

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2025-26](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2025-26](#).

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**Welsh Parliament
Finance Committee**

By email to SeneddFinance@Senedd.Wales

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Welsh Government Draft Budget Proposals 2025-2026.

I refer to the Finance Committee of the Welsh Parliament seeking information to inform their scrutiny of the Welsh Government's 2025-26 Draft Budget proposals. On behalf of the Institution of Civil Engineers (ICE Wales Cymru) I am delighted to respond.

I believe that as our quality of life depends on infrastructure, there would be little economic activity without energy generation and distribution, water supply and disposal, transportation by rail, road, sea and air together with waste management. Wales needs a clear 'Vision for Infrastructure' with sustainable budgets in each sector.

The focus for the 2025 / 2026 budget should be on:

Resilience:

I consider that the lack of overview of the vulnerabilities of Wales' infrastructure networks has created gaps in our approach to defending critical infrastructure. The interdependence of our infrastructure assets must be recognised with increased levels of information sharing and joint forward planning.

Transport:

The Committee should consider if Wales has a safe, affordable, integrated, accessible and sustainable transport network that supports local and regional economic growth, productivity and a vibrant society together with supporting the Active Travel Act and the Towards Zero Target 2050: and establish a budget for this area. A focus on rail travel alone is not promoted.

Energy:

Energy security is one of the key issues facing Wales and the UK today. – recognising the limit on devolved powers in this area.

The Committee should consider if Wales:

- Has sufficient supply of electricity to avoid interruptions.
- Is reducing the production of harmful emissions.
- Is promoting energy efficiency measures.
- Has the necessary grid connections:
and establish a budget for this area.



The decision to cancel the Wylfa Newydd project continues to cause great concern and led to lack of jobs and economic downturn together with a possible shortfall of energy. With the current focus on establishing more local forms of energy generation, this project should be readdressed. Investment in sustainable forms of energy should be prioritised – to coincide with the Welsh Government’s Towards Zero Carbon policies and the current energy crisis. Wales has a long coastline with the second highest tidal range in the world, opportunities to capture potential energy should be maximised with tidal lagoons, barrages, wave and tidal energy.

Water and wastewater:

Wales has great potential to harness and benefit from its invaluable supply of water, yet Wales suffered from drought situations in 2022. Water is not only essential for communities, but for business and industry alike.

The Committee should consider:

- How to produce innovative low carbon ways to transfer water across river catchments.
- How to invest in and improve the existing water network – improving efficiency and security of service. Reservoirs must be upgraded to meet future water demand with a long-term strategic plan for water resources in Wales.
- How to promote Wales’ plentiful water supplies linked to inward development – domestic and commercial opportunities. Availability of water can be a business differentiator in some sectors.
- How to help the public to view water as a valuable resource to improve water: and establish a budget for this area.

Flood Risk management:

Effective flood risk management requires collaboration across a range of stakeholders. The Committee should consider:

- The development of a long-term capital and maintenance programme.
- Strategies to improve property and building resilience and create flood resilient communities: and establish a budget for this area.

Waste management:

There must be a fundamental shift in the way waste is addressed. The Committee should examine how:

- waste can be treated as a resource,
 - Wales can shift to a circular economy,
- and establish a budget for this area

Skills:

The committee should examine if Wales has the right skills in place to address not just the current productivity lag, but to improve infrastructure delivery and yield economic growth for the future: and establish a budget for this area. In particular, the recent launch of the first civil engineering apprenticeship degree is supported, and a suitable budget should be provided going forward.

Infrastructure Pipeline:

Wales needs a joined-up infrastructure vision for Wales, looking forward twenty-five years and developed through engagement with governments, clients, investors, operators and delivery teams. The committee should review work to date around the pipeline and engagement with the sector with a view to determining best practice and improvements for the future.

Digital Environment

In previous years I recommended the need to transform Wales digital environment, this was highlighted by the COVID pandemic. High speed, reliable and fast broadband is now urgently required to be fully rolled out across all of Wales. Working from home is clearly here to stay, albeit there is a transition to a mix of some office and some home working. Reliance on the provision of high-speed broadband in the urban communities and less provision in rural Wales is not acceptable.

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2024-2025 Budget.

Response: There is an increasing demand on funding across all sectors and services; continued investment in the infrastructure of Wales must continue as there is a well-established proven link between the economy of a country (Wales) and the condition of its infrastructure. The pausing of new road construction has and will continue to be of real concern. Road construction must be considered as part of the investment in new infrastructure – albeit with appropriate environment, safety and carbon considerations.

