nature conservation functions are inadequately resourced. We understand that this NRW's current budget for [Land Management Agreements](#) (i.e. section 16 agreements under the Environment Act 2016) – which support appropriate management of SSSIs and other land – has been fully deployed; this means that some existing s16 agreements are not being renewed, and there appears no possibility of establishing agreements for new areas.

While it is positive that NRW has had sufficient capacity to allocate its whole budget in this area, the stark reality is that the budget is too small. Given the uncertainty about the Nature Networks Programme (as outlined above), and the substantial reduction in rural affairs spending (as we should acknowledge that Glastir agreements have been an alternative mechanism to support SSSI management), we are gravely concerned about a potentially widening funding gap for protected sites.

This is in direct conflict with the Welsh Government's commitment to deliver the '30 by 30' target as set out under the Biodiversity Deep Dive. If NRW's budget is indeed increasing, we urge the Welsh Government to ensure that some of this increase will be channelled into critical nature conservation functions, such as Land Management (s16) Agreements.

Skills for Nature

Whilst decarbonisation skills are raised more frequently, skills in restoring nature are also in just as much need as prioritising in our economic planning. Recent consultations from Welsh Government on 'Net Zero Skills' barely mention nature at all. We do need a lot of people and development funding for energy efficiency,

renewable energy and public transport, in order to reduce reliance on petrol, but this is a dual climate and nature crisis.

CIEEM – the Chartered Institute for ecologists – has published the '[Vocational Pathways into Ecology and Environmental Management](#)' report. This emphasises the skills crisis we are seeing in the environment sector, especially for planning departments and ecological assessments required when doing large-scale restoration projects. For example, peat bog restoration, planting new woodlands, nature-based flooding solutions and the best ways to 'greenify' urban, built-up areas, let alone advising farms. Their [Green Jobs for Nature](#) website also helps people to find roles and navigate the sector's recruitment landscape.

Natural Resources Wales – during the height of the Covid-19 pandemic – led the [Green Recovery Task Force](#) from May 2020, which looked at the concept of a Nature Service for Wales to tackle this. Several WEL members were involved, and in the final [Task & Finish Group report](#), a Delivery Partnership was tasked with supporting the 'Nature Service Wales' proposal. A [website has been established](#) and the First Minister told [Plenary](#), on 11th July 2023 (para 30), that,

"We've provided funding already for the scoping phase, and that scoping phase involved the design and development of a business case for longer term funding for the scheme. That business case has a number of strands within it, including delivering that Nature Service for Wales and, indeed, drawing on the experience of the Valleys Regional Park nature service demonstrator [...]. We're committed to taking all that forward."

We would find it very helpful to the committees to follow up on if and where this would appear within budget documents, particularly as nature and skills are cross-portfolio Ministerial areas.

We have seen [reports](#) that apprenticeships are being cut as well, and are unsure whether the Welsh Government still intends to take this forward, at a time when budgets are less constrained. It is crucial that we train the workforce for the future, as flooding events increase and climate change create more fluctuating crises for

nature. We need the next generation to be equipped to tackle the management of them.

If we want to empower a generation to tackle the nature and climate crisis, we need real investment in the skills required. A meaningful transition to a net zero and 'greener' future necessitates it, and we're disappointed if a key recommendation from the Task & Finish Group has been left behind.

Rural Affairs budget

On Rural Affairs budgets, it appears it's taken the most significant cut within one MEG in order to continue to adequately resources frontline services. As the Finance Minister outlined, in her [initial scrutiny session](#):

"Farmers told us that their number one priority was that we maintained our commitments in respect of the basic payment scheme. That's a really significant amount of money that goes into the pockets of farmers to help them do the important work that they do. The Minister for Rural Affairs was really, really clear that she wanted to keep that promise as well, so that was the area that was protected within that budget.

It did mean, though, some other difficult choices [...] So, she will be releasing £40 million from the rural investment scheme funds. She'll be saying more as we approach the new financial year about the schemes that she will put in place and provide more detail, but there will still be £60 million available for that work to support rural communities."

Since then, in the Rural Affairs Department's [evidence paper](#) (published on Monday 15th January), has confirmed more detail on this. The revenue side of the Rural Investment Schemes BEL is £46.139m and the capital side is £53m; it appears that £23m has been moved directly from the revenue to capital within that BEL. We think this is also the BEL where the Habitat Wales programme sits; it would be extremely helpful to see a breakdown of Rural Investment Schemes, particularly followed up on later in the year, to see how much ended up being awarded versus was applied for. As, just because funding is available, doesn't mean it will all be taken up and allocated.

