

# Agenda – Climate Change, Environment, and Infrastructure Committee

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Meeting Venue:	For further information contact:
Meeting date: 25 January 2023	<b>Marc Wyn Jones</b>
<b>Hybrid: Committee room 4 Tŷ Hywel</b>	Committee Clerk
<b>and video Conference via Zoom</b>	0300 200 6565
Meeting time: 09.40	<a href="mailto:SeneddClimate@senedd.wales">SeneddClimate@senedd.wales</a>

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## Private pre-meeting (09.20–09.40)

## Public meeting (09.40)

### 1 Introductions, apologies, substitutions, and declarations of interest

(09.40)

### 2 Papers to note

(09.40)

#### 2.1 Welsh Government Draft Budget 2023–24

(Pages 1 – 7)

Attached Documents:

Paper from Wales Environment Link in relation to the Welsh Government's Draft Budget 2023–24

#### 2.2 The Welsh Government's climate change commitments

(Page 8)

Attached Documents:

Letter from the Chair to the Minister for Climate Change in relation to scrutiny of progress towards delivery of climate change commitments



## **2.3 Trees and woodland**

(Pages 9 – 15)

Attached Documents:

Paper from The Woodland Trust – The State of our Woods and Trees: Actions for tree and woodland protection in Wales

## **2.4 UK Emissions Trading Scheme**

(Pages 16 – 19)

Attached Documents:

Letter from the Haven Energy Forum to the Chair in relation to the UK Emissions Trading Scheme

## **3 Motion under Standing Order 17.42 (vi) and (ix) to resolve to exclude the public from items 4 and 7 of today's meeting**

(09.40)

### **Private meeting (09.40–10.00)**

## **4 Consideration of the Committee's draft report – Decarbonising the private housing sector**

(Pages 20 – 62)

Attached Documents:

Draft report – Decarbonising the private housing sector

### **Public meeting (10.00–12.10)**

## **5 Scrutiny of the Welsh Government Draft Budget 2023–24 – part 1**

(10.00–11.00)

(Pages 63 – 151)

Julie James MS, Minister for Climate Change

Lee Waters MS, Deputy Minister for Climate Change

Gian Marco Currado, Director, Environment and Marine – Welsh Government

Peter McDonald, Director Economic Infrastructure – Welsh Government

Dean Medcraft, Director– Finance and Operations – Welsh Government

Jonathan Oates, Deputy Director for Climate Change and Energy Efficiency –  
Welsh Government

Attached Documents:

Research brief – Recent flooding

Research brief – Scrutiny of the 2023–24 Draft Climate Change Budget

Paper – Welsh Government: Climate Change Draft Budget 2023–24

Paper – Welsh Government: Draft Budget Financial Briefing Pack – Description  
by Budget Expenditure Line (BEL)

## **Break (11.00–11.10)**

## **6 Scrutiny of the Welsh Government Draft Budget 2023–24 – part 2 (11.10–12.10)**

Julie James MS, Minister for Climate Change

Lee Waters MS, Deputy Minister for Climate Change

Gian Marco Currado, Director, Environment & Marine – Welsh Government

Peter McDonald, Director Economic Infrastructure – Welsh Government

Dean Medcraft, Director– Finance & Operations – Welsh Government

Jonathan Oates, Deputy Director for Climate Change and Energy Efficiency –  
Welsh Government

## **Private meeting (12.10–12.30)**

**7 Scrutiny of the Welsh Government Draft Budget 2023–24 –  
consideration of evidence heard under items 5 and 6**

## Consultation response: Welsh Government Draft Budget 2023-24

January 2023

### Introduction

As the Welsh Government set out a very welcome multi-year budget last year, the Draft Budget for 2023-24 is much as expected. The fiscal resource for the Climate Change MEG (Main Expenditure Group) – the one with most relevance to WEL’s work focused on nature and biodiversity – is £948m and its capital is £1.657bn.

### Focus on budget lines with the most impact on biodiversity

#### Changes in specific BELs (Budget Expenditure Lines), relevant to nature

Budget Expenditure Line	Final BEL as of March 2022	Proposed BEL for 2023 Budget
Environment legislation, governance and comms	£181,000	£181,000
Environment protection	£5,450,000	£6,200,000
Climate change action	£3,486,000	£4,486,000
Flood risk management and Water Policy Delivery	£38,130,000	£43,840,000
Enabling natural resources	£4,388,000	£3,008,000
Biodiversity, Evidence and Plant Health	£11,125,000	£11,225,000
Forestry	£5,221,000	£8,121,000
Local Places for Nature	£2,500,000	£3,400,000
Environment Act Implementation	£791,000	£791,000
Natural Resources Wales	£60,164,000	£60,164,000
Natural Resources Wales - Non cash	£10,000,000	£10,000,000
Enviro management – Pwllpeiran Research Centre (non-cash)	£38,000	£38,000
Resource Efficiency and Circular Economy	£36,816,000	£35,241,000

Landscape & Outdoor Recreation	£12,416,000	£12,116,000
Marine Policy, Evidence and Funding	£1,911,000	£1,911,000
Marine energy	£4,000,000	£7,000,000
Rural Affairs (Revenue for whole MEG)	£355,962,000	£410,034,000

## Environmental Governance

The ‘Environment protection’ BEL is anticipated to rise again to £6,650,000 for 2024-25; we wonder whether this reflects the Welsh Government’s plans to introduce environmental governance legislation and to properly establish an independent governance body before the end of this Senedd term in 2026. It would be very welcome if it was and hopefully demonstrates the likelihood of this legislation coming to fruition soon. WEL has been calling for this repeatedly, most recently in a [joint open letter](#) with Greener UK and Healthy Air Cymru. We notice there is £181k set aside for ‘Environment Legislation, Governance and Communications’, and we hope this is for setting up or a fully equipped governance body. We are very lacking in protection whilst we have an Assessor with only advisory functions, and no investigative powers of her own; as [RSPB set out](#), “it is not anything equivalent to having access to environmental justice. It is not a route to accountability for someone who has not fulfilled their statutory duties”. Until previous European roles are replaced with an equivalent, we have to rely on Judicial Review – an expensive and difficult to access process for many – to challenge compliance with environmental law. We would welcome clarity on what these BELs are used for and any estimated costs for a fully operating future governance body.

## Nature targets

During COP 15, we were pleased to see the Climate Change Minister in attendance and positive commitments made. The Minister re-asserted the Welsh Government’s commitment to establish legally binding nature recovery targets, alongside robust independent governance arrangements, in her [statement](#) to the Senedd on 10<sup>th</sup> January. WEL is still urgently calling for a clear commitment to bring this bill forward in the legislative programme for the next (2023-24) 12 months. Ministers have expressed [their intention](#) to set statutory nature targets in Welsh law, in line with international agreements. Targets are important for accountability and we hope that this will give biodiversity true political parity with climate change, ensuring

consideration across Welsh Government departments and budgets, in the way carbon emissions have focused minds on clear time-based targets.

## **Marine funding**

Although we make this point frequently, it bears repeating as we still haven't seen any improvements in marine; our oceans are not given enough budget, oversight or political priority in terms of their restoration. Particularly in light of the [Biodiversity Deep Dive's recommendations](#), to "implement a spatial approach to marine planning identifying the ecological constraints and opportunities for different marine activities including renewables. To include publishing spatial guidance and using the review of the WNMP to consider introducing spatial planning policies to assist planners, developers and decision makers." In order to deliver this, the Marine & Fisheries Division will need more capacity and resource, as well as local officers on the ground.

As the Welsh Government has also finally commenced the [Marine Conservation Zone process](#), we hope this will be the start of more attention given to our seas, and that renewable energy developments can be delivered in harmony with wildlife. A spatial approach is key to this but we doubt this can be done properly with only the small resource that Division usually has. It's also concerning to see the contrast between budget lines of 'Marine Policy, Evidence and Funding' to be around £1.9m, with 'Marine energy' set at £4m last year and £7m for next year. Evidence is even more important if Welsh Government are planning to accelerate renewable deployments in the offshore area.

We also question where the funding sits for delivering the UK Fisheries Act in terms of ensuring Wales is working towards achieving the eight new objectives, such as delivering sustainable fisheries and aquaculture, tackling climate change, as well as embedding ecosystem-based approach (as set in both the Fisheries Act and the Senedd's Environment (Wales) Act form 2016). There appears to be no increase in funding, despite aspirations for growth of Welsh aquaculture. As the previous term's Climate Change, Environment and Rural Affairs Committee noted in [their report](#), the Bill "introduces a significant amount of additional outputs and responsibilities in relation to fisheries for the Welsh Government and its Marine and Fisheries Division" and echoed repeated concerns regarding the "capacity of this Division, including in relation to the Marine Conservation Branch". They referred to the Permanent Secretary informing them that this team is at half capacity. This report on the LCM

was from May 2020 and we'd appreciate an update on if capacity issues have changed in the following years.

### **Landscape and outdoor recreation**

We note that this budget line, responsible for recreational access and support for National Parks and AONBs, has been cut by 2.5% at £300k. We're glad that the capital portion remains the same, so the Access Improvement Grant is unaffected, but it's concerning that the overall budget will be reduced and we question where the savings will come from, particularly as the Welsh Government has committed to creating a new National Park in north-east Wales (which will need to be designated by Natural Resources Wales but presumably will involve Welsh Government capacity too). We welcome the Welsh Government's commitment to supporting designated landscapes to develop prioritised action plans for nature as part of the biodiversity deep dive recommendations, but if these areas are to play their full potential role in achieving the '30x30' goal, then it's essential they have the resources necessary for delivering those plans.

### **Rural Affairs**

The Rural Affairs MEG has increased from £355m in resource in March 2022's Final Budget to a proposed £418.9m for the 2023 Draft Budget. We presume this is due to the Agriculture Bill and preparatory work for the Sustainable Farming Scheme (SFS). We believe this work is a crucial part of tackling the nature emergency, as the way we manage and incentive practices on our land is a game changer for biodiversity. We very much welcome this increase and the indicated £440.9m for the 2024-2025 budget. It seems a lot of the increase is in the BEL for the 'Rural Economic and Sustainability Programme', going from £6.8m to £79.2m.

The SFS is expected to be implemented in 2025 and we would again urge for as much pilot work as possible, i.e. 'pilot farms', showcasing and demonstrating new ways of managing land that attracts the most funding from the Welsh Government's new schemes to help ease the sector into the transition.

### **Nature-based Solutions**

WEL members have commissioned a report on the investment needed for key nature recovery actions, which we hope to publish in early 2023. We have previewed some highlights in [this blog post](#), emphasising the need for investment in nature-based solutions like restoring our habitats via hedgerows, native woods, grasslands and



peatlands; recovering important habitats at sea like saltmarsh, seaweed and seagrass meadows; expanding the Celtic Rainforest; and increasing our protected areas. We have costed up these important interventions and, whilst some small steps are being made towards these areas, we urgently need to prioritise recovering nature before it's too late. These can be spread across BELs, with for example, many interventions – including saltmarsh, forestry and peatlands – contributing to flood risk management so could come under there, and depending on how these are deployed, (e.g. by NRW or third party organisations) can potentially be match funded with other sources of funding.

We presume that the increase in forestry budgeting is for the National Forest for Wales and welcome more emphasis to be put on the regeneration of woodland, and tree planting, with the right tree in the right place

This should be matched with a focus on green skills and jobs, and we were very pleased to see the Welsh Government providing some development funding for a National Nature Service to increase our collective workforce capacity and expertise for the environment. We hope in the coming financial year, the Welsh Government will confirm funding for a demonstrator project.

### **Catchment Partnerships**

Catchment partnerships and other collaborative land management initiatives are a key mechanism for delivering a range of the Welsh Government's priority objectives including flood and water resource management, carbon store protection, peatland and woodland restoration, nature recovery and tree cover expansion. They are intrinsically multi-purpose. We would welcome clarity on where budget provision sits, as narrowly purposed departmental budgets are a significant barrier to effective delivery of collaborative land management.

### **Natural Resources Wales (NRW)**

The NRW budget is flat, which – with current rates of inflation – equates to a real terms cut. We appreciate that there are factors out of the Welsh Government's control but need to highlight that everyone's costs will increase whilst dealing with the same budget. We hope this will not affect their ability to help with dealing with the biodiversity and climate crises and would like the Committee to ask them how they anticipate dealing with the same budget, year after year. We would also stress

that the biodiversity deep dive committed to providing adequate funding to NRW for protected sites management, monitoring and designation in the immediate term.

This is a real concern regarding compliance monitoring of the new Sustainable Farming Scheme (SFS). We are aware there is already a severe lack of monitoring in the land use sector. For SFS and minimum standards to work for the monitoring of biodiversity, NRW need to be confident in undertaking it effectively. One way of increasing their funds to do this properly would be to licence agricultural activity via a fee system which then goes directly towards monitoring costs. NRW recently [consulted](#) on their regulatory services charges, which WEL responded to, highlighting our concerns that their proposals appeared to be solely based on inflation, rather than *“an assessment of the amount of effort required for regulatory activities in each regime.”* We highlighted that *“[the Regulators Code](#) requires that regulators should base their regulatory activities on risk, with risk assessment frameworks in place to target their efforts.”* We believe that with too little monitoring and compliance assessments taking place, this results in *“non-compliance and little incentive to invest in measures required to ensure compliance, thus increasing the risks to the environment. An effective regulatory inspection regime also helps to provide a level playing field where well managed businesses are not undercut by poor operators in the same sector, and encourage innovation.”*

NRW have highlighted that, for business compliance assessments, *“the poorest performing sites are charged up to three times the fees for a comparable good performing site. This reflects the amount of effort we have to put into addressing their poor performance.”* Currently this compliance rating adjustment only applies to EPR installations and waste operations and WEL believes this approach should be extended to water activities and Intensive Pig and Poultry permits, to ensure NRW is able to take a risk based approach and undertake greater compliance checking on sites in these regimes which have a poor record.

Wales Environment Link (WEL) is a network of environmental, countryside and heritage Non-Governmental Organisations in Wales. WEL is a respected intermediary body connecting the government and the environmental NGO sector. Our vision is a thriving Welsh environment for future generations.

This paper represents the consensus view of a group of WEL members working in this specialist area. Members may also produce information individually in order to raise more detailed issues that are important to their particular organisation.



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# Agenda Item 2.2

Pwyllgor Newid Hinsawdd,  
yr Amgylchedd, a Seilwaith

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

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Julie James MS,  
Minister for Climate Change

11 January 2023

Dear Julie,

Scrutiny of progress towards delivery of climate change commitments

Thank you for your letter, dated 9 December 2022, confirming the publication of the progress report on the Welsh Government's current climate adaptation plan and its legislative Final Statement (the on the first Carbon Budget period ('the Final Statement')). The Committee is keen to follow up on matters relating to the Final Statement with you at the planned scrutiny session on 9 February 2023.

The Committee is also keen to use the session to consider progress towards the delivery of Net Zero Wales Carbon 2 (2021-25) ('Net Zero Wales'). I understand Net Zero Wales' monitoring and reporting framework allows for the tracking of implementation and effectiveness of policies. As such, it would be helpful if your evidence paper to inform the session includes progress towards implementation of each of the policies and a summary of progress towards the development of proposals.

The Committee has agreed to postpone its work on climate adaptation until after the outcome of the Climate Change Committee's assessment of progress and future priorities is available.

We look forward to receiving your evidence paper in due course.

Yours sincerely,



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

#### THE STATE OF OUR WOODS AND TREES

*“Our remaining ancient woods and trees are those that have survived as the world has changed around them. Fragmentation of woods, loss of trees and the wildlife dependent on them has been brutal. The survivors that remain now form the backbone of plans for nature recovery. They are still some of our richest native habitats and provide the source of genetic material we will need to re-forest our landscapes.”*

Clive Anderson, Woodland Trust president and broadcaster, from the Foreword to the Woodland Trust report on the **State of the UK’s Woods and Trees, 2021**.<sup>1</sup>

This first ‘State of’ report presents important facts and trends **focusing predominantly on our native woods and trees**. It reports on their extent, condition and wildlife value, the benefits people gain from them, the threats and pressures they face, what is being done to help them and what more we need to do.

Our ancient woods are those known to have long term ecological continuity and are **more ecologically diverse and of a higher nature conservation value**. Wales has only 95,000 hectares of ancient woods, making up 4.6% of the land surface<sup>1</sup>. Many of these woods are small and fragmented.

Our report summarises the evidence of the **barrage of coinciding threats** that our woods and trees are subject to, from direct loss from development to more insidious influences such as climate impacts, poor management, imported diseases, invasive plants, mammal browsing and air pollutants. These threats diminish the benefits of woods and trees for people and for wildlife. Addressing this requires a comprehensive response of **wide-ranging action across many fronts** and many separate areas of policy.

The **National Forest for Wales** could provide the opportunity for a celebration of the importance of Wales’s ancient tree and woodland heritage, telling its biodiversity, archaeological, literary, cultural and international story. Public access and interpretation at exemplar sites can be combined with community led local history and cultural celebrations a “woodland eisteddfod”

This paper is **our call for action on the legislative and policy changes** we think are necessary to address this barrage of threats and build on those positive protections and interventions that are underway. It is in three parts: -



- **Summary: What we are calling for**
- **Part 1: Tree and Hedgerow Protection**
- **Part 2: Ancient Woodland Protection**

<sup>1</sup> The Woodland Trust (2021) State of the UK’s Woods and Trees. 245pp. <https://www.woodlandtrust.org.uk/state-of-uk-woods-and-trees/>



**SUMMARY: WHAT WE ARE CALLING FOR**



**For the Oldest and most Important Trees & Hedges**

- Legal protection, such as a registered list of trees with "Natural Monument" status.
- The Hedgerow Regulations amended to prevent felling of the old growth component of ancient hedgerows.



**For all other Ancient and Veteran trees**

- A general presumption in planning and forestry against felling or damage to ancient and veteran trees and ancient hedgerows.
- Proactive and strategic use of TPOs in some cases.
- Guidance and support for owners for protective management and continuity.



**For all Important Trees**

- The full cultural and heritage values of large trees should be recognised in planning decisions and conditions.
- Emergency protection through TPOs.



**For Protected Sites & Biodiversity Targets**

- More ancient woodland designated as SSSI.
- Well managed ancient woodland contributing to a statutory target for 30% of land to be managed for nature.
- Action to reduce emissions and tackle climate change.



**For all Ancient Woodland**

- A general presumption of legal protection for all ancient woodland.
- Grant support for all ancient woodland managed in accordance with best practice as stated in the UK Forestry Standard (UKFS),
- Restoration of Wales's temperate Celtic Rainforest.



**For Plantations on Ancient Woodland Sites**

- More substantive and timely delivery to restore PAWS.
- Professional management guidance and support for owners.
- Emergency protection through TPOs.



**For Healthy Trees and Woodland Everywhere**

- Landscape scale woodland conservation strategies.
- Reduce pollution of air, soil and water.
- Prevent import of tree pests and diseases - ensure all trees for planting are UK and Ireland Sourced and Grown (UKISG).

# COED CADW – THE WOODLAND TRUST

## ACTIONS FOR TREE AND WOODLAND PROTECTION IN WALES

### PART 1 -TREE AND HEDGEROW PROTECTION

#### Status of ancient and veteran trees

1. Most ancient trees have no legal protection –individual trees can be felled without any consent unless:
  - a. they are covered by a Tree Preservation Order, or
  - b. a felling licence is required because the total volume of timber from felled trees totals more than 5 cubic metres in one calendar quarter. Several large trees can be felled before this threshold is clearly breached.
2. Over 6,000 ancient trees in Wales are described and mapped on the Ancient Tree Inventory<sup>2</sup>. We estimate this may only be a tenth of the number present in Wales.
3. “Important hedgerows” are protected from destruction under the Hedgerow Regulations. This does not prevent the felling of ancient and veteran trees in the hedgerow.