2. How financially prepared is your organisation for the 2025-26 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

Response: The Institution of Civil Engineers has gone through a fundamental restructuring and is well prepared for 2025-26. The increased switch to virtual platforms has proved to be very successful. There is an increasing importance of professional skills and qualifications together with a growth in Professional Apprenticeships together with the launch of the new Infrastructure Engineers. Continued investment in infrastructure (and the skills of civil engineers) is required.

3. What action should the Welsh Government take to:

- help households cope with inflation and cost of living issues.
- address the needs of people living in urban, post-industrial and rural communities, including building affordable housing and in supporting economies within those communities.

Response: Congestion, pollution and safety issues on the strategic highway network continues to cause concerns particularly as traffic volumes increase after the pandemic. Energy concerns (availability of supplies and cost) are major problems. Wales needs efficient, effective and affordable transport networks in all parts of Wales and must recognise the limitations imposed by weather, topography and demographics.

4. Have Welsh Government business support policies been effective, given the economic outlook for 2025-26?

Response: ICE Wales Cymru welcomes all forms of business support.

5. Are the Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

Response: There are six points that should be considered in respect of this specific area:

First a priority of addressing climate change and meeting the net zero carbon targets should be established.

Secondly, the impact on climate change has a major bearing on Flood Risk Management - all forms not just coastal. Whilst continued investment is clearly a priority, in several coastal locations some form of adaptation is required to the way in which shoreline being managed. There is complexity associated with managing change and how it may affect communities, such as with managed realignment. Funding for adaptation is required and where flooding has occurred, a change made to the style and format of rebuilding. Some communities may need practical assistance and help.

Third, Wales is rich in sustainable potential energy supplies – tidal, wave, wind and PV; these opportunities must be maximised with additional planning powers devolved to give the Welsh Government power over its policies.

Fourth, the committee should examine if Wales has the right skills in place to address the current productivity lag, to improve infrastructure delivery and yield economic growth: and establish the budget for this area.

Fifth, In the transport sector the Institution of Civil Engineers Wales Cymru will continue work with the Welsh Government, Transport for Wales and other kindred Institutions - to promote the policies and to improve knowledge and provide training.

Sixth, there is a need to prioritise the construction and availability of electric vehicle charging points across Wales – not just in the conurbations but across all Wales. Alternative sources of energy must also be established (e.g. hydrogen).

6. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?

Response: These funds should be used to invest in the skills and infrastructure of Wales.

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

– Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

Response: no comments offered.

– How could the budget further address gender inequality in areas such as healthcare, skills and employment?

Response: ICE is undertaking a range of initiatives to address the gender imbalance in civil engineering and supports the Welsh Government in these areas. ICE supports the Equality in

STEMM Industry Subgroup, Cross Party Group on STEMM and the UK Government APPG:
Women and work.

– Is the Welsh Government’s approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Response: Continued investment in the maintenance of the infrastructure of Wales is required to avoid future degradation and erosion. Planned asset management spending is necessary to avoid extremely costly reconstruction. Preventative spending should consider better asset management and the better use of data. Producing a policy on Building Information Management will deliver enhanced preventative spending. Undertaking a lowest cost procurement strategy will not result in better value and lower longer-term preventative spending requirements. This I would suggest is a major area for improvement. Spending on local roads (maintenance, renewal and improvement) has been neglected for years and many are in a perilous state. Bridges collapse and repairs / renewal are delayed.

– How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?

Response: Transparency is important with full consultation and information.

– How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

Response: As above, transparency is important with full consultation and information.

– How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

Response: no comments offered.

– Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

Response: no comments offered.

– Has there been adequate investment from the Welsh Government in basic public sector infrastructure.

Response: continued investment in the infrastructure is required.

– How should the Budget support young people?

Response: no comments offered.

– How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?

Response: no comments offered.

– Is the support provided by the Welsh Government for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and the pandemic, sufficient?

Response: no comments offered.

– What are the key opportunities for the Welsh Government to invest in supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations (Wales) Act 2015?

Response: The Act will support a progression to more a sustainable future for Wales and its residents.

Yours sincerely



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Founded in 1818, the Institution of Civil Engineers (ICE) is a UK-based international organisation with over 97,000 members, ranging from students to professionally qualified civil engineers. As an educational and qualifying body, with charitable status under UK law, we support our members throughout their careers, and help society to have trust and confidence in infrastructure professionals. Under our Royal Charter, ICE has become recognised worldwide for its excellence as a centre of learning, a public voice for the profession and a leading source of expertise in infrastructure and engineering policy.