The Budget Narrative explains that “the changes in the Rural Affairs portfolio are focused on the support available to prepare farmers and the supply chain for SFS. These are necessary to minimise the impact on the wider budget.” We agree that the focus needs to be on helping farmers transition and prepare for the Sustainable Farming Scheme (SFS); it’s important however that this preparation includes direct engagement with the sector so Welsh Government know what support and advice is most needed. This is an investment in its success; we have continually highlighted the need for pilots and assurance on where farmers can go for affordable, trusted and quality advice and training. This is critical to improving environmental delivery and productivity. We do not want to see cuts set a precedent for how advice and support is funded in the SFS from 2025, when it finally starts up.

She highlighted that the Rural Affairs budget on the promotion of Welsh food and drink also had to be cut to protect frontline services. Looking at the BEL lines, it looks to be a £2.26m cut to the ‘Promoting Welsh Food & Industry Development’. We would agree that, whilst a shame to need to, promotional budgets like that are more appropriate to cut than actual financial support for sustainable food production. But Ministers need to keep an eye on the horizon and create a pathway to transition the whole sector, in an informed way, to farming in ways that best ensure future resilience in our environment, our food and the ecosystems on which food production depends.

Transitional support to the Sustainable Farming Scheme, including provision for agri-environment schemes (i.e. Habitat Wales & organic support)

Until budgets are confirmed for the future Sustainable Farming Scheme (SFS), it is important to give reassurances to farmers so they can plan ahead, so we welcome the Basic Payment scheme being maintained at £238m for 2024. Whilst Habitat Wales has been introduced as a bridge between Glastir and the future SFS, we [remain](#) concerned at payments being 45% lower than Glastir and it does not help uncertainty, particularly for farmers previously reliant on Glastir contracts that are now facing tremendously difficult decisions about how they go forward and how long they have to wait for multi-year funding certainty.

The Rural Affairs Minister did commit to organic farming support in [late 2023](#) (para 114). Although the final announcement wasn't [published](#) until Wednesday 17th, we very much welcome the Welsh Government's recognition that the sustainable land management practices employed on organic farms in Wales will undoubtedly have benefitted local ecology, most often in areas vulnerable to biodiversity loss. We appreciate that Ministers are facing unprecedented financial constraints – and that this looks to be sourced from final allocations of RDP funds ([written statement](#) and [press release](#)) – it is welcome that organic farming still features as a model worth supporting. But we regret that, for many in the organic sector, this long-anticipated announcement arrived after Christmas, following the expiry of Glastir Organic contracts.

It's a point worth repeating, even if it's easier said than done; farmers need multi-year funding commitments and certainty over what eligibility criteria there will be, in order to plan ahead for their businesses.

Agricultural pollution - additional spend

The Budget Narrative sets out that £20m has been set to support the implementation of the agricultural pollution regulations; given the 12-month trial of the new Enhanced Nutrient Management Approach, it's important this is evaluated carefully. We still want to see a stronger approach – as has been [outlined in our December 2023 briefing](#) – but if enforcement and advice is not adequately resourced, they will not work as effectively. It's not clear where the £20m falls in the BEL lines so clarity from Ministers would be welcome there. The Rural Affairs paper indicates that £2.55m will go to NRW via a service level agreement on enforcing the regulations. It seems that the rest of the £20m is likely within the Rural Investment Scheme BEL. We would welcome clearer communication on how this is planned to be spent and by who (i.e. how much from NRW budgets and how much from Welsh Government budgets).

Cleaning up pollution is extremely expensive – on multiple fronts, including in terms of organisational oversight, physical action and investigation, voluntary initiatives to tackle said pollution (i.e. litter picks, in other scenarios) and the almost incalculable damage that takes place to nature from bad pollution incidents. One incident can wipe out a whole generation of fish. This is an area where spending should be

focused on preventing incidents, rather than cleaning, as it is far more cost effective to prevent than to enforce, investigate and remedy.

Circular economy

The Budget Narrative notes that £3m for Resource Efficiency and Circular Economy budgets will be released and instead used to support repair and reuse hubs. Repair hubs are extremely valuable in transitioning communities to reuse and repair, rather than single-use economies or disposing of items that still have some use left in them, if people could easily access a repair.