#### Over-arching measures

4. We think there should be a **general presumption against felling or damage to ancient and veteran trees and ancient hedgerows**. Such a presumption would guide the interpretation of existing regulation in planning, agriculture and forestry.
5. We are Investing in building up the **Ancient Tree Inventory**<sup>2</sup> which provides details of known ancient, veteran and notable trees of all species.
6. **Monitoring and Reporting**. We need reporting on the level of tree cover outside of woodland and of losses of old trees arising from felling licence and planning decisions.

#### In Development and Planning

7. We would like to see **legally protected status for our most important ancient trees**. This could be based on the principle that ancient trees should be afforded “Heritage”, “Living”, or, “Natural” Monument Status”, giving protection equal to the oldest buildings and rarest wildlife. A natural monument or feature (IUCN Category III protected area) is a comparatively small area that is specifically allocated to protect a natural monument and its surrounding habitat. Poland, Italy and Germany protect old trees in this way.
8. The Welsh Government should introduce legislation to **implement the changes to TPO regulation as recommended by the Law Commission**, to clarify regulation and close loopholes<sup>3</sup>. These changes would enable local authorities to take a more proactive and strategic approach to tree protection and introduce a more effective penalty regime to address the deliberate removal of protected trees on development sites.<sup>4</sup>
9. **The cultural and heritage value of all trees should be explicitly recognised** in planning guidance, with those not listed as “Natural Monuments” still being treated as material considerations in the planning process.
10. Local Planning Authorities should be encouraged to **proactively protect important trees**, including by placing TPOs on ancient and veteran trees on, or adjacent to development sites.

<sup>2</sup> <https://ati.woodlandtrust.org.uk/>

<sup>3</sup> <https://gov.wales/detailed-response-law-commission-report-planning-law-wales>

<sup>4</sup> The Woodland Trust has proposed amendment to the UK Levelling-up and Regeneration Bill that could introduce these changes in Wales as well as in England.

## COED CADW – THE WOODLAND TRUST

### ACTIONS FOR TREE AND WOODLAND PROTECTION IN WALES

This would help facilitate protection during construction and in the long term. **Unauthorised felling of protected trees must result in prosecution.**

11. **local authorities must be adequately resourced** to retain Tree Officer expertise, develop and apply tree strategies that engage with communities and assess and reflect the huge lifetime value of tree cover<sup>5</sup>. They must factor tree strategies into planning decisions and monitor and report on mature tree cover. They must have the resources and authority to be able to apply TPOs efficiently and to demonstrably enforce planning consents conditions that protect trees during construction.<sup>6</sup>

#### In Forestry

12. **Felling consents issued by NRW should specifically exclude all veteran and ancient trees present**, in accordance with guidance in the UK Forest Standard<sup>7</sup>: “*Retain and manage existing veteran trees and select and manage suitable individuals to eventually take their place.*” This can be achieved by adding this UKFS requirement to the list of baseline conditions that NRW propose to apply to all felling licences<sup>8</sup>

#### In Farming

13. The proposed **National Minimum Standards** for the new Sustainable Farming Scheme (SFS) should specifically remind landowners of the requirements for felling licences and of the Hedgerow Regulations<sup>9</sup>. We would like to see a further National Minimum Standards requirement, or a Universal Action under the SFS, requiring the retention of ancient and veteran trees and hedges. This could be an equivalent to the proposed SFS Universal Action for historical environmental features.
14. The Hedgerow Regulations 1997 provide important protection from removal or destruction for “important” hedges as defined in the legislation. These regulations are complex, and **it is essential that Councils have the resources to effectively apply them.**<sup>10</sup>
15. We would like to see the **Hedgerow Regulations amended** to clarify the definition and protection of ancient hedgerows, extend protection to prevent felling of the “old growth”<sup>11</sup> component of hedgerows, and to protect lines of mature tree. The need for felling licence consent must be emphasised.
16. Farmers should be supported through the new **Wales Sustainable Farming Scheme** in taking care ancient and veteran trees on their land and to reverse the loss of trees outside woods. We would like to see an additional Optional Action to provide for conservation plans and proactive works to ensure the continuity of ancient trees.

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<sup>5</sup> <https://www.forestresearch.gov.uk/research/valuing-non-woodland-trees/>

<sup>6</sup> <https://www.merthyr.gov.uk/media/1242/trees-in-relation-to-construction-recommendations.pdf>

<sup>7</sup> The UK Forest Standard, pp 49-51.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/687147/The\\_UK\\_Forestry\\_Standard.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/687147/The_UK_Forestry_Standard.pdf)

<sup>8</sup> NRW Draft baseline conditions for felling licences – subject to consultation

<https://ymgyngori.cyfoethnaturiol.cymru/communications-cyfathrebu/e82365df/>

<sup>9</sup> Simple guide: <https://www.gov.uk/guidance/countryside-hedgerows-regulation-and-management>

<sup>10</sup> <https://naturenet.net/trees/hedgerow/index.html>

<sup>11</sup> Definition: “Trees that have been growing for a very long time.”



# COED CADW – THE WOODLAND TRUST

## ACTIONS FOR TREE AND WOODLAND PROTECTION IN WALES

### PART 2 -ANCIENT WOODLAND PROTECTION

#### Status of Ancient Woodland

1. **Ancient woodlands do not have absolute protection in law.** Only a degree of protection provided under forestry legislation or in planning guidance. NRW estimate that less than a fifth of Wales ancient woodland has protection as part of a Site of Special Scientific Interest.
2. Ancient woodlands are mapped in the **Ancient Woodland Inventory**<sup>12</sup>, updated 2021. The Inventory does not include the wider network of woodland fragments, groups of trees and ancient hedges which all contribute to the ancient woodland ecosystem. Direct losses continue to occur, particularly because of development.
3. **Only 9% of native woodlands in Wales are in favourable ecological condition.**<sup>13</sup> More insidious ongoing decline occurs because of illegal felling, lack of regeneration and protective management, disease, and pollution.
4. All forms of woodland, including ancient woodland, is **subject to felling consent** under the requirements of the 1967 UK Forestry Act (with amendments proposed in the 2022 Agriculture Wales Bill). There are exemptions that waive any requirement for consent for the thinning of small diameter trees and felling of coppice and the felling of up to 5 cubic metres of timber every calendar quarter. This means that **small numbers of large trees and small areas of ancient woodland can be felled without any prior consent.**
5. **In Scotland and in Northern Ireland** there are more restrictions on what woodland can be felled without a felling licence:
  - In Scotland the 5 cubic metre exemption does not apply in native broadleaved woodland between 0.1 and 0.5 hectares inclusive, and Caledonian Pinewood sites.
  - In Northern Ireland, since 2013, private owners of woodland have been required to apply for a felling licence if they wish to fell 0.2 hectares or more.
6. Planning guidance in **Planning Policy Wales Edition 11**<sup>14</sup> emphasises the value of ancient woodland and states that:-

*Para 6.4.26 Ancient woodland and semi-natural woodlands and individual ancient, veteran and heritage trees are irreplaceable natural resources, and have significant landscape, biodiversity and cultural value. Such trees and woodlands should be afforded protection from development which would result in their loss or deterioration unless there are significant and clearly defined public benefits; this protection should prevent potentially damaging operations and their unnecessary loss. In the case of a site recorded on the Ancient Woodland Inventory, authorities should consider the advice of NRW. Planning authorities should also have regard to the Ancient Tree Inventory.*

#### Over-arching measures

7. **We would like to see presumption of legal protection for all ancient woodland.** This would be to prevent its removal and destruction.

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<sup>12</sup> <http://lle.gov.wales/catalogue/item/AncientWoodlandInventory2021/?lang=en>

<sup>13</sup> [https://cdn.forestresearch.gov.uk/2022/02/fr\\_nfi\\_condition\\_scoring\\_results\\_wales\\_cxzeel5.pdf](https://cdn.forestresearch.gov.uk/2022/02/fr_nfi_condition_scoring_results_wales_cxzeel5.pdf)

<sup>14</sup> [https://gov.wales/sites/default/files/publications/2021-03/planning\\_policy-wales-edition-11\\_0.pdf](https://gov.wales/sites/default/files/publications/2021-03/planning_policy-wales-edition-11_0.pdf)

## COED CADW – THE WOODLAND TRUST

### ACTIONS FOR TREE AND WOODLAND PROTECTION IN WALES

8. Collaboration is key. We need woodland **conservation strategies enacted at landscape scales** to create ecologically rich wooded landscapes for people and wildlife, and to effectively control invasive and damaging species such as Rhododendron and deer.
9. We need **Investment in domestic plant nurseries**. Importing plants, including trees for planting, creates a very high risk of the of the inadvertent introduction of new pests and diseases.
10. We would like to see **protected and well managed ancient woodland contributing to a statutory target for 30% of land to be manged for nature**. This could include protecting more ancient woodland being protected by SSSI designation. Better condition monitoring is needed for all protected sites and a target to bring them up to favourable condition.
11. **Monitoring and Reporting**. We need reporting on losses of ancient woodland, on the outcome of felling licence decisions on ancient woodland and the ecological condition of ancient woodland

#### In Development and Planning

12. We would like to see **planning protection elevated into law**. This could be by introducing legal duties to have special regard to, or a protection standard for, the protection of ancient woodlands, trees and buffer protection zones
13. We would like to see **more watertight planning guidance for ancient woodland and ancient and veteran trees**, for example, emulating the new wording proposed in the National Planning Framework 4 for Scotland<sup>15</sup>, *“Development proposals will not be supported where they will result in: i. Any loss of ancient woodlands, ancient and veteran trees, or adverse impact on their ecological condition;”*
14. This would be achieved by re-wording of **Planning Policy Wales** to say ancient trees and woodland “will” be protected rather than “should” and providing **more restrictive clarification** of what constitutes “significant and clearly defined public benefits”.
15. Planning Policy Wales guidance is subject to interpretation by planning authorities and Government. Natural Resources Wales have produced guidance on ancient woodland for planners. The Trust has raised **significant concerns** about the wording of this guidance and would like to see it strengthened and clarified.

#### In Forestry

16. Protection does not prevent appropriate felling and management. We would like to see **all ancient woodland manged, as a minimum, in accordance with best practice guidance stated in the UK Forestry Standard (UKFS)**<sup>16</sup>, with felling licences requiring this and approved management plans for larger ancient woods.
17. We would like to see NRW adopt a **common monitoring and evaluation framework** that demonstrates the on-the-ground effectiveness of UKFS. This should include **reporting on felling licences** and conditions issued for the felling of ancient woodland.
18. Meeting UKFS is not sufficient to reverse the decline in woodland biodiversity. We would like to see **financial support for woodland owners** for protective management and

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<sup>15</sup> <https://www.transformingplanning.scot/national-planning-framework/revised-draft-npf4/>

<sup>16</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/687147/The\\_UK\\_Forestry\\_Standard.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/687147/The_UK_Forestry_Standard.pdf)

## COED CADW – THE WOODLAND TRUST

### ACTIONS FOR TREE AND WOODLAND PROTECTION IN WALES

restoration of ancient woodland that goes above the minimum standards required by UKFS, addresses the reasons for poor ecological condition and recognises the significant public benefits provided by ancient woodland. Without government grants landowners must rely on timber to generate income. This risks either over-felling or no management.

19. A third of ancient woodlands in Wales have been damaged by **conversion to plantations of non-native coniferous species**. This has removed native species, changed soil characteristics and introduced damaging levels of shade. The ecological value can be recovered through gradual reconversion to predominantly native tree cover. We would like to see a **more substantive and timely delivery** of the commitment to do this on the public forest estate, and **financial support for private woodland owners** to do this. This should be central to the delivery of the National Forest for Wales.
20. We suggest a target to bring **two thirds of ancient woodlands in Wales into suitable protective and restorative management by 2030**. This could apply to 27,900 hectares of semi-natural ancient woodland and 25,750 hectares of plantations on ancient woodland sites. The cost we estimate to be about **£24 million per year for 8 years**, amounting to about 9% of the total cost of conservation land management needed to restore the natural environment of Wales.<sup>17</sup>
21. We would like to see restoration particularly targeted at Wales's distinctive and internationally rare **temperate rainforest**. Seven organisations have come together to form the **Wales Rainforest Alliance** and take forward the work of the EU Life funded Celtic Rainforest Wales Project<sup>18</sup>. We would like to see a major collaborative initiative across farming, forestry and nature conservation sectors to restore, expand and connect all the fragments of the Welsh Celtic rainforest.

#### In Farming

22. A considerable **reduction is needed in nitrate and ammonia emissions** from intensive farming. These are significantly damaging ancient woodland ecosystems<sup>19</sup>. A strategic approach is needed to reduce overall levels of pollution, plus localised actions to protect individual ancient woodland sites.
23. **Many of Wales ancient woodland are on farms**. The Sustainable Farming Scheme (SFS) offers an opportunity to support farmers to manage ancient woodlands appropriately. We welcome the SFS proposed an Optional Action to *“Manage existing trees and woodland, including ancient woodland, in line with the UK Forestry Standard (beyond the 10% Universal Action).”*
24. The woodland management planning process, **under professional guidance**, should identify management objectives that suit the farm and the nature of the woodland. This should avoid the “fencing and abandonment” of farm woods, encouraged by previous schemes.

Jerry Langford. December 2022

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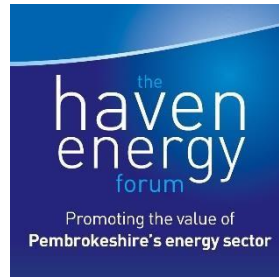
<sup>17</sup> Financing Nature Recovery In Wales – A Roadmap To 2030; draft unpublished report WWF, RSPB, Wildlife Trust Wales, Woodland Trust.

<sup>18</sup> <https://celticrainforests.wales/>

<sup>19</sup> NRW (2020) State of Natural Resources Report: Woodland.

<https://cdn.cyfoethnaturiol.cymru/media/693279/sonar:2020-ecosystem-woodlands.pdf>

# Agenda Item 2.4



Mr Llyr Gryffydd MS  
Chair, Climate Change, Environment and Infrastructure Committee  
Welsh Parliament  
Cardiff Bay  
CF99 1NA

9 January 2023

By email: [SeneddClimate@senedd.wales](mailto:SeneddClimate@senedd.wales); [Llyr.Gryffydd@senedd.wales](mailto:Llyr.Gryffydd@senedd.wales)

## **Re: Haven Energy Forum concerns regarding the UK Emissions Trading Scheme**

Dear Mr Gryffydd,

As Chair of the Senedd Climate Change, Environment and Infrastructure Committee, we write in order to request your and your Committee's assistance and attention on a matter of importance to Wales' efforts to reduce GHG emissions, whilst supporting jobs and avoiding 'carbon leakage'.

The Haven Energy Forum (HEF) is an organisation made up of the Port of Milford Haven and the principal energy businesses surrounding the Milford Haven Waterway in Pembrokeshire. Since 2010, we have met under the auspices of the HEF to work together, where appropriate, to enhance the safety and operational effectiveness of our facilities, whilst protecting the environment. We also work collectively and engage with stakeholders to promote the importance of the Haven as an area of economic significance.

The Port of Milford Haven and the industrial facilities that it services, are critical to the resilience and security of UK energy. The Milford Haven Waterway constitutes the UK's single largest cluster of energy-related businesses, handling or processing approximately 20% of the UK's energy needs, supporting the employment of 5,000 highly skilled employees in Wales, with many hundreds more throughout the wide supply chain. Our businesses include two LNG terminals that supply a third of the UK's natural gas, one of the UK's six oil refineries that supplies over 14% of the UK's transport fuels, one of Europe's largest and most efficient combined-cycle gas turbine power stations, powering around 4 million homes, and two major fuel storage terminals.

We also believe that our industries have a vital role to play in supporting the 'net zero' transition, decarbonisation and improved energy efficiency with Milford Haven Waterway at the forefront of exciting developments around low-carbon hydrogen and renewable energy. This includes investments such as Dragon LNG's solar farm development, which will install 18,500 solar panels across 14.67 acres providing 9% of site electricity demand;<sup>1</sup> RWE's 'Pembroke Net Zero Centre', which provides a clear pathway to be carbon neutral by 2040, with developments around new innovative technologies, including hydrogen production, Carbon Capture and Storage and floating offshore wind;<sup>2</sup> and Valero

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<sup>1</sup> Dragon LNG, *Ground broken at Dragon LNG marks another step in its energy efficiency and decarbonisation plan*, <https://www.dragonlng.co.uk/general/ground-broken-at-dragon-lng-marks-another-step-in-its-energy-efficiency-and-decarbonisation-plan>, 28 June 2022

<sup>2</sup> RWE, *Pembroke Net Zero Centre PNZC: a new initiative on RWE's pathway to carbon neutrality*, <https://www.rwe.com/en/research-and-development/project-plans/pembroke-net-zero-centre-pnzc>

Refinery's £120 million investment in a 45MW Combined Heat and Power Cogeneration Unit.<sup>3</sup> The creation of the Milford Haven Waterway Future Energy Cluster (MHW FEC) is another key step forward, involving many HEF members and coordinated by the Port of Milford Haven, outlining a vision for a low carbon future for the Waterway.<sup>4</sup>

Whilst HEF members, both independently and collectively, broadly support the Welsh Government's decarbonisation ambitions, we strongly believe that there must be a fair and equitable balance between industry's ability to invest in abatement technologies, whilst continuing to be of vital importance the UK's energy security. Unfortunately, one major area of concern in this regard is the impact of the UK Emissions Trading Scheme (UK ETS) on many of our businesses. Collective concerns exist across the HEF membership, both as to the current operation of the Scheme as well as recent proposals by the UK ETS Authority for the future of the overall ETS cap and the role of free allowances for numerous energy intensive sectors. The HEF is worried about the significant competitive disadvantage that these ramifications are having and will continue to have on the Haven's oil and gas facilities.

This includes:

- Uncompetitive costs versus international peers  
Already in the first year of its operation, UK ETS has seen costs far exceed those faced by competitors in other countries and regions, even compared to the EU Emissions Trading Scheme (EU ETS). UK allowance costs have consistently diverged above EU ETS, with the settled differential since the beginning of 2022 being approximately £10 per tonne of carbon. Proposals in the recent UK ETS consultation to cut the allowance cap by 50% in 2024 is a major change not replicated in other countries or regions, and one that will further dramatically undermine UK industrial competitiveness against EU and global peers beyond what is currently being experienced. Higher UK carbon prices will ultimately result in carbon leakage, job losses, reduced security and quantity of supply, as well as leading to higher electricity and gas prices for the end user, as our facilities are unable to compete with global markets. Government should pursue linking the UK ETS to other international schemes and a coordinated approach to cross-border adjustments for third countries to remove this competitive disadvantage as a matter of priority.
- Failings in the Cost Containment Mechanism (CCM)  
The CCM has proven itself unable to address unsustainable carbon prices since UK ETS has been in operation, with the UK ETS Authority failing to intervene on the occasions (December 2021 and January 2022) when the CCM was triggered. This is the case in spite of UK ETS having developed a persistent disadvantage against similar cap-and-trade schemes, especially EU ETS (as noted above). The methodology that supports the CCM trigger point also rises exponentially, making it difficult for interventions to occur.
- UK ETS policy is not aligned with decarbonisation technology roll-out  
The rising costs associated with the strategic direction of UK ETS gives uncertainty to companies such as ours, who rely on investment from boards and shareholders outside of the UK. This is not least due to a lack of clarity around a regulatory environment that does not currently align with the pace of technological advancements in this area. UK Government support for CCS and low-carbon hydrogen will see clusters sequenced in terms of support, with HyNet and the East Coast clusters scheduled to begin capturing and storing emissions in the mid-2020s. All other clusters will only become eligible for support from 2030 onwards. This disadvantages companies in Milford Haven, who will not be able to access decarbonisation technologies until a CO<sub>2</sub> shipping option is developed to enable carbon capture, whilst still facing increasing UK ETS costs on a much earlier cycle than CCS and blue hydrogen will be available.

