

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-541-25

Peredur Owen Griffiths MS
Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1SN

31 October 2025

Dear Peredur,

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

Thank you for the Finance Committee Report published on 24 October regarding the Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill as part of stage 1 scrutiny.

I am grateful to the Committee for its considered stage 1 scrutiny. I have carefully considered the committee's report and am pleased to read at conclusion 1 the committee is broadly content with the financial implications of the Bill.

Please see my response in Annex 1 to the set of recommendations in advance of the Stage 1 General Principles Debate, as requested within recommendation 1.

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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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.

Annex 1: Response to Finance Committee’s report on the Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill – October 2025

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| <p>Recommendation 1. The Committee recommends that the Deputy First Minister details how the indicative cost of £644 million over the 78-year appraisal horizon has been calculated and includes this information in a revised Regulatory Impact Assessment, after Stage 2.</p> |
| <p>Accept</p> <p>If the Bill successfully passes Stage 1, I confirm I will include how the indicative cost of £644 million over the 78-year appraisal horizon has been calculated in a revised RIA following Stage 2.</p> |
| <p>Recommendation 2. The Committee recommends that the Deputy First Minister commits to providing full transparency in relation to the costs by publishing full and robust Regulatory Impact Assessments to accompany subordinate legislation made under the Bill</p> |
| <p>Accept</p> <p>I will ensure that any subordinate legislation made resulting from the implementation of this Bill is fully considered and supported by robust Regulatory Impact Assessments.</p> <p>The majority of regulations to be made under this Bill will be subject to the approval procedure and a Regulatory Impact Assessment will be laid before the Senedd ahead of any Plenary debate on the regulations, therefore allowing Senedd scrutiny.</p> |
| <p>Recommendation 3. The Committee recommends that the Deputy First Minister quantifies and publishes the actual costs and benefits arising from the Bill as part of the post-implementation review and confirms the proposed timescales for the review.</p> |
| <p>Accept</p> <p>I am happy to accept this recommendation and can confirm that the post implementation review will include an assessment of the costs and benefits.</p> <p>The implementation and impact, including the cost and benefits, of the environmental principles will be monitored through ongoing engagement with a stakeholder group, including industry representatives. This will inform whether the principles are working effectively in practice and may lead to updates to the accompanying statement and guidance. I intend to support this further by considering government amendments which require Welsh Ministers to review the statement in Section 6 of the Bill once per Senedd term as well as a stronger role for the Senedd in scrutinising this statement.</p> <p>The OEGW will play a key role in reviewing the effectiveness of the environmental principles as part of its broader remit to oversee compliance with and the effectiveness of environmental law. It may provide advice and recommendations to the Welsh Ministers on the principles’ application and impact. The OEGW will</p> |

also publish a public-facing strategy outlining how it will deliver its functions, including enforcement and investigation. The Auditor General for Wales will audit the OEGW's accounts and assess its use of resources for economy, efficiency, and effectiveness.

However, I recognise the indicative nature of the cost and benefits published in the RIA as drafted and commit to updating the RIA after stage 2. I also commit to publishing a full RIA for any regulations made under this Bill, notably, this includes outlining the cost and benefits of the suite of agreed Biodiversity Targets.

Recommendation 4. The Committee recommends that the Deputy First Minister details how the £2.79 million annual running cost for the Office of Environmental Governance Wales was calculated, and explains why these costs are based on the running costs of Environment Standards Scotland and how they were revised to take account of the Welsh context, and includes this information in a revised Regulatory Impact Assessment, after Stage 2.

Accept

I am happy to accept this recommendation and can confirm that an updated RIA will be provided after stage 2.

Recommendation 5. The Committee recommends that the Deputy First Minister provides a breakdown of the staffing resources required, by grade, for the Office of Environmental Governance Wales, and includes this information in a revised Regulatory Impact Assessment, after Stage 2

Accept

I am happy to accept this recommendation and can confirm that an updated RIA will be provided after stage 2.

Recommendation 6. The Committee recommends that the Deputy First Minister, in consultation with the Auditor General for Wales, estimates the cost to the Wales Audit Office for engaging with, and auditing, the proposed Office of Environmental Governance Wales, and includes this information in a revised Regulatory Impact Assessment, after Stage 2

Accept

I am happy to accept this recommendation and can confirm that an updated RIA will be provided after stage 2.