We welcome that 'delivery of EPR reforms will transfer some of the costs of waste services to producers', as this is in line with a 'polluter pays' principle.

For more information

If you would like to follow up on any issues raised here with someone in the Wales Environment Link network, please email liz@waleslink.org

Wales Environment Link (WEL) is a network of environmental, countryside and heritage Non-Governmental Organisations in Wales. WEL is a respected intermediary body connecting the government and the environmental NGO sector. Our vision is a thriving Welsh environment for future generations.

This paper represents the consensus view of a group of WEL members working in this specialist area. Members may also produce information individually in order to raise more detailed issues that are important to their particular organisation.



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Agenda Item 3.2

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Minister for Climate Change
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18 January 2024

Cessation of new funding under the Landfill Disposals Tax Communities Scheme

Dear Minister,

We are writing to you to highlight our significant concerns regarding the unilateral decision to cease awarding new funding under the Landfill Disposals Tax Communities Scheme (LDTCS).

Whilst we recognise the considerable financial pressures that Welsh Government finds itself under, we would ask that you reconsider this decision, in light of the unique context and cross-governmental impact of the LDTCS. The Scheme is an integral part of the Landfill Disposals Tax (Wales) Act 2017. Its inclusion in the Act from the outset played a key role in the successful passing of the legislation. Uncoupling the Scheme from the Landfill Disposals Tax sets a worrying precedent for commitments made in other Acts of Senedd Cymru.

Byddem wrth ein boddau o glywed gennych yn Gymraeg neu'n Saesneg. Ymatebwn bob amser yn eich dewis iaith a chewch yr un gwasanaeth gennym ni waeth a ydych yn cysylltu yn Gymraeg neu'n Saesneg.

We'd love to hear from you in Welsh or English. We'll always respond to you in your preferred language and you'll get the same service from us whether you contact us in Welsh or English.

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The LDTCS delivers a consistently high return on investment of £7.50 for every £1 spent. This includes the creation of safeguarding jobs and its capacity as a highly valuable tool for equality and inclusion in local communities.

The purpose of the Scheme is to compensate communities adversely impacted by nearby landfill sites and contribute towards Welsh Government's promise to address the climate and nature emergencies. Its co-produced distribution model has empowered communities to improve their local environment and tackle local biodiversity challenges.

Through the LDTCS, small community investments are delivering significant long-term benefits across key Programme for Government commitments. These priorities cut across portfolios and include:

- Addressing the climate change emergency (38 projects)
- Addressing the biodiversity and nature emergencies (77 projects)ⁱ
- Developing a Wales community food strategy (14 projects)ⁱⁱ
- Enhancing green spaces (86 projects)
- Supporting re-use and repair hubs (21 projects)ⁱⁱⁱ
- Supporting strong partnerships with voluntary organisations (189 projects)
- Supporting communities to create new woodlands and connect habitat areas (11 projects)
- Supporting social enterprise schemes such as bike repair and maintenance schemes (22 projects)
- Supporting social prescribing to tackle isolation (89 projects)

Welsh Government's ambition is for a greener, fairer and more prosperous Wales. The LDTCS is a key tool in delivering this, as recognised by Ministers on many occasions.^{iv}



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The independent review^v commissioned by Welsh Government in 2022 recommended continuing the Scheme due to 'its strong and positive role in empowering communities by making community-based organisations eligible for funding, the contribution to Welsh Government priorities it has exemplified to date, and the value for money that it has demonstrated.' The review's value-for-money analysis found that the benefits of the LDTCS far outweigh the costs.

Within the review period, the evaluators found that:

- the total spend allocated to projects was £4.64 million, with a total administration cost of £300,000 (£100,000 pa)
- a total of £9.13 million of match funding was secured by projects funded by the LDTCS
- 107 out of the 112 funded projects sourced additional (in kind or money) funding to complement LDTCS grants awarded

The benefit delivered by the Scheme between May 2018 and June 2021 was approximately £37.3 million, based on monetising just eight of its KPIs (greenhouse gas savings, income generated, jobs created, projected cost savings, visitors attracted, waste diverted from landfill, waste recycled, and native trees planted).

It is disconcerting that Wales, which in 2019 became the first nation in the world to declare a climate emergency, would now become an outlier within the UK by revoking the LDTCS while Scotland,^{vi} England and Northern Ireland^{vii} remain committed to their respective versions of the Scheme.