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<sup>3</sup> Valero Energy Ltd, *Pembroke Refinery Cogen*, <http://www.pembroke-refinery-cogen.co.uk/>

<sup>4</sup> Port of Milford Haven, *UK's Energy Capital Maps Out Low Carbon Vision*, <https://www.mhpa.co.uk/news/2022/06/16/uks-energy-capital-maps-out-low-carbon-vision/>, 16 June 2022



- Uncertainty surrounding the future of free allowances  
Proposals around free allowances in the UK ETS consultation create severe uncertainty regarding their availability for UK energy intensive industries beyond 2026. Failure to provide long-term access to free allowances would rob many of the businesses around the Haven Waterway of any carbon leakage protection, further undermining competitiveness with the EU and other markets. Phasing out or removing free allowances must only be considered once the Authority has put in place an alternative carbon leakage policy, such as a Carbon Border Adjustment Mechanism (CBAM).
- Loss of free allowances due to events outside industry's control  
It is also a concern that free allowance calculations for a number of operators have been impacted by a lack flexibility when industry is affected by extraordinary and unplanned impacts on activity levels. The devastating and exceptional impact of the Covid-19 pandemic on UK ETS obligated sites is one such example. In spite of Covid-19 impacts across 2020 and 2021 not being within industry's ability to control, some sites have nonetheless had or will have free allowances withdrawn, increasing the amount of allowances sites need to buy in the marketplace. This increases the risks of carbon leakage to the UK economy.
- Changes to the CLSL  
For LNG facilities specifically, removal from the Carbon Leakage Sector List (CLSL) means UK terminals are placed at a competitive disadvantage compared to European terminals who are permitted to use different regasification technologies and then exacerbated by an inability to access funding opportunities to support the transition to 'net zero'. This appears contrary to the detail of the 'British Energy Security Strategy', which documents LNG as a key component in the UK and European energy security, as well as highlighting the importance of a hydrogen-ready infrastructure. As LNG is generally sold to the most attractive market, the UK is competing with Asian and European markets amongst others. Higher UK carbon prices will ultimately result in reduced security and quantity of supply leading to higher electricity and gas prices for the end user as cargoes are diverted elsewhere in the world.
- Inconsistent interpretation of legislation  
When compared to the EU ETS, the UK ETS interpretation of applicable legislation has had a significant negative impact on the financial performance of the LNG import terminal business. This not only impacts businesses now, but will impair our ability to compete with the rapid increase in European LNG terminals, resulting in both carbon leakage and a negative impact on the UK's energy security and diversity of supply. This inconsistency, following a summer of UK terminals aiding the supply of natural gas to the EU via the interconnectors, is counterproductive.

We are already engaged on these matters with the Climate Change Minister, Julie James MS, and have exchanged correspondence with her on the seriousness of the issue. We would also, however, kindly request that your Committee address these issues, which we hope you will agree have ramifications not only for the Milford Haven Waterway, but for industry and people dependent on our sectors across the whole of Wales. The potential consequences for industry in Wales – and the knock-on effects for the UK's energy security and efforts to decarbonise – are ones that we all wish to avoid.

As part of our engagement with your Committee, we would particularly like to invite you and your Committee colleagues to visit Milford Haven to discuss these issues in greater detail. This would include a boat trip on the Haven Waterway, hosted by the Port of Milford Haven, which offers an opportunity for you all to see the scale of the operations in the Pembrokeshire oil and gas sector and potential of our industries to support the move towards 'net zero' as a Cluster.

We look forward to hearing from you. We would welcome any replies to be directed to William James, Manager Public and Government Affairs, Valero Energy Ltd ([william.james@valero.com](mailto:william.james@valero.com)).

Yours sincerely,



*Simon Ames*  
Managing Director  
**Dragon LNG**



*Tom Sawyer*  
Chief Executive  
**Port of Milford Haven**



*Stephen Kenyon*  
UK General Manager  
**Puma Energy**



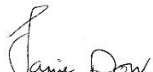
*Roland Long*  
Station Manager  
**RWE**



*Hamad Al Samra*  
General Manager  
**South Hook LNG Terminal**



*Mark Phair*  
Vice President & General Manager  
**Valero Pembroke Refinery**



*Jamie Dow*  
Senior Manager  
**Valero Pembrokeshire Oil Terminal**



Cc: Ms Janet Finch-Saunders MS, North Wales  
Mr Huw Irranca-Davies MS, Ogmore  
Ms Delyth Jewell MS, South Wales East  
Ms Jenny Rathbone MS, Cardiff Central  
Ms Joyce Watson MS, Mid and West Wales

# Agenda Item 4

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

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

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## Memorandum on the Climate Change Draft Budget Proposals for 2023-24

### Climate Change, Environment and Infrastructure Committee – 2023

This paper provides information on the Climate Change budget proposals as outlined in the 2023-24 Draft Budget published on 13 December 2023. It also provides an update on specific areas of interest to the Committee.

#### Strategic Context

The table below provides an overview of indicative plans for the Climate Change MEG published in draft Budget 2023-24

CLIMATE CHANGE - SUMMARY	2022-23 Final Budget March 2022	2023-24 Indicative Final Budget March 2022	2023-24 Changes	2023-24 Draft Budget December 2022	2024-25 Indicative Final Budget March 2022	2024-25 Changes	2024-25 Indicative Draft Budget December 2022
Resource	1,166,512	1,155,512	31,915	1,187,427	1,177,512	31,915	1,209,427
Capital	1,644,573	1,657,778	0	1,657,778	1,605,393	0	1,605,393
<b>Total Resource &amp; Capital</b>	<b>2,811,085</b>	<b>2,813,290</b>	<b>31,915</b>	<b>2,845,205</b>	<b>2,782,905</b>	<b>31,915</b>	<b>2,814,820</b>
Total AME	100,393	124,448	-69,246	55,202	4,740	-67,808	-63,068
<b>CLIMATE CHANGE - TOTAL BUDGET</b>	<b>2,911,478</b>	<b>2,937,738</b>	<b>-37,331</b>	<b>2,900,407</b>	<b>2,787,645</b>	<b>-35,893</b>	<b>2,751,752</b>

#### Resource

For resource, the 2022-23 baseline for draft Budget 2023-24 reflects Final Budget. The resource changes are summarised as follows:

	2023-24 Changes	2024/25 Changes
Transfers from reserves	55,000	55,000
Transfers to reserves	-20045	-20045
MEG to MEG transfers	-3,040	-3,400
<b>Total</b>	<b>31,915</b>	<b>31,915</b>

The Resource budget for the Climate Change MEG has increased by £55m in 2023-24 when compared to the 2023-24 indicative final budget baseline, with further increases of £55m in 2024-25.

The total resource allocations for each financial year is summarised in the tables below:

<b>BEL</b>	<b>Description of Transfer</b>	<b>2023-24 £000s</b>	<b>2024-45 £000s</b>
1895	Transfer in from Reserves to support TfW Public Transport	40,000	40,000
1120	Transfer in from Reserves to support Homelessness	10,000	10,000
1895	Transfer in from Reserves to support ALBs cost-of-living inflationary increases – TfW	5,000	5,000
<b>Total</b>		<b>55,000</b>	<b>55,000</b>

The Welsh Government has undertaken a reprioritisation exercise to release funding from within portfolios for reallocation across Government. The principles underpinning this reprioritisation exercise were to deliver a balanced budget, protect frontline public services and protect the Programme for Government.

As a result of this exercise, draft budget plans reflect a return to central reserves from the Climate Change MEG of £20.025m in 2023-24, with reductions baselined into 2024-25. These changes for budget lines relevant to this committee are summarised in the following table:

<b>BEL</b>	<b>Description of Transfer</b>	<b>2023-24 £000s</b>	<b>2024-45 £000s</b>
2832	Enabling natural Resources	-1,380	-1,380
2827	Forestry	-1,100	-1,100
2190	Resource Efficiency and Circular Economy	-1,575	-1,575
2490	Landscape & Outdoor Recreation	-300	-300
2255	Building Safety	-3,545	-3,545
1181	Housing Programme Revenue Funding	-900	-900
4151	Regeneration	-915	-915
1895	Transport for Wales	-9,603	-9,603
3759	Centre for Digital Public Services	-106	-106
3770	Clean Energy	-621	-621
<b>Total</b>		<b>-20,045</b>	<b>-20,045</b>

There has also been one MEG to MEG transfer in these budget proposals of £3.04m representing schemes commenced within the Coastal Risk Management Programme that have now transferred to the Local Authorities via the Finance and Local Government MEG.

### **Preventative Spend**

These budget proposals reflect my continuing commitment to protect and prioritise investment that supports preventative measures as far as possible. Value for money and clarity over how we use our resources effectively is central to delivering our priorities. Once expenditure is planned in line with priorities, we have well-established processes in place to ensure that resources are used effectively for the purposes intended.

Specific metrics are used to evaluate support programmes, as set out in the Wales Transport Strategy for example.

The assessment and value for money is referenced further down in the specific questions.

### **Evidence-based policy making**

Evidence from a wide range of sources underpins our financial decisions such as published research, engagement with stakeholders, previous policy evaluations and statistics. This is embedded in decision making with some examples as follows:

A significant number of single use items, usually made of plastic, are provided to consumers at low, or no cost, with an accompanying purchase of food or drink. These items are very small and are of low individual value, both to the end consumer and the retailer. The cost and effort of separating, cleaning and processing them for recycling is often deemed not to be worthwhile. Consequently, a high volume of these products are discarded into general waste, either by the end consumer or the retailer, or are littered. In its Programme for Government Welsh Government commits to legislate to abolish more commonly littered single use plastic items. The intention is to influence consumers so they begin to adopt more sustainable behaviours (for example using reusable products) and to prevent the subsequent environmental impacts associated with single use items.

Underpinning the wider implementation of the Circular Economy Strategy is a range of evidence from new compositional analysis of waste streams and data on the performance and efficiency of Local Authority recycling and waste management operations, to measurement of the carbon impact of our recycling.

Transport for Wales have published on our behalf a monitoring and evaluation framework for the Wales Transport Strategy that will be used to track progress against achieving the priorities and ambitions and identify any areas where further interventions may be required to meet our targets.

## **Well-being of Future Generations Act**

My draft budget preparations shows how I have sought to reflect the framework of the Wellbeing of Future Generations Act in setting our spending priorities. We reviewed current trends and future projections and their potential impacts in the short, medium and longer term. We did this to ensure, as far as possible, that short term responses do not have longer term detrimental impacts.

The Circular Economy Strategy, *Beyond Recycling*, has been recognised as a WFG exemplar in the way in which it was both developed using the five ways of working and how it uses the WFG goals to identify the action which maximises the benefit of the move to a circular economy, as a key part of the transition to a Zero Carbon Wales. A Goals Assessment was published alongside the strategy which sets out its contribution to all of the seven goals. This approach has continued with the delivery of the actions within the strategy, ensuring that they not only deliver crucial environmental outcomes, but also improve key economic and social outcomes for Wales. For example, taking a circular approach improve resource efficiency, create employment opportunities and increase competitiveness in a decarbonising global economy. This also includes key social benefits, particularly in a cost of living crisis, by for example redistributing food that would otherwise be wasted to vulnerable communities and putting in place repair and reuse facilities

## **Equality, Welsh language and children's rights assessment**

As part of the Draft Budget, we have taken an integrated approach to impact assessments, as well as considering the impact of decisions and policies on social, economic, cultural and environmental well-being, as set out within the Well-being of Future Generations (Wales) Act, which continues to be an important driver guiding our Budget considerations.

Our Budget sets out the impacts of our spending decisions, including highlighting spending decisions that directly impact on our stakeholders. This is complemented by the Strategic Integrated Impact Assessment (SIIA), outlining the contextual evidence that has supported our spending decisions.

For example, the Wales Transport Strategy and National Transport Delivery Plan was fully impact assessed through the integrated impact assessment process and for the strategy representatives all of those groups who share protected characteristics were involved in the process both at drafting and consultation stage, this included children, older people and all of the commissioners, including the Welsh language commissioner. The WTS is therefore reflective of their views and involvement and the budget broadly delivers on the aims and objectives in the strategy.

## **Responding to the cost-of-living crisis**

**An explanation of whether and how the Welsh Government's response to the cost-of-living crisis has shaped your draft budget allocations**

The impact of the increased cost of living and the failure of the UK Government's promises to replace EU funding in full has created significant challenges on programmes within my portfolio. As a Welsh Government, we will continue to work to prioritise our budgets to shield the most vulnerable and maintain our commitment to create a stronger, fairer and greener Wales as we prepare our draft Budget 2023-24.

I recognise the impact cost of living pressures are having on our Arms Length Bodies which deliver significant public services on behalf of the Welsh Government. I am pleased that these budget proposals provide a further £10m in 23/24 and 24/25 (£5m/annum) to support with cost-of-living pressures in the most critical areas. However, I appreciate that this will only go some way to addressing concerns and it will still be difficult for many organisations.

## **Legislation**

### The Environmental Protection (Single-use Plastic Products) (Wales) Bill

The Environmental Protection (Single-use Plastic Products) (Wales) Bill will ban or restrict the sale of a number of single-use plastic products found commonly littered in the environment. The legislation will deliver the Programme for Government commitment to legislate to abolish more commonly littered single use plastic items. The legislation will help accelerate the shift away from these problematic single-use plastic products and encourage a move towards reusable or less environmentally harmful alternatives. It also contributes to wider strategic aims of supporting the development of a circular economy in Wales, addressing the climate and nature emergencies. To support the Bill's implementation, spending will be required to communicate to the public and to businesses of the need to prepare for the bans and of the products covered by the legislation. The budget will also be used to support wider evidence-gathering for the potential next phase of products.

### Regulations to introduce a Deposit Return Scheme and Extended Producer Responsibility for plastic packaging;

Work continues to develop the legislation to deliver the Programme for Government commitment to introduce Extended Producer Responsibility reforms, initially focused on measures to tackle packaging waste and a Deposit Return Scheme for drink containers, alongside the development of the legislation to implement business, public and third sector recycling reforms. The consultation on the underpinning Code of Practice having been launched as part of Climate Week in November.

### The proposed Coal Tip Safety Bill;

The coal tip safety revenue budget settlement includes costs for the scoping and design of a national asset register, and for the recruitment of the Board for the new supervisory authority, including the initial running costs during the financial year 2024/25. The budget for 2023-24 and 2024-25 also includes funds for a Welsh Government team to establish the new public body.

A full Regulatory Impact Assessment is currently in development as required prior to the introduction of the Coal Tip Safety Bill, which will provide detailed costings for the establishment of the new public body (including staffing) and implementation of the new regime. Assumptions such as pay inflation and pay rises will be built into this work.

### The proposed Clean Air Bill

The Programme for Government committed to the introduction of a Clean Air Act for Wales. The Bill we are taking forward will include proposals relating to national air quality targets (accounting for World Health Organisation guidance), promoting awareness, Local Air Quality Management (LAQM), smoke control, vehicle idling and national air quality and soundscapes strategies. These proposals will enhance both national and local government's ability to tackle poor air quality, providing direct benefits for public health, habitats and biodiversity. Specific funding will support implementation of the Bill including funding for evidence-gathering, communication, and awareness raising.

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### **Programme for Government**

The Biodiversity Taskforce supports the Programme for Government commitment to embed biodiversity in all we do. To continue work on mainstreaming biodiversity which is also a requirement of the future Global Biodiversity Framework and Biodiversity Deep Dive recommendation, money has been allocated to this through a programme focussing on people, our systems and piloting innovative solutions both in and outside Welsh Government. Delivery of the Section 6 requirement working with public authorities to mainstream maintain and enhance biodiversity is also key part of this work.

Work is underway to develop a statutory duty and targets to protect and restore biodiversity. This work will be escalated following COP15 in December 2022 with the agreement of a set of new global targets. To deliver this budget has been allocated to provide the technical and academic support required to ensure robust, evidenced based approach to developing SMART targets.

Work is required to support research and development along with enhancing infrastructure to deliver successful interventions for saltmarsh and seagrass restoration programmes. To continue this budget has been allocated to the Nature Networks Programme.

### **Responding to the climate and nature emergencies, and working with Cabinet colleagues**

Net Zero Wales, which was published last year ahead of COP26 is our cross Government Plan, which sets out our collective action across Ministerial Portfolios, over the next few years.

To support delivery and help drive action, we have established internal governance to develop and deliver Net Zero Wales consisting of



- Cross-Government Cabinet supported by termly discussions on climate change as well as being integrated through wider conversations
- A Portfolio Board chaired by the Climate Change SRO with lead officials for each emission sector and cross cutting area;
- Focused arrangements to monitor and drive delivery of the PfG.

### **An explanation of how the Welsh Government’s declaration of ‘climate’ and ‘nature’ emergencies has influenced this year’s budget setting process**

Climate Change considerations are key for Welsh Government across all policy areas to respond to the climate emergency and adapt to the impacts of climate change. The First Minister has been clear that Climate Change is at the heart of the Government’s agenda.

On 28 October 2021, the Welsh Government launched its Net Zero Wales plan, which sets out the next stage in our pathway (2021 to 2025) to net zero by 2050. The plan contains more than 120 government policies and proposals, covering every area from peatland restoration to active travel, and from green skills to renewable energy.

The portfolio’s mission is to deliver net zero and to manage climate risk for Wales. Our statutory advisors, the Climate Change Committee (CCC), suggest that the costs to Wales of transitioning to Net Zero will be substantial (in the order of £1.4bn in 2025) and that investment in low-carbon technologies needs to increase significantly over carbon budget 2, which coincides with this Government term.

Llwybr Newydd - Wales Transport Strategy sets out a long-term vision for an accessible and sustainable transport system. It contains four high-level cross-cutting 20-year ambitions that can deliver wider benefits to people and communities, to the environment, to the economy and places, and to culture and language. These ambitions will be delivered through a set of five year priorities, targeting ways to reduce the need to travel and encourage modal shift.

It changes our approach to the way we make decisions and investments. The sustainable transport hierarchy gives priority to meeting the demand for travel by walking, cycling and public transport ahead of private motor vehicles. The investment hierarchy’s focus is on measures to manage demand, make better use of existing infrastructure (including joined up planning between transport and land use), and on widening and promoting sustainable travel choices

### **An explanation of how you have worked with your Cabinet colleagues to ensure that the environment, biodiversity loss and climate change have been “at the heart of” the budget setting process**

Action on the climate and nature emergency continues to be at the heart of this government, which is why the Climate Change portfolio has been created. It has brought together the big policy areas to help Wales reach its legally binding target of reaching Net Zero by 2050

This investment will continue to directly help address the Programme for Government ambition to tackle the nature and climate emergencies.

## **Decarbonisation**

The Net Zero Wales Plan puts the transition to a Circular Economy at its heart with actions for a more resource efficient Wales found across every part of the Plan from decarbonising the refuse vehicle fleet to supporting businesses to get advice on being more resource efficient. This recognises the critical link between unsustainable consumption and the climate and nature crises.

This includes an increase in the budget to support the continued delivery of the Beyond Recycling Strategy which will work to build on the foundation of our genuinely world class recycling to support the wider transition to a circular economy which keeps resources in use. A key element of this support sees an increase in capital funding to put in place the infrastructure improvements needed to transition to a circular economy, which represents just under half of Wales' total emissions.

### **Higher interim emissions reduction targets for 2030 and 2040, and a net zero target for 2050 and budget allocations.**

Our emission reduction targets are set at a Wales level and as such, Net Zero Wales is an All Wales plan, recognising that actions will need to be taken by everyone. This means that the costs and benefits will also be shared across society.

Although the monetary costs associated with Wales transitioning to net zero by 2050 are not fully known yet, an indicative cost estimate has been provided in the Regulatory Impact Assessment for net zero. In this Regulatory Impact Assessment, we estimate that the additional cost of meeting net zero compared to a scenario with no further climate action will lead to additional present value resource costs of between £10bn and £16bn in total over the period to 2050 (these figures are based on Welsh Government analysis of the 5 CCC net zero pathways). Additional resource costs are the monetary costs (and savings) required to provide the same goods and services in a low or zero carbon way, and they include both upfront capital investment cost and operating costs/savings. However, there may also be significant societal co-impacts associated with transitioning to net zero which have not been quantified in our analysis, such as health and natural capital benefits.

