

Agenda – Finance Committee

Meeting Venue: Hybrid – Committee
room 3, Senedd and video conference
via Zoom

For further information contact:

Owain Roberts

Committee Clerk

Meeting date: 2 July 2025

0300 200 6388

Meeting time: 09.30

SeneddFinance@senedd.wales

Registration

(09.00 – 09.15)

Private pre-meeting

(09.15 – 09.30)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Paper(s) to note

(09.30)

2.1 PTN 1 – Letter from the national homeless charity, Crisis: Financial implications of the Homelessness and Social Allocations Bill – 11 June 2025

(Pages 1 – 2)

2.2 PTN 2 – Letter from the Cabinet Secretary for Finance and Welsh Language: List of all Barnett consequentials resulting from the UK Spring Statement and Main Estimates for 2025–26 – 24 June 2025

(Pages 3 – 4)

2.3 PTN 3 – Letter from the Cabinet Secretary for Finance and Welsh Language: Revised Explanatory Memorandum and Regulatory Impact Assessment – 24 June 2025

(Pages 5 – 6)

2.4 PTN 4 – Letter from the Cabinet Secretary for Finance and Welsh Language: Changes to the transcript – 24 June 2025

(Pages 7 – 8)



2.5 PTN 5 – Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs: Inter–Ministerial Standing Committee (IMSC) – 24 June 2025

(Page 9)

2.6 PTN 6 – Letter from the Cabinet Secretary for Economy, Energy and Planning: Tourism Inter–Ministerial Group (IMG) – 25 June 2025

(Page 10)

3 Financial implications of the Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill: Evidence session

(09.30 – 10.30)

(Pages 11 – 38)

Huw Irranca–Davies MS, Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs, Welsh Government

Naomi Matthiessen, Deputy Director, Landscapes, Nature and Forestry Division, Welsh Government

Alice Teague, Deputy Director, Marine and Biodiversity Division, Welsh Government

Supporting documents:

[Environment \(Principles, Governance and Biodiversity Targets\) \(Wales\) Bill, as introduced](#) (PDF 413KB)

[Explanatory Memorandum](#) (PDF 2.2MB)

4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting and the start of the meeting on 9 July 2025

(10.30)

5 Financial implications of the Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill: Consideration of evidence

(10.30 – 10.45)

6 Bus Services (Wales) Bill: Consideration of draft report

(10.45 – 11.00)

(Pages 39 – 56)

7 First Supplementary Budget 2025–26: Consideration of draft report

(11.00 – 11.15)

Draft report (To be included in a supplementary pack)

Dear Chair,

I understand that the Finance Committee is currently considering the financial implications of the Homelessness and Social Allocations Bill and wanted to take this opportunity to share the below information with you on behalf of the national homeless charity, Crisis.

It is clear that the Homelessness and Social Housing Allocations Bill will need to be adequately resourced in order to facilitate effective implementation - particularly given that services across the country are already stretched. However, from a financial perspective, we believe it is important to regard the Bill not only as an important invest to save initiative, but as an investment to avoid escalating costs.

The Welsh Government's most recent statistics show that local authorities recorded [13,689](#) people as seeking assistance for homelessness between April and September 2024. And in the [three years to March 2024, the use of temporary accommodation increased by 189%](#). These statistics represent a significant scale of human impact and trauma, but they also represent cost to the public purse. Research from Shelter Cymru suggests that the cost of temporary accommodation to local authorities across stood at over [£99 million](#) in the last financial year (2023/2024).

In addition, there is a wide range of research, including from [Public Health Wales](#) and [Homeless Link](#) demonstrating the increased health and social care needs among people experiencing homelessness. Research conducted by Cardiff Metropolitan University highlights the cost savings that can be made by providing support, finding that [every £1 invested in Housing Support Grant services delivers £1.40](#) net savings to public services in Wales.

We believe that bold action, including the strong emphasis on measures which seek to prevent homelessness and provide people with access to support outlined within the Homelessness and Social Housing Allocations Bill, is essential – not only to save the human cost of homelessness, but also to prevent escalating public costs.

Indeed, the recently published [Homelessness Monitor 2025](#), revealed that homelessness has been rising at a steeper rate in Wales than elsewhere in Britain. It projects that, if no action is taken, homelessness will rise by a further 24% by 2041. In addition, this research outlines that the scope of homelessness prevention is limited by our current structures in Wales. It is clear that taking no action is not an option.