LDTCS projects help to build a resilient, healthier and globally responsible Wales, a Wales of cohesive communities, as envisioned in the Well-being of Future Generations (Wales) Act 2015.^{viii} The Scheme represents a tangible way for Welsh



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Government to take practical steps today to create the Wales we hope to see in the future.

The cross-sector partnership ethos of the LDTCS brings communities, the public and private sectors together, addressing community needs through prevention and collaboration, whilst reducing duplication. Preserving this way of working and supporting existing relationships is vital in the current economic climate.^{ix}

Considering the arguments presented above, we would like to make the following requests:

- 1. Could the Minister reconsider her decision to stop awarding new grants under the LDTCS?**
- 2. Could the Minister publish the impact assessment conducted as part of the decision-making process to stop awarding new grants under the LDTCS?**
- 3. Could the Minister publish the impact assessments that informed her decision to continue funding other similar areas of activity over the LDTCS?**

We look forward to your response and to working with you and your officials to address this matter.

We have also copied this letter to the Minister for Finance and Local Government, the Minister for Social Justice and Chief Whip and the Future Generations Commissioner for Wales.

Warm Regards,

Ruth Marks

Chief Executive

Wales Council for Voluntary Action



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ⁱ Examples include: [Gresford Community Council: Gresford Lake Habitat Restoration](#), which improves biodiversity, enhances green spaces and restores natural habitat; [Arts Connection: Adventures in Nature](#), which conserves local biodiversity and increases public understanding of the impacts of pollution, climate change, species and habitat loss; [Wild Ground](#), which enhances green spaces, improves habitats for wildlife, offers wildlife-themed volunteering opportunities, and holds community events, training days and activities; [Climate Action Caerphilly: Tiny Forest Caerffili](#), which supports communities to create new woodlands and enhances biodiversity; and [Overton Gowers: Overton Wildlife Project](#), which boosts biodiversity and offers wildlife volunteering opportunities.

ⁱⁱ Examples include: [St Giles Pantri Cymru – Colwyn Bay](#), which reduces food waste, ends food dependency and tackles food poverty; and [Foothold Cymru: Wise up to Waste](#), which reduces food waste and hosts a community-led food hub with a community garden.

ⁱⁱⁱ Examples include: [Foothold Cymru: Zero Waste Hub](#), which minimises waste and focuses on recycling, re-using and repairing; [Repair Cafe Wales](#), which is a nationally significant project; [Elite Supported Employment Agency: Eco Animal Bedding](#), which promotes recycling and waste reduction and sustainable business practices; and [Smile Plastics: Ocean Plastic to Fantastic](#), which reduces ocean waste through recycling.

^{iv} Examples include: [Rebecca Evans MS, Minister for Finance and Trefnydd, visiting Grange Pavilion](#), October 2019; [Welsh Government press release about Rd3 of the LDTCS](#), January 2020; [Rebecca Evans MS, Minister for Finance and Local Government, visiting Bishop’s Park and Gardens](#), July 2021; [Julie James MS, Minister for Climate Change, in a written statement on the review of the LDTCS](#), March 2022; and [Julie James MS, Minister for Climate Change, in a forward for the LDTCS 2022/23 annual report](#), November 2023.

^v [Independent Review of the Landfill Disposals Tax Communities scheme \(summary\)](#), Welsh Government, May 2022.

^{vi} [Scottish Landfill Communities Fund](#), Scottish Environment Protection Agency.

^{vii} [Landfill Communities Fund](#), ENTRUST.

^{viii} [Landfill Disposals Tax Communities Scheme Annual report 2022/23](#), WCVA, November 2023.

^{ix} Case studies from the LDTCS Annual report 2022/23 include: [Sea Trust Wales](#), which has collected important scientific data about the marine wildlife of the Pembrokeshire Coast, while providing valuable volunteering opportunities; [Action in Caerau and Ely \(ACE\)](#), which has set up a ‘library of things’ where the local community can borrow household and leisure items, helping people save money and protect the environment; [Menter Môn](#), projects of which



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protect and raise awareness of native species on Anglesey, such as water voles; [Buglife Wales](#), which has restored and conserved four sites in Newport, benefitting both pollinators and the public; [Incredible Edible Porthmadog](#), which has transformed a green space into an educational garden where children and the wider community can learn about sustainable food growing, biodiversity and waste reuse; and [Play Radnor](#), which has extended its community building, making it more sustainable, energy efficient and better suited to meet the needs of the local community.



