

Agenda – Climate Change, Environment, and Infrastructure Committee

Meeting Venue:

Committee room 2 Senedd and video

Conference via Zoom

Meeting date: 20 November 2025

Meeting time: 09.30

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Hybrid

Private pre-meeting (09.15–09.30)

Public meeting (09.30–11.00)

1 Introductions, apologies, substitutions, and declarations of interest

(09.30)

2 Scrutiny of the Welsh Government Draft Budget 2026–27 – Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

(09.30–11.00)

(Pages 1 – 74)

Huw Irranca-Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

Claire Bennett, Director of Climate Change and Environmental Sustainability – Welsh Government

Attached Documents:

Research brief – Scrutiny of the Draft Climate Change Budget

Paper – Welsh Government Draft Budget scrutiny 2026–27



3 Papers to note (11.00)

3.1 Bus Services (Wales) Bill

(Pages 75 – 83)

Attached Documents:

Letter from the Leader of the Welsh Local Government Association to the Chair in relation to the Bus Services (Wales) Bill

Letter from the Counsel General and Minister for Delivery to the Chair following consideration of the Bus Services (Wales) Bill during Stage 2 proceedings on 22 October

3.2 Reviewing Committee Effectiveness in the Sixth Senedd

(Pages 84 – 86)

Attached Documents:

Letter from the Chair to the Llywydd and Chair of the Chairs' Forum in relation to the Chairs' Forum's review of committee effectiveness in the Sixth Senedd

3.3 Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill

(Pages 87 – 90)

Attached Documents:

Response from Gareth Thomas, Louise Steel and Luci Attala to the Committee's Stage 1 report on the Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill

Interim letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to the Chair in relation to the Committee's Stage 1 report on the Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill

3.4 Inter-ministerial Group on UK–EU Relations

(Page 91)

Attached Documents:

Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to the Chair in relation to the Inter-Ministerial Group for Environment, Food and Rural Affairs

3.5 The Producer Responsibility Obligations (Packaging and Packaging Waste) (Amendment) Regulations 2025

(Pages 92 – 93)

Attached Documents:

Follow up letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to the Chair in relation to the Producer Responsibility Obligations (Packaging and Packaging Waste) (Amendment) Regulations 2025

3.6 Sixth Senedd Legacy Report

(Pages 94 – 97)

Attached Documents:

Letter from Public Health Wales to the Chair in relation to the Committee's Sixth Senedd Legacy Report

3.7 Welsh Government Draft Budget 2026–27

(Pages 98 – 104)

Attached Documents:

Letter from the Chair to the Cabinet Secretary for Economy, Energy and Planning in relation to the Welsh Government's draft budget 2026–27

Letter from the Chair to the Cabinet Secretary for Housing and Local Government in relation to the Welsh Government's draft budget 2026–27

3.8 Inter-ministerial Group for Net Zero, Energy and Climate Change

(Page 105)

Attached Documents:

Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to the Chair in relation to the Interministerial Group for Net Zero, Energy and Climate Change

3.9 Phytosanitary Conditions (Amendment) Regulations 2025

(Page 106)

Attached Documents:

Letter from the Deputy First Minister and Cabinet Secretary for Climate

Change and Rural Affairs to the Chair in relation to the Phytosanitary Conditions (Amendment) (No. 2) Regulations 2025

3.10 Independent Intergovernmental Relations

(Page 107)

Attached Documents:

Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to the Chair of the Legislation, Justice and Constitution Committee in relation to the Independent Intergovernmental Relations Secretariat annual reports

3.11 Monitoring financial resilience and performance related executive pay

(Pages 108 – 109)

Attached Documents:

Letter from Ofwat to the Chair in relation to monitoring financial resilience and performance related executive pay

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

(11.00)

Private meeting (11.00–11.30)

5 Consideration of evidence received under item 2

6 Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill – Order of consideration at Stage 2

(Pages 110 – 111)

Attached Documents:

Stage 2: Environment (Principles, Governance and Biodiversity Targets)
(Wales) Bill – Order of consideration

Document is Restricted

Welsh Government



Llywodraeth Cymru
Welsh Government

Climate Change, Environment, and Infrastructure Committee

Welsh Government Draft Budget Scrutiny 2026-27

20/11/2025

Background

This paper provides evidence to the Committee on the spending proposals in relation to the budgets within the Climate Change & Environmental Sustainability (CCES) portfolio within the Climate Change & Rural Affairs Main Expenditure Group (MEG) as outlined in the Draft Budget stage 2 which was published on 03 November 2025.

Annex A provides a breakdown of the relevant Draft Budget figures for the CCES area of the Climate Change & Rural Affairs MEG by Action and Budget Expenditure Line (BEL). These figures are reflected in the table below.

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Budget Allocations

1. The Draft Budget is the starting point of the Welsh Government's budget process - not the end of it. The Draft Budget 2026-27 is built on the strong foundation of last year's budget, which included £1.6bn of new spending commitments, enabling public services to start planning for the 2026–27 financial year. It allocates 98.6% of available funding, leaving room for further investment in Wales' priorities by the Final Budget in January. It is our firm ambition to secure a Final Budget which uses all the resources available for 2026-27. The government remains open to collaboration with other Senedd parties to agree a budget, emphasising the shared responsibility to pass a budget to benefit Welsh citizens.
2. The tables below provide an overview of the plans summarised at a high level by business area for the Climate Change and Environmental Sustainability portfolio published in the Draft Budget 2026-27 on 3rd November 2025

Revenue

BEL No.	BEL Description	£000 Restated 2025-26 Final Budget	£000 Changes	£000 Draft Budget 2026-27	% change
2812	Environment Legislation and Implementation, Governance and Communications	1,984	907	2,891	46%
2809	Welsh Government Energy Service	4,170	80	4,250	2%
2807	Invest 2 Save - Green Growth	200	4	204	2%
2817	Environment Protection	6,738	67	6,805	1%
3771	Climate Change Action	3,814	53	3,867	1%
2230	Flood Risk Management & Water Policy Delivery	2,999	570	3,569	19%

2195	Landfill Disposals Tax Communities Scheme	500	10	510	2%
2825	Biodiversity and Evidence	11,525	(454)	11,071	-4%
2827	Forestry	6,436	105	6,541	2%
2820	Local Places for Nature	2,650	53	2,703	2%
2451	Natural Resources Wales	103,487	1,848	105,335	2%
2190	Resource Efficiency and Circular Economy	35,848	667	36,515	2%
2490	Designated Landscapes & Countryside Access	13,376	298	13,674	2%
2232	Coal Tip & Reservoir Safety Delivery	3,878	6,000	9,878	155%
2875	Marine Policy, Evidence and Funding	2,364	48	2,412	2%
2802	Plant and Wildlife Protection, Peatlands and Regulation	1,418	682	2,100	48%
Total Resource - Near Cash		201,387	10,938	212,325	5%

Capital

BEL No.	BEL Description	£000 Restated 2025-26 Final Budget	Changes	£000 Draft Budget 2026-27	% change
2809	Welsh Government Energy Service	12,000	-	12,000	0%
2807	Invest 2 Save - Green Growth	1,052	-	1,052	0%
2817	Environment Protection	2,686	-	2,686	0%
2230	Flood Risk Management & Water Policy Delivery	30,021	3,478	33,499	12%
2825	Biodiversity, Evidence and Peatlands	12,500	(1,000)	11,500	(8%)
2802	Plant and Wildlife Protection, Peatlands and Regulation	0	5,200	5,200	100%
2827	Forestry	9,310	-	9,310	0%
2820	Local Places for Nature	12,564	-	12,564	0%
2451	Natural Resources Wales	27,806	-	27,806	0%

2190	Resource Efficiency and Circular Economy	41,853	(4,200) -	37,653	(10%)
2490	Designated Landscapes & Countryside Access	8,900	-	8,900	0%
2232	Coal Tip & Reservoir Safety Delivery	15,217	25,000	40,217	164%
Total Resource - Capital		173,909	28,478	202,387	16%
2809	Welsh Government Energy Service	0	10,200	10,200	N/A
Total Resource - Capital FTC		0	10,200	10,200	

General

3. My aim is to ensure sustainable management of our natural resources, tackle climate change and minimise pollution. To achieve this, the budget allows me to drive forward action on the following priorities:

- Tackling the climate emergency to build a fairer, safer future and secure green jobs.
- Taking action to protect and restore nature in Wales and to connect people to the natural world.
- Creating a sustainable future for Welsh food, fisheries and farming.
- Improving the health and wellbeing of our communities by cutting waste and pollution, and using regulation to drive innovation, create markets and keep people safe.
- Improving health and animal welfare.

4. Tackling the climate emergency is a priority across Cabinet. In my own portfolio, I continue to fund the central capacity necessary to enable the whole of Welsh Government to develop and deliver our carbon budgets. This is integral to delivering our overall approach to decarbonisation. Similarly, the climate adaptation team supports work across Welsh Government to build climate resilience.

5. I am also continuing funding for the Welsh Government Energy Service which provides critical advice and support to public bodies as

they work towards our shared ambition of a net zero Welsh public sector by 2030.

6. Circular Economy has received additional resource funding to continue to build on Wales' world leading performance on recycling and to realise the economic opportunities arising from keeping resources and materials in use for as long as possible and avoiding waste. The reduction in capital reflects the profile of Local Authorities projects in 2025/26.
7. I continue to invest in environmental protection, minimising the impact of environmental hazards on health and wellbeing. This includes an increase in investment in coal tips safety due to ring fenced funding, and on average 2% inflationary increases to all areas, with a further £3.5m increase in funding to improve water quality and continued investment in flood risk management.
8. Investment in restoring nature, access to the countryside, green space and community engagement with nature continues.
9. The Coal Tip Safety Budget will see a significant uplift in funding reflecting the priority this Government has placed on ensuring the safety of our communities with an increase from £37m to £40m (including the £25m capital investment in coal tips in 2026-27 from UKG).
10. Reservoir safety is also of critical importance given the risks if they are not maintained and future budget forecast implications for changes to the climate in Wales. This has been reflected in the budget allocations with £4.9m being made available for reservoir safety.
11. I have prioritised funding for delivery partners, including inflationary uplifts for Natural Resources Wales and National Parks, recognising their crucial role in delivery and the funding pressures they face.
12. I have increased our investment in flood risk management to £80 million for 2026-27. This is the highest annual allocation to date, rising from £77 million last year, and reflects our continued commitment to protecting communities across Wales from the growing threat of

flooding. During this Senedd term, the Welsh Government has made its largest-ever investment in flood risk management, committing over £377 million to reduce risks for communities across Wales.

Previous Commitments from scrutiny of the 2025/26 budget

13. The draft budget reflects a clear continuation of commitments made in previous financial years, particularly in relation to biodiversity recovery and climate resilience.
14. The Welsh Government's sustained investment in this programme - alongside match funding from external partners - demonstrates a consistent approach to supporting species recovery, community engagement, and ecosystem restoration.
15. In line with recommendations from previous scrutiny cycles, we have maintained funding for evidence-based policy development, statutory monitoring, and delivery mechanisms that support the Environment (Wales) Act and the Senedd's declaration of a nature emergency.
16. Despite fiscal constraints, the draft budget honours prior commitments by protecting core biodiversity programmes and enabling continuity of delivery. This reflects the Welsh Government's recognition - as highlighted in the Committee's report - that nature recovery is not a discretionary add-on but a foundational element of a resilient, green economy. Our allocations have therefore been structured to ensure that previous investments are not undermined, and that momentum is maintained toward Wales' 2030 and 2050 environmental targets.
17. Significant progress has been made on coal tip safety since the Tylorstown landslide.
18. The draft budget builds on this progress and will provide record levels of funding to enable the continuation of a funded programme providing grant funding to Local Authorities and NRW to complete

maintenance and remediation activities on both publicly and privately owned coal tips to ensure that these remain in a condition whereby the threat of a slip is controlled and minimised.

19. Funding will also support the implementation costs of the Disused Mine and Quarry Tips (Wales) Act which will establish a new Statutory Authority from April 2027.
20. The Marine budget for 2026/27 reflects our commitments to complete the Marine Protected Area network through the designation of Marine Conservation Zones (MCZ), and to ensure the effective management of our MPA network. This includes the continuation of funding for the review of the MPA Management Framework, as recommended by the CCEI 25/26 scrutiny report.
21. I have summarised the approach, grouped under the headings in the Committee's report.

Legislation

The Environmental Protection (Single-use Plastic Products) (Wales) Act 2023

22. Funding will be used to raise awareness and develop communication materials to support the commencement of the bans on wet wipes containing plastics (18 December 2026).

Delivery of Workplace Recycling Regulations

23. The draft budget provides for the work associated with the development of the legislation for extended producer responsibility scheme for packaging (EPR) and the deposit return scheme for drink containers (DRS). The EPR reforms are being taken forward on a UK

wide basis, with extensive Welsh Government policy and legal services input. The DRS regulations will be made on a Wales only basis.

The Disused Tips (Mines and Quarries) Act

24. The draft revenue budget for 2026-27 includes £5.1m towards implementation expenditure to ensure work can continue in preparation for the establishment of the new Statutory Body on 1 April 2027.
25. The Regulatory Impact Assessment has also been completed as part of the Act. This provides detailed costings for the establishment of the Authority, including staffing costs, as well as the running costs once the Authority goes live, on 1 April 2027.