There is a great deal of uncertainty inherent in estimating future costs associated with long-term emission targets which increases over time. The uncertainty comes from questions about the cost and development of future low-carbon technologies, the future actions of government, business, wider stakeholders, and consumers.

Irrespective of this uncertainty, we are looking to continually boost our evidence base and improve our understanding of the costs and benefits associated with reaching net zero to help us facilitate the least-cost low-carbon transition. Net Zero Wales highlights some of the additional investment costs required over Carbon Budget 2 at the Welsh national level, as well as outlines many investments that the Welsh Government are making to accelerate the net zero transition. However, it should also be noted that a

significant bulk of the investment costs will be met by the private sector and the UK Government.

### **Work undertaken to estimate the carbon impact of spending decisions and how this has influenced the approach to allocations**

We continue to look to improve and develop how we make decisions taking into account carbon through tools such as our integrated impact assessment process. Through our Budget Improvement Plan, we have set out the actions we are taking to consider how the assessment of the carbon impact of our spending programmes can be made more robust.

This work, which is informing our budget preparations, is considering the incremental impact of Welsh Government spend, as well as the wider impact that policy implementation has on carbon emissions. An update to the Budget Improvement Plan will be provided alongside the draft budget, which will provide further details on the progress we are making on assessing the carbon impacts of our expenditure. Infrastructure Investment Strategy.

One of the most important considerations we can make is the link between the infrastructure we support and the impact it has on our environment.

Our new infrastructure investment strategy is the successor to the current Wales Infrastructure Investment Plan and sets the framework for Welsh Government investment in infrastructure and is designed around the four well being themes of economic, environmental, social and cultural well-being. At its heart will be the Welsh Government's response to the climate emergency, including the commitment to net zero and tackling the decline in biodiversity, and the strategy has been designed specifically to support the delivery of a net zero carbon economy. This approach lets us recognise that, for example, alongside investments in electric vehicle infrastructure and in railway electrification, which have decarbonisation as a primary purpose, we can leverage the delivery of our wider programme of capital investment in areas such as hospitals and schools to contribute to delivery of net zero. Many of the policies captured in this plan will also appear in the suite of documents which will describe this new infrastructure investment strategy.

### **Aligning fiscal and carbon budgets**

We continue to align our carbon and financial budget process and use our Net Zero Wales plan to help guide our spend. Our long term decarbonisation plans helps to align future spend around it .

## Budget Structure

### Summary of Budget Allocations and Changes

**A breakdown of the 2023-24 draft budget, and any future indicative budgets, by Spending Programme Area (SPA), Action and Budget Expenditure Line (BEL), both revenue and capital, along with 2022-23 Budget allocations as a comparison. A narrative description of the policy areas funded through each BEL. A summary of any changes made in the structure and presentation of the budget compared to previous years, including details of how any new or reorganised SPAs, Actions of BELs relate to those used in 2022-23 and ensuring 2023-24 allocations can be compared to previous years.**

Annex A provides the full BEL tables for the Climate Change portfolio as published as part of the draft budget.

### Transport

**How the draft budget supports the Welsh Government's transport priorities, particularly delivery of the new Wales Transport Strategy and the associated delivery plans and strategies, including how you have prioritised funding, the affordability of your priorities and any areas of concern**

We will continue to invest in our metro programmes in South East, South West and North Wales. in a way that is integrated with our core service delivery in bus, active travel and rail. Our investments will also support the development of our rural pathway which will support the development of public transport interventions in rural communities across Wales, and in particularly Mid Wales which does not have a Metro scheme in the region.

The investment will also support the continued development of strategically important projects across Wales to support the delivery of the Wales Transport Strategy and help us achieve the mode shift needed to meet our Net Zero Wales targets. These projects are multi-modal; supporting the development of infrastructure, service design, digital and data developments and behavioural change work in bus, rail and active travel schemes across Wales in areas that maximise potential modal shift. Our emerging priorities for investment are set out in the National Transport Delivery Plan published for consultation in July

**Public transport recovery following the pandemic, including support for operators and the impact of, and recovery from, the Coronavirus pandemic, including support for transport providers.**

Throughout the pandemic Welsh Government's commitment to the bus industry has been unwavering with over £150m of funding made available to the industry to support them through, and recover from, the effects of the coronavirus pandemic.

Funding has been allocated to support the TfW Rail Limited farebox which continues to be impacted following the coronavirus pandemic with fewer commuter journeys being made, though this has been partially offset by increased leisure journeys

### **Delivery of the rail franchise.**

The revenue and capital funding allocated allows for the delivery of the Rail franchise by TfW on behalf of Welsh Ministers. As part of this TfW will continue delivering on our Programme for Government commitments including investing £800m on brand new rolling stock that will provide new, faster, more comfortable trains, and allow for increased frequency of services and new routes to be established

### **Delivery of the North East Wales, South West Wales and South East Wales Metros.**

We will continue to invest in our metro programmes in South East, South West and North Wales in a way that is integrated with our core service delivery in bus, active travel and rail, therefore budgets are not separately identified. Our investments will also support the development of our rural pathway which will support the development of public transport interventions in rural communities across Wales, and in particularly Mid Wales which does not have a Metro scheme in the region.

The investment will also support the continued development of strategically important projects across Wales to support the delivery of the Wales Transport Strategy and help us achieve the mode shift needed to meet our Net Zero Wales targets. These projects are multi-modal; supporting the development of infrastructure, service design, digital and data developments and behavioural change work in bus, rail and active travel schemes across Wales in areas that maximise potential modal shift

### **Delivery of the Welsh Government's rail infrastructure priorities.**

The capital funding allocated to Transport for Wales will enable them to continue to deliver the Core Valley Lines Transformation Programme which is delivering the upgraded track, signalling and electrification work that will allow for increased and faster services to be provided improving access and connectivity to and from valley communities and Cardiff

### **The development of Transport for Wales – including a breakdown of TFW's full budget allocation for the year, itemising its corporate budget alongside allocations for delivery of specific programmes.**

Given that TfW is still a relatively new and evolving organisation, we are continually looking for ways to streamline processes, and we will endeavour to offer the Committee sufficient time to scrutinise draft budgets in the future

### **The recommendations of the South East Wales Transport Commission.**

The work of the Burns Delivery Unit will continue to support the delivery of the South East Wales Transport Commission's findings. This will include continued design development and stakeholder engagement to bring forward three measures to final

investment decision as quickly as possible, i) Cardiff to Newport Active Travel and Bus links; ii) Newport Central Infrastructure for Active Travel and Bus priority - design development and stakeholder engagement on Active Travel and Bus priority on routes connecting to Newport Central; iii) Severn Tunnel Junction bus access, and developing and implementing activities with stakeholders to drive modal shift

**Investment in the trunk road and motorway network. In particular, how the outcome of the roads review has informed the allocations, and how any roads funding has been reallocated.**

Funding across transport has been aligned with the sustainable transport hierarchy as set out in the Wales Transport Strategy, this approach prioritises investment in active travel such as walking and cycling and public transport such as bus and rail, above investment in steps which increase private car usage. This approach is fundamental to achieve our challenging modal shift targets and climate change commitments.

On 30th November the Deputy Minister for Climate Change set out in a written statement the latest on the roads review noting that responding to the recommendations is a complex piece of work which has been further complicated by the significant reduction in our spending power. We are now reconsidering our full response to the Roads Review in light of the deteriorating fiscal and economic situation we have been placed in by the UK Government.

We will set out our response, together with those schemes which we will be taking forward, in our National Transport Delivery Plan, which will be published shortly,

There are a number of programmes being delivered across the Strategic Road Network (SRN) intended to be preventative. They include:

- Ash Dieback – Proactive measures to identify and remove diseased trees that could cause safety issues on the SRN.
- Surfacing preventative Treatments – Surface dressing treatments that extend the life of the wearing course of the carriageway, increasing maintenance intervention frequency, lowering cost and carbon.
- Community Safety Programme – proactive safety programme listening to and responding to communities’ needs to improve safety on the SRN.
- Street lighting renewal – changing lamps to LEDs to reduce costs and carbon.
- In order to future proof and prepare for the digitisation of the Strategic Road Network we are investing over £40m in delivering broadband fibre along 152km of the network.

In order to address an estimated £1bn backlog of capital maintenance across all asset types on the SRN officials will seek to develop a Major Asset Renewal (MAR) programme which could be delivered over a 5 to 10 year period with time scales adjusted to match to availability of funding. The programme would not only address the maintenance backlog but could also deliver many of the ambitions and priorities in

the new Wales Transport Strategy particularly around road space reallocation for active travel and public transport and reducing carbon by carrying out maintenance in an efficient holistic manner, using materials with long service lives sourced locally. This programme is currently unfunded

**Delivery of active travel policy – including a table detailing total and per capita allocations for active travel for 2023-24, compared with each of the preceding three years. Revenue and capital allocations should be clear and broken down by individual funding stream (active travel fund, local transport fund, safe routes in communities etc).**

In line with the mode shift targets in Llwybr Newydd and our Net Zero Carbon commitment, active travel continues to be a focus for investment, in particular through the mechanism of the Active Travel Fund. In recognition of the largely local nature of active travel infrastructure, the majority of the funding is directed at local authorities.

The Active Travel Fund is designed to enable local authorities to deliver the active travel route networks which have just been updated and which were approved by Ministers this year. The Fund is made up of a core allocation for each local authority and a competitive funding element. The Fund is complemented by smaller additional funding programmes.

The Safe Routes in Communities Grant is focused on school travel improvements and is geographically not limited to the larger towns which form the focus of the Active Travel Fund.

Funding for active travel schemes on and intersecting with the Strategic Road Network will be prioritised and taken forward in dialogue with the local authorities in which they are located. Active travel schemes that are linked to implementing Metro or South East Wales Transport Commission proposals will also be developed collaboratively in these contexts.

	Active Travel allocations - all LA capital grants					
	18/19	19/20	20/21	21/22	22/23	23/24
Active Travel Fund	£9,031,092	£29,127,943	£25,140,454	£56,003,830	£48,106,000	£57,000,000
Local Transport Fund	£11,267,202	£7,303,259	£896,000	N/A	N/A	N/A
SRIC	£5,048,314	£5,362,121	£4,141,501	6,554,231	£4,263,050	£5,000,000
Additional funding (Covid)			£16,205,917	£1,030,000		
SEWTC AT projects				£517,000		
Financial Transactions capital						2,000,000
<b>Total</b>	<b>£25,346,608</b>	<b>£41,793,323</b>	<b>£46,383,872</b>	<b>£64,105,061</b>	<b>£52,369,050</b>	<b>£64,000,000</b>
Population*	3138631	3152879	3169586	3107500	N/A	N/A
<b>Total per capita</b>	<b>£8.08</b>	<b>£13.26</b>	<b>£14.63</b>	<b>£20.63</b>	<b>£16.85</b>	<b>£20.60</b>

*mid year population estimates up to 20/21, Census data for 21/22, calculation based on latest available		

	Active Travel allocations - other capital funding					
	18/19	19/20	20/21	21/22	22/23	23/24
WG Trunk Road AT programme	£1,650,000	£1,650,000	£1,650,000	£3,650,000	£3,000,000	£3,000,000
Other AT capital grants and expenditure (incl SEWTC & Metro AT projects, NCN enhancements)				£510,000	£4,070,000	4,250,000
<b>Total</b>	<b>£1,650,000</b>	<b>£1,650,000</b>	<b>£1,650,000</b>	<b>£4,160,000</b>	<b>£7,070,000</b>	<b>£7,250,000</b>
Population*	3,138,631	3,152,879	3,169,586	3,107,500	N/A	N/A
Total per capita	£0.53	£0.52	£0.52	£1.34	£2.28	£2.33
*mid year population estimates up to 20/21, Census data for 21/22, calculation based on latest available						

	Active Travel allocations - revenue					
	18/19	19/20	20/21	21/22	22/23	23/24
Active Journeys Programme	£237,000	£375,000	£375,000	£375,000	£375,000	£375,000
Active Travel Fund and ATA implementation support (TfW & LAs)			£1,000,000	£1,549,000	£0	£0
Active Travel Act implementation support	£171,915	£224,446	£178,988	£135,280	£809,300	£1,000,000
<b>Total</b>	<b>£408,915</b>	<b>£599,446</b>	<b>£1,553,988</b>	<b>£2,059,280</b>	<b>£1,184,300</b>	<b>£1,375,000</b>
Population*	3,138,631	3,152,879	3,169,586	3,107,500	N/A	N/A
Total per capita	£0.13	£0.19	£0.49	£0.66	£0.38	£0.44
*mid year population estimates up to 20/21, Census data for 21/22, calculation based on latest available						



	Active Travel -all					
	18/19	19/20	20/21	21/22	22/23	23/24
Total	£27,405,523	£44,042,769	£49,587,860	£70,324,341	£60,623,350	£72,625,000
Population*	3,138,631	3,152,879	3,169,586	3,107,500	N/A	N/A
Total per capita	£8.73	£13.97	£15.64	£22.63	£19.51	£23.37
*mid year population estimates up to 20/21, Census data for 21/22, calculation based on latest available						

**Support for bus and community transport services, including a table detailing total and per capita allocations for 2023-24 compared with each of the preceding three years. Revenue and capital allocations should be clear and the table should be broken down by individual funding stream (BSSG, BES2, Concessionary Fares etc)**

We have continued to support the bus industry in 2022-23 through funding to support the industry as they transition to a new normal post COVID

Total per capita					
Bus Revenue support - 2019-20 to 2023-24					
	2019-20	2020-21	2021-22	2022-23	2023-24
Mid-year population estimate Wales*	3,152,879	3,169,586	3,107,500	N/A	N/A
Bus Users UK Cymru Grant	£243,368	£182,918	£289,457	£395,000	£395,000
School Transport	£0	£0	£10,000	£10,000	£10,000
BUS REVENUE SUPPORT	£1,325,425	£6,111,471	£1,061,818	£677,000	£677,000
Community Transport Association - Core Funding	£164,298	£138,284	£285,482	£285,482	£285,482
Bus Services Support Grant	£25,000,000	£25,000,000	£25,000,000	£25,000,000	£25,000,000

Bus Revenue Support - Traws Cymru	£3,741,342	£4,018,818	£3,159,745	£3,159,745	£3,159,745
Traveline Cymru	£998,612	£998,612	£998,616	£998,616	£998,616
Concessionary fares	£26,375,441	£33,915,450	£62,595,259	£60,482,000	£60,482,000
Youth Discounted Travel	£2,531,786	£1,906,536	£1,999,969	£2,000,000	£2,000,000
Bus Emergency Scheme COVID	£0	£70,620,830	£59,099,546	£28,000,000	£28,000,000
Total	£60,380,273	£142,892,919	£154,499,892	£121,007,843	£121,007,843
Total per capita	£19.15	£45.16	£49.72	£38.94	£38.94

Total per capita					
Bus capital support - 2019-20 to 2022-23					
	2019-20	2020-21	2021-22	2022-23	2023-24
Mid-year population estimate Wales *	3,152,879	3,169,586	3,174,970	3,184,311	3,107,500
Concessionary Fares	£35,240,000				
Bus support		£1,000,000			
Bus Cymru - invest in bus services					
Total	£35,240,000	£1,000,000	£0	£0	£0
Total per capita	£11.18	£0.32	£0.00	£0.00	£0.00

**Support for local transport priorities.**

We will continue to invest in local schemes that support the delivery of the Wales Transport Strategy. Funding in the next financial year will have a focus on 20MPH and bus infrastructure.

As per the Programme for Government commitment we will review how we spend the Local Transport Fund in future years aligned to the priorities set out in the Wales Transport Strategy, and in light of the move towards regional transport planning which CJs are now under a duty to produce.

## **ENERGY & PLANNING – FUNDING OF ACTIONS**

### **Policies and programmes to support decarbonisation in the housing sector, including allocations for the Welsh Government’s Warm Homes Programme and Optimised Retrofit Programme.**

The development of a whole housing stock approach to decarbonisation will provide for a long-term strategy for energy efficiency, fuel poverty and decarbonisation for the sector. It will help meet the expectations of our second carbon budget Net Zero Wales and integrate with broader housing objectives.

The new programme is expected to support the social, owner occupier and private rented sectors. It is expected to be accessible to all, including those in the ‘able to pay’ category, but include emphasis on funding worst homes first, including those in fuel poverty.

The approach will be developed through the learning from the Warm Homes and Optimised Retrofit (ORP) programmes and aligned to other Welsh Government approaches such as the Welsh Housing Quality Standard and Local Area Energy Planning.

A core element of the new programme will be learning from the collaboration and partnership that has been gained through our multiple housing programmes, for example working successfully with local authorities, Registered Social Landlords (RSLs), community groups and others.

Decarbonisation of privately owned homes is undoubtedly more complex than dealing with the social sector or those in fuel poverty so we will continue to apply the ORP ethos of ‘test and learn’. ORP and the Innovative Housing Programme are already encouraging small scale local community initiatives, across housing sectors as a starting point.

In the short-term we will continue to deliver the Warm Homes Programme with the capital budget increasing by £5m to £35m in 2023/24 within the draft budget.

## **Optimised Retrofit Programme**

Ministers have prioritised investment in social housing decarbonisation through the funding made available to social landlords through the Optimised Retrofit Programme (ORP).

We are starting in social housing, before moving to other tenures as this is where we have the most levers. Channelling ORP investment through social landlords supports a ‘testing and learning’ approach to how to decarbonise homes effectively and efficiently.

For the optimised retrofit programme (ORP), targeting test and learn, the investment in social homes is targeted to be £270m over the term of government (with circa £70m invested to date).

## **Delivery of renewable energy and public sector energy efficiency programmes, including funding for the Welsh Energy Service.**

The budget provides capital and revenue to support the operation of the Welsh Government Energy Service. This offers commercial, financial, and technical expertise to the public sector and local energy sector to develop energy efficiency and renewable energy schemes. The service also undertakes a strategic leadership role across the sectors, with a focus on increasing ambition, capacity and capability.

The commitment to Expand renewable energy generation by public bodies and community groups in Wales by over 100MW by 2026 is in addition to the target of 1 gigawatt of locally owned generation by 2030. The programme’s Benefit Realisation Strategy indicates the unit will deliver significant revenue and environmental benefits to Wales. The budget allocations will enable us to establish a small team to develop the concept of a Welsh public developer, as described in the Cooperation Agreement, and in parallel actively develop an initially small number of projects for Welsh Government, and in support of communities and public bodies where capacity is a challenge. The draft budget for 2023/24 increases the capital available to the energy service to £25m from £14.5m in 2022/23. This is further supplemented by loan repayments from previous zero interest loans and will help support upscaled delivery of low carbon heat in the public sector.

## **Implementation of recommendations and actions arising from the Welsh Government’s deep dive on renewable energy.**

Our deep dive into renewable energy outlined opportunities, discussed barriers and proposed actions we can take to support the upscaling of renewable energy generation in Wales. We are taking forward the recommendations from the deep dive group and our budget reflects this work.

We have funded independent analysis and support to inform the development of our forthcoming consultation on refreshed renewable energy targets. We have funded the

Energy Systems Catapult to support the development of Local Area Energy Plans and a national plan and we are resourcing the locally led team to deliver those plans across Wales. We have also appointed external expertise to develop a Heat Strategy for Wales which will include how advice and support is provided to households.

We have prioritised resources to implement the recommendations to address consenting barriers. This includes funding to develop Strategic Resource Areas for Wales' marine environment, funding the end to end review of marine licensing and for National Resources Wales to respond to the growing number of renewable energy projects requiring advice and consenting both onshore and offshore.

Following the deep dive we have increased the funding for the Welsh Government Energy Service (WGES) to support community groups access grants to support their projects. The funding enables the groups to employ staff and explore opportunities for investing in shared ownership projects. We have also awarded Community Energy Wales (CEW) with a four-fold increase of funding to deliver their three-year business plan.