Crisis, along with many other homelessness organisations has [welcomed](#) the draft Homelessness and Social Housing Allocations Bill as progressive and transformative legislation. This legislation seeks to positively shift homelessness prevention upstream and ensure people can access support at the earliest opportunity – before their situation worsens and support needs grow.

We urge that resourcing this legislation is given the utmost priority because, quite simply we cannot afford to not take action – on both a human and financial basis.

If you would like any further information, please do not hesitate to get in touch.

Regards,

Debbie Thomas
Head of Policy in Wales, Crisis

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair of Finance Committee
Senedd Cymru
Cardiff Bay
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24 June 2025

Dear Peredur,

Please find attached, at Annex A, a detailed list of all Barnett consequentials resulting from the UK Spring Statement and Main Estimates for 2025-26. These consequentials comprise additional funding for Wales of £270.107m revenue, primarily relating to the impact of increased employers' National Insurance Contributions, and additional capital of £0.742m.

These consequentials form part of the Welsh Government's first supplementary budget published on 17 June.

I hope you find this information helpful and I look forward to attending the Committee's scrutiny of the first supplementary budget on 26 June.

Yours sincerely,

A handwritten signature in black ink that reads 'Mark Drakeford'. The signature is written in a cursive, slightly slanted style.

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language

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Annex A - Barnett formula consequentials 2025-26

	Revenue £m	Capital £m
Spring Statement 2025		
Local Government Finance Settlement Reserve Allocation	11.519	
Construction Skills Package	2.304	2.304
Main Estimates 2025-26		
<u>National Insurance Contributions</u>		
Health & Social Care	85.543	
Education	64.932	
Home Office	0.076	
Housing, Communities & Local Government	29.948	
HMRC	0.142	
DWP	0.021	
Energy, Security & Net Zero	0.241	
DEFRA	1.737	
Business & Trade	0.014	
Culture, Media & Sport	0.549	
Science, Innovation & Technology	0.144	
Transport	1.872	
Food Standards Agency	0.071	
Office for Standards in Education, Children's Services & Skills	0.118	
Office of Qualifications & Exam Regulation (OFQUAL)	0.018	
<i>NICs Sub-Total</i>	<i>185.426</i>	
Department for Education	70.841	
OFQUAL	0.043	
Small & Independent Bodies	-0.026	
Food Standards Agency		0.387
Housing, Communities & Local Government		-1.949
Total	270.107	0.742

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA/MDFWL/1365/25

Peredur Owen Griffiths MS
Chair
Finance Committee
Senedd Cymru

24 June 2025

Dear Peredur,

Visitor Accommodation (Register and Levy) Etc. (Wales) Bill – Revised Explanatory Memorandum and Regulatory Impact Assessment

Following the completion of the Stage 2 proceedings in respect of the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill, and in line with Standing Order 26.28, a revised Explanatory Memorandum has been laid to account for amendments made to the Bill at Stage 2, to reflect new, amended or removed provisions.

I would like to bring relevant changes which have been made to the Regulatory Impact Assessment (RIA) to the Committee's attention.

The Committee's recommendations

In my letter of 28 March, following the publication of the Committee's Stage 1 report, I set out my initial response to the Committee's recommendations. I can now provide further details for those recommendations in response to which the RIA has been revised.

In response to Committee recommendation 11, Annex 4 (Visitor Levy Revenue Estimate Workings) has been updated in line with the increase in the higher levy rate of £1.30 and the exemption for under 18s in lower rated stays.

In response to Committee recommendation 15, local authority cost estimates at Table 16 have been updated to reflect the outcome of a revised collaborative exercise between the Welsh Government and individual local authorities, aimed at identifying and establishing a range of initial estimates for the likely administrative and compliance costs associated with implementing a visitor levy, including costs related to establishing and running a visitor levy partnership forum.

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In response to Committee recommendation 17 an explanation on the medium to long-term funding model to cover the additional administrative costs falling on the WRA as a result of the Bill has been included at section 8.5.64.

Stage 2 amendments

Updates have been made throughout the EM and RIA to reflect amendments to the Bill at Stage 2. Key changes include:

- The National Register – to set out the powers the WRA will have to establish and maintain the register, including enforcement.
- Provisions for local authorities to establish a Levy Partnership forum.
- Under 18s exemption to the lower rate (and other changes to the levy calculation section in relation to the lower rate).
- Increase of the higher rate to £1.30
- The updated position on the powers for making subordinate legislation; and
- Annex 1 to ensure the Explanatory Notes reflect the Bill as amended.