The Environment (Air Quality and Soundscapes) (Wales) Act 2024

26. We continue to progress implementation of the Act.
27. Specific funding is supporting implementation of the Act, which includes a £1 million annual Local Air Quality Management grant to support local authorities in delivering local air quality improvements. We have been consulting on our draft Promoting Awareness of Air Pollution Delivery Plan, which we will publish in early 2026. Funding will also enable implementation of the Delivery Plan's actions, which include encouraging public behavioural change and engagement on areas such as vehicle idling and domestic burning.
28. We have also been consulting on draft regulations to introduce a fixed penalty range for stationary vehicle idling. Subject to the outcomes of the consultation, we will make regulations before the end of the Senedd term. These will be supported by updated guidance to Local Authorities.

Bill on Environmental Governance and Biodiversity Targets

29. The Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill was introduced in June 2025. The Bill is currently passing through the Senedd scrutiny process with the completion of stage one in early November, with Royal Assent anticipated in April 2026.
30. The Bill supports the commitment in the Programme for Government to “work towards the establishment of an Environmental Governance Body, a statutory duty and targets to protect and restore biodiversity”.

Environment

Delivery of the Biodiversity Deep Dive

31. Budget has been allocated to support the delivery of the deep dive recommendations and help meet the 30by30 target, which sets the foundation for Wales’s ambition to halt and reverse biodiversity loss. We are taking coordinated, evidence-led action to expand and improve protected areas, supported by sustained investment and strong national collaboration. This approach not only safeguards nature but also delivers long-term climate, economic, and wellbeing benefits making every pound invested both strategic and impactful.
32. We are committed to expanding and strengthening Wales’ network of protected areas to better represent key habitats and species. The *30by30 Framework for Wales* sets out clear criteria for both Protected Areas and Other Effective Area-Based Conservation Measures (OECMs), aligning with international IUCN guidance to ensure these areas contribute to a resilient, well-connected ecological network.
33. To support this ambition, targeted funding will be directed towards the identification, development, and long-term management of OECMs. This includes investment in a pipeline approach that enables candidate sites to access support and resources to meet the full criteria for recognition.

34. Funding of £500K has been maintained to support the mainstreaming of biodiversity. Key actions include the continued delivery of capacity-building programmes, such as the refreshed Nature Wise training, and fulfilling obligations under the Environment (Wales) Act 2016. Internal and public engagement will be enhanced through events such as the Wales Biodiversity Partnership Conference (October 2025). Projects such as the Gwent Levels pilot will strengthen biodiversity guidance to reduce development encroachment on protected sites. Collaboration with Welsh Treasury under the Budget Improvement Plan will further embed biodiversity considerations into financial decision-making.

Nature Recovery Action Plan and Developing legally binding Biodiversity targets

35. This investment will continue to directly contribute to the delivery of key priorities and actions identified in our Nature Recovery Action Plan (NRAP - <https://gov.wales/nature-recovery-action-plan-2015>) relating to the protection of our habitats and species of principal importance and the creation of resilient ecological networks.

36. The National Sites Network will benefit from funding through the continued delivery of our Nature Networks Programme (NNP) in 2026/27 helping to deliver our 30by30 target. It is key to improving the condition and connectivity of our terrestrial and marine protected sites, creating resilient ecological networks which will allow our most endangered habitats and species to thrive. It will also help to deliver nature to wherever people live through engagement with local communities benefitting not only our environment but also our health and well-being. Robust monitoring and evaluation will be an integral part of the Nature Networks Programme.

37. Legally binding biodiversity targets will be developed if the Environment (Governance, Principles and Biodiversity Targets) Bill is

passed by the Senedd. A Regulatory Impact Assessment has been developed to accompany the Bill. This provided initial estimated costings which will cover the new statutory targets. The full financial impact of these targets is not expected until after the Bill has been passed by the Senedd, which would likely mean FY 2026-27. An additional RIA will be produced alongside the secondary legislation needed once the targets have been developed.

Nature Networks Programme

38. This allocation will allow continued delivery of the Nature Networks Programme (NNP), working with landowners, partners, stakeholders and encouraging community engagement to implement measures that address the nature emergency and make a real difference to the environment of Wales. Over £54m has been invested to date in the NNP since 2021.

Local Places for Nature

39. The Local Places for Nature (LPfN) programme has had five years of successful delivery. Some highlights are summarised below.

Table 1 – Highlight Outputs for LPfN Programme 2020-2025.

Highlight Output	Totals 2020/21 - 2024/25
Green Spaces Created or significantly enhanced	5,446
Wildlife meadows and verges with new mowing practices	1,422
Community orchards created	1,702
Community growing projects	1,906
Volunteers Involved	31,738

Trees planted (urban, small dense woodland, verges, parkland)	650 reportable hectares
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40. The value and impact of the programme have been recognised by providing a significant level of on-going investment in 2026/27 with £2.5m revenue and £12.5 capital being allocated to the schemes this year. This level of funding will allow us to continue the positive work that is taking place on the ground by supporting local nature projects
41. An evaluation of the programme is currently underway and this will look at the social impact of the schemes over the past five years. An interim report was published in June 2025 with a final report due to be published in November 2025.

National Peatland Action Programme

42. Since 2020, the **National Peatland Action Programme** has restored over 3,600ha of peatland and improved the habitat across a further 8,000ha. This has resulted in the safeguarding of an estimated 2.2 million tonnes of stored carbon and reducing annual emissions from this vital habitat.
43. Restoring peatland involves repairing the water table; bringing it near to the surface for much of the year. Early indications demonstrate how rewetted peatlands help stall and reduce the effects of wildfire: [Natural Resources Wales / Indicators that rewetted peatland stalled wildfire spread!](#)
44. The Programme for 2026/27 seeks to maintain its delivery capacity and capability with over £5m of investment to support the Biodiversity Deep Dive recommendations.

Natur am Byth

45. Natur am Byth is Wales' flagship species recovery programme, running from 2023 to 2027 and led by Natural Resources Wales in partnership with nine environmental charities. Welsh Government will

continue to provide match funding of £200,000 p.a. to support the delivery of the programme.

46. The investment has helped support 11 place-based projects across Wales, targeting 67 threatened species. The programme has created 20 jobs and trainee schemes, while also delivering community engagement, citizen science initiatives, and habitat restoration.

Monitoring programmes for biodiversity

47. Effective and affordable monitoring and evidence is vital for tracking our progress towards both the 30by30 target and our longer-term nature positive ambition.

48. Various biodiversity monitoring programmes are undertaken with direct support from, or on behalf of, the Welsh Government, allowing the reporting of the status of biodiversity in Wales e.g. through the Natural Resources Wales produced State of Natural Resources Report (SoNaRR) due to report in December 2026. Key components of our existing biodiversity monitoring framework include Environment and Rural Affairs Monitoring and Modelling Programme (ERAMMP), the Living Wales Earth Observation system, the monitoring of key indicator species through JNCC/citizen science-led surveillance programmes, and the Common Standards Monitoring provided by NRW for protected sites.

49. We are working collaboratively across the UK to develop a robust monitoring framework, underpinned by clear indicators to track progress and guide action towards the 30by30 target. A key component of this work is the development and implementation of the Management Effectiveness of Protected and Conserved Areas (MEPCA) indicator which is recognised as a critical tool for assessing how well protected and conserved areas are delivering for biodiversity.

50. To support this, we are providing funding for the development and rollout of MEPCA in Wales. MEPCA will also contribute to a new suite of official UK-wide statistics, helping to ensure consistent and transparent reporting on biodiversity outcomes across all four nations.

51. As part of this broader effort, we will also be undertaking evaluations of the functions of the Local Environment Record Centres and the Nature Networks Programme, to ensure they continue to support effective biodiversity monitoring and delivery.

Developing an approach for private investment for nature

52. Welsh Government is developing a new approach to sustainable finance for nature's recovery. This approach is intended to increase and diversify the funding available so that we can effectively tackle the nature emergency and the pressures that drive biodiversity loss – including climate change, pollution, and unsustainable management of natural resources.
53. Markets for nature and the environmental services nature provides, have the potential to harness the capabilities and resources of the private sector to efficiently deploy capital and encourage the innovation needed. But environmental markets must be well-designed and governed to prevent 'greenwash' and ensure they are high integrity, deliver real environmental improvement and both engage and benefit local communities.
54. Building our capacity in Wales to engage with private investment is instrumental in attracting additional funding for nature. Towards this end, we are continuing to fund two roles within Marine Fund Cymru and Bannau Brycheiniog National Park Authority (Y Bannau). These roles will help scale up nature recovery funding by exploring and implementing high-integrity ecosystem service markets and disseminating this knowledge across our other national park authorities.
55. The Marine Cymru Fund seeks to invest in programmes and projects that enable, maintain and enhance the resilience of marine and coastal ecosystems for the long term, facilitating the delivery of wider benefits to individuals, communities and businesses. The aim is that the Fund is open for donations in early 2026.

Delivery of the circular economy strategy, Beyond Recycling, including the development and delivery of a Deposit Return Scheme for Wales

56. The funding will continue to drive the implementation of Wales' circular economy strategy, which has already helped the nation achieve world leading recycling rates, now ranked second globally. This includes support through the Circular Economy Fund, enabling Local Authorities to enhance recycling and decarbonise services and expand reuse and repair facilities. It also helps businesses transition to more sustainable practices, such as incorporating recycled materials into their processes.
57. In addition, the funding underpins the rollout of key policy reforms including the Extended Producer Responsibility scheme for packaging, the Workplace Recycling Regulations, the development of the Deposit Return Scheme (DRS) for Wales and a digital waste tracking system.
58. The Welsh Government is funding the DRS from existing programme budgets and has accelerated its implementation to align with the rest of the UK, ensuring interoperability across common materials. This approach supports the rollout of reuse and future-proofs the scheme to deliver long-term benefits for Wales.

Managing Marine Protected Areas (MPAs), including an update and delivery of the MPA network management framework and action plan

59. In 2025/26 the Marine Protected Area (MPA) grant awarded funding for a range of projects to deliver evidence to improve our understanding of pressures to the network, which will support future prioritisation of key management actions. Projects this year varied

from cetacean monitoring in Cardigan Bay, avian influenza surveillance on Grassholm and the development of a saltmarsh action plan for Wales. Funding has also supported critical projects such as Biosecurity for Life, which delivers a management plan and actions to ensure that our bird Special Protected Areas (SPAs) remain predator free, and funding to support seagrass and saltmarsh restoration in line with the Programme for Government commitment.

60. To future proof the MPA management framework, Welsh Government have commissioned a review of the framework which is currently being undertaken by the JNCC. JNCC have approached interested stakeholders to gather views on the appropriateness of the framework and the management principles which guide best practice for our MPA network management. These views will be vital as the management framework guides our grant scheme and how we fund projects in Wales.

Assessment and identification of gaps within the MPA network, including improvements to the evidence base to inform the designation of further Marine Conservation Zones (MCZs) in Welsh waters

61. Welsh Government is committed to its MPA network completion programme; the proposed Marine Conservation Zone designations are a significant element of this.

62. Officials are working with Statutory Nature Conservation Bodies to develop the underpinning evidence base to inform designation of proposed sites. As part of this process, it is critical that the proposed sites are rigorously assessed for their potential socio-economic impacts through a Regulatory Impact Assessment (RIA).

63. The first iteration of the Regulatory Impact Assessment (RIA) will be completed this Senedd term and will form the baseline allowing for

further refinement in a further iteration once it becomes clear what the specific policy options will be. Welsh Government will also review where there may be potential evidence gaps in this version of the RIA and identify options to enhance and improve confidence. Welsh Government will also be conducting an internal review of conservation evidence to ensure our confidence and understanding of the proposed sites is satisfactory.

Funding for the delivery of a targeted scheme to support restoration of seagrass and saltmarsh habitats along Wales' coastline

64. Funding was allocated in 2025/26 to support the National Seagrass Action Plan (NSAP) to identify evidence gaps which will enable us to continue to support targeted seagrass regeneration along the Welsh coastline. Funding was also allocated through the MPA management grant scheme to develop a programme of saltmarsh restoration and saltmarsh action plan.

65. Seagrass Network Cymru (SNC) are implementing the National Seagrass Action Plan (NSAP), and the North Wales Wildlife Trust are leading on the development of a Saltmarsh Network & Action Plan Cymru,

66. Through both projects the Programme for Government Commitment has now been completed.

Improving water quality, including support for the Better River Water Quality taskforce to take forward actions arising from the Stantec report

67. Water quality is under pressure from various threats. The main causes of failure under the Water Framework Directive (WFD) in Wales are attributed to the agriculture sector, mining and quarrying (including pollution from abandoned metal mines), the transport sector, urban

pollution and water industry discharges. It is necessary that an integrated cross-sectoral approach is developed and implemented across Wales to ensure long term water quality improvement. Recognising these pressures, in 2025-2026 we provided NRW and the Mining Remediation Authority with £16 million capital grant funding to improve compliance with Water Environment (Water Framework Directive) (England and Wales) Regulations 2017 and related legislation which will deliver water quality improvements. This work covers high profile schemes including the metal mine remediation programme, comprising blow out prevention, water treatment schemes and diverting watercourses. A similar commitment has been made for 2026-27 to build upon these critical water quality works.

68. In late 2023, the Better River Quality Taskforce – a partnership between Welsh Government, Natural Resources Wales, the water industry and stakeholders – published the Storm Overflows Evidence for Wales Report through a [Written Ministerial Statement](#). The report provides an independent assessment of the costs and benefits of different policy options for regulating storm overflows. It does not make recommendations but rather sets out comparative evidence on policy approaches to the regulation of storm overflows.

