

**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

8 August 2025

Draft Budget scrutiny 2026-27

Dear Huw,

The Climate Change, Environment and Infrastructure Committee has started its preparations for scrutiny of the Welsh Government's draft Budget for 2026-27.

We understand the detailed draft budget will be published on 3 November 2025. We anticipate holding a scrutiny session with you later in November and Committee staff 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



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Welsh Parliament**

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 reflects commitments made in prior financial years, with particular reference to the Committee's report on the 2025-26 draft budget.
- Information on the impact of UK Government policy decisions on budget allocations.
- Detail how the Welsh Government is mainstreaming tackling the nature and climate emergencies across its departments through the budget setting process.

Legislation

- How the draft budget provides for the 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.
- Developing an approach for private investment for nature.
- Delivery of the circular economy strategy, *Beyond Recycling*, including the development and delivery of a Deposit Return Scheme.
- Managing Marine Protected Areas (MPAs), including an update on 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.
- National Parks, including the proposed new National Park
- Countryside access
- Development of legally binding air quality targets and delivery of duties under the Environment (Air Quality and Soundscapes) (Wales) Act 2024

Climate Change

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

And 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.
- Development of plans to deliver Carbon Budget 3
- Climate adaptation action, and detail of specific allocations to support delivery of the 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.

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.
- Progress of the Case for Change process.
- The latest position on NRW's potential tax liability and its payment to HMRC, funded by the Welsh Government, including:
 - 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 2026/27 budget and the 27/28 draft budget for any potential further liabilities.

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