### **Development of proposals for Ynni Cymru**

We continue to work with Plaid Cymru on this important Cooperation Agreement commitment to work towards establishing Ynni Cymru to expand community owned renewable energy in Wales. The work in the short term will focus on the scope of Ynni Cymru working with key partners including Community Energy Wales and the Welsh Government energy Service. We will also focus on how we establish the new entity to support implementation and how Ynni Cymru can work alongside the new large-scale public-sector developer.

### **Environment**

#### **Delivery of the Nature Recovery Action Plan, including management and monitoring of the National Sites Network.**

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. This plan is due to be refreshed in 23/24 to reflect the post COP15 Global Biodiversity Framework

The National Sites Network will benefit from funding through the continued delivery of our Nature Networks Programme (NNP) in 23/24 helping to deliver our 30 by 30 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.

## **Nature Networks Programme, Local Places for Nature, the National Peatlands Action programme and Natur am Byth.**

### Nature Networks Programme

Nature Networks Programme (NNP) – This allocation will allow continued delivery of the NNP building on the delivery of Land Management Agreements by NRW and the Nature Networks Fund by Heritage Lottery incorporating the recommendations of the biodiversity deep dive.

### Local Places for Nature

The Local Places for Nature Programme is currently in its third year of delivery, with the minimum indicative funding of £23.4M capital and £7.1M revenue allocated for a further two years.

The programme has been very successful in its first two years, with achievements summarised by:

Table 1 – Highlight Outputs for LPfN Programme 2020-2022.

<b>Highlight Output</b>	<b>Totals 2020/21 &amp; 2021/22</b>
Green Spaces Created or significantly enhanced	1460
Wildlife meadows and verges with new mowing practices	455
Community orchards created	290
Community growing projects	345
Volunteers Involved	7000
Trees planted (urban, small dense woodland, verges, parkland)	150 hectares (estimated)

All Programme for Government targeted measures for ‘the creation of Green Spaces’ are deliverable by Local Places for Nature, with many being exceeded. Of particular Biodiversity significance, the programme has funded all Wales changes to the mowing practices of public green spaces and verges. This behaviour change now has momentum which is important to continue.

Welsh Government is currently acting to secure scheme managers competitively to deliver for the next two years.

A minimum funding envelope of £7M Revenue and £23M Capital is required over the next 2 years to ensure programme continuity in line with existing delivery. However, the programme is designed to be flexible to respond to opportunities or take advantage of additional funding.

The flexible nature of the LPfN programme, allows us the rapidly adapt to changing circumstances. As demonstrated by the speed at which my announcement for the

additional £3.3M of funding for Biodiversity actions has been amalgamated into the LPfN Local Nature Partnership Scheme.

This programme is highly adaptable to cross departmental working. As demonstrated by the current pilot scheme for increasing Marine and Coastal Capacity, a *Marine and Coastal Partnership Scheme* enabled through Local Places for Nature Programme.

#### National Peatlands Action programme

Analysis of evidence relating to net zero targets is the basis for the increase in the National Peatland Action Programme which is critical to delivering the needs of the population of Wales and has informed these spending proposals.

#### Natur am Byth

Natur am Byth – This allocation will provide the match funding required to deliver this four year NRW led project. The project aims to tackle the decline of the most threatened species in Wales working with a range of partners helping to address the nature emergency.

### **Outcomes of the Welsh Government’s deep dive into biodiversity and anticipated commitments made at COP15.**

The Minister for Climate Change is attending COP15 this year. We have committed to develop and set in law nature targets in Wales to drive our future action – funding will be required to support the technical development of these targets (as outlined above). Our key strategies such as the Natural Resources Policy and Nature Recovery Action Plan will also need to be refreshed to reflect the urgent action required to deliver our commitments against the global targets to reverse nature decline.

The Biodiversity Deep Dive resulted in a range of recommendations aimed to drive forward collective actions we can take immediately to support meaningful delivery of the CBD ‘30 by 30’ goal, as well as tackling the nature crisis. Funding will be allocated to support the delivery of the recommendations and actions. Taking effective action to tackle the nature emergency by 2030 will require adequate funding – budget has been allocated to support the development of an innovative future finance model. Funding has been allocated to ramping up delivery of the Peatland Programme and to further work of the Local Nature Partnerships

### **Development of the new National Park to cover the Clwydian Range and Dee Valley.**

Designation of a new National Park to cover the Clwydian Range and Dee Valley is the responsibility of the Minister for Rural Affairs, North Wales & Trefnydd.

A specific budget allocation in 2023-24 will continue the delivery of the Programme for Government commitment to designate a new National Park to cover the Clwydian Range and Dee Valley.

Designating a National Park is a significant undertaking and the majority of this funding enables Natural Resources Wales, our statutory advisors in this area, to undertake the necessary preparatory formal programme. NRW has completed work on the preparation of an updated and streamlined process for assessing the case for new landscape designations in Wales within the context of Welsh legislation. Alongside this, NRW is developing the evidence base required to inform the assessment of the case for the new National Park. NRW will also develop an engagement and consultation process to ensure all stakeholders have a voice. This funding ensures NRW takes the Designation work on as effectively and robustly as possible, with the necessary expertise and capacity. 6 new posts have been recruited into a new Programme team.

The funding also provides additional revenue to the Clwydian Range and Dee Valley AONB to build capacity and resilience while the designation work is taken forward and prior to a new National Park being created in the area.

### **Delivery of the Clean Air Plan.**

The aim of the Clean Air Plan for Wales: Healthy Air, Healthy Wales, is to improve air quality and reduce the impacts of air pollution on human health, biodiversity and our economy. The Plan sets out a pathway to achieving cleaner air, structured around four core themes:-

- People – protecting the health and well-being of current and future generations
- Environment – Taking action to support our natural environment, ecosystems and biodiversity
- Prosperity – Working with industry to reduce emissions, supporting a cleaner and more prosperous Wales
- Place – Creating sustainable places through better planning, infrastructure and transport

We are undertaking a wide range of work with Government departments, different sectors of the economy and the public to drive forward the ambitious actions in the Plan. Funding will support the delivery of its commitments, including action to deliver urgent compliance with statutory NO<sub>2</sub> limits, expansion of our incident response capability, and Local Air Quality Management work (ensuring the regime is health focused and is taking a preventative approach). Measures in the Plan will also help to achieve the UK's emission reduction commitments for pollutants by 2030, and will support our decarbonisation aims

### **Implementation of the Woodlands for Wales Strategy, including the National Forest Strategy.**

The draft budget allocates [£8.1m] revenue and [£23m] capital for forestry. While there is a reduction of £1.1m revenue against previous plans, the forestry revenue budget will still be almost £3m higher in 23/24 compared to 22/23.

This will support funding to develop the National Forest, including through creating new woodlands and enhancing existing ones through further rounds of The Woodland



Investment Grant, seven National Forest liaison officers to work with landowners across Wales, and funding the creation of Tiny Forests.

Forestry funding will also support the Programme for Government commitment to create a Timber Industrial Strategy and cross-border forestry functions such as tree health and the Woodland Carbon Code.

£32m over three years was committed to the new woodland creation schemes launched in August 2022.

### **Implementation of the National Strategy for Flood and Coastal Erosion Risk Management, including the take up of the Coastal Risk Management Programme.**

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.

The additional funding will help meet the objectives of this Strategy as well as contribute towards our Programme for Government and Co-operation Agreement commitments to increase flood capital investment and national resilience. This is demonstrated through our largest ever investment in flood protection committing in the 2022-23 budget more than £214M over 3 years (Capital and Revenue). This investment will enable our Risk Management Authorities to deliver new and improved defences, maintenance and minor works to existing assets, investigation of flood events, awareness raising activities, forecasting, and warning and mapping and modelling of flood risk. The funding will also help improve forward planning.

The increase of funding in the Flood budget will also help deliver the schemes in the Coastal Risk Management Programme which when complete will reduce the risk from flooding and/or coastal erosion to over 15,200 homes and businesses. This will help deliver almost 35% of our Programme for Government commitment to fund additional flood protection for more than 45,000 homes.

The additional revenue will allow for additional flood protection for more than 45,000 homes, deliver nature-based solutions in all major catchments in Wales and establish a targeted scheme to support restoration of seagrass and saltmarsh habitats along our coastline.

### **Development of permanent environmental governance arrangements, and the work of the Interim Environmental Protection Assessor.**

The Welsh Government remains committed to working towards the establishment of an environmental governance body for Wales during this Senedd term. There is a budget of £480,000 available for this work.

Costs incurred for the Interim Environmental Protection Assessor come out of a budget of £45,000 that is set aside for the IEPAW's functions. This budget previously sat in the EU Exit BEL but will be transferred to the Climate Change MEG from the 2nd supplementary budget for 2022-23 and as part of the Budget process for future years. These interim measures provide a route for people to raise concerns about the functioning of environmental law until the permanent measures are in place.

### **Delivery of the Marine Protected Area Network Management Plan. Natural Resources Wales (NRW) Details of budget allocations for NRW, including:**

Budget will be allocated for funding of successful projects that are awarded during the 2023-24 call for actions, delivering on the priorities and objectives laid out in the MPA network management framework for Wales. Allocations are expected to match awards from previous years and sourced from the Marine Ecosystems and Biodiversity budgets when finalised

### **How the development of the draft budget has been informed and influenced by any emerging findings of the baseline review, and funding for the Offshore Renewable Energy Programme**

In my letter to the committee in May 2022, I confirmed that my officials were working with NRW to examine the allocation of its resources against its statutory functions and Programme for Government commitments in what was known as the baseline review. I asked NRW, working alongside my officials, to provide further information for consideration by the end of July 2022. This information was provided as requested and work continues with NRW to provide further Grant in Aid funding to give certainty in their budgets from the 2023/24 financial year onward. This includes £800k to ensure their Offshore Renewable Energy Programme is funded. In addition, we will work with NRW to consider a Renewable Energy Service Level Agreement which will consider funding for the OREP alongside arrangements for delivery of recommendations arising from the end to end review of Marine Licensing.

We will continue to work closely with NRW to ensure the resources they have available is both commensurate to need and aligned with their statutory responsibilities and Programme for Government commitments. Over the next years, we will focus on ensuring that NRW have the greatest flexibility possible when allocating their resources and, where possible and appropriate, remove barriers which prevent them from doing so.

### **National Infrastructure Commission for Wales (NICW) Details of budget allocations for the NICW**

In the summer of 2022, the Deputy Minister appointed a Deputy Chair, Dr Jennifer Baxter, and 6 new Commissioners to work alongside the Chair, Dr David Clubb.

In November, NICW published its annual report, setting out its work programme for the next 3 years.

Research on renewable energy is underway. This involves three pieces of work looking at the tensions arising from renewable energy developments; how we can best

capture the value of renewable energy for Wales; and how we could be engaging with communities on renewable energy developments in the future. Commissioners Aleen Khan and Nick Tune are leading on this work.

The Co-operation Agreement between Labour and Plaid Cymru commits NICW to assessing how the nationwide likelihood of flooding of homes, businesses and infrastructure can be minimised by 2050.

Work is currently underway to scope out projects which will assist NICW in undertaking this assessment. A Project Advisory Group of technical experts is also being formed to help guide this work. Commissioners Eurgain Powell and Eluned Parrott are leading on this work.

**CLIMATE CHANGE**

RESOURCE BUDGET			£'000													COMMENTS
Action	BEL No.	BEL Description	2022-23 Final Budget March 2022	2023-24 Indicative Final Budget March 2022	2023-24 Budget Reprioritisation	MEG to MEG Transfers	Transfers Within MEG	Allocations to / from Reserves	2023-24 Draft Budget December 2022	2024-25 Indicative Final Budget March 2022	2024-25 Budget Reprioritisation	MEG to MEG Transfers	Transfers Within MEG	Allocations to / from Reserves	2024-25 Indicative Draft Budget December 2022	
Develop and deliver overarching policy and programmes on sustainable development and natural resource management	2812	Environment Legislation, Governance and Communications	181	181					181	181					181	
	Total Develop and deliver overarching policy and programmes on sustainable development and natural resource management			181	181	0	0	0	0	181	181	0	0	0	0	181
Fuel Poverty Programme	1270	Fuel Poverty Programme	4,370	4,370					4,370	4,370					4,370	
	Total Fuel Poverty Programme			4,370	4,370	0	0	0	0	4,370	4,370	0	0	0	0	4,370
Develop and implement climate change policy, energy efficiency, Green Growth and environmental protection	2809	Welsh Government Energy Service	3,970	3,970					3,970	3,970					3,970	
	2817	Environment Protection	5,450	6,200					6,200	6,650					6,650	
	3770	Clean Energy	8,457	10,457	-621				9,836	11,457	-621				10,836	
	3771	Climate Change Action	3,486	4,486					4,486	5,486					5,486	
	Total Develop and implement climate change policy, energy efficiency, Green Growth and environmental protection			21,363	25,113	-621	0	0	0	24,492	27,563	-621	0	0	0	26,942
Develop and implement flood and coastal risk, water and sewage policy and legislation	2230	Flood Risk Management & Water Policy Delivery	38,130	46,880		-3,040			43,840	55,430		-3,040			52,390	
	2232	Coal Tip Safety Delivery	3,000	4,000					4,000	4,500					4,500	
	Total Develop and implement flood and coastal risk, water and sewage policy and legislation			41,130	50,880	0	-3,040	0	0	47,840	59,930	0	-3,040	0	0	56,890
Deliver nature conservation and forestry policies and local environment improvement	2195	Landfill Disposals Tax Communities Scheme	1,500	1,500					1,500	1,500					1,500	
	2832	Enabling Natural Resources	4,388	4,388	-1,380				3,008	4,388	-1,380				3,008	
	2825	Biodiversity, Evidence and Plant Health	11,125	11,225					11,225	10,925					10,925	
	2827	Forestry	5,221	9,221	-1,100				8,121	13,221	-1,100				12,121	
	2827	New entry Forestry - Non cash	83	83					83	83					83	
	2820	Local Places for Nature	2,500	3,400					3,400	3,700					3,700	
	2837	Environment Act Implementation	791	791					791	791					791	
	Total Deliver nature conservation and forestry policies and local environment improvement			25,608	30,608	-2,480	0	0	0	28,128	34,608	-2,480	0	0	0	32,128
Sponsor and manage delivery bodies	2451	Natural Resources Wales	60,164	60,164					60,164	60,164				2,000	62,164	
	2451	New entry Natural Resources Wales - Non cash	10,000	10,000					10,000	10,000					10,000	
	Total Sponsor and manage delivery bodies			70,164	70,164	0	0	0	0	70,164	70,164	0	0	0	2,000	72,164
Developing an appropriate evidence base to support the work of the Department	2814	Environment Management (Pwllperian) - Non cash	38	38					38	38					38	

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	Total Developing an appropriate evidence base to support the work of the Department		38	38	0	0	0	0	38	38	0	0	0	0	38
Increase Resource Efficiency and Support Transition to a Circular Economy	2190	Resource Efficiency and Circular Economy	36,816	36,816	-1,575				35,241	36,816	-1,575				35,241
	Total Increase Resource Efficiency and Support Transition to a Circular Economy		36,816	36,816	-1,575	0	0	0	35,241	36,816	-1,575	0	0	0	35,241
Promote and support protected landscapes, wider access to green space	2490	Landscape & Outdoor Recreation	12,416	12,416	-300				12,116	12,416	-300			500	12,616
	Total Promote and support protected landscapes, wider access to green space		12,416	12,416	-300	0	0	0	12,116	12,416	-300	0	0	500	12,616
Restore, Maintain and Improve Marine Environment	2875	Marine Policy, Evidence and Funding	1,911	1,911					1,911	1,911					1,911
	Total Restore, Maintain and Improve Marine Environment		1,911	1,911	0	0	0	0	1,911	1,911	0	0	0	0	1,911
Homelessness Prevention	1120	Homelessness	31,147	36,147			10,000		46,147	41,147			10,000		51,147
	Total Homelessness Prevention		31,147	36,147	0	0	0	10,000	46,147	41,147	0	0	0	10,000	51,147
Independent Living	1100	Housing Policy	6,471	6,471					6,471	6,471					6,471
	1083	Housing Support Grant	166,763	166,763					166,763	166,763					166,763
Total Independent Living		173,234	173,234	0	0	0	0	173,234	173,234	0	0	0	0	173,234	
Achieve Quality Housing	1065	Residential Decarbonisation & Quality	773	2,173					2,173	2,673					2,673
	Total Achieve Quality Housing		773	2,173	0	0	0	0	2,173	2,673	0	0	0	0	2,673
Building Safety	2255	Building Safety	8,545	9,545	-3,545				6,000	10,045	-3,545				6,500
	Total Building Safety		8,545	9,545	-3,545	0	0	0	6,000	10,045	-3,545	0	0	0	6,500
Increase the Supply and Choice of Affordable Housing	0984	Housing Finance Grant	13,100	13,100					13,100	13,100					13,100
	Total Increase the Supply and Choice of Affordable Housing		13,100	13,100	0	0	0	0	13,100	13,100	0	0	0	0	13,100
Housing Revenue Funding	1181	Housing Programme Revenue Funding	1,073	1,073	-900				173	1,073	-900				173
	Total Housing Revenue Funding		1,073	1,073	-900	0	0	0	173	1,073	-900	0	0	0	173
Land Division	6410	Land Release Fund	2,120	2,150					2,150	2,250					2,250
	Total Land Division		2,120	2,150	0	0	0	0	2,150	2,250	0	0	0	0	2,250
Regeneration	4151	Regeneration	2,116	2,186	-915				1,271	2,586	-915				1,671
	4162	Cardiff Harbour Authority	5,400	5,400					5,400	5,400					5,400
Total Regeneration		7,516	7,586	-915	0	0	0	6,671	7,986	-915	0	0	0	7,071	
Planning and Regulation	2256	Planning and Environment Decisions Wales	2,997	2,997					2,997	2,997					2,997
	2250	Planning & Regulation Expenditure	2,099	2,099					2,099	2,099					2,099
Total Planning and Regulation		5,096	5,096	0	0	0	0	5,096	5,096	0	0	0	0	5,096	
Delivering the Digital Strategy	3759	Centre for Digital Public Services	4,900	4,900	-106				4,794	4,900	-106				4,794
	Total Delivering the Digital Strategy		4,900	4,900	-106	0	0	0	4,794	4,900	-106	0	0	0	4,794
Strategic Infrastructure	3822	Public Sector Broadband Aggregation	11,500	11,500					11,500	11,500					11,500
	3830	Strategic Infrastructure Development	950	950					950	950					950

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	3860	ICT Infrastructure Operations	1,527	1,527					1,527	1,527					1,527	
	3860	ICT Infrastructure Operations - Non Cash	2,309	2,309					2,309	2,309					2,309	
<b>Total Strategic Infrastructure</b>			<b>16,286</b>	<b>16,286</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,286</b>	<b>16,286</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,286</b>	
<b>Motorway &amp; Trunk Road Operations</b>	1884	Network Asset Management	4,481	4,481					4,481	4,481					4,481	
	1885	Network Operations	66,023	66,023					66,023	66,023					66,023	
<b>Total Motorway &amp; Trunk Road Operations</b>			<b>70,504</b>	<b>70,504</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70,504</b>	<b>70,504</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70,504</b>	
<b>Improve and Maintain Trunk Road Network (Domestic Routes) - Non Cash</b>	1886	Network Operations Non Cash	188,691	188,691					188,691	188,691					188,691	
<b>Total Improve and Maintain Trunk Road Network (Domestic Routes) - Non Cash</b>			<b>188,691</b>	<b>188,691</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>188,691</b>	<b>188,691</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>188,691</b>	
<b>Road, Rail, Air and Sea Services and Investment</b>	1883	Aviation	5,732	4,402					4,402	2,422					2,422	
	1890	Rail Ancillary	850	850					850	850					850	
	1895	Transport for Wales	254,531	218,861	-9,603			25,000	254,258	220,841	-9,603			25,000	253,738	Net position of a £10m reduction from Public Transport then offset by a £42.5m additional allocation from reserves. Original reduction was set against BEL 1880 which has been re-instated for draft budget.
	1895	Transport for Wales - Non cash	38,000	38,000					38,000	38,000				2,500	38,000	
	<b>Total Road, Rail, Air and Sea Services and Investment</b>			<b>299,113</b>	<b>262,113</b>	<b>-9,603</b>	<b>0</b>	<b>0</b>	<b>45,000</b>	<b>297,510</b>	<b>262,113</b>	<b>-9,603</b>	<b>0</b>	<b>0</b>	<b>42,500</b>	<b>295,010</b>
<b>Sustainable Travel</b>	1880	Bus Support	61,005	61,005					61,005	61,005					61,005	
	2000	Concessionary Fares	60,482	60,482					60,482	60,482					60,482	
	2001	Youth Discounted Travel Scheme	2,000	2,000					2,000	2,000					2,000	
	2030	Sustainable and Active Travel	1,930	1,930					1,930	1,930					1,930	
<b>Total Sustainable Travel</b>			<b>125,417</b>	<b>125,417</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125,417</b>	<b>125,417</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125,417</b>	
<b>Improve Road Safety</b>	1892	Road Safety	5,000	5,000					5,000	5,000					5,000	
<b>Total Improve Road Safety</b>			<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000</b>	
<b>CLIMATE CHANGE - TOTAL RESOURCE BUDGET</b>			<b>1,166,512</b>	<b>1,155,512</b>	<b>-20,045</b>	<b>-3,040</b>	<b>0</b>	<b>55,000</b>	<b>1,187,427</b>	<b>1,177,512</b>	<b>-20,045</b>	<b>-3,040</b>	<b>0</b>	<b>55,000</b>	<b>1,209,427</b>	