69. The Storm Overflows Evidence for Wales Report is an important piece of evidence commissioned by the Better River Quality Taskforce, a joint taskforce between the Welsh Government, Natural Resources Wales, Wales' water companies, and industry stakeholders providing independent challenge from a stakeholder and consumer perspective. Significant investment, prioritising those CSOs creating the most harm to the environment, was agreed by Ofwat in its final determination in December 2024.

70. Ensuring high water quality is a key priority for the Welsh Government and acting on CSOs is only one of many elements that we are doing to improve water quality across Wales. As a government, we are determined to set ambitious policy to ensure the protection of our water environment for future generations. This is recognised by the £16million commitment to NRW and MRA in this financial year

and forecast investment of the same in 2026-27. The Water Capital Programme focuses on The Water Environment (Water Framework Directive) (England and Wales) Regulations 2017 aim to reduce pollution and improve the condition of aquatic ecosystems, promote the sustainable use of water and reduce the effects of floods and droughts. Natural Resource Wales' has prepared a flexible multi-year programme of work designed to decrease the number of watercourses failing to meet good ecological status and we propose to provide Natural Resource Wales' with the necessary funding to undertake work prioritised to have the most impact.

Implementation of the National Strategy for Flood and Coastal Erosion Risk Management, including the take up of the Flood and Coastal Erosion Risk Management Grant and Natural Flood Risk Management Fund

71. The National Strategy for Flood and Coastal Erosion Risk Management sets out how we will manage risk from flooding and coastal erosion over the next decade with the objectives to prioritise investment, improve our understanding of risk, build resilience, prevent more people becoming exposed to risk and respond to events.
72. This year, the Flood and Coastal Erosion Risk Management programme has continued to fund the completion of the major NRW-led scheme at Stephenson Street, Newport, along with the development of future flood schemes in Pwllheli, Port Talbot and Cardigan. In addition, over 230 local authority-led schemes across Wales have received support, with more than £14 million invested in a mix of conventional and green engineering solutions.
73. Looking ahead to 2026/27, the programme maintains a strong and ambitious outlook, with a pipeline of future capital schemes valued at

over £230 million currently in development. These schemes represent a diverse and complex portfolio of flood risk interventions, with some expected to enter construction this year and others progressing through detailed design and planning phases. This reflects our continued commitment to developing robust, long-term solutions that enhance flood resilience across Wales.. Some schemes are expected to enter construction this year with others progressing through detailed design and planning phases.

74. Our Coastal Risk Management Programme (CRMP) is now drawing to a close. The Programme has seen £291m worth of concentrated investment over five years and once finished, it will have funded 15 schemes around Wales' coastline benefitting almost 14,000 properties.
75. Since 2020, we have provided funding to support the development and implementation of Natural Flood Management (NFM) in Wales. This began with a Natural Flood Management Pilot, funded through the flood budget, and was followed by the NFM Accelerator, supported via the Rural Investment Scheme. implementation of Natural Flood Management (NFM) in Wales..
76. Building on the excellent work already delivered by Risk Management Authorities (RMAs), we allocated an additional £2 million for 2025/26 through the flood budget which is being maintained in 26-27. This funding will enable RMAs to expand existing schemes and continue learning about the wider benefits of NFM. These projects aim to enhance the natural environment while reducing flood risks to properties.
77. Officials are currently taking forward the NICW's Building Resilience to Flooding in Wales by 2050 report recommendations which strongly advocate for a catchment-based approach to flood risk management, placing nature and community at the heart of the response to flood risk.

Support for the Interim Environmental Protection Assessor for Wales and the development of more permanent environmental governance arrangements

78. I am committed to working towards the establishment of an environmental governance body for Wales and have allocated additional funding to support this.

79. The Interim Environmental Protection Assessor for Wales' (IEAPW) budget of £120,000 has increased to £165,000 following the appointment of two Deputy Interim Assessor's and forms part of the wider budget for environmental governance.

National Parks

80. The draft budget includes an increase in core funding for each of the three National Park Authorities in Wales. The Welsh Government provides statutory core funding to each National Park Authority and also discretionary support to our National Landscapes.

81. The funding will enable all our Designated Landscapes to continue in their important work to tackle the nature and climate emergencies, while enabling people to engage with some of our most beautiful areas.

82. A specific budget allocation in 2026/27 will continue the delivery of the Programme for Government commitment to designate a new National Park in North East Wales.

83. This funding will enable Natural Resources Wales, our statutory advisors in this area, to complete its preparatory and advisory work, while also ensuring the necessary transition and mobilisation activities are resourced. This includes funding for the Clwydian Range and Dee

Valley National Landscape to build capacity and resilience while the designation work is taken forward.

Countryside access

84. The draft budget includes funding for a range of activities that enable and promote access to the countryside and green spaces that deliver a range of benefits including promoting both physical and mental wellbeing.

85. This includes a continuation of funding for the Wales Coast Path (WCP) for its maintenance, further development, and promotion,

86. Funding has also been allocated to continue number of successful programmes, including the popular Access Improvement Grant, Green Flag and Community Land Advisory Service (CLAS) schemes, as well as to meet Welsh Government legal responsibilities such as any court cases relating to access.

Climate Change

The impact of proposed UK Government policies on Welsh Government efforts to support net zero

87. We continue to work closely with governments across the UK to collaborate towards our common goal of net zero by 2050. Over half of Welsh emissions emanate from sectors for which policies are largely reserved to the UK Government. We welcome the UK Government's Clean Energy Mission as it seeks to accelerate the UK's progress towards clean sources of power by the end of the decade. This has a material impact on Wales's ability to reduce its emissions given the interconnected nature of the energy network in the UK. We are working closely with UK Government to dovetail action to accelerate delivery of renewable energy.

Delivery of the policies and proposals in the Net Zero Wales plan which are relevant to the remit of this committee

88. Decarbonisation action across the eight main emissions sectors are covered by 123 policies and proposals in the current Net Zero Wales plan (for Carbon Budget 2). Most relevant to this committee are actions taken by energy, transport, and the public sector to decarbonise. Delivery of these actions in Energy and Transport is led by other Cabinet Secretaries and is not reflected in my budget.

89. We continue to support decarbonisation action in the public sector, in line with our ambition for the public sector to be collectively net zero by 2030. In 2026/27 we will again invest over £21m in loans and grants for continued investment in energy efficiency and renewable energy within the public sector in Wales. These projects help achieve cost savings as well as carbon reductions.

Development of plans to deliver Carbon Budget 3

90. The budget supports work within the Welsh Government's central climate change team to develop the plan for Carbon Budget 3. This includes analytical capability to understand and interrogate the detailed advice from the Climate Change Committee, and capacity to work across the Welsh Government to develop policies and proposals to deliver the next Carbon Budget. The budget also supports delivery of our climate behaviour change and engagement strategy, which includes running Wales Climate Week and the associated Climate Conversations.

91. I published a discussion document to accompany Wales Climate Week, drawing on expert advice from the Climate Change

Committee, Net Zero Wales 2035 Challenge Group, and others. Insights from discussion around this paper will shape our next emissions reduction plan, due in 2026. That plan will result in budgetary choices for a future government

Climate adaptation action, and detail of specific allocations to support delivery of the new climate adaptation strategy

92. Portfolios across government are funding their relevant actions set out within the Climate Adaptation Strategy for Wales 2024 through their own budget allocations. However, there is also a budget allocation for undertaking work to address strategic cross-cutting issues in relation to climate-related risks and impacts. In 2026/27 we will be continuing to focus on enabling and empowering progress on climate adaptation through strengthening monitoring, implementing an Expert Panel to draw on academic and sector expertise to further strengthen delivery against the Strategy, and engaging with the wider public sector on delivery and reporting of adaptation measures. Funding will also cover Wales's contribution to the Climate Change Committee's Adaptation Committee.

Implementation of the Woodlands for Wales Strategy and recommendations of the 2021 Trees and Timber Deep Dive, including delivering the National Forest and increasing the rate of tree-planting

93. The budget will fund the further expansion of the National Forest for Wales including through ongoing support for sites looking to join the

Status Scheme, as well as new approaches to delivery at a landscape scale and a National Forest Trail. Following the launch of the Timber Industrial Strategy at the Royal Welsh Show, funding will be used to invest in the sector including through a capital investment scheme and skills provision. It will also be used to support interventions to help increase our tree planting rates to deliver on our net zero ambitions. Grant support for tree planting and woodland creation is also included within the Agricultural Support BEL as part of the Sustainable Farming Scheme offer.

Natural Resources Wales

Details of budget allocations for NRW.

94. NRW's revenue budget allocation for 2026-27 will see a 2.2% inflationary increase compared to its baseline budget for 2025-26 – which included the baseline adjustments for its National Insurance contributions, staff pay awards and funding to support investment in planning and infrastructure consenting work.

95. NRW's capital budget allocation has also been maintained at 2025-26 levels, which included capital funding to further support NRW's digital infrastructure improvements, building on the enhancements made in 2025-26.

Details of any changes in service delivery or project timelines relating to NRW due to the current budgetary constraints.

96. The CCEI Committee will be aware of NRW's Case for Change in 2024-25 to deliver savings and allow for a reshaping of the organisation so that it could operate effectively within its available budgets. This

process has now concluded with the organisation now focussing on embedding these changes as it prioritises the delivery of its core duties and statutory responsibilities.

Details of any new functions, duties, or responsibilities you expect NRW to take on during the budget period and the funding that has been allocated for those purposes

97. The Welsh Government will ensure that NRW receive commensurate funding as appropriate for any new functions, duties or responsibilities placed on them during this budget period through specific grant funding within the appropriate policy area. This includes for example function and duties in support of the Sustainable Farming Scheme.

Progress of the Case for Change process

98. The Case for Change process has now completed with NRW now focussing on embedding these changes, into the organisation, as it prioritises delivery of its core function and statutory duties.

The latest position on NRW's potential tax liability and its payment to HMRC, funded by the Welsh Government, including:

99. NRW's tax liability is a matter between them and HMRC. It is understood that HMRC are moving into the final stages of its

investigation into NRW's historical non-compliance with IR35 arrangements. The outcome of these investigations is expected to be published imminently.

Details of the repayment terms agreed with NRW and how the Welsh Government satisfied itself that this is affordable;

100. In February, NRW agreed budget reduction arrangements to recoup the residual cash and budget cover provided by the Welsh Government which had enabled a payment on account to HMRC to stop the accruing of interest.

101. My officials continue to work with NRW to ensure any the budget reduction agreed is affordable and to provide the requisite assurance that its core function and statutory duties continue to be delivered within available budgets.

102. Natural Resources Wales will provide the Committee with a full update on its tax liability once HMRC concludes its work, including any final settlement amounts, expected imminently, which includes how it proposes to manage the budget reduction to account for the payment-on-account and its review identifying lessons learned.

What provision has been made in both the 2026-27 budget and the 2027-28 draft budget for any potential further liabilities.

103. My officials continue to work closely with NRW and have sought necessary assurance that there are no future liabilities anticipated. NRW has been proactive in seeking to learn from this experience and have engaged external tax advisors to independently review its new arrangements in relation to how it manages contractors.

104. The monitoring arrangements put in place, following the IR35 experience, has proven to be beneficial to both organisations. These arrangements have now been embedded within the governance arrangements and are now considered as normal working practices. My officials will continue to closely monitor this matter to minimise the risk of such occurrences happening in the future.

Annex A – Allocations by Spending Programme Area, Action and Budget Expenditure Line (BEL)

This section will provide a breakdown of the allocations by Spending Programme Area, Action and Budget Expenditure Line (BEL).

BEL description	Resource Budget £'000	Capital Budget £'000
2875 - Marine	2,412	-
Proposed BEL activity		
<p>Welsh Government's ambition for the marine environment is that Welsh seas are 'clean, healthy, safe, productive and biologically diverse'. The budget will be used to deliver the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs marine priorities to help meet this ambition, including the specific Programme for Government commitment on coastal restoration.</p> <p>Work will focus on marine planning and licensing, biodiversity, and climate change policy development. We will continue to enhance ecosystem resilience through Marine Protected Area network designation and targeted recovery interventions whilst maintaining our commitments to meeting Good Environmental Status. We will be responsive to developing evidence around blue carbon habitats and their global importance as part of our future marine decision-making processes, and contribution to achieving Net Zero.</p>		

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2230 - Flood and Water	3,569	33,499
Purpose of BEL		
<p>Proposed Revenue Programme</p> <p>The FCERM Resource Budget largely funds Wales’ Risk Management Authorities in undertaking activities such as asset maintenance, awareness raising work, flood investigation (Section 19 reports) mapping, warning, and informing and staff costs.</p> <p>Water Revenue Programme</p> <p>This is used to deliver statutory and regulatory functions in respect of water and sewage, including working with stakeholders on the statutory water price review which sets water bills and charges and water company investment for 2025 – 2030. It also funds support for delivering Government commitments to strengthen the requirements for the use of sustainable drainage systems that provide wildlife habitat and begin to designate Wales’ inland waters for recreation, strengthening water quality monitoring. It includes research and collaboration with regulators and stakeholders and implementing reform of the regulation of the water industry in Wales following the Independent Water Commission report.</p> <p>Flood Capital Programme</p> <p>Capital funding is not only used to build new flood and coastal risk management schemes but also to fund preparatory business case and design work ahead of construction. NRW are funded through the NRW BEL.</p> <p>Water Capital Programme</p> <p>The Water Environment (Water Framework Directive) (England and Wales) Regulations 2017 aim to reduce pollution and improve the condition of aquatic ecosystems, promote the sustainable use of water and reduce the effects of floods and droughts.</p> <p>Natural Resources Wales has prepared a flexible multi-year programme of work designed to decrease the number of watercourses failing to meet good ecological status. This programme of work includes remediation work for abandoned metal mines to help prevent discharges of hazardous pollution into waterways, and a range of capital work to address the key factors causing water quality failures Natural Resources Wales will prioritise the work according to</p>		

where it has the most impact and where it can be completed within this financial year.

