

**Pwyllgor Newid Hinsawdd,  
yr Amgylchedd a Seilwaith**

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

**Senedd Cymru**

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

29 October 2024

**Draft Budget scrutiny 2025-26**

Dear Huw,

The Climate Change, Environment and Infrastructure Committee has started its preparations for scrutiny of the Welsh Government's draft Budget for 2025-26.

We understand the draft budget will be published on 10 December 2024, and the previous Cabinet Secretary for Finance committed that the Welsh Government would "provide the English versions of the evidence papers to Committees on the day after the Draft Budget is published". We anticipate holding a scrutiny session with you in January 2025 and the Committee's Clerking team will be in touch with your office in due course to arrange a suitable date for the session.

To assist the Committee in its preparations, I would be grateful if you would provide information to address the matters set out in Annex 1 in advance of the scrutiny session. Of course, you should not feel limited by our request and are welcome to address any other matters you believe will assist the Committee in its work.

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.

## General

- Details of your priorities and how they are reflected in budget allocations.
- A detailed explanation of how budgetary priorities were determined, particularly in light of inflationary pressures and fiscal constraints?
- A detailed explanation of how the draft budget reflect commitments made in prior financial years, with particular reference to the Committee's report on the 2024-25 draft budget.
- Information on the impact of UK Government policy decisions on budget allocations.
- Details of discussions with the UK Government about funding for coal-tip remediation.
- Detail how the Welsh Government is mainstreaming tackling the nature emergency across its departments through the budget setting process.

## Legislation

- How the draft budget provides for delivery of newly enacted and planned Welsh Government legislation.

## Environment

How the draft budget provides for:

- Delivery of the Biodiversity Deep Dive.
- Delivery of the forthcoming refreshed Nature Recovery Action Plan. Nature Networks Programme (including specific allocation for the Nature Networks Fund), Local Places for Nature Programme, the National Peatlands Action Programme and Natur am Byth. Developing legally binding biodiversity targets.
- Monitoring programmes for biodiversity.
- Support for green skills including the Nature Service Wales.
- Developing an approach for private investment for nature.
- Biosecurity, including Avian flu.
- Support for the delivery of the circular economy strategy, *Beyond Recycling*, including the development and delivery of a Deposit Return Scheme and Extended Producer Responsibility.

- Managing Marine Protected Areas (MPAs), including an update and delivery of the MPA network management framework and action plan.
- 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
- Funding for the delivery of a targeted scheme to support restoration of seagrass and saltmarsh habitats along Wales' coastline.
- Improving water quality, including support for the Better River Water Quality taskforce to take forward actions arising from the Stantec report.
- 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.
- Support for the Interim Environmental Protection Assessor for Wales and the development of more permanent environmental governance arrangements.

## Climate Change

Detail of how the draft budget allocations support:

- Delivery of the policies and proposals in the Net Zero Wales plan which are relevant to the remit of this committee.
- The impact of proposed UK Government policies on Welsh Government efforts to support net zero.
- Climate adaptation action, and detail of specific allocations to support delivery of the new climate adaptation strategy.
- 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.

## Air Quality and Soundscapes

- Allocations to support delivery of the legislative commitments in the Air Quality and Soundscapes Act

## Natural Resources Wales (NRW)

- Details of budget allocations for NRW.

- Details of any changes in service delivery or project timelines relating to NRW due to the current budgetary constraints.
- 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.
- We note NRW's potential tax liability and its payment to HMRC of £19m, funded by the Welsh Government. We would be grateful if you could outline:
  - How this has been funded by the Welsh Government (specifically which budget line and in which financial year(s);
  - Details of the repayment terms agreed with NRW and how the Welsh Government satisfied itself that this is affordable; and
  - What provision has been made in both the 2024/25 budget and the 25/26 draft budget for any potential further liabilities.