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CAPITAL BUDGET			£'000													COMMENTS	INVESTMENT AREA(S)
Action	BEL No.	BEL Description	2022-23 Final Budget March 2022	2023-24 Indicative Final Budget March 2022	2023-24 Budget Reprioritisation	MEG to MEG Transfers	Transfers Within MEG	Allocations to / from Reserves	2023-24 Draft Budget December 2022	2024-25 Indicative Final Budget March 2022	2024-25 Budget Reprioritisation	MEG to MEG Transfers	Transfers Within MEG	Allocations to / from Reserves	2024-25 Indicative Draft Budget December 2022		
Fuel Poverty Programme	1270	Fuel Poverty Programme	30,000	35,000					35,000	35,000					35,000	Fuel Poverty Warm Homes	
<b>Total Fuel Poverty Programme</b>			<b>30,000</b>	<b>35,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,000</b>		
Develop and implement climate change policy, energy efficiency, Green Growth and environmental protection	2809	Welsh Government Energy Service	14,553	25,000					25,000	25,000					25,000	Invest to save Welsh Government Energy Service and Smart Living	
	2817	Environment Protection	5,000	2,150					2,150	300					300	Air quality 2022-23 allocation £5m, 2023-24 allocation 2.1m and 2024-25 allocation £0.3m	

	Total Develop and implement climate change policy, energy efficiency, Green Growth and environmental protection		19,553	27,150	0	0	0	0	27,150	25,300	0	0	0	0	25,300	
Develop and implement flood and coastal risk, water and sewage policy and legislation	2230	Flood Risk Management & Water Policy Delivery	44,000	49,000					49,000	49,000					49,000	Coal tip response - 2022-23 allocation 23.1m, 2023-24 allocation 11m, 2024-2025 allocation 10.3m
																Flood and coastal risk management allocation 34m across all years
	2232	Coal Tip Safety Delivery	23,100	11,000					11,000	10,300					10,300	Water quality 2022-23 allocation 10m, 2023-24 allocation 15m and 2024-25 allocation 15m
Total Develop and implement flood and coastal risk, water and sewage policy and legislation			67,100	60,000	0	0	0	0	60,000	59,300	0	0	0	0	59,300	
Deliver nature conservation and forestry policies and local environment improvement	2832	Enabling Natural Resources	2,000	2,000					2,000	500					500	Environmental Grants
	2825	Biodiversity, Evidence and Plant Health	10,800	13,400					13,400	13,200					13,200	Biodiversity 2022-23 allocation 20m, 2023-24 allocation 25m and 2024-25 allocation 25m
	2827	Forestry	9,000	23,000					23,000	25,000					25,000	National Forest 2022-23 allocation 9m, 2023-24 allocation 23m and 2024-25 allocation 25m
	2820	Local Places for Nature	9,200	11,600					11,600	11,800					11,800	
Total Deliver nature conservation and forestry policies and local environment improvement			31,000	50,000	0	0	0	0	50,000	50,500	0	0	0	0	50,500	
Sponsor and manage delivery bodies	2451	Natural Resources Wales	2,358	2,358					2,358	2,356					2,356	NRW GIA - 2022-23 allocation 2.4m 2023-24 allocation 2.4m and 2024-25 allocation 2.4m
Total Sponsor and manage delivery bodies			2,358	2,358	0	0	0	0	2,358	2,356	0	0	0	0	2,356	
Increase Resource Efficiency and Support Transition to a Circular Economy	2190	Resource Efficiency and Circular Economy	40,000	60,000					60,000	60,000					60,000	Circular Economy
Total Increase Resource Efficiency and Support Transition to a Circular Economy			40,000	60,000	0	0	0	0	60,000	60,000	0	0	0	0	60,000	
Promote and support protected landscapes, wider access to green space	2490	Landscape & Outdoor Recreation	5,000	5,000					5,000	5,000					5,000	Landscape & Outdoor Recreation
Total Promote and support protected landscapes, wider access to green space			5,000	5,000	0	0	0	0	5,000	5,000	0	0	0	0	5,000	
Independent Living	1285	Rapid Response Adaption Programme	19,500	19,500					19,500	19,500					19,500	Integrated Care Fund & Adaptations
	1182	Private Rented Sector	500	1,500					1,500	1,500					1,500	Private Rented Sector Supply
Total Independent Living			20,000	21,000	0	0	0	0	21,000	21,000	0	0	0	0	21,000	
Homelessness Prevention	1120	Homelessness Prevention	10,000	0					0	0					0	
Total Homelessness Prevention			10,000	0	0	0	0	0	0	0	0	0	0	0	0	
Integrated Care Fund	0986	Integrated Care Fund	60,500	60,500					60,500	60,500					60,500	Integrated Care Fund & Adaptations
Total Integrated Care Fund			60,500	60,500	0	0	0	0	60,500	60,500	0	0	0	0	60,500	
Achieve Quality Housing	1061	Major Repairs Allowance and Dowry Gap Funding	108,000	108,000					108,000	108,000					108,000	Decarbonisation of Welsh Homes
	1065	Residential Decarbonisation & Quality	107,000	92,000					92,000	92,000					92,000	Decarbonisation of Welsh Homes
Total Achieve Quality Housing			215,000	200,000	0	0	0	0	200,000	200,000	0	0	0	0	200,000	
Increase the Supply and Choice of Affordable Housing	0982	Social Housing Grants (SHG)	310,000	330,000					330,000	325,000					325,000	Social Housing
	0989	Land for Housing	8,000	0					0	0					0	Social Housing
	0989	Land for Housing - Repayment	0	-1,930					-1,930	-3,000					-3,000	Social Housing
Total Increase the Supply and Choice of Affordable Housing			318,000	328,070	0	0	0	0	328,070	322,000	0	0	0	0	322,000	
Building Safety	2255	Building Safety	75,000	135,000					135,000	165,000					165,000	Building Safety

		<b>Total Building Safety</b>	<b>75,000</b>	<b>135,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135,000</b>	<b>165,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>165,000</b>	
Increase the Supply and Choice of Market Housing	0987	Market Housing and Other Schemes	10,000	25,000					25,000	25,000					25,000	Market Housing
	0987	Market Housing and Other Schemes - Repayment	-2,090	-2,440					-2,440	-2,830					-2,830	
	0980	Homebuy	2,000	2,500					2,500	4,000					4,000	Homebuy
		<b>Total Increase the Supply and Choice of Market Housing</b>	<b>9,910</b>	<b>25,060</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,060</b>	<b>26,170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,170</b>	
Land Division	6410	Land Release Fund	20,000	20,000					20,000	25,000					25,000	Social Housing
	6410	Land Release Fund - Repayment	0	0					0	-9,361					-9,361	Social Housing
		<b>Total Land Division</b>	<b>20,000</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>15,639</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,639</b>	
Regeneration	4151	Regeneration	25,000	50,000					50,000	50,000					50,000	Building Safety
		<b>Total Regeneration</b>	<b>25,000</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	
Strategic Infrastructure	3830	Strategic Infrastructure Development	7,500	14,500					14,500	5,000					5,000	Strategic Infrastructure A
	3860	ICT Infrastructure Operations	15,000	-26,500					-26,500	20,000					20,000	Digital Infrastructure
		<b>Total Strategic Infrastructure</b>	<b>22,500</b>	<b>-12,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-12,000</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	
Motorway & Trunk Road Operations	1885	Network Operations	125,000	190,000			-5,000		185,000	185,000					185,000	Reduction for CVL Mitigation as per MA JJ XXXXXX Roads & Road Safety Grants - Roads
		<b>Total Motorway &amp; Trunk Road Operations</b>	<b>125,000</b>	<b>190,000</b>	<b>0</b>	<b>0</b>	<b>-5,000</b>	<b>0</b>	<b>185,000</b>	<b>185,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>185,000</b>	
Road, Rail, Air and Sea Services and Investment	1883	Aviation	7,212	13,328					13,328	1,783					1,783	Aviation
	1895	Transport for Wales	400,000	150,000			46,672		196,672	35,000			40,217		75,217	Increase for CVL Mitigation as per MA JJ XXXXXX Rail
	1893	Marine Energy	4,000	10,000			-3,000		7,000	10,000					10,000	Reduction for CVL Mitigation as per MA JJ XXXXXX Strategic Infrastructure B (Marine Energy)
		<b>Total Road, Rail, Air and Sea Services and Investment</b>	<b>411,212</b>	<b>173,328</b>	<b>0</b>	<b>0</b>	<b>43,672</b>	<b>0</b>	<b>217,000</b>	<b>46,783</b>	<b>0</b>	<b>0</b>	<b>40,217</b>	<b>0</b>	<b>87,000</b>	
Sustainable Travel	1880	Bus Support	25,000	80,000			-22,000		58,000	80,000			-12,000		68,000	Reduction for CVL Mitigation as per MA JJ XXXXXX Bus
	1882	Local Transport Priorities	17,500	40,000			-6,672		33,328	50,000			-10,000		40,000	Reduction for CVL Mitigation as per MA JJ XXXXXX Local Transport Fund
	2030	Sustainable and Active Travel	78,788	103,672			-10,000		93,672	117,217			-18,217		99,000	Reduction for CVL Mitigation as per MA JJ XXXXXX Active Travel
	2030	Sustainable and Active Travel - Repayment	-348	-360					-360	-372					-372	Active Travel
		<b>Total Sustainable Travel</b>	<b>120,940</b>	<b>223,312</b>	<b>0</b>	<b>0</b>	<b>-38,672</b>	<b>0</b>	<b>184,640</b>	<b>246,845</b>	<b>0</b>	<b>0</b>	<b>-40,217</b>	<b>0</b>	<b>206,628</b>	
Improve Road Safety	1892	Road Safety	16,500	4,000					4,000	4,000					4,000	Roads & Road Safety Grants - Road Safety Grants
		<b>Total Improve Road Safety</b>	<b>16,500</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,000</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,000</b>	
		<b>CLIMATE CHANGE - TOTAL CAPITAL BUDGET</b>	<b>1,644,573</b>	<b>1,657,778</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,657,778</b>	<b>1,605,393</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,605,393</b>	

RESOURCE BUDGET - Annually Managed Expenditure			£'000							COMMENTS
#REF!	#REF!	#REF!	2022-23 Final Budget March 2022	2023-24 Indicative Final Budget March 2022	2023-24 Changes	2023-24 Draft Budget December 2022	2024-25 Indicative Final Budget March 2022	2024-25 Changes	2024-25 Indicative Draft Budget December 2022	



Increase the Supply and Choice of Market Housing	0981	Market Housing - AME	3,756	2,812	-8,122	-5,310	2,740	-8,040	-5,300	To reflect latest figures submitted to OBR - August 2022
<b>Total Increase the Supply and Choice of Market Housing</b>			<b>3,756</b>	<b>2,812</b>	<b>-8,122</b>	<b>-5,310</b>	<b>2,740</b>	<b>-8,040</b>	<b>-5,300</b>	
Motorway & Trunk Road Operations - Non Cash	1940	Roads Impairment - AME	94,637	119,636	28,876	148,512	0	30,232	30,232	To reflect latest figures submitted to OBR - August 2022
<b>Total Motorway &amp; Trunk Road Operations - Non Cash</b>			<b>94,637</b>	<b>119,636</b>	<b>28,876</b>	<b>148,512</b>	<b>0</b>	<b>30,232</b>	<b>30,232</b>	
Road, Rail, Air and Sea Services and Investment	1896	Transport for Wales - AME	2,000	2,000	0	2,000	2,000	0	2,000	
<b>Total Road, Rail, Air and Sea Services and Investment</b>			<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	
<b>New entry Sponsor and Manage Delivery Bodies</b>	2452	<b>New entry</b> NRW Provision for Pensions - AME	0	0	10,000	10,000	0	10,000	10,000	To reflect latest figures submitted to OBR - August 2022
	2453	<b>New BEL</b> NRW Impairment of Forestry & Biological Assets - AME	0	0	-100,000	-100,000	0	-100,000	-100,000	To reflect latest figures submitted to OBR - August 2022
<b>Total Sponsor and Manage Delivery Bodies</b>			<b>0</b>	<b>0</b>	<b>-90,000</b>	<b>-90,000</b>	<b>0</b>	<b>-90,000</b>	<b>-90,000</b>	
<b>CLIMATE CHANGE- TOTAL RESOURCE AME BUDGET</b>			<b>100,393</b>	<b>124,448</b>	<b>-69,246</b>	<b>55,202</b>	<b>4,740</b>	<b>-67,808</b>	<b>-63,068</b>	

CLIMATE CHANGE - SUMMARY	2022-23 Final Budget March 2022	2023-24 Indicative Final Budget March 2022	2023-24 Changes	2023-24 Draft Budget December 2022	2024-25 Indicative Final Budget March 2022	2024-25 Changes	2024-25 Indicative Draft Budget December 2022
Resource	1,166,512	1,155,512	31,915	1,187,427	1,177,512	31,915	1,209,427
Capital	1,644,573	1,657,778	0	1,657,778	1,605,393	0	1,605,393
<b>Total Resource &amp; Capital</b>	<b>2,811,085</b>	<b>2,813,290</b>	<b>31,915</b>	<b>2,845,205</b>	<b>2,782,905</b>	<b>31,915</b>	<b>2,814,820</b>
<b>Total AME</b>	<b>100,393</b>	<b>124,448</b>	<b>-69,246</b>	<b>55,202</b>	<b>4,740</b>	<b>-67,808</b>	<b>-63,068</b>
<b>CLIMATE CHANGE - TOTAL BUDGET</b>	<b>2,911,478</b>	<b>2,937,738</b>	<b>-37,331</b>	<b>2,900,407</b>	<b>2,787,645</b>	<b>-35,893</b>	<b>2,751,752</b>

# Climate Change MEG Extract – Energy, Environment and Economic Infrastructure

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RESOURCE BUDGET			£'000	£'000
Action	BEL No.	BEL Description	2022-23 1st Supp Budget	2023-24 Draft Budget
<b>Strategic Infrastructure</b>	3822	Public Sector Broadband Aggregation	11,500	11,500
	3860	ICT Infrastructure Operations	1,527	1,527
	3860	ICT Infrastructure Operations - Non-Cash	2,309	2,309
	3830	Strategic Infrastructure Development	950	950
<b>Motorway and Trunk Road Operations</b>	1884	Network Asset Management	4,481	4,481
	1885	Network Operations	66,023	66,023
	1886	Network Operations Non-Cash	188,691	188,691
<b>Road, Rail, Air and Sea Services and Investment</b>	1883	Aviation	5,732	4,402
	1895	Transport for Wales	214,943	254,258
	1895	Transport for Wales – Non-cash	78,652	38,000
	1890	Rail Ancillary	850	850
<b>Sustainable Travel</b>	1880	Bus Support	61,005	61,005
	2000	Concessionary Fares	60,482	60,482
	2001	Youth Discounted Travel Scheme	2,000	2,000
	2030	Sustainable and Active Travel	1,930	1,930
<b>Improve Road Safety</b>	1892	Road Safety	5,000	5,000
<b>Environment Quality and Marine</b>	2875	Marine Policy, Evidence and Funding	1,842	1,911
<b>Water, Flood and Coal Tips Safety</b>	2230	Flood Risk Management & Water Policy Delivery	38,130	43,840
	2232	Coal Tip Safety Delivery	3,000	4,000
<b>Land Nature Forestry and Natural Resources and Communities</b>	2825	Biodiversity, Evidence and Plant Health	10,938	11,225
	2820	Local Places for Nature	2,700	3,400
	2814	Environment Management (Pwllperian) (Non-Cash)	38	38
	2827	Forestry	4,751	8,121
	2827	Forestry (Non-Cash)	83	83
	2490	Landscape & Outdoor Recreation	12,420	12,116
	2195	Landfill Disposals Tax Communities Scheme	1,500	1,500
	2832	Enabling Natural Resources	4,421	3,008
	2837	Environment Act Implementation	731	791
<b>Resource Efficiency and Circular Economy</b>	2190	Resource Efficiency and Circular Economy	36,816	35,241
<b>NRW Sponsorship</b>	2451	Natural Resources Wales	60,164	60,164
	2451	Natural Resources Wales (Non-Cash)	10,000	10,000
	2812	Environment Legislation, Governance and Communications	661	181
<b>Climate Change, Energy and Planning</b>	3770	Clean Energy	8,457	9,836
	2809	Welsh Government Energy Service	3,970	3,970
	1270	Fuel Poverty Programme	4,370	4,370

	2817	Environment Protection	5,450	6,200
	3771	Climate Change Action	3,486	4,486
<b>Planning and Regulation</b>	2250	Planning & Regulation Expenditure	2,099	2,099
	2256	Planning and Environment Decisions Wales	2,997	2,997
<b>EXTRACT OF CLIMATE CHANGE - TOTAL RESOURCE BUDGET</b>			<b>925,099</b>	<b>932,985</b>

<b>CAPITAL BUDGET</b>			<b>£'000</b>	<b>£'000</b>
<b>Division</b>	<b>BEL No.</b>	<b>BEL Description</b>	<b>2022-23 1st Supp Budget</b>	<b>2023-24 Draft Budget</b>
<b>Strategic Infrastructure</b>	3860	ICT Infrastructure Operations	15,000	-26,500
	3830	Strategic Infrastructure Development	7,500	14,500
	1893	Marine Energy	4,000	7,000
<b>Motorway and Trunk Road Operations</b>	1885	Network Operations	125,000	185,000
<b>Road, Rail Air and Sea Services &amp; Investment</b>	1883	Aviation	7,212	13,328
	1895	Transport for Wales	598,090	196,672
<b>Sustainable Travel</b>	1880	Bus Support	25,000	58,000
	1882	Local Transport Priorities	17,500	33,328
	2030	Sustainable and Active Travel	78,788	93,672
	2030	Sustainable and Active Travel - Repayment	-348	-360
<b>Improve Road Safety</b>	1892	Road Safety	16,500	4,000
<b>Environmental Protection</b>	2817	Radioactivity and Pollution Prevention	5,000	2,150
<b>Water, Flood and Coal Tips Safety</b>	2230	Flood Risk Management & Water Policy Delivery	44,000	49,000
	2232	Coal Tip Safety Delivery	23,100	11,000
<b>Land Nature Forestry and Natural Resources and Communities</b>	2825	Biodiversity, Evidence and Plant Health	11,000	13,400
	2820	Local Places for Nature	10,110	11,600
	2827	Forestry	4,990	23,000
	2490	Landscape & Outdoor Recreation	7,900	5,000
	2832	Enabling Natural Resources	2,000	2,000
	2808	Green infrastructure	0	0
<b>Resource Efficiency and Circular Economy</b>	2190	Resource Efficiency and Circular Economy	40,000	60,000
<b>NRW Sponsorship</b>	2451	Natural Resources Wales	2,358	2,358
<b>Climate Change, Energy and Planning</b>	2809	Welsh Government Energy Service	14,553	25,000
	1270	Fuel Poverty Programme	30,000	35,000
<b>EXTRACT OF CLIMATE CHANGE - TOTAL CAPITAL BUDGET</b>			<b>86,911</b>	<b>122,358</b>