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2232 - Coal Tip & Reservoir Safety & Delivery	9,878	40,217
Purpose of BEL		
<p>Coal Tips Safety</p> <p>The BEL is for the Coal Tip Safety Grant Scheme for local authorities to carry out works on tips, which has been identified in inspections reports or where a slip has occurred. In addition, we are committed to the final phase of remediation of the Tylorstown coal tip and work on reservoirs.</p> <p>The grant scheme makes funding available to Local Authorities and Natural Resources Wales to complete maintenance activities on both publicly and privately owned coal tips to ensure that these remain in a condition whereby the threat of a slip is controlled and minimised. High profile examples of where previous budget have been used include Tylorstown remediation works, and Dyffryn Rhondda.</p> <p>Secondly, the budget recognises the implementation costs arising from the Disused Mine and Quarry Tips (Wales) Act . . Funding has also been included for the continuation of the Coal Authority works regarding the inspection regime.</p>		
<p>Reservoir Safety</p> <p>Reservoir safety is also of critical importance given the risks if they are not maintained and the future forecast for changes to the climate in Wales. This has been reflected in the budget allocations with £4.9m being made available for reservoir safety.</p>		

Land Nature Forestry

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2825 – Biodiversity and Evidence	11,071	11,500
BEL 2814 - Environment Management (Pwllperian) (Non-Cash)	38	-
Purpose of BEL		
<p>Biodiversity delivery is focussed on actions to tackle the nature emergency and deliver Programme for Government commitments including:</p> <ul style="list-style-type: none"> • Nature Networks Programme – improving the condition and connectivity of our protected sites network (enhance green spaces). • Local Nature Partnerships – promoting coordination of locally driven action. • Developing legally binding targets and appropriate reporting and monitoring mechanisms through a year four Bill. • Embedding biodiversity in decision making through the biodiversity taskforce and section 6 duty. • Species recovery including pollinators and bee health 		

Plant Health and Environmental Protection

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2802 – Plant and Wildlife Protection and Regulation	2,100	5,200
Purpose of BEL		

This budget line supports a variety of work on plant health, wildlife management & rural crime, and environmental regulation.

Plant health & GMOs

Funding for work to maintain Wales **Biosecurity for plants**, development of policy for **new genetic technologies** and regulate **GMOs**. This includes all policy development and any costs associated with outbreak response where not covered by our agreements with Defra, NRW, the Forestry Commission and APHA. Most of these are funded by agreement with Defra.

Rural and wildlife crime and wildlife management

Funding to support **policy work on rural and wildlife crime** including regulations around hunting, snares, glue traps, managing wild pigs, licensing/regulating any **disturbance or interference with badgers** and their setts including TB testing of badgers. This includes funding the for the **wildlife and rural crime officer** and part funding for the **Wildlife Incident Investigation Scheme** in Wales investigating suspected poisoning of wildlife, companion animals and beneficial insects part funded by a pesticide levy.

Invasive Alien Species, Plant Varieties & Seeds, Pesticides & Biocides, Agricultural EIA

Funding for limited eradication of **invasive alien species** and policy work on invasives. Funding for policy work on **Plant Varieties and Seeds**, including maintaining the national lists of seeds and plant varieties, including any tribunal costs falling to Wales. Funding for policy work on **pesticide and biocide regulation** where the operational work is funded via Defra and the Health and Safety Executive policy is devolved but budgets are not. Funding to support implementation of the Agriculture EIA regulations.

This budget line also supports the **National Peatland Action Programme** which provides national, coordinated leadership through Natural Resources Wales for sustained peatland restoration. The aim is to restore functioning ecosystems which in turn safeguards and sequesters carbon. The budget also supports policy on **protection of agricultural soils** including our **best and most versatile agricultural land**.

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2827 - Forestry	6,541	9,310
BEL 2827 - Forestry (Non-Cash)	83	-
Purpose of BEL		
<p>This budget line funds a range of activity to support delivery of the Woodlands for Wales strategy.</p> <p>National Forest</p> <p>Funding for National Forest Woodland Liaison Officers in NRW to support the creation and enhancement of woodlands which meet National Forest standards and create the covid 19 commemorative woodlands.</p> <p>Cross-border Memorandum of Understanding (MoU)</p> <p>Funding to support work areas where cross-border collaboration is beneficial: tree health, the Woodland Carbon Code, forestry research, forestry economics and the UK Forestry Standard. Wales contributes 10% of total funding to the MOU, with the remaining 90% funding split between Scotland and England.</p> <p>Forestry policy</p> <p>Funding to support projects to increase woodland creation and to meet ongoing forestry policy development.</p> <p>Timber industrial strategy</p> <p>Funding to support the delivery of 'Making Wood Work for Wales', our Timber Industrial Strategy.</p> <p>Natural Resources Wales funding</p> <p>Funding to Natural Resources Wales to verify that woodland creation plans meet the UK Forestry Standard.</p> <p>Woodland Restoration</p> <p>Funding for grants to restore woodlands affected by tree disease.</p> <p>Forest Research Memorandum of Understanding</p> <p>Funding for Forest Research, the research agency of the Forestry Commission, to map woodland in Wales, provide monitoring and surveillance of tree health and identify tree diseases and research key issues in forest management.</p>		

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2490 – Designated Landscapes & Countryside Access	13,674	8,900
Purpose of BEL		
<p>Designated Landscapes</p> <p>Our Designated Landscapes (National Park Authorities and National Landscapes) play a crucial role in protecting some of our most precious and beautiful areas and cover 25 per cent of Wales’ land area. They are key drivers for a number of Welsh Government priorities, including tourism, biodiversity, decarbonisation, health and wellbeing, sustainable communities, and the Welsh Language.</p> <p>This budget line provides core funding to the three National Park Authorities and five National Landscapes. It also provides specific grant funding to both the National Park Authorities and National Landscapes, as well as funding for public appointments to National Park Authorities.</p> <p>It also funds workstreams looking at a new National Park in North East Wales, including for Natural Resources Wales, our statutory advisors in this area.</p> <p>Access</p> <p>This budget line also provides funding to support number of programmes, services and interventions to deliver WG and First Minister priorities around public access and recreation, green spaces and allotments.</p> <p>The Welsh Governments’ contribution to the maintenance and promotion of the Wales Coast Path is funded through this budget line, as well as other related WG responsibilities such as any court cases relating to access.</p>		

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2195 - Landfill Disposal Tax Communities Scheme (LDTCS)	510	-
Purpose of BEL		
<p>This budget line funds the Landfill Disposal Tax Communities Scheme.</p> <p>In April 2018, the collection of landfill tax was devolved to Wales, as set out in the Landfill Disposals Tax (Wales) Act 2017. Section 92 of the Act places a duty on the Welsh Ministers to prepare and publish a Landfill Disposals Tax Communities Scheme, which will make provision for grant funding for the benefit of communities affected by landfill disposals or activities at waste transfer stations.</p>		

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2820 - Local Places for Nature	2,703	12,564
Purpose of BEL		
<p>This budget line funds the Local Places for Nature (LPfN) programme which supports communities to create nature on their doorsteps, particularly in areas of deprivation and communities with little or no access to nature. The programme began in 2020 and delivers the current Programme for Government commitment, “Expand arrangements to create or significantly enhance green spaces”.</p> <ol style="list-style-type: none"> Capital funding is delegated to three Scheme Managers, Wales Council for Voluntary Action (WCVA), Keep Wales Tidy (KWT) & National Lottery Heritage Fund (NLHF) who work collaboratively, running individual schemes; <ul style="list-style-type: none"> WCVA - 25 Local Nature Partnerships, led by Local Authorities and National Parks deliver projects locally. NLHF - An open access competitive capital grant scheme run by NLHF, via an Memorandum of Understanding with Department for Culture, Media and Sport KWT - Community Packages to create pollinator and community growing gardens including on manmade structures. 		

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2190 - Resource Efficiency & Circular Economy	36,515	37,653
Purpose of BEL		
<p>Funding of Delivery Partners Delivery of the work on a circular economy is heavily dependent on the external support provided by various Delivery Bodies, which provide both crucial expertise and capacity to deliver against the breadth of the commitments. Significant work has been undertaken with WRAP and Local Partnerships to align resource to the Programme for Government priorities, including the Extended Producer Responsibility Programme and Circular Economy Infrastructure Programme - with the bolstering of Programme and Project Management arrangements to the former and support to Local Authorities to produce robust business cases for infrastructure investment.</p> <p>In addition, the budget supports delivery partners such as Repair Café Wales to roll-out repair cafes across Wales and Fareshare to arrange the redistribution of food that would otherwise be wasted from the food and drink industry to communities in need across Wales.</p> <p>This also includes funding to Natural Resources Wales to support the implementation of workplace recycling reforms, EPR and DRS with the provision of detailed technical and enforcement advice and as the regulator for the circular economy in Wales. Natural Resources Wales are also the lead authority for waste crime and waste tracking and have a key role in decarbonisations work to address emissions from legacy landfill.</p> <p>Sustainable Waste Management Grant Funding to help Local Authorities to design, develop and execute strategic improvements in their approach to the Circular Economy, move up the waste hierarchy and preparing for Extending Producer Responsibility.</p> <p>Recycling Targeted Improvement & Strategic Planning Funding for the continued improvement in terms of the performance and efficiency of recycling collection and wider services, including repair and reuse. Focusing in particular, on utilising the evidence to take action to improve Wales' recycling rates to meet the 70% statutory minimum target and prepare for the implementation of Extended Producer Responsibility payments on the basis of service efficiency and effectiveness.</p>		

EPR, DRS & Workplace Recycling

This funding is allocated against the delivery of the Welsh Government's commitments to deliver EPR, DRS and Workplace Recycling Reforms. These commitments represent economy wide reforms with significant carbon savings as well as being crucial to further progress on recycling in moving up the waste hierarchy.

Circular Economy Fund for Business

The funding delivers on the key commitment within *Beyond Recycling* and *Net Zero Wales* to support businesses to adapt their processes to become more circular, for example in using recycled content in manufacturing or moving to more sustainable materials and follows on from the successful pilot delivered over the last three years.

Circular Economy Fund for the Public Sector

This capital funding, is primarily targeted at Local Authorities, to address core Circular Economy actions and develop a pipeline of circular economy infrastructure projects being developed collaboratively with Local Authorities. This includes improvements in recycling performance, increasing repair & reuse activity, enhancing climate resilience and decarbonising waste & recycling operations in line with the 2030 target.

Funding is also allocated to support Local Authorities to continue the transition of their fleet to Ultra-Low Emission collection vehicles for recycling and residual waste.

Programme Staff

Programme funded staff that are crucial to the delivery of the Welsh Government's Circular Economy strategy and overarching Programme for Government and Net Zero Wales commitments.

Natural Resources Wales (NRW) Sponsorship & Environment Protection

Natural Resources Wales

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2451 - Natural Resources Wales	105,335 10,000 non-cash	27,806
Purpose of BEL		
<p>This BEL provides Grant in Aid to Natural Resources Wales for its primary operational and regulatory responsibilities. Natural Resources Wales is the principal environmental adviser and regulator to Welsh Government and help to deliver a wide range of ministerial priorities and commitments, in delivering action to address the climate and nature emergencies.</p> <p>Capital funding is also provided to Natural Resources Wales to support their core capital funded activities which include scheme development work (including business case development), mapping and modelling projects, staff costs, ICT for flood projects, car fleet/plant hire and capital maintenance. This budget includes flood risk funding.</p> <p>Non-cash totals £10m</p>		

Environment Protection

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2817 – Environment Protection (was Radioactivity and Pollution Prevention)	6,805	2,686
Purpose of BEL		
<p>This BEL supports the policy and legislative work in respect of air quality, chemicals, environmental noise, industrial pollution, and radioactivity/radioactive waste. This includes implementing associated legislation as necessary to deliver those policy measures. It also covers the management of infraction cases, including some legal costs, associated with industrial pollution and air quality.</p>		

Environment Legislation & Governance

BEL description	Resource Budget £'000	Capital Budget £'000
2812 - Environment Legislation and Implementation, Governance and Communications	2,891	-
Proposed BEL activity		
<p>The BEL provides budgetary cover for legislation, governance and legal costs affecting MEG environmental and related programmes and includes the programme staffing costs for a solicitor.</p> <p>The BEL also support the Ministerial commitment to further the sustainable management of natural resources and the implementation of the Environment Act through a number of delivery schemes. It supports the staff posts required to run and manage these schemes and grant programmes. It also helps to support the international Eco-Schools programme across Wales, the Ministerial commitment to the tree planting and climate change educational programme delivered by charity Size of Wales.</p> <p>It also provides for preparatory work for the new Environmental Governance Body.</p> <p>This budget also supports work to embed the Environment (Wales) Act 2017 and the Natural Resource Policy.</p>		

Climate Change

Welsh Government Energy Service

BEL description	Revenue Budget £000	Capital Budget £000
BEL 2809 – Welsh Government Energy Service (WGES)	4,250	22,200
Purpose of BEL		
<p>BEL 2809 Welsh Government Energy Service - This investment is to support public bodies to undertake energy efficiency, and renewable energy projects. It also supports communities to develop renewable energy projects. reduce their energy costs and invest in renewable energy sources. It also supports the Climate Innovation programme (previously known as the Smart Living initiative) which stimulates placed-based pre-market decarbonisation innovation).</p> <p>This budget also covers implementation of the net zero public sector route map, publication of the Welsh public sector carbon emissions annual report and guide.</p> <p>Additional FTC capital funding of £10.2m is also included above.</p>		

Climate Change Action

BEL description	Revenue Budget £000	Capital Budget £000
BEL 3771 – Climate Change Action	3,867	-
Purpose of BEL		

Climate Adaptation

- Deliver work to understand the current state of climate risk preparedness across the public sector and identify any constraints to adaptation planning
- Fund activity to address gaps and opportunities on climate adaptation in the wider public sector

Decarbonisation Programme

Funding to develop the next iteration of the Net Zero Wales Delivery Plan which will detail how we intend to meet emission reduction targets and our Carbon Budget. This includes evidence and analysis to develop decarbonisation pathways; policy development and implementation including for a Just Transition Framework; and Wales' contribution to fund the Climate Change Committee which provides advice to WG on both adaptation and mitigation. The budget also covers staff costs, development, training and T&S.