I would like to take the opportunity to again thank the Finance Committee for its scrutiny of the Bill.

I have copied this letter to the Chair and the Legislation, Justice and Constitution Committee.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

Mark Drakeford AS/MS

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language

Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

Peredur Owen Griffiths, MS
Chair Finance Committee
Senedd Cymru
Cardiff Bay
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24 June 2025

Dear Peredur,

Visitor Accommodation (Register and Levy) Etc. (Wales) Bill

Thank you once again for your consideration of the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill during Stage 2 on 15 May.

There were a few minor inaccuracies in the [transcript](#) which have now been corrected. However, at paragraph 17, in relation to how the penalty scheme works, I think it would be beneficial to provide additional clarity. I have suggested an amendment to the transcript be made as set out below. The Clerk has added a footnote to the transcript to this effect, however, I would also like to bring this directly to the attention of the Committee:

To provide some clarity on the penalty scheme as set out in this paragraph, it is not the failure to pay the relevant penalty which causes the penalty to escalate, rather, it is the continuing failure to comply with the relevant obligation. In this amendment, the relevant obligation is to register, however the same penalty scheme applies to the failure to notify the WRA of changes to or inaccuracies in the registration entry (see paragraph 20), the failure to comply with an information notice (see paragraph 23) and the failure to remove a provider's registration entry (see paragraph 25).

A more accurate summary of the scheme would be to say that the initial penalty would be £100. The person would then have up to 30 days to comply with their obligation to register, and, if they do so, that concludes the penalty process. If, at the end of the 30 days, they still have not registered, then, for the next 30 days, the penalty increases by £10 for every day. So, at a 60-day horizon, the penalties would amount to £400. If the person still has not complied with their obligation to register, then, on day 61, an additional £1,000 penalty becomes due. So, at that point, the

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total liability would be £1,400. But if a person responds to the original penalty notice by registering within 30 days, the maximum of their liability would be £100.

I hope this is helpful, diolch yn fawr eto am eich gwaith ar y Bil yma.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive style with a large initial 'M'.

Mark Drakeford AS/MS

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language

Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros
Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate
Change and Rural Affairs

Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: PO/HIDCC/0303/25

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee
Welsh Parliament
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24 June 2025

Dear Mike

I am writing in accordance with the inter-institutional relations agreement to notify you of the seventh meeting of the Inter-Ministerial Standing Committee (IMSC), which will take place on 26 June 2025.

The Standing Committee will be chaired by the Deputy First Minister and Cabinet Secretary for Economy and Gaelic, Kate Forbes MSP. I will represent the Welsh Government at this virtual meeting. I anticipate the meeting will provide an opportunity to discuss the industrial strategies, the UK Internal Market Act 2020, the Sewel Convention and the UK Legislation Programme, along with other current affairs issues.

I have copied this letter to the Chairs of the Finance Committee, the Economy, Trade and Rural Affairs Committee and the Culture, Communications, Welsh Language, Sport, and International Relations Committee.

I will provide an update after the meeting.

Yours sincerely,



Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

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Agenda Item 2.6

Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio



Llywodraeth Cymru
 Welsh Government

Our ref: RE/PO/306/2025

Mike Hedges MS
 Chair
 Legislation, Justice and Constitution Committee
 Welsh Parliament
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25 June 2025

Dear Mike,

I am writing in accordance with the inter-institutional relations agreement to notify you that the Tourism Inter-Ministerial Group (IMG) will meet on 22 July 2025.

This will be the first meeting of the IMG since the publication of the Review of Intergovernmental Relations in January 2022 and will be chaired by the UK Government Minister of State for Creative Industries, Arts and Tourism, Chris Bryant MP. I will represent Welsh Government at this virtual meeting.

I anticipate the meeting will provide an opportunity to discuss the UK Government's plan to increase international tourism, and updates from all four governments in relation to activity and issues in their respective areas.

I have copied this letter to the Chairs of the Finance Committee, the Economy, Trade and Rural Affairs Committee, and the Culture, Communications, Welsh Language, Sport, and International Relations Committee.

Yours sincerely,

Rebecca Evans AS/MS
Cabinet Secretary for Economy, Energy and Planning
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio

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