# Strategic Infrastructure

## 1a. Digital Infrastructure

BEL	Resource Budget £'000 (inc. non-cash)	Capital Budget £'000
3822 - Public Sector Broadband Aggregation	11,500	-
3860 - ICT Infrastructure Operations	3,836	-26,500
<b>Overview</b>		
<p>Telecommunications is non-devolved. The ICT Infrastructure budgets supports developing, managing and delivering national ongoing ICT Infrastructure programmes and projects which can be grouped into the following over-arching interventions: Fast broadband to all of Wales; enterprise class fixed communications; improved mobile voice and data services; public sector ICT services and accelerated interventions in Enterprise Zones/Local Growth Zones. Forecast spend includes a reduction figure which relates to clawback due from the first Superfast Contract.</p> <p>PSBA supports the public sector to achieve better value for money by providing a mechanism for collaborative purchasing of wide area networking services by more than 100 organisations and nearly 5,000 site services, including GP surgeries and schools.</p> <p><i>Non-Cash - £2.309m</i> - This relates to depreciation for Fibre speed and is reviewed annually based on current valuations.</p>		

## 1b. Strategic Infrastructure Development

BEL	Resource Budget £'000	Capital Budget £'000 (Inc. FTR)
3830 - Strategic Infrastructure Development	950	14,500
<b>Overview</b>		
<p>Strategic Infrastructure Development is a commercially focussed division that supports delivery of key transport infrastructure projects and transport policy objectives along with implementing major carbon reduction initiatives. This is achieved through a collaborative approach to develop innovative solutions whilst working with partners from the Private Sector and also engaging the resources of UK Government and Welsh Local Authorities to optimise external funding. The commercial financing skills and expertise of the division are also made available as an internal consultancy to support colleagues across Economic Infrastructure, The Economy Directorate and Tourism.</p> <p>A number of the projects managed by the team have a strong cross portfolio impact whilst revenue resource is used to develop delivery solutions and business cases that enable third party and public capital investment. In addition to core budget the Division regularly makes investments and loans through utilisation of FT monies.</p> <p>The PfG commitment to deliver the GCRE project remains an ongoing priority that is not fully funded.</p> <p>The FTR totals £9.500m.</p>		

## 1c. Marine Energy

BEL	Resource Budget £'000	Capital Budget £'000
1893 – Marine Energy	-	7,000
<b>Overview</b>		
<p>The Marine Energy Programme (MEP) was set up in 2019 to deliver on the First Minister’s commitment to develop marine energy including a tidal lagoon.</p> <p>Marine energy is covered by several commitments in the 2021 Programme for Government projecting socio-economic outcomes as well as green renewable energy and decarbonisation, as follows:</p> <ul style="list-style-type: none"> <li>• Develop a Tidal Lagoon Challenge and support ideas that can make Wales a world centre of emerging tidal technologies</li> <li>• Support innovation in new renewable energy technology</li> <li>• Build a sustainable future for our key [air and] seaports</li> </ul> <p>The MEP is made up of three main workstreams, Tidal Range (lagoons), Ports Infrastructure to support offshore wind and Tidal Stream &amp; Wave Energy</p> <p><b>Tidal Lagoon Challenge</b></p> <p>The approach to the tidal lagoon challenge (TLC) is currently being developed. The current proposal is that the TLC will be a research challenge fund. The TLC will award grant funding to successful organisations to undertake research to address barriers to tidal lagoon development. This could include environmental and economic research.</p> <p><b>Tidal Lagoon Project</b></p> <p>The Tidal Lagoon Project will be a collaboration with other partners, to consider what needs to be done to bring forward a pathfinder tidal lagoon scheme in Wales.</p> <p><b>Ports Infrastructure</b></p> <p>This workstream has three component parts</p> <ul style="list-style-type: none"> <li>• Early-stage support: exploring the potential for WG support for the early stages of Ports planning and consenting for longer-term infrastructure development for both FLOW and fixed OW</li> <li>• Operational de-risking options: exploring whether there is a role for WG (or other partners) to help secure infrastructure upgrades, by de-risking the early years of port operation when there is lack of certainty over the pipeline of work / revenue stream</li> <li>• Potential supply chain support for FLOW: a gap analysis is being undertaken to explore whether there are obstacles to maximising the supply chain opportunities for Wales from FLOW, linked to ports. The second stage will involve identifying how those gaps are being or might be filled by WG, including potential role(s) for the MEP</li> </ul>		



**Tidal stream**

The MEP has three strands of work for tidal stream. These are:

- helping to deliver appropriate support to Magallanes, the Spanish company which has been successful in attracting UK government support via CfD in Auction Round 4 to deliver tidal stream energy at Morlais
- helping developers succeed in future UKG Auction Rounds, and
- scoping the delivery of a further tidal stream zones in Wales

**Wave**

A discovery piece of work is underway to understand the barriers to the development of wave energy on a commercial basis in Welsh waters.

# Motorway and Trunk Road Operations

## 2. Motorway and Trunk Roads

BEL	Resource Budget £'000 (inc. non-cash)	Capital Budget £'000
1884 - Network Asset Management	4,481	-
1885 - Network Operations	66,023	185,000
1886 - Network Operations - Non-Cash	188,691	-
<b>Overview</b>		
<p>Welsh Government is directly responsible for the Motorway and Trunk Road Network, one of Wales' most important infrastructure assets. It has a depreciated replacement cost of circa £17bn. Appropriate maintenance is essential for the Welsh Government to meet its statutory duties for safety and achieve its wider policy objectives for Wales.</p> <p>Forecast spend includes an allowance for 'over-programming' to take advantage of additional funding that may become available through slippage in other programme spend that become evident late in the year. Should no additional funding materialise the over-programmed element will be managed into next year.</p> <p>Non-cash totals 188,691.</p>		

# Road, Rail Air and Sea Services & Investment

## 3a. Aviation

BEL	Resource Budget £'000	Capital Budget £'000
1883 - Aviation	4,402	13,328
<b>Overview</b>		
<p>The Aviation function seeks to ensure air connectivity is part of the integrated transport system in Wales, connecting Wales with the world and the world with Wales, to support the socioeconomic wellbeing of the nation. The activity includes support for and development of Wales' Aviation facilities, including airports both directly and indirectly owned as well as those operated independently as private businesses.</p>		

## 3b. Transport for Wales

BEL	Resource Budget £'000 (Inc. non-cash)	Capital Budget £'000
1895 - Transport for Wales	292,258	196,672
<b>Overview</b>		
<p>Transport for Wales is a not-for-profit company, wholly owned by the Welsh Government, it exists to drive forward the Welsh Government's vision of a high quality, safe, integrated, affordable, and accessible transport network that the people of Wales are proud of.</p> <p>This BEL is focused on the costs of operating and managing the rail network. It includes revenue funding for operating rail services, maintaining the Core Valley Lines network, and some unallocated corporate costs for running CVL. The Capital funding is predominantly the major investment in the Core Valley Lines Transformation programme but also includes smaller capital investment programmes such as station improvements.</p> <p>Non-cash totals £38m.</p>		

## 3c. Rail Ancillary

BEL	Resource Budget £'000	Capital Budget £'000
1890 - Rail Ancillary	850	-

## Overview

This budget supports delivery and development of sustainable transport modes and for supporting local transport initiatives.

### 3d. Residential Decarb and Quality

BEL description	Resource Budget £'000	Capital Budget £'000
<b>BEL 1065 - Residential Decarbonisation &amp; Quality</b>	2,173	92,000
<b>Purpose of BEL</b>		
<p>This BEL supports a key PfG commitment to Decarbonise more homes through retrofit, delivering quality jobs, training and innovation using local supply chains</p> <p>The Optimised Retrofit Programme (ORP) is the test and learn pathway to support landlords to understand how to decarbonise Wales' existing housing stock in ways that are good for people and the planet. The learning from the programme has informed Welsh Housing Quality Standards (WHQS) an update on the document which sets the standards for existing homes in Wales</p> <p>Once proof of concepts has been established, then decarbonising retrofit activity will be mainstreamed into our core WHQS programme to upgrade 237,000 existing social homes.</p> <p>The revenue funding supporting this programme is for staffing and to run a net zero decarbonisation hub in Wales. There is also £173k within this BEL to fund the team responsible for the Regulation of RSLs.</p>		

## Sustainable Travel

### 4a. Sustainable Travel

BEL	Resource Budget £'000	Capital Budget £'000
1880 - Bus Support	61,005	58,000
1882 - Local Transport Priorities	-	33,328
2000 - Concessionary Fares	60,482	-
2001 - Youth Discounted Travel Scheme	1,930	-
<b>Overview</b>		
<p>This budget supports delivery and development of sustainable transport modes and for supporting local transport initiatives. A significant element of the funding is focussed on free bus services for the elderly and disabled, and discounted bus travel for young travellers, as well as providing other socially necessary services. Free concessionary bus travel is protected as a universal benefit. The funding shown is direct funding for the</p>		

scheme from Welsh Government Transport budgets, but this is supplemented by additional funding from local authorities. The discounted bus travel scheme for younger persons (aged 16-18 years old, but to be extended to also include 19- to 21-year-olds), enabling them to access opportunities for work, education, training and apprenticeships is of particular benefit to people from low-income households and helps to tackle poverty. This also includes an element of grant funding for local authorities for capital projects related to modal shift and climate adaptation, money related to the transition of the bus fleet to electric vehicles and to support the ambitions of Bus Cymru. Some of the Local Transport budget will be used to support Local Authorities with the implementation of the 20MPH Programme for Government commitment in the this financial year.

## 4b. Active Travel

BEL	Resource Budget £'000	Capital Budget £'000 (inc. FTC)
2030 - Sustainable and Active Travel	1,930	93,312
<b>Overview</b>		
<p>With the Active Travel (Wales) Act 2013, we have set Wales on a path to help transform our country into an 'active travel nation'. The Active Travel Fund represents a substantial investment to increase and improve routes that will enable a larger number of people in Wales to walk and cycle safely. Active Travel schemes are further funded from Safe Routes in Communities grant. Road Safety Grant funding also frequently supports active travel-through safety improvements as part of capital schemes, and through providing extensive funding for pedestrian and cycle training as part of revenue grant. This also includes an element of funding to support the transition to electric vehicles.</p> <p>The FTR totals £11.640m.</p>		

## Improve Road Safety

### 5. Road Safety

BEL	Resource Budget £'000	Capital Budget £'000
1892- Road Safety	5,000	4,000
<b>Overview</b>		
<p>The Resource Budget supports engagement and funding arrangements with external partners in the public, private and third sectors to achieve casualty reduction. The capital budget supports capital road safety engineering improvements on the trunk and local road networks. The primary use of this budget in this financial year will be the implementation of the 20MPH Programme for Government commitment.</p>		

## Marine

### Overview

Establish a targeted scheme to support restoration of seagrass and saltmarsh habitats along our coastline.

In addition, the Marine division also feeds into and supports the delivery of a number of other PfG commitments:

- Develop a Tidal Lagoon Challenge and support ideas that can make Wales a world centre of emerging tidal technologies.
- Work towards the establishment of an Environmental Governance Body, a statutory duty and targets to protect and restore biodiversity.
- Legislate to abolish the use of more commonly littered, single use plastics.

## 6. Marine

BEL description	Resource Budget £'000	Capital Budget £'000
2875 - Marine	1,911	-
<b>Proposed BEL activity</b>		
<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 Minister for Climate Change's 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>		

## Environmental Protection

Overview
<p>The <i>Environmental Protection Division</i> comprises three teams; the Local Environment Quality team, the Air Quality, Noise and Chemicals team, and the Radioactivity and Industrial Pollution team. Local environment quality (fly-tipping, littering, single use plastics, statutory nuisance, contaminated land and dog fouling).</p> <ul style="list-style-type: none"> <li>• Protecting the environment and human health from radioactive substances and radioactive waste</li> <li>• Reducing carbon emissions, air pollution and waste from industry</li> <li>• Reducing the impact of fluorinated greenhouse gases (F-gases) on climate change and reducing the impact of ozone depleting substances (ODS) on the ozone layer</li> <li>• Air quality improvement</li> <li>• Chemicals regulation</li> </ul>

- Noise and soundscape policy
- Common Frameworks with UK governments setting out how we are working together in the context of returning EU powers.

Programme for Government commitments:

- Legislate to abolish the use of more commonly littered, single use plastics.
- Introduce a Clean Air Act for Wales, consistent with World Health Organisation guidance and extend the provision of air quality monitoring.

## 7a. Environment Protection

BEL description	Resource Budget £'000	Capital Budget £'000
<b>BEL 2817 – Environment Protection (was Radioactivity and Pollution Prevention)</b>	6,200	2,150
<b>Purpose of BEL</b>		
<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>		

## Water, Flood and Coal Tips Safety

Overview
<p><u>Flood Policy Team</u></p> <p>To fund flood alleviation projects to reduce the risk of flooding and coastal erosion to homes in communities across Wales. The Welsh Government provides NRW and Local Authorities with opportunities to apply for grant funding to support their role as RMAs to carry out flood and coastal risk management activities. The process for applying for this funding, including eligibility criteria and grant rates, is set out in the FCERM Grant Memorandum. The BEL consists of both capital and revenue.</p> <p><u>Coal Tip Safety</u></p> <p>A coal tip safety unit has been established and is responsible for the deliver a wide programme including developing new policy and legislation, emergency preparedness and operational delivery. The Welsh Government provides capital funding to local authorities to undertake necessary maintenance works on disused coal tips on both public and private land.</p>



## Water Policy Team

Responsible for policy and legislation on environmental water quality, drinking water, water resources and water industry and consumer issues.

Programme for Government commitments:

- Introduce legislation to deal with the legacy of centuries of mining and ensure coal tip safety; strengthening local authority powers to protect the public and the environment.
- Fund additional flood protection for more than 45,000 homes.
- Deliver nature-based flood management in all major river catchments to expand wetland and woodland habitats.
- Legislate to strengthen the requirements for the use of sustainable drainage systems that provide wildlife habitat.
- Begin to designate Wales' inland waters for recreation, strengthening water quality monitoring.

Cooperation agreements:

- Flood capital investment and national resilience – Invest more in flood management and mitigation and plan to respond to the increased risk of flooding. We will ask the National Infrastructure Commission for Wales to assess how the nationwide likelihood of flooding of homes, businesses and infrastructure can be minimised by 2050.
- Flood review – Commission an independent review of the local government section 19 and Natural Resources Wales reports into extreme flooding in winter 2020-21 and act on its recommendations.

## 8a. Water and Flood

BEL description	Resource Budget £'000	Capital Budget £'000
BEL 2230 - Flood and Water	43,840	49,000
<b>Purpose of BEL</b>		
<b>Proposed Revenue Programme</b> 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.		
<b>Water Revenue Programme</b> This is used to deliver statutory and regulatory functions in respect of water and sewage,		

including working with stakeholders on the statutory 2024 price review which sets water bills and charges and water company investment for 2025 – 2030. It also funds support for delivering Programme for 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.

### **Flood Capital Programme**

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.

Capital funding is also provided to NRW 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.

### **Water Capital Programme**

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. The Regulations place a duty on Welsh Ministers to prevent deterioration and improve all water bodies to good status by 2027.

NRW has prepared a flexible multi-year programme of work designed to decrease the number of watercourses failing to meet good ecological status. We propose to provide NRW with the necessary funding to undertake work prioritised using the following agreed criteria:

- Delivers improvements to water quality and/or improvements in resilience to water quality pressures;
- Has clear, measurable capital outputs (delivers/will deliver on the ground actions);
- High confidence of delivery within the financial year;
- WFD status of waterbody and/or failing against a SAC condition attribute; and
- Value for money for the taxpayer.

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 NRW will prioritise the work according to where it has the most impact and where it can be completed within this financial year.

## **8b. Coal Tip Safety Delivery**

<b>BEL description</b>	<b>Resource Budget £'000</b>	<b>Capital Budget £'000</b>
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<b>BEL 2232 - Coal Tip Safety Delivery</b>	4,000	11,000
<b>Purpose of BEL</b>		
<p><b>Coal Tips Safety</b></p> <p>The capital budget for 23/24 is £11 million. The BEL is for the CTS 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 long-term reclamation costs of £500-600m is not expected to be required until 2025 for the 10-15 year reclamation programme. Correspondence from the UKG has continually been negative, clearly stating in their view this is for the WG to fund.</p>		

## Land Nature Forestry and Natural Resources and Communities

<b>Overview</b>
<p>The Landscapes, Nature and Forestry Division is responsible for ensuring our natural resources are managed sustainably and our natural environment is protected and enhanced.</p> <p>We lead work to increase tree cover, enhance and protect nature, manage threats to our wildlife and ensure our landscapes can be enjoyed by the people of Wales and visitors without harming our ecosystems. Our aims include:</p> <ul style="list-style-type: none"> <li>• Restoring and enhancing nature to create more resilient ecosystems and reverse the decline in biodiversity;</li> <li>• Increasing tree cover for the benefit of people, nature and the economy;</li> <li>• Protecting Wales' natural environment through sustainable management of natural resources; and ensuring access to nature for recreation and</li> </ul>

well-being.

Programme for Government commitments:

- Create a National Forest to extend from the North of Wales to the South.
- Harness the economic, cultural, and recreational potential of the National Forest as part of progress towards a sustainable timber industry.
- Designate a new National Park to cover the Clwydian Range and Dee Valley (now a MRANWT responsibility).
- Expand arrangements to create or significantly enhance green spaces.
- Create a timber based industrial strategy that can develop and sustain the high value production and processing of Welsh wood.
- Support communities to create 30 new woodlands and connect habitat areas.

## 9a. Biodiversity, Evidence and Plant Health

BEL description	Resource Budget £'000 (inc. non-cash)	Capital Budget £'000
<b>BEL 2825 - Biodiversity, Evidence and Plant Health</b>	11,225	13,400
<b>BEL 2814 - Environment Management (Pwllperian) (Non-Cash)</b>	38	-
<b>Purpose of BEL</b>		
<p>The biodiversity team delivery plan is focussed on the following areas reflecting key priorities in our Nature Recovery Action Plan due to be refreshed in 23/24 contributing to tackling the nature emergency and work following the biodiversity deep dive and COP 15 including:</p> <ul style="list-style-type: none"> <li>• Nature Networks Programme – improving the condition and connectivity of our protected sites network</li> <li>• Local Nature Partnerships – promoting coordination of locally driven action.</li> </ul>		

- Developing legally binding targets and appropriate reporting and monitoring mechanisms.
- Embedding biodiversity in decision making through the biodiversity taskforce and section 6 duty.
- Species recovery including pollinators and bee health

The BEL also funds the following;

- **Plant health and environmental protection**
- **National Peatland Action Programme**

The NPAP 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.

- **Biosecurity**

Maintaining and promoting biosecurity in Wales is essential to protect Wales environmentally and economically.

- **Nature recovery**

To promote nature recovery in Wales we are funding the Significant Habitat Management Scheme Pilot Project. Aimed at improving biodiversity, the pilot will focus on small parcels of high nature value semi-natural grasslands.

We are supporting behaviour change to reduce the use of pesticides in Wales in line with the new National Action Plan for the Sustainable Use of Pesticides

- **Rural and wildlife crime**

Fund the All Wales Wildlife and Rural Wales Crime Coordinator post. provide post-mortem support for wildlife crime investigations

WG continue to fund the Wildlife Incident Investigation Scheme in Wales to investigate suspected pesticide poisoning of wildlife, companion animals and beneficial insects.