Decarbonisation Innovation / Smart Living

Includes technical and analytical support for development of innovative and whole systems solutions to place-based issues. The funding will be focussed at multi-energy vector and multi-sector infrastructure and technology, processes and systems approaches involving public, private and academic key stakeholders.

Emissions Trading Scheme and Carbon Pricing

Funding to implement the Welsh Government's obligations as part of the UK ETS Authority. These include costs for maintaining and developing the IT system, research and translation. The budget also covers staff costs associated with further enhancing and improving the UK ETS. Should funding allow, early research will be commissioned to understand in which sectors a carbon pricing signal may be helpful in meeting our long-term carbon reduction targets.

Climate-led Behavioural Change Programme

Funding to deliver the commitments made in the Climate Public Engagement Strategy, including engagement (through Wales Climate Week and Climate

Conversations workshops) with stakeholders and the general public to involve them in shaping the right policy solutions, social research to build our understanding around the barriers people face and motivations around making green choices, and on-going national communications (digital focus), and enhancements to the climateaction.gov.wales digital hub to encourage action on climate change

International Climate Action

Membership of groups representing sub-national states and regions, including the Under2 Coalition, enabling Wales to have its voice heard on the international stage, including at COP.

BEL description	Revenue Budget £000	Capital Budget £000
BEL 2807 – Invest 2 Save – Green Growth	204	1,052
Purpose of BEL		
Contributions towards the investment is to support public bodies to undertake energy efficiency, and renewable energy projects		

Annex B – Detailed breakdown of Draft Budget 2026-27 allocations at BEL level

The table below summaries the adjustments made to the 2025-26 Final Budget baselines. For Fiscal Resource (revenue) the adjustments relate to recurrent allocations made during 2025-26 in respect of the public sector pay award and national insurance changes.

RESOURCE BUDGET			£'000					
Action	BEL No.	BEL Description	Plans as per 2025-26 Final Budget February 2025	Baseline Changes for 2026-27	2026-27 Revised Baseline	2026-27 Revised Baseline Changes	2026-27 Draft Budget October 2025	% Change
Develop and Deliver Overarching Policy and Programmes on Sustainable Development and Natural Resource Management	2812	Environment Legislation and Implementation, Governance and Communications	1,977	7	1,984	907	2,891	46%
Total Develop and Deliver Overarching Policy and Programmes on Sustainable Development and Natural Resource Management			1,977	7	1,984	907	2,891	46%
Develop and Implement Climate Change Policy, Green Growth and Environmental Protection	2809	Welsh Government Energy Service	4,170	0	4,170	80	4,250	2%
	2807	Invest 2 Save - Green Growth	200	0	200	4	204	2%
	2817	Environment Protection	6,722	16	6,738	67	6,805	1%
	3771	Climate Change Action	3,796	18	3,814	53	3,867	1%
Total Develop and Implement Climate Change Policy, Green Growth and Environmental Protection			14,888	34	14,922	204	15,126	1%

Develop and Implement Flood and Coastal Risk, Water and Sewage Policy and Legislation	2230	Flood Risk Management & Water Policy Delivery	6,481	(3,482)	2,999	570	3,569	19%
Total Develop and Implement Flood and Coastal Risk, Water and Sewage Policy and Legislation			6,481	(3,482)	2,999	570	3,569	19%
Deliver Nature Conservation and Forestry Policies and Local Environment Improvement	2195	Landfill Disposals Tax Communities Scheme	500	0	500	10	510	2%
	2825	Biodiversity and Evidence	11,520	5	11,525	(454)	11,071	(4%)
	2827	Forestry	6,436	0	6,436	105	6,541	2%
	2820	Local Places for Nature	2,650	0	2,650	53	2,703	2%
Total Deliver Nature Conservation and Forestry Policies and Local Environment Improvement			21,106	5	21,111	(286)	20,825	(1%)
Sponsor and Manage Delivery Bodies	2451	Natural Resources Wales	100,324	3,163	103,487	1,848	105,335	2%
Total Sponsor and Manage Delivery Bodies			100,324	3,163	103,487	1,848	105,335	2%
Increase Resource Efficiency and Support Transition to a Circular Economy	2190	Resource Efficiency and Circular Economy	35,800	48	35,848	667	36,515	2%
Total Increase Resource Efficiency and Support Transition to a Circular Economy			35,800	48	35,848	667	36,515	2%

Promote and Support Protected Landscapes, Wider Access to Green Space	2490	Designated Landscapes & Countryside Access	13,051	325	13,376	298	13,674	2%
Total Promote and Support Protected Landscapes, Wider Access to Green Space			13,051	325	13,376	298	13,674	2%
Coal Tip & Reservoir Safety	2232	Coal Tip & Reservoir Safety Delivery	5,836	(1,958)	3,878	6,000	9,878	155%
Total Coal Tip & Reservoir Safety			5,836	(1,958)	3,878	6,000	9,878	155%
Restore, Maintain and Improve Marine Environment	2875	Marine Policy, Evidence and Funding	2,361	3	2,364	48	2,412	2%
Total Restore, Maintain and Improve Marine Environment			2,361	3	2,364	48	2,412	2%
Environment and Wildlife Management	2802	Plant and Wildlife Protection, Peatlands and Regulation	1,407	11	1,418	682	2,100	48%
Total Environment and Wildlife Management			1,407	11	1,418	682	2,100	48%
CLIMATE CHANGE - TOTAL RESOURCE BUDGET			203,231	(1,844)	201,387	10,938	212,325	5%

CAPITAL BUDGET			£'000					
Action	BEL No.	BEL Description	Plans as per 2025-26 Final Budget February 2025	Baseline Changes for 2026-27	2026-27 Revised Baseline	2026-27 Revised Baseline Changes	2026-27 Draft Budget October 2025	% Change
Develop and Implement Climate Change Policy, Energy Efficiency, Green Growth and Environmental Protection	2809	Welsh Government Energy Service	12,000	0	12,000	0	12,000	0%
	2807	Invest 2 Save - Green Growth	1,052	0	1,052	0	1,052	0%
	2817	Environment Protection	2,686	0	2,686	0	2,686	0%
Total Develop and Implement Climate Change Policy, Energy Efficiency, Green Growth and Environmental Protection			15,738	0	15,738	0	15,738	0%
Develop and Implement Flood and Coastal Risk, Water and Sewage Policy and Legislation	2230	Flood Risk Management & Water Policy Delivery	31,521	(1,500)	30,021	3,478	33,499	12%
Total Develop and Implement Flood and Coastal Risk, Water and Sewage Policy and Legislation			31,521	(1,500)	30,021	3,478	33,499	12%
	2825	Biodiversity Evidence & Plant Health	12,500	0	12,500	(1,000)	11,500	(8%)

Deliver Nature Conservation and Forestry Policies and Local Environment Improvement	2827	Forestry	9,310	0	9,310	0	9,310	0%
	2820	Local Places for Nature	12,564	0	12,564	0	12,564	0%
Total Deliver Nature Conservation and Forestry Policies and Local Environment Improvement			34,374	0	34,374	(1,000)	33,374	(3%)
Environment and Wildlife Management	2802	Plant and Wildlife Protection, Peatlands and Regulation	0	0	0	5,200	5,200	100%
Total Environment and Wildlife Management			0	0	0	5,200	5,200	
Sponsor and Manage Delivery Bodies	2451	Natural Resources Wales	27,806	0	27,806	0	27,806	0%
Total Sponsor and Manage Delivery Bodies			27,806	0	27,806	0	27,806	

Increase Resource Efficiency and Support Transition to a Circular Economy	2190	Resource Efficiency and Circular Economy	41,853	0	41,853	(4,200)	37,653	(10%)
Total Increase Resource Efficiency and Support Transition to a Circular Economy			41,853	0	41,853	(4,200)	37,653	(10%)
Promote and Support Protected Landscapes, Wider Access to Green Space	2490	Designated Landscapes & Countryside Access	8,900	0	8,900	0	8,900	0%
Total Promote and Support Protected Landscapes, Wider Access to Green Space			8,900	0	8,900	0	8,900	0%
Coal Tip & Reservoir Safety	2232	Coal Tip & Reservoir Safety Delivery	38,217	(23,000)	15,217	25,000	40,217	164%
Total Coal Tip & Reservoir Safety			38,217	(23,000)	15,217	25,000	40,217	164%
CLIMATE CHANGE - TOTAL CAPITAL BUDGET			198,409	(24,500)	173,909	28,478	202,387	16%

CAPITAL FT BUDGET			£'000					
Action	BEL No.	BEL Description	Plans as per 2025-26 Final Budget February 2025	Baseline Changes for 2026-27	2026-27 Revised Baseline	2026-27 Revised Baseline Changes	2026-27 Draft Budget October 2025	% Change
Develop and Implement Climate Change Policy, Energy Efficiency, Green Growth and Environmental Protection	2809	Welsh Government Energy Service (Capital FT)	10,000	(10,000)	0	10,200	10,200	N/A
Total Develop and Implement Climate Change Policy, Energy Efficiency, Green Growth and Environmental Protection			10,000	(10,000)	0	10,200	10,200	N/A
CLIMATE CHANGE - TOTAL CAPITAL FTC BUDGET			10,000	(10,000)	0	10,200	10,200	N/A



Agenda Item 3.1

Dr Chris Llewelyn

Prif Weithredwr / Chief Executive

Cymdeithas Llywodraeth Leol Cymru
Welsh Local Government Association

Un Rhodfa'r Gamlas

Heol Dumballs

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Ein Cyf / Our Ref:

Dyddiad / Date: 23/10/25

Gofynnwch am / Please ask for: Tim Peppin

Llinell uniongyrchol / Direct line: 07747 483761

Ebost / Email: tim.peppin@wlga.gov.uk

Llyr Gruffydd MS

Chair - Climate Change, Environment and Infrastructure Committee

Senedd Cymru

Cardiff Bay

Cardiff CF99 1SN

.cc Ken Skates MS, Cabinet Secretary for Transport and North Wales
James Price, TfW Chief Executive

By email

Dear Llyr

Bus Services (Wales) Bill – Stage 1 Residual issues to be considered in Stage 2 Amendments

I am writing to highlight elements in the draft Bill that I believe require consideration in the Stage 2 amendments.

Councils are supportive of the objective and aspiration to increase bus patronage. It is important, though, that the approach being taken within the Bill is efficient, and minimises risk to the public purse and the potential reduction of existing services for current users. I would therefore like to take this opportunity to raise a number of points with you and your Committee.

A primary consideration is the affordability of the proposals both in terms of the administration cost and of being able to meet expectations being raised by the Bill regarding increased bus service provision.

The Welsh Government Financial Assessment includes an estimated additional administration cost of £30m per annum to deliver franchising. This is a significant increase over the administration costs of councils delivering the current network. I have had verbal reassurance from TfW that they do not recognise the figure of £30m and that they understand the need to match current administration costs. I believe it is important that this point is clarified and documented as part of the committee's deliberations.

The case for franchising highlights the opportunity to improve services, suggesting new routes and / or service level improvements will be provided. However, it is clear from the South West Wales public consultation and information circulated to councils in the region by TfW, that there are no additional staff and vehicle resources immediately available. Therefore improvements, at least initially, are likely to be marginal.

Discussions to date and the consultation on the Draft Welsh Bus Network Plan have highlighted the importance of local knowledge in understanding the needs of users and being aware of physical highway and infrastructure constraints that impact on bus operations.

The proposed network revisions emanating from TfW include greater use of interchange connectivity. That introduces additional journey times. Longer journeys that merge routes, and are less frequent and leave some areas without a service or reduced levels of service, are also being proposed. Some former bus journeys will need to be completed through an interchange with rail. This will have unintended cost consequences for concessionary pass holders, who will be required to pay a portion of the cost of travel that they were previously entitled to for free.

Increased operational running distances will increase the risk and impact of congestion on bus service reliability with fewer, if any, opportunities to mitigate.

There are also plans to separate the provision of infrastructure and information provision. However, these elements are intrinsically linked, as information cannot be provided without suitable infrastructure. Whilst councils recognise the importance of bus stops as the shop window to users, funding pressures have limited the ability to provide infrastructure that meets our shared aspirations. The omission of wider highway infrastructure considerations, including bus priority measures, means that one of the fundamental barriers to bus use remains unaddressed by the plans.