Climate Change, Environment and Infrastructure Committee
Welsh Parliament
Cardiff Bay
Cardiff CF99 1SN

24 January 2024

Concerns about possible lack of new funding under the Landfill Disposals Tax Communities Scheme

Dear Committee Member

Wildlife Trusts Wales is extremely concerned about the intent by the Welsh Government to stop awarding new funding to the Landfill Disposals Tax Communities Scheme (LDTCS).

The Scheme is an integral part of the Landfill Disposals Tax (Wales) Act 2017. Its inclusion in the Act from the outset played a key role in the successful passing of the legislation. The purpose of the Scheme is to compensate communities adversely impacted by nearby landfill sites and contribute towards Welsh Government's promise to address the climate and nature emergencies. Its co-produced distribution model has empowered communities to improve their local environment and tackle local biodiversity challenges.

The ambition of the Welsh Government is to achieve a greener and more sustainable Wales. Wildlife Trusts Wales believes the LDTCS is a very important tool in helping to deliver this ambition. This is why Wildlife Trusts Wales has been a strong supporter of this scheme. LDTCS projects have helped to build a resilient, healthier and globally responsible Wales, a Wales of cohesive communities, as envisioned in the Well-being of Future Generations (Wales) Act 2015.

The LDTCS has delivered significant long-term benefits in areas that the Welsh Government is committed to addressing. The value of these projects is significant. Such benefits include addressing the following areas:

- The climate emergency (38 projects)
- The nature crisis (77 projects)
- Enhancing green spaces (86 projects)
- Supporting re-use and repair hubs (21 projects)
- Supporting new woodlands and connecting up wildlife habitats (11 projects)
- Supporting green social prescribing to tackle isolation (89 projects)

An independent review in 2022 and which was commissioned by the Welsh Government recommended continuing the Scheme due to 'its strong and positive role in empowering communities by making community-based organisations eligible for funding, the

contribution to Welsh Government priorities it has exemplified to date, and the value for money that it has demonstrated.’ The review’s value-for-money analysis found that the benefits of the LDTCS far outweigh the costs. Specifically, the review found that:

- The total spend allocated to projects was £4.64 million, with a total administration cost of £300,000 (£100,000 pa)
- A total of £9.13 million of match funding was secured by projects funded by the LDTCS
- 107 out of the 112 funded projects sourced additional (in kind or money) funding to complement LDTCS grants awarded

The benefit delivered by the Scheme between May 2018 and June 2021 was approximately £37.3 million, based on monetising just eight of its KPIs (greenhouse gas savings, income generated, jobs created, projected cost savings, visitors attracted, waste diverted from landfill, waste recycled, and native trees planted).

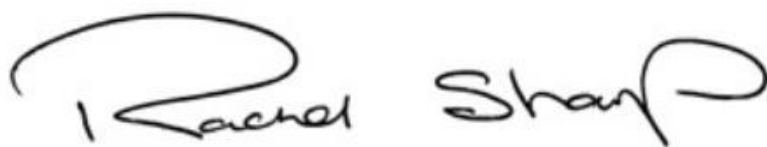
Wildlife Trusts Wales considers that answers to the following questions are needed:

1. Will the Welsh Government reconsider its intent to stop awarding new grants under the LDTCS?
2. Can the Welsh Government publish the impact assessment conducted as part of the decision-making process to stop awarding new grants under the LDTCS?
3. Can the Welsh Government publish the impact assessments that informed their decision to continue funding other similar areas of activity over the LDTCS?

Wildlife Trusts Wales is also seeking clarity on how, moving this defined tax to a general Transport for Wales budget, will benefit communities impacted by landfill.

As a member of the Climate Change, Environment and Infrastructure Committee, Wildlife Trusts Wales urges you to use your influence to highlight this issue with the Welsh Government at the earliest opportunity and ensure that this decision is reversed, and new funding is supported.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rachel Sharp'. The signature is written in a cursive style with a large initial 'R' and a long horizontal stroke.

Director, Wildlife Trust Wales

Agenda Item 6

By virtue of paragraph(s) vi of Standing Order 17.42

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Agenda Item 8

By virtue of paragraph(s) vi of Standing Order 17.42

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