## 9b. Local Places for Nature

BEL description	Resource Budget £'000 (inc. non-cash)	Capital Budget £'000
<b>BEL 2820 - Local Places for Nature</b>	3,400	11,600
<b>Purpose of BEL</b>		

## **Local Places for Nature**

Local Places for Nature (LPfN) intends to help communities create nature on their doorsteps. The programme is aimed at communities and community organisations to restore and enhance nature in their local areas, 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”.

Capital funding is delegated to three Scheme Managers, WCVA, KWT & NLHF who work collaboratively, running individual schemes;

- 1) WCVA - 25 Local Nature Partnerships, led by Local Authorities and National Parks deliver projects locally.
- 2) An open access competitive capital grant scheme run by NLHF, via an MOU with DCMS. KWT - Community Packages to create pollinator and community growing gardens including on manmade structures.

## **9c. Forestry**

<b>BEL description</b>	<b>Resource Budget £'000 (inc. non-cash)</b>	<b>Capital Budget £'000</b>
<b>BEL 2827 - Forestry</b>	8,204	23,000
<b>Purpose of BEL</b>		
<b><u>National Forest</u></b> Allocated to funding the My Tree Our Forest campaign, recruiting National Forest field officers, funding the creation and enhancement of woodlands which meet National Forest standards and creating the covid 19 commemorative woodlands.		
<b><u>Cross-border MOU</u></b>		

Allocated to cover 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 90% funding split between Scotland and England.

**Forestry policy**

Allocated to work to increase woodland creation and to meet ongoing forestry policy costs.

**Timber industrial strategy**

Allocated to funding the Home-Grown Homes project and the creation of the strategy.

**NRW funding**

Allocated to funding NRW to verify that woodland creation plans meet the UK Forestry Standard.

**Woodland Restoration**

Allocated to restoring woodlands affected by tree disease.

**Forest Research MOU**

Forest Research is the research agency of the Forestry Commission. Through our service agreement we fund them to map woodland in Wales, provide monitoring and surveillance of tree health and identify tree diseases and research key issues in forest management.

Non-cash totals 83k.

**9d. Landscape & Outdoor Recreation**

BEL description	Resource Budget £'000	Capital Budget £'000
<b>BEL 2490 - Landscape &amp; Outdoor Recreation</b>	12,116	5,000
<b>Purpose of BEL</b>		
<p>Provide core funding to the 3 National Park Authorities.</p> <p>Fund any public appointments to National Park Authorities.</p> <p>Our Designated Landscapes (National Parks (20%) and Areas of Outstanding Natural Beauty (5% - now a MRANWT responsibility) play a crucial role in protecting some of our most precious and beautiful areas and cover 25% of Wales's land area. They are also key drivers for a number of Welsh Government priorities. These include tourism, biodiversity, decarbonisation, health and wellbeing, sustainable communities, and the Welsh Language.</p>		

The National Park Authority strategic grant ensures that the management of these landscapes is resilient and can realise these ambitions.

In addition to funding for National Park Authorities, the draft budget included funding for a number of areas that are now the responsibility of MRANWT, including:

Provide the WG's contribution to the maintenance and promotion of the Wales Coast Path.

Provide the Sustainable Development Fund for Areas of Outstanding Natural Beauty (AONBs).

Fund a number of programmes, services and interventions to deliver WG and First Minister priorities around access and recreation, green spaces and allotments.

Fund a number of WG responsibilities such as any court cases relating to access.

## 9e. Landfill Disposal Tax Communities Scheme (LDTCS)

BEL description	Resource Budget £'000	Capital Budget £'000
<b>BEL 2195 - Landfill Disposal Tax Communities Scheme (LDTCS)</b>	1,500	-
<b>Purpose of BEL</b>		
<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> <p>£1.5m is available to support the LDTCS each financial year up to the end of the 2023-24.</p>		

## 9f. Enabling Natural and Well-Being in Wales (ENRaW) Grant

BEL description	Resource Budget £'000	Capital Budget £'000
<b>BEL 2832 - Enabling Natural and Well-being in Wales (ENRaW) Grant</b>	3,008	2,000
<b>Purpose of BEL</b>		
<p>The Enabling Natural Resources and Wellbeing in Wales grant scheme (ENRaW) was created in 2018. The scheme operates on an annual basis, providing funding for a period of up to three years. ENRaW predominantly supports projects that make improvements in and around residential areas (the places where people live) by delivering benefits for people, businesses, and their communities.</p> <ul style="list-style-type: none"> <li>• Developing, regenerating and broadening access to sustainable green infrastructure;</li> <li>• Improving the quality of the urban and rural built environment; and</li> </ul>		



- Developing resilient ecological networks, areas and nature based solutions.

ENRaW delivers against the current Programme for Government commitment, “Expand arrangements to create or significantly enhance green spaces”.

## 9g. Environment Act Implementation

BEL description	Resource Budget £'000	Capital Budget £'000
<b>BEL 2837 - Environment Act Implementation</b>	791	-
<b>Purpose of BEL</b>		
<p>The purpose of this BEL is to 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 <b>Eco-Schools programme</b> across Wales, the Ministerial commitment to the tree planting and climate change educational programme delivered by <b>charity Size of Wales</b>.</p>		

## Resource Efficiency and Circular Economy

<b>Overview</b>
<p>The things we make, import and consume represent around 45% of Wales' total emissions. The principal of the Circular Economy (see Annex 1) seeks to address this.</p> <p>The Resource Efficiency and Circular Economy division's budget is aligned to supporting the transition to the circular economy as well as directly supporting the collecting and processing of recycling and waste as a key sector.</p> <p>Funding was also re-aligned to respond to the Covid-19 crisis whilst continuing to support the transition to a circular economy, as action supports improvements in supply chain resilience as well as being a core part of the Welsh Government's action on the climate and nature emergency.</p> <p>The Divisional budget has increased significantly over the last few years and will increase further over the three-year CSR period, reflecting the increased investment required to</p>

implement the circular economy strategy, Beyond Recycling. This includes a component of programme funding for staffing to deliver the work, however recruitment to these roles has not so far been possible due to the wider corporate position on resources.

Embedding the Circular Economy policy approach across other Directorates in Welsh Government will be critical to success.

Programme for Government commitments:

- Introduce an Extended Producer Responsibility (EPR) scheme to incentivise waste reduction by businesses.
- Support 80 re-use and repair hubs in town centres.
- Bring together a place-based zero waste challenge network of organisations to support cultural change in businesses and communities.
- Develop community recycling facilities in town centres and promote repair and re-use facilities to encourage zero-waste shopping.

And a core part of delivery to:

- Build an economy based on the principles of fair work, sustainability and the industries and services of the future.
- Build a stronger, greener economy as we make maximum progress towards decarbonisation.
- Embed our response to the climate and nature emergency in everything we do.

## 10. Resource Efficiency and Circular Economy

BEL description	Resource Budget £'000	Capital Budget £'000
<b>BEL 2190 - Resource Efficiency &amp; Circular Economy</b>	35,241	60,000
<b>Purpose of BEL</b>		
<p><b>Programme Staff –</b> Programme funded staff form a crucial element of the Division's delivery capability to implement the Programme for Government and Net Zero Wales commitments.</p> <p><b><u>Sustainable Waste Management Grant -</u></b> Funding to help Local Authorities to design, develop and execute strategic improvements in their approach to the Circular Economy including Repair &amp; Reuse, and preparing for EPR.</p>		

### **Circular Economy Fund Revenue Support –**

This will help deliver the strategic programme approach we are working with LAs to achieve in order to accelerate delivery of the Circular Economy across Wales.

### **Future Recycling Targeting & Strategy Development -**

This funding is allocated to the continued improvement in terms of the performance and efficiency of the waste collection and recycling service. In particular, by further developing and utilising the evidence to take Wales' recycling rates beyond the current 70% target for 2024/25 and prepare for the implementation of EPR payments on the basis of service efficiency and effectiveness.

### **ERS, DPR & NDPR Implementation -**

This funding is allocated against the delivery of the ambitious commitments to deliver EPR, DRS and the (NDPR) Non Domestic Premises Regulations – including business recycling. 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.

### **Provision for Legal Support -**

This budget provision is allocated against the potential for Judicial Reviews and / or regulatory challenges in line with previous arrangement. £100k has been set aside for such an eventuality.

### **Circular Economy Fund for Business -**

The expansion of the Circular Economy Fund is a key commitment within *Beyond Recycling* and *Net Zero Wales* and follows on from the successful pilot delivered over the last three years. This has seen the fund support businesses to adapt their processes to for example use more recycled content in manufacturing processes in Wales.

### **Circular Economy Fund for the Public Sector -**

Capital funding, primarily targeted at Local Authorities, to address core Circular Economy themes and encompassing the pipeline of circular economy infrastructure projects being developed collaboratively with Local Authorities including improvements in recycling performance, increasing repair & reuse activity, enhancing climate resilience and decarbonising waste & recycling operations.

# NRW Sponsorship

Overview
<p>The Sponsorship Team within the Rural Economy and Legislation Division is responsible for the Welsh Government's sponsorship of Natural Resources Wales (NRW). The division also holds responsibility for the development of future (post Brexit) regulatory frameworks for agriculture, including input into the Agriculture (Wales) Bill regarding future regulatory frameworks and the development of national minimum standards and civil sanctions.</p>

## 11a. Natural Resources Wales

BEL description	Resource Budget £'000 (inc. non-cash)	Capital Budget £'000
<b>BEL 2451 - Natural Resources Wales</b>	70,164	2,358
<b>Purpose of BEL</b>		
<p>This BEL provides Grant in Aid to NRW for its primary operational and regulatory responsibilities. NRW is the principal environmental adviser and regulator to Welsh Government and help to deliver a wide range of ministerial priorities and commitments, such as mitigating and adapting for climate change.</p> <p>Non-cash totals £10m</p>		

## 11b. Environment Legislation & Governance

BEL description	Resource Budget £'000	Capital Budget £'000
2812 - Environment Legislation & Governance	181	-
<b>Proposed BEL activity</b>		
<p>The BEL provides budgetary cover for legislation and governance costs affecting MEG environmental and related programmes and includes the programme staffing costs for a solicitor.</p>		

# Climate Change, Energy and Planning

*The Energy and Decarbonisation Division recently split in two, with the appointment of an additional Deputy Director who is responsible for Clean Energy. Due to this restructure, we have amended the financial structure of the divisions, to better manage and monitor expenditure through the financial year.*

## Energy Division

### Overview

Programme for Government commitments and Deep Dive into Renewables:

- Uphold our policy of opposing the extraction of fossil fuels in Wales, both on land and in Welsh waters, using the powers available to us.
- Support innovation in new renewable energy technology.
- Expand renewable energy generation by public bodies and community groups in Wales by over 100MW by 2026.
- Support delivery of deep dive recommendations.
- Work towards the creation of Ynni Cymru, a publicly owned energy company for Wales.
- Pursue devolution of powers needed to help reach net zero, including management of the Crown Estate in Wales.

### Divisional Background

The division's activities are focused across three broad work priorities: policy and evidence, delivery and financial support for renewable energy projects.

Work priorities are aligned to;

- Programme for Government commitments and well-being objectives.
- Recommendations from the deep dive into renewable energy.
- Our statutory commitments and policy framework.
- Policies and proposals set out in Net Zero Wales.

## 12a. Clean Energy

BEL description	Resource Budget £'000	Capital Budget £'000
<b>BEL 3770 – Clean Energy</b>	9,836	-
<b>Purpose of BEL</b>		
<p>BEL 3770 provides revenue funding for the Energy Division’s work priorities.</p> <p>Programme for Government commitments:</p> <ul style="list-style-type: none"> <li>• Uphold our policy of opposing the extraction of fossil fuels in Wales, both on land and in Welsh waters, using the powers available to us.</li> <li>• Support innovation in new renewable energy technology.</li> <li>• Expand renewable energy generation by public bodies and community groups in Wales by over 100MW by 2026.</li> <li>• Work towards the creation of Ynni Cymru, a publicly owned energy company for Wales.</li> </ul> <p>Pursue devolution of powers needed to help reach net zero, including management of the Crown Estate in Wales.</p> <p>We have a cross governmental commitment to decarbonisation and have set net-zero targets, demonstrating how Wales can lead the way on climate change. It is recognised in the Programme for Government and Deep Dive into Renewables that our ambitions for a decarbonised energy system must be driven by the scaling up of renewable energy generation.</p> <p>The revenue aims to develop evidence to establish a path for decarbonising Wales’ energy system, including the involvement of stakeholders in developing and promoting the resulting policy outcomes and funding for the division’s programme of energy delivery work.</p> <p>Allocated budget within the BEL is focused on;</p> <ul style="list-style-type: none"> <li>• Policy development across a range of energy matters including, heat strategy, decarbonising power and scaling up renewables.</li> <li>• Delivery of policy evidence including opportunity mapping for mine water heat, new renewable energy targets, Energy Generation in Wales and Energy Use in Wales reports.</li> <li>• Delivery of energy deep dive policy recommendations.</li> <li>• Delivery of the fossil fuel and carbon capture and storage licensing systems to effectively apply fossil fuel policy.</li> <li>• Delivery of the fossil fuels and carbon capture and storage licensing case work in accordance with statutory commitments and policy framework.</li> <li>• Financial support for renewables, including grant funding for Community Energy</li> </ul>		

Wales, the Local Energy Grant Scheme and non-domestic rate relief for hydropower.

- The Energy Planning Programme provides support to each region to take forward the delivery plans from the regional energy strategies, and to run regionally led Local Area Energy Planning (LAEP) with each authority within the region.
- the Renewable Energy Developer programme, as part of the launch of Net Zero Wales.
- Development and delivery of a Future Net Zero Grid for Wales.
- To support the Programme for Government commitment investing in innovation in renewable energy.
- Delivering a stakeholder engagement plan to support the energy delivery programme. Working with the energy sector and communities across Wales.
- Additional revenue support for delivery of new renewable projects and innovations via the WGES, where additional revenue need has been identified.
- Staff costs and the requirement for external specialist technical support and research costs covering the areas set out above.

## 12b. Welsh Government Energy Service

BEL description	Revenue Budget £000	Capital Budget £000
<b>BEL 2809 – Welsh Government Energy Service (WGES)</b>	3,970	25,000
<b>Purpose of BEL</b>		
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.		

## Climate Change and Energy Efficiency Division

Overview
<p>Programme for Government commitments:</p> <ul style="list-style-type: none"> <li>• Continue to improve existing homes, helping us tackle fuel poverty, create much needed jobs, training opportunities, and supply chains.</li> <li>• Support innovation in new renewable energy technology.</li> </ul>

### 12c. Fuel Poverty Programmes

BEL description	Revenue Budget £000	Capital Budget £000
<b>BEL 1270 – Fuel Poverty Programmes</b>	4,370	35,000
Purpose of BEL		
<p>BEL 1270's revenue and capital budgets support the development of a replacement Warm Homes programme, (including Warm Homes NEST) and grant funding for remedial works to local authorities.</p> <p>The revenue allocation of £4,370m funds the programme fees for the delivery of the existing Nest scheme, expert technical advice on the Warm Homes programme, external legal and procurement advice to support the procurement of new Warm Homes' schemes beyond 2023, and research and analysis on fuel poverty.</p>		



## 12d. Climate Change Action

BEL description	Revenue Budget £000	Capital Budget £000
<b>BEL 3771 – Climate Change Action</b>	4,486	-
<b>Purpose of BEL</b>		
<p><u>Climate Adaptation</u> -</p> <p>Funding to support <i>Prosperity for All: A Climate Conscious Wales</i> implementation, as set out in MA/JJ/0047/22 including :</p> <ul style="list-style-type: none"> <li>• Undertake an engagement and review exercise to understand the current state of climate risk preparedness across the public sector and identify any constraints to adaptation planning.</li> <li>• Support the development and administration of the pilot exemplar grant scheme to support the public sector’s local climate adaptation measures.</li> </ul> <p><u>Decarbonisation Programme</u> -</p> <p>This funding will be utilised to develop the next iteration of the <i>Net Zero Wales</i> Delivery Plan. Work will be commissioned for research and evidence to support the plan along with a range of communication and engagement products. Some of the budget will also go toward practical action and support our current environment education programmes, such as MockCops. The Climate Group and the Climate Change Committee’s fees will continue to be paid via this budget line. This budget also covers any associated costs for UNFCCC COP work and towards programme funded posts. Budget also covers staff development, training and T&amp;S.</p> <p><u>Decarbonisation Innovation / Smart Living</u> -</p> <p>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.</p> <p><u>Emissions Trading Scheme and Carbon Pricing</u> -</p> <p>Funding to implement the Welsh Government’s obligations after the establishment of a UK ETS scheme, following EU Exit. These include costs for the maintenance and development of the IT system, research and translation. There is the further need to undertake early exploration on potential choices for further carbon pricing policy. Should funding allow, early research will be commissioned to understand where a carbon pricing signal may be helpful in meeting our long-term carbon reduction targets.</p> <p><u>Climate-led Behavioural Change Programme</u> -</p> <p>There is programme funded staff costs, to further develop this programme, the focus of which is to drive the society-wide transformation required to decarbonise and adapt to the impacts of climate change.</p>		

Decarbonisation Innovation Smart Living Catalysing Whole System development

Includes support for development of innovative and smart integrated solutions to place-based issues using multi-energy vector and multi sector infrastructure and technology, processes and systems approach. Involves public, private and academic key stakeholders

Net Zero Public Sector

Implementation of the net zero public sector route map and Welsh public sector carbon reporting guide.

# Planning and Regulation

## 13a. Planning

BEL description	Resource Budget £'000	Capital Budget £'000
<b>BEL 2250 – Planning &amp; Regulation expenditure</b>	2,099	-
<b>BEL 2256 – Planning and Environment Decisions Wales</b>	2,997	-
<b>Purpose of BEL</b>		
<p>This BEL encapsulates the support for planning and regulation under a number of themes.</p> <p><b>Supporting the operation of the planning system</b></p> <ul style="list-style-type: none"> <li>• <b>Planning Inspectorate - WG</b> contribution to the running costs of the Planning Inspectorate in Wales (PINS) for town and country planning and related legislation including work on Developments of National Significance (DNS) applications.</li> <li>• <b>Planning Aid Wales</b> - The budget supports Planning Aid Wales (PAW) to provide independent planning advice to enable communities (including town and community councils) and individuals to access the planning system.</li> <li>• <b>Design Commission for Wales</b> - This budget enables the Design Commission for Wales (DCfW) to support sustainable development and place making, including securing better-quality housing, industrial and commercial buildings and infrastructure schemes.</li> <li>• <b>Regional Aggregates Working Parties (RAWPS)</b> - The RAWPS for South and North Wales are technical groups which assist implementation of national planning policy on aggregates, providing a regional overview of aggregates supply, production and demand annually and monitor secondary/recycled materials.</li> <li>• <b>Positive Planning</b> - This budget supports change management including funding for Strategic Development Plans, specialist advice for DNS applications, Place Plans, and programme funded staff.</li> <li>• <b>Government Legal Department</b> - This is a demand led budget which funds Treasury Solicitors who defend the decisions of Welsh Ministers when they are challenged through the courts.</li> <li>• <b>Online Planning Application Service</b> - Online application platform underpinning the planning application system in Wales used by all LPAs and the development sector.</li> </ul> <p><b>Accessible legislation and policy</b></p> <ul style="list-style-type: none"> <li>• <b>Welsh Planning Policy Development Programme</b> - Supports evaluation and development of policy including Planning Policy Wales, National Development Framework, Technical Advice Notes and practice guidance.</li> <li>• <b>Codification and Consolidation of Planning Law in Wales</b> - This budget supports the work of the Law Commissions to simplify and consolidate planning law in Wales. The Commission is currently drafting a consultation paper that will be issued after the autumn seeking views from stakeholders on their proposed approach.</li> </ul> <p><b>Building Regulations</b> - This budget supports technical and professional work to inform changes to the Building Regulations in Wales, including the current and future reviews of Part L and Part B (Fire Safety).</p>		