The Bill effectively limits the role of councils to one of being a consultee, although councils will still have legal duties for critical elements of the system including Home-to-School transport, roadside infrastructure and being the relevant Highway Authority.

Welsh Government has proposed the use of a Memorandum of Understanding with councils. However, it is not clear that this would carry sufficient status to enable councils to discharge their relevant duties effectively. A duty to work jointly with councils would be preferable. In this respect, there is also a need to clarify governance arrangements. Ultimately, as drafted, Welsh Ministers will be responsible for approving the bus network. This creates a risk that what is approved may conflict with councils' duties and responsibilities in relation to highways and Home-to School transport provision. Whilst there are good joint working arrangements which would hopefully avoid such situations, a duty to work with councils would provide added reassurance.

The approach to procurement, with full, 'gross cost' contracts, does increase the financial risk to the public purse. It also introduces an increased requirement for contract management and administration. The proposed approach, in effect, guarantees operators' profit margins for all services with no financial risk to them.

The long-term success of cost control in such a procurement model, is reliant on a strong supply market. There is a risk that the number of suppliers, especially SMEs and municipally owned bus companies, will be seriously impacted if they are unsuccessful in the first round of franchising. Equally, major bus operators could decide to pull out of Wales if they are unsuccessful. In both cases, this reduces competition and risks instability and price increases in later rounds. The loss of such operators will also constrain the ability of councils to meet their statutory Home-to-School duties due to the loss of capacity and / or inflated prices to reflect the reduction in the supply of suitable vehicles.

The proposed purchase of depots and vehicles will introduce further up-front costs to the public purse that may not be recouped or deliver value for money. The proposed use of the residual value mechanism to procure vehicles from incumbent operators inherently introduces fleet inefficiencies. I have suggested a different approach to TfW that would involve the use of financial incentives to operators to upgrade their fleets.

In submissions to Senedd committees WLGA representatives highlighted concerns with the cost and revenue assumptions within the RIA. These concerns remain, with the risk that the over-optimistic assumptions and any additional administration costs will make it difficult to deliver the current network within the budget available. Given the fixed contract price for successful operators, any budget shortfalls would have to be addressed through service cuts and / or fare increases.

The proposed transfer of existing council functions to Welsh Ministers has considerable implications for staff resources and efficiencies. As council staff generally perform multiple roles, any job cuts that result will impact on transport knowledge and capacity in councils more generally. The exclusion of Home to


School Transport and the Welsh Government Concessionary Travel Scheme from the Bill places these staff at particular risk.

The aspiration to make use of the public transport network for Home to school transport is supported, with many Local Authorities operating integrated transport units, which already maximise such opportunities. Whilst the intention to consider further opportunities is noted, there is an inherent risk that the approach will introduce conflicting requirements and erode existing efficiencies. The proposed network changes risk the removal of statutory home-to school journeys that are facilitated by the existing network. The funding assumptions of the franchise contracts will need to carefully consider the potential loss of existing revenue sources.

Council officers have many years of expertise in planning and co-ordinating bus networks and are keen to continue to work closely with you as this work progresses,

I hope these observations are seen as constructive and helpful to you in shaping the Bill to achieve our mutual objectives of increasing bus patronage whilst delivering best value to the public purse. I am copying this letter to Ken Skates MS, Cabinet Secretary for Transport and North Wales and James Price, Chief Executive of TfW.

Yours sincerely



Councillor Andrew Morgan OBE
WLGA Leader and Transport Spokesperson

Julie James AS/MS
Y Cwnsler Cyffredinol a'r Gweinidog Cyflawni
Counsel General and Minister for Delivery



Llywodraeth Cymru
Welsh Government

Our ref: MA/KSNWT/2275/25

Llyr Gruffydd MS Chair
Climate Change, Environment, and Infrastructure Committee
Senedd Cymru
Cardiff
CF99 1NA

11 November 2025

Dear Llyr,

Thank you for your consideration of the Bus Services (Wales) Bill during Stage 2 proceedings on 22 October.

Prior to Stage 3 proceedings on 2 December, for clarity I wanted to summarise the commitments I gave during the meeting on behalf of the Cabinet Secretary for Transport and North Wales in relation to certain matters raised during Stage 2 proceedings.

Additional Objective – Access to Public Services, including Education and Healthcare:

The Cabinet Secretary will consider an additional objective to include under section 4 of the Bill, relating to non-government amendments 25 and 55, as well as some broader matters raised relating to accessibility. This would reflect our commitment to ensure that in the delivery of functions under the Bill, the Welsh Ministers will be required to take into account facilitating access to key public services, including education and healthcare. We intend to seek the views of Members on the substance of that objective as soon as possible so that they can inform the development of a draft amendment.

Delivery of the Welsh Bus Network Plan:

As agreed during Stage 2 proceedings, the Cabinet Secretary also intends to engage with Members in relation to the withdrawn amendments 61 and 63 which sought to require the Welsh Ministers to lay before the Senedd a financial assessment relating to the delivery of the Welsh Bus Network Plan. We intend to seek clarification from the relevant Members as to their intent in relation to these amendments in order to take a view on whether an amendment is appropriate or necessary.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

To note, we will shortly write to the Finance Committee to outline the updates made to the Regulatory Impact Assessment following their recommendations.

Local authority consultation:

Finally, with regard to the proposed amendments relating to a Passenger Charter/Forum, whilst we are of the view that it is not necessary to make statutory provision in respect of a charter, we recognise the intent behind these two amendments presents an opportunity to consider an alternative amendment around accessibility and inclusion through public engagement. The Cabinet Secretary intends to share a draft with the relevant Members in advance of tabling.

I want to thank the Committee once again for their time; the Cabinet Secretary for Transport and North Wales will be engaging with the relevant Members on the matters I've outlined above.

Yours sincerely,



Julie James AS/MS

Y Cwnsler Cyffredinol a'r Gweinidog Cyflawni
Counsel General and Minister for Delivery

—
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The Rt. Hon Elin Jones MS
Chair of the Chairs' Forum

3 November 2025

Dear Elin,

Reviewing Committee Effectiveness in the Sixth Senedd

The Climate Change, Environment, and Infrastructure ('CCEI') Committee welcomes the opportunity to contribute to the Chairs' Forum's review of committee effectiveness in the Sixth Senedd. This response draws on the experience of the current Committee membership over the course of this Senedd term and reflects our views on what has worked well and the challenges we have encountered.

Committee culture

We believe that a constructive, non-party-political approach is necessary for a committee to be successful in achieving its objectives.

We believe that the culture of the Senedd's committees would benefit from more diversity in its chairs. For example, over many years, there have been gaps in the representation of women chairs on committees covering key policy areas such as finance, the economy, and rural affairs. We believe that achieving a better gender balance in these roles would strengthen the scrutiny process.

We also believe there is scope to better reflect the collaborative nature of committee work in its promotion, beyond the role of the Chair. For example, we believe that more visibility for all committee members in report launches and media activity would reinforce the cross-party nature of the work.

The Committee believes that the overall timetable should be flexible enough to accommodate caring responsibilities and accessibility needs, ensuring that all Members can participate fully.

Organisation of Committee business

Some Members felt that committees with broad cross-cutting remits, which range across the portfolios of several Ministers, such as the CCEI Committee, can face severe challenges in terms of policy and legislative workload. The Committee believes that, in the next Senedd, consideration should be given to ensuring clear lines of ministerial accountability within committee remits, while retaining sufficient flexibility to enable cross-cutting scrutiny. This could be achieved by seeking to minimise the number of Ministerial portfolios covered in a committee's remit. However, the Committee did not favour continually reconstituting committee remits in response to changes in ministerial portfolios.

The CCEI Committee's heavy legislative workload has, particularly in the second half of this Senedd term, significantly reduced the time available for policy work. We acknowledge that while there are clear benefits to the dual policy-and-legislation model, including allowing Members to build expertise across both functions, it can lack flexibility. We discussed alternative models, including the use of ad hoc legislation committees. Certain members of the Committee had a negative experience of this approach during previous Senedd terms, including inconsistent levels of engagement depending on the subject of the legislation. We believe that alternative models should be considered with caution, as they can weaken continuity and the development of expertise within committees.

The Committee believes that the smaller size of the CCEI Committee during the Sixth Senedd term has enabled Members to contribute more fully to proceedings. Furthermore, our experience during this Senedd term suggests that Members should sit on fewer committees to allow for the development of subject expertise. We believe that an increase in the number of Members in the next Senedd should not automatically result in the creation of additional or larger committees, as this could have the effect of diluting specialisation and making it more difficult for members to contribute in proceedings.

We broadly support the continued use of hybrid working arrangements and recognise that they improve accessibility. However, there is agreement that in-person attendance should remain the default for Stage 2 proceedings. The Committee considers that clearer guidance on participation in hybrid proceedings would help establish consistent expectations for Members, Ministers, and witnesses.

The Committee recognises the importance of the Petitions Committee and believes that stronger coordination between it and policy committees could help inform forward work programmes and support the early identification of emerging issues.

Interactions with Committees

The Committee believes that effective scrutiny depends on a broad and diverse evidence base. Members support continued efforts to involve service users, citizens and community representatives

in committee inquiries. While we believe that engagement has improved during the Sixth Senedd, there remains scope to further broaden participation through visits and public engagement events, if committees have sufficient capacity and resources.

We believe that external engagement activities, including visits and events, are among the most valuable elements of committee work. Such activities provide important context that cannot be gained in a committee room, and can significantly impact thinking around legislation and policy, for example, our visit to Transport for Greater Manchester, which was invaluable in understanding the practical issues of the Bus Services (Wales) Bill.

Members value the support provided by research teams. The Committee emphasises the importance of ensuring that research outputs are concise and focused, given the demands on members, who may sit on several committees.

The Committee believes that a heavy legislative workload, weighted towards the second half of this Senedd term, and the limited notice of forthcoming business (including for LCMs) can constrain scrutiny and reduce opportunities for meaningful engagement. We have addressed such issues several times during this Senedd term in correspondence with the Business Committee. We believe that the Business Committee should engage with the Welsh Government early in the next Senedd to discuss how timetabling could be improved to ensure it does not negatively impact scrutiny.

Conclusion

The Committee welcomes the Chairs' Forum's work in this area and we hope that it will enable the next Senedd to learn from the lessons of the Sixth Senedd. Members would be content to discuss any matters in this response or to provide additional clarification should the Chairs' Forum find that helpful.

Yours sincerely,



Llyr Gruffydd MS,
Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Written Response to Senedd Stage 1 Report on the Environment (Wales) Bill

Gareth Thomas, Louise Steel, Luci Attala - University of Wales Trinity St David, UNESCO Most-Bridges

Introduction

The current environmental consultation approach is ineffective in Wales. This is because it privileges institutional voices while excluding those with lived and embodied environmental knowledge. This is best evidenced by the oral witnesses called to the Stage 1 inquiry, all of whom represented statutory bodies or large organisations rather than the communities most affected by the legislation.

What Wales needs is not more regulation but more meaningful integration of community knowledge and co-creative governance within existing frameworks. Increased legislation gives more power to governing bodies such as Natural Resources Wales and Council Conservation Teams, which can inadvertently centralise decision-making within environmental science which marginalises local expertise. **Effective environmental care depends on combining scientific and community/embodied knowledge through collaborative, place-based practice rather than enforcing additional statutory controls.** As Tengö et al. (2014) argue, sustainability emerges when diverse knowledge systems operate as parallel and equal sources of evidence rather than within hierarchical governance models, a position reinforced by the IPBES (2019) Global Assessment, which calls for participatory, co-produced governance instead of top-down enforcement.

This report draws on anthropological fieldwork conducted through *CoastalTales*, an international research project involving UNESCO, the University of Wales Trinity Saint David, Trinity College Dublin, and Alaska and Arizona State Universities. The written evidence submitted by Gareth Thomas, Professor Louise Steel, and Professor Luci Attala (University of Wales Trinity Saint David and UNESCO-MOST BRIDGES) to the Stage 1 Report of the Senedd Environment and Climate Change Committee on the *Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill (2024)* is rooted in three years of ethnographic research with a wide range of coastal partners. Grounded in the field experience of *CoastalTales*, our submission argued that environmental governance in Wales must recognise the legitimacy of multiple knowledge systems, especially those informed by community heritage, lived experience, and ecological practice. **While the creation of new legislation may seem an obvious response, it risks reinforcing technocratic control rather than engaging with the relational and cultural dimensions that underpin genuine environmental care.**

Recognition of Diverse Knowledge Sources- areas of agreement

The Committee recognises our argument that environmental governance must draw on diverse forms of evidence. It explicitly cites our call to engage with “non-institutional knowledge holders” and to acknowledge “community and heritage-based evidence”

(Stage 1 Report, pp. 107–113). Both our submission and the Committee’s report emphasise that environmental decision-making should be participatory and transparent. The Committee’s recommendation for wide consultation before new regulations reflects our call for inclusive engagement, although our position extends beyond procedural participation toward genuine epistemic equality. The report also supports our view that institutional structures and limited capacity constrain the Bill’s implementation, agreeing that community involvement and local legitimacy are essential for achieving biodiversity targets. In addition, the Committee aligns with our emphasis on the need for environmental governance that responds to Wales’s distinctive social and ecological contexts, recognising that sustainability cannot be separated from its cultural and historical foundations.

Areas of Disagreement

The most significant divergence concerns the depth of inclusion. Our submission, informed by many years of ethnographic work, calls for the structural integration of community, heritage, and embodied knowledge within the evidentiary and policy frameworks of the Bill. The Committee, by contrast, limits its recommendations to improved consultation procedures. While both perspectives acknowledge the value of local knowledge, the Committee’s approach continues to assume that scientific and bureaucratic systems hold ultimate authority.

This approach is a form of **technocratic environmentalism**, which we identify as a key limitation of contemporary governance (Thomas 2025). It **privileges quantifiable metrics, compliance structures, and abstract targets over lived ecological relationships, treating sustainability as a technical problem to be managed** rather than as an ethical and communal practice of care. The Committee’s report does not challenge this framework; instead, it focuses on streamlining regulation and coordination, thereby reproducing what Thomas (2025) calls the “*managerial logic of environmental care*,” where control and compliance displace relational forms of stewardship.

We argue that **this model is fundamentally un-Welsh. In Wales, there exists a long-standing heritage of craft, land, and sea-based practices grounded in embodied and sustainable knowledge-traditions that, in some cases, reach back a thousand years or more. These forms of expertise, carried through generations, embody a moral economy of care that has sustained local ecologies. Yet they are being increasingly ignored** (or discontinued) in favour of technocratic systems that burden small-scale regenerative initiatives with bureaucratic complexity while granting larger, capitalised actors greater flexibility due to their institutional familiarity and access to legislative mechanisms. The Bill’s implementation risks perpetuating this imbalance if it fails to integrate plural knowledge systems and moral economies of care into its operational logic.

Our submission explicitly advances the principle of epistemic justice, understood as the fair recognition and inclusion of community knowledge within governance

structures. **Although the Committee reproduces our language, it does not propose mechanisms to embed this justice structurally. The difference lies in depth: while the report symbolically acknowledges community knowledge, it leaves it outside the formal evidentiary infrastructure of environmental decision-making.**

We also maintain that heritage is not peripheral but constitutive of environmental understanding. The Committee treats heritage contextually, acknowledging its social relevance but not its epistemic significance. In practice, this leaves **the Bill environmentally managerial rather than culturally regenerative and insufficiently respectful of Wales's ancient, place-based knowledge traditions.**

Co-production and Shared Authority

UNESCO's *CoastalTales* project has been working closely with Natural Resources Wales (NRW) through the Teifi Demonstrator Project, to submit a 10M bid to the National Lottery Heritage Fund. This collaboration demonstrates the value of co-production in developing inclusive, context-sensitive models of environmental governance. By bringing together scientists, policymakers, and community knowledge holders, the project illustrates how shared authority and knowledge integration can generate more sustainable, legitimate, and locally resonant approaches to biodiversity care. This is not easy work, but that does not mean it is not worth doing. Environmental organisations are losing the trust and support of ordinary people because communities are witnessing first-hand the consequences of a top-down, legislation-heavy approach. This system makes it far easier to regulate or restrict small-scale, local knowledge producers than to challenge the larger industrial or commercial forces that cause the greatest environmental harm. In this way, we lose our traditional environmental knowledge holders. It is time to confront these challenges directly and commit to doing the hard things that rebuild trust, empower local stewardship, and ground environmental care in the lived realities of Welsh traditional knowledge.

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- Thomas, G. (2025). *For the Love of the Sea: Technocratic Environmentalism and the Struggle to Sustain Community-led Environmentalism*. *Sustainability* 2026 (forthcoming).

Gareth Thomas, Louise Steel, Luci Attala - University of Wales Trinity St David, UNESCO Most-Bridges

Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet
dros Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for
Climate Change and Rural Affairs



Llywodraeth Cymru
Welsh Government

Ein cyf/our ref: HID-PO-574-25

Llyr Gruffyd MS
Climate Change, Environment and
Infrastructure Committee
Senedd Cymru
Cardiff Bay
CF99 1SN

10 November 2025

Dear Llyr,

Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill

Thank you for the Climate Change, Environment and Infrastructure Committee's Report, published on 24 October, regarding the Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill as part of Stage 1 scrutiny.

I am grateful for the recommendations raised in the report and I will outline the Government response to these during the Stage 1 general principles debate.

In order to give a fully considered response to the helpful set of recommendations within the report I will need some additional time to respond.

I intend to respond to the full set of recommendations as closely as possible after the general principles debate, if the Bill successfully progresses.

Yours sincerely,

Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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Correspondence.Huw.Irranca-Davies@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet
dros Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for
Climate Change and Rural Affairs

Agenda Item 3.4

Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: HID-PO-551-25

Mike Hedges MS
Chair - Legislation, Justice and Constitution Committee

5 November 2025

Dear Mike,

I am writing in accordance with the inter-institutional relations agreement to let you know that the Inter-Ministerial Group for Environment, Food and Rural Affairs will be held on 24 November. I will be representing the Welsh Government and chairing the meeting.

The meeting is expected to focus on water quality, the EU-UK Common Understanding Agreement, Fishing and Coastal Growth Fund, and CO₂ supplies. After the meeting I will update you on discussions and a communique will be issued.

I have also copied this letter to the Climate Change, Environment and Infrastructure Committee and the Economy, Trade and Rural Affairs Committee.

Yours sincerely,



Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Agenda Item 3.5

Huw Irranca-Davies AM MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet
dros Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for
Climate Change and Rural Affairs



Llywodraeth Cymru
Welsh Government

Ein cyf/our ref: MA-HIDCC-1855-25

Llŷr Gruffydd
Chair
Climate Change, Environment, and Infrastructure Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1SN
SeneddClimate@senedd.wales

4 November 2025

Dear Llŷr,

I refer to my letter to you of 20/10/2025 regarding the Producer Responsibility Obligations (Packaging and Packaging Waste) (Amendment) Regulations 2025 (“the Regulations”).

I previously wrote to you to notify the Committee of my intention to give consent to the Secretary of State for Environment, Food and Rural Affairs for the above UK-wide Regulations to apply in relation to Wales. I am writing to notify you that I have now provided this consent. I also laid a Written Statement which can be found here: [Written Statement: The Producer Responsibility Obligations \(Packaging and Packaging Waste\) \(Amendment\) Regulations 2025 \(4 November 2025\) | GOV.WALES](#)

The Regulations intersect with devolved policy and will apply to Wales, England, Northern Ireland and Scotland. The Regulations are subject to the affirmative procedure, and they were laid before Parliament on 3 November 2025. Subject to debate and approval in the Houses of Parliament the Regulations will come into force on 1 January 2026.

I have also written to Mike Hedges, Chair of the Legislation, Justice and Constitution Committee.

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Yours sincerely,

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name.

Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig

Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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Tracey Cooper

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Llyr Gruffydd, MS
Chair, Climate Change, Environment and Infrastructure Committee
Welsh Senedd
Cardiff Bay, Cardiff CF99 1SN

Ref: TC.CS.061125.LG

6 November 2025

Dear Llyr,

Climate Change, Environment and Infrastructure Committee's Sixth Senedd Legacy Report

I am grateful for the opportunity to share with you our public health policy priorities to inform the development of the Climate Change, Environment and Infrastructure Committee's Sixth Senedd Legacy Report.

Public Health Wales is the national public health organisation for Wales. We exist to help all people in Wales live longer, healthier lives, and to make health part of every conversation about Wales' future.

We are highlighting five priority areas where we believe public health policy action can build a healthier, fairer and more prosperous Wales for the future, and support a strong sustainable health and care system.

By sharing these with you, we hope to support the work your Committee is doing to highlight the issues the Seventh Senedd, and your successor Committee may wish to consider.

1 Context

People in Wales are currently experiencing unfair and avoidable gaps in health and wellbeing. For example, women in the least deprived areas of Wales live 20 years more of their life in good health than those who live in the most deprived areas. In our most deprived communities, we also see three times as many avoidable deaths and 70% more child deaths. Without change, poor health in our most deprived communities will continue to result in increased demand for our public services.

Through a prevention-first approach to policy and by working together in partnership, we can overcome these challenges and build a healthier future for Wales. We know that every £1 invested in prevention returns £14 for society by creating healthier people, a stronger economy and lowered NHS costs.

Our five policy priorities

1. The best start in life builds lifelong health and wellbeing

The foundation for a life lived in good health is built in our early years. Policies need to promote the wellbeing of babies and young children and protect children from harm, for example from adverse childhood experiences (ACEs) and poverty, to give them the best chance to thrive through life.

- Consider children's wellbeing in all policy decisions.
- Deliver the Best Start in Life framework through cross-government leadership.
- Ensure comprehensive child health data to guide policy, target support, and track outcomes for babies and young children.
- Ensure every family can easily access Health Visitor support, and provide Flying Start based on need, not postcode.
- Embed trauma and adverse childhood experience-informed approaches from pre-pregnancy onwards.

2. Financial wellbeing drives better health and a prosperous economy

Secure and fairly rewarded work that pays a living wage is good for our health. Healthy communities mean a healthy workforce, and a healthy, productive workforce is good for a prosperous Welsh economy. Policies need to support people in Wales to find, stay in or return to healthy, safe and secure work.

- Ensure public bodies provide safe, secure jobs paying at least the Real Living Wage.
- Monitor progress on workplace equality, including gender, ethnicity, and disability pay gaps.
- Support people with health challenges to enter, stay in, or return to work.

- Link employment services with health support especially for those with long-term or mental health conditions so people get help when they need it.

3. Healthy lives start in our everyday places

When the places where we live, eat, shop, and play are healthy, it is easier for all of us to live healthier and happier lives.

National planning and other policies need to create and strengthen healthier places strategically, regionally and locally to support physical, mental and social health and wellbeing and reduce the appeal and availability of health harming products.

Healthy communities – characterised by healthy homes, sustainable transport, safe space for active travel, and green spaces – create additional benefits to the environment.

- Increase the availability of healthy and affordable homes, especially social housing.
- Raise standards in private rental housing.
- Reduce exposure and availability of tobacco and vapes by licensing retailers, and extend smoke-free zones.
- Make healthier food and drink the affordable, visible options in shops and restaurants, and restrict price promotions for less healthy food and drinks

4. Care tailored to local need builds health and resilience

Addressing the root causes of poor health—not just the consequences—means everyone in Wales can prosper and enjoy better health and wellbeing and our health system is resilient.

Policies need to address the needs of local people through earlier intervention and delivery of joined-up, effective care for the whole person when and where people need it.

- Increase the yearly share of the NHS budget spent on prevention and primary and community care instead of hospital treatment.
- Join up health and community care with public services and voluntary organisations to support the whole person.
- Invest in community health facilities, skilled staff, data and digital tools that link with health records to support early and preventative care.

5. A healthy planet protects our people now and in the future

The health of people and the planet are interconnected. Many actions that address climate change also support longer, healthier lives.

Policies need to focus on both preventing the health harms of climate change and tackling its root causes, especially for those most vulnerable and least able to adapt.

- Invest in safe walking and cycling routes, footpaths, and car-free town centres.

-
- Make public transport accessible and affordable, including free bus travel for young people.
 - Protect communities from the health harms of climate change by tackling flooding, improving food security, ensuring sufficient and quality water for private supply, and expanding access to green spaces and tree cover

At Public Health Wales we welcome the opportunity to engage further with the Committee to inform the development of its Legacy Report, and we look forward to ongoing, constructive engagement with your successor Committee. If you would like more detailed information in relation to the specific interventions to tackle these five areas then please do not hesitate to contact us. I have also attached the infographics for the summary and solutions for the priority areas for information.

Yours sincerely,



Tracey Cooper
Chief Executive, Public Health Wales

Copy: SeneddClimate@senedd.Wales

Webpage: <https://phw.nhs.wales/>
Email: phw.advocacy@wales.nhs.uk

—
**Climate Change, Environment,
and Infrastructure Committee**

Rebecca Evans MS

Cabinet Secretary for Economy, Energy and Planning

10 November 2025

Draft Budget scrutiny 2026-27

Dear Rebecca,

Given the limited time available for scrutiny of the Welsh Government's draft budget 2026-27, the Committee has agreed to prioritise oral evidence sessions with the Cabinet Secretary for Climate Change and Rural Affairs and the Cabinet Secretary for Transport and North Wales. It has, therefore, agreed to undertake scrutiny of the draft budget for your responsibilities that fall within the Committee's remit via correspondence. As such, we would be grateful for a written response from you to the questions set out in Annex 1.

You will see that several questions relate to the subsidy package for Cardiff Airport. We note from [your letter of 31 October](#) that ongoing legal action in relation to the Welsh Government's investment in Cardiff Airport means it may not be possible for you to respond fully to those questions at this time. We would be grateful for any information you can provide at this time, with a more detailed response following the Competition Appeal Tribunal's judgement.

It would be helpful if you could provide a response as soon as possible, and by 3 December at the latest.

Yours sincerely,



Llyr Gruffydd MS,

Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. / We welcome correspondence in Welsh or English.

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Energy

Green Energy

Resource funding for the green energy BEL has slightly increased from £8.49m to £8.52m, and capital funding has remained the same at £12.4m.

- Can you set out which specific projects and programmes are supported under the green energy BEL? What will the uplift in the resource budget fund?
- What are the resource and capital budget allocations for Trydan Gwyrdd Cymru? What are the specific allocations for each of the three projects announced to date?
- You've [previously stated](#) you expect to see a rise in the number of renewable energy projects successfully bidding for Contracts for Difference. How do allocations under the Green Energy BEL support this?

Ynni Cymru

The resource and capital budgets for Ynni Cymru have remained the same, at £2.47m and £10m respectively.

- How do the budget allocations reflect the Welsh Government's ambition for 1 GW of renewable energy generation capacity to be locally owned by 2030?
- How many community renewable energy projects do you intend to support through Ynni Cymru in 2026-27?

Welsh Government Energy Service (WGES)

The budget for the WGES sits within the Climate Change and Rural Affairs MEG. The resource allocation has increased from £4.17m to £4.25m, and the capital allocation has increased from £22m to £22.2m.

- What is your current assessment of progress towards a net zero public sector by 2030, do you still expect this ambition to be achievable?
- Given that the budget for the WGES sits with the Deputy First Minister and Cabinet Secretary for Rural Affairs, how are you working to ensure alignment with your priorities and to avoid duplication?

National Infrastructure Commission for Wales (NICW)

In previous years, the NICW has been allocated £400,000 from the Planning and Regulation BEL. Following your [review of the Commission](#), you have [stated that](#) “the future role and structure of the commission” will be for a new Welsh Government to consider.

- Can you confirm whether the NICW has been allocated funding for 2026-27, and if so what the total allocation is and where this sits within your budget?
- Whether the [extension to the existing Commissioner’s](#) terms to September 2026 is being funded from any new allocation for 2026-27 or from [underspend in previous years](#).

Maritime Ports and Cardiff Airport

Ports

Your December 2024 paper to us, responding to our questions on the 2025-26 draft budget, highlighted that your budget was supporting development of a Maritime and Ports Strategy, alongside a Freight Strategy - both for publication “before the end of this Senedd term”.

With this in mind, can you:

- provide an update on the development of both strategies; and
- outline how your draft budget allocations will support delivery of these during 2026-27, including details of the relevant BEL(s) and how the allocations are being / will be prioritised to reflect the content of the strategies?

Cardiff Airport

Your [July 2025 statement](#) on Cardiff Airport explained that the long-term strategy for the Airport focuses on “attracting and growing aviation and aerospace businesses linked to the Airport” and “a targeted programme of air service development”. It confirmed your [April statement](#) which indicated £20m of the total subsidy of around £206m had been allocated in the current 2025-26 financial year. We note that the subsidy award details [published on the UK Government website](#) indicate that the subsidy will be managed through two “packages”, which appear to reflect the objectives of the long-term strategy (“attracting non passenger business” and “targeted route development”). We are aware that the subsidy is being challenged in the [Competition Appeal Tribunal](#), and note comments from the Director General for Economy, Energy and Transport [in correspondence to](#) the Public Administration and Public Accounts Committee that “the judgement will not necessarily conclude the matter, as it could be subject to appeal”.

With this in mind, we would be grateful if you could set out:

- how the draft budget allocations within your portfolio will support the development of Cardiff Airport, and specifically delivery of the long-term strategy;
- confirmation of which BEL(s) within your MEG include allocations for the Airport subsidy package;



- details of how the first £20m tranche of the Airport subsidy package, allocated in 2025-26, is being spent, including how this is split between the two “packages”, how it’s impact is being evaluated and how the Airport is being performance managed based on the results of that evaluation;
- details of how the evaluation of the 2025-26 subsidy allocation will inform the approach to the 2026-27 allocation;
- how the 2026-27 allocation will be split between the two packages; and
- in the light of the Director General’s comments, how you are assessing and managing the legal risk to both the subsidy package and the development of the Airport, including your approach to contingency planning.

Planning

Resource funding for the Planning and Regulation Action has increased slightly from £8.91m to £9.02m. The [Detailed Draft Budget Report 2026-2027](#) states that £5.1m is allocated to tackling capacity and delays in the planning system and that investment will continue in a planning service provided by Welsh Government, Natural Resources Wales (NRW) and local planning authorities (LPAs). It also states planning application fees have increased by an average of 50%.

- Is the whole of the £5.1m included within the £9.02m allocated to Planning and Regulation? If not, could you provide a breakdown of where the funding comes from?
- What assessment have you made of the impact of the £5.1m on tackling capacity and delays in the planning system and what are the expected outcomes?
- What actions will be taken within this programme of work?
- How will the £5.1m funding and actions be shared across the Welsh Government Planning Division, Planning and Environment Decisions Wales (PEDW), NRW and LPAs?
- What assessment have you made of the impact of increasing planning application fees by an average of 50% on developers and planning authorities?

Jayne Bryant MS

Cabinet Secretary for Housing and Local Government

10 November 2025

Draft Budget scrutiny 2026-27

Dear Jayne,

Given the Committee's on-going interest in progress towards decarbonisation of Wales' existing housing stock, Members agreed I should write to you to request information about the draft budget for 2026-27 to support delivery of this policy area.

I should be grateful if you would provide a response to the questions set out in Annex 1 as soon as possible, and by 3 December at the latest.

Yours sincerely,



Llyr Gruffydd MS,

Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. / We welcome correspondence in Welsh or English.

Warm Homes Programme

The latest iteration of the Warm Homes Programme commenced in April 2024. The programme aims to prioritise low carbon technologies 'where it makes sense to do so'. Capital funding for the programme has increased by 2% from £37.5m to £38.25m while the resource allocation remains unchanged at £3.73m.

- What is the justification for only a 2% uplift in the capital budget given the findings of the Equality and Social Justice Committee's fuel poverty inquiry that investment in the Warm Homes Programme is "nowhere near" the level required to meet fuel poverty targets?
- What is your estimate of the number of households you will support through the programme in 2026-27, and how does this compare to previous years?
- How are you working with the Cabinet Secretary for Social Justice to balance the need to decarbonise homes through deeper retrofits with the urgent need to tackle fuel poverty?
- Are you still content with the current approach of an increased budget cap per household providing deeper retrofits to a lower number of households than previous years? What impact will this approach have on progress towards fuel poverty and climate change targets?
- Can you provide an update on work to develop an area-based scheme as part of the programme?
- Can you confirm the level of any Barnett consequential received as a result of the UK Government's investment in its Warm Homes Plan and how this is reflected in your budget?
- What consideration has been given to ring-fencing any consequential for investment in this programme?

Residential decarbonisation and quality

Capital funding for residential decarbonisation and quality has increased from £92m to £96.9m, while the resource allocation remains unchanged at £1.68m. The £96.9m capital allocation includes £3.06m of Financial Transaction Capital which funds the Green Homes Wales scheme.

- How much of the total capital funding has been allocated to the Optimised Retrofit Programme (ORP) for 2026-27?

- How is the ORP being evaluated and how is this being used to inform policy options ahead of Carbon Budget 3?
- How many households has the Green Homes Wales scheme supported to date, what is the average loan value and how many households do you estimate the scheme will support in 2026-27?



Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros
Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate
Change and Rural Affairs

Ein cyf/Our ref: DC/HIDCC/01674/25

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee

Llŷr Gruffydd MS
Chair
Climate Change, Environment and Infrastructure Committee

10 November 2025

Dear Mike, Llŷr,

I am writing further to my letter of 4 September 2025, and in accordance with the Inter-Institutional Relations Agreement, to report on the meeting of the Interministerial Group for Net Zero, Energy and Climate Change that was held on 21 October 2025.

I have issued a [Written Statement](#) summarising the meeting. Ministers from the UK Government are due to chair the next Interministerial Group meeting. I will share the details with you once confirmed.

Yours sincerely,



Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA/HIDCC/2376/25

Llŷr Gruffydd MS
Chair
Climate Change, Environment, and Infrastructure Committee
Welsh Parliament
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11 November 2025

Dear Llŷr,

I refer to my letter to you of 14 October 2025. I wish to inform the Committee I have given my consent to the Secretary of State to make the Phytosanitary Conditions (Amendment) (No. 2) Regulations 2025 ('the Regulations'). I have laid a Written Statement which can be found here: <https://laiddocuments.senedd.wales/ws-ld17541-en.pdf>

The Regulations apply to Wales, England and Scotland. The Regulations are subject to the negative procedure and were laid before Parliament on 6 November 2025 with a commencement date of 30 November 2025, except for the correction to the existing import requirements for *Xylella fastidiosa* which come into force on 6 May 2026.

Although the Welsh Government's general principle is the law relating to devolved matters should be made by the Welsh Ministers, on this occasion it was considered appropriate for the Regulations to be made by the Secretary of State for the reasons outlined in my letter of 14 October.

There is no policy divergence between the Welsh and UK Government in this matter and the Regulations amend legislation that was not made bilingually.

I have written similarly to Mike Hedges MS, the Chair of the Legislation, Justice and Constitution Committee (LJCC).

Yours sincerely,

Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros
Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate
Change and Rural Affairs

Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: HID-PO-575-25

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

11 November 2025

Dear Mike,

I am writing to inform you that the Independent Intergovernmental Relations (IGR) Secretariat has now published its annual reports covering the periods 2022–2023 and 2023–2024. These reports have been prepared using existing published information drawn from supporting documents; published Communiqués and quarterly transparency reporting on the [gov.uk web pages](#). As these are independent reports, we have reviewed them solely for factual accuracy. These reports can be accessed [here](#).

As previously notified, the Welsh Government previously published its own IGR Overview reports covering the same periods, in line with the [Inter-Institutional Relations Agreement](#) as laid before the Senedd on 18 November 2021. These reports can be accessed [here](#).

I have copied this letter to the Chairs of the following Senedd Committees: Children, Young People and Education; Climate Change, Environment, and Infrastructure; Culture, Communications, Welsh Language, Sport, and International Relations; Economy, Trade and Rural Affairs; Equality and Social Justice; Finance; Health and Social Care; and Local Government and Housing.

Yours sincerely,



Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

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11 Westferry Circus, Canary Wharf, London E14 4HD

By email: Llyr.Gruffydd@senedd.wales

Llyr Gruffydd MS
Chair, Climate Change, Environment and Infrastructure Committee
Senedd Cymru

5 November 2025

Dear Llyr Gruffydd

Monitoring Financial Resilience and Performance Related Executive Pay

I am writing to inform you and the Climate Change, Environment and Infrastructure Committee of two annual reports we have published today; our Monitoring Financial Resilience report, setting out our observations and approach to water companies' financial resilience, and our Performance Related Executive Pay Report which contains our regulatory findings of companies' performance related executive pay (PRP). Both reports cover the 2024-25 financial year.

Monitoring Financial Resilience (MFR)

Our MFR this year marks the end of the AMP investment period of 2020-25, during which time we have strengthened our oversight of water companies' financial resilience, alongside our protections for customers and the environment where financial resilience may be at risk.

For example, we have made licence modifications requiring all companies to take account of their performance, financial resilience and investment needs in their dividend decisions, and increasing the credit rating trigger for cash-lock up where a water company is unable to make certain payments, including dividends, without Ofwat's approval.

This year's report confirms that Dŵr Cymru and Hafren Dyfrdwy remain in the "Standard and Routine Monitoring" category, which means that on the basis of the information we have, we have no specific concerns with the financial resilience of either company at this time and that no specific company action is expected to be required over the next year. The MFR notes that during the financial year, Dŵr Cymru's credit ratings monitored for licence purposes were downgraded to Baa1 (Stable) with Moody's and BBB+ negative outlook with S&P. This is the lowest that they have been for Dŵr Cymru, although they remain well within the investment grade. This was in part due increased gearing, risks of performance penalties and overspend, but also reflecting the sentiment of credit rating agencies about the wider sector and risks arising from factors like increased public scrutiny, political and regulatory focus as well as the scale of investment required in the next price control period.

The next investment period of 2025–30 will require a significant increase in investment across the water sector, with our recent price review (PR24) providing a quadrupling of investment in new infrastructure and resources. Delivery of this investment is at the forefront of our work with the sector, but we are also very mindful of the critical need for water companies to maintain financially resilient structures to ensure they can raise the level of finance necessary and withstand potential downside risk. We will continue to closely monitor the delivery of commitments made by both Welsh water companies as well as keep under review the regulatory protections to protect customers.

Performance Related Executive Pay Report

This report is the first to be published since the implementation of our PRP Prohibition Rule. The report also provides our findings of our PRP cost recovery mechanism for PRP paid for 2024–25 performance that was not prohibited by the rule. This mechanism protects customers from funding PRP that does not meet our expectations.

While neither Dŵr Cymru nor Hafren Dyfrdwy triggered the PRP Prohibition Rule in 2024–25, we did conclude that Dŵr Cymru's decision to award PRP did not meet our expectations. It had failed to explain in its annual reporting why any PRP payment at all was justified when it was given a 2 star rating in its Environmental Performance Assessment, received a criminal conviction for breaking conditions of an environmental permit at a sewage treatment works, and was in the 'lagging' category in our 2024–25 Water Company Performance Report. Dŵr Cymru has currently withheld payment of £147,000 of PRP that could be awarded to directors, however if they decide to pay these bonuses, we will use our cost recovery mechanism to prevent the company from recovering the costs from customers.

Our report also contains Ofwat's reflections on water companies' behaviour surrounding PRP and challenges the sector for the lack of transparency surrounding PRP payments. As a result, we intend to make changes to the requirements for companies' annual regulatory reporting, so that companies will need to publicly report in full the details of remuneration received by directors from the regulated, group and parent companies. Further details of our proposed changes will be revealed in the coming months.

I hope you find both reports useful in understanding water companies' financial resilience and executive remuneration decisions. I would be very happy to meet with you and other committee members to discuss these findings in more detail if that would be helpful.

Yours sincerely



Helen Campbell
Executive Director, Delivery

Agenda Item 6

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

Document is Restricted