

## ROCP 35, Institute of Welsh Affairs

---

Senedd Cymru | Welsh Parliament

### **Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith | Climate Change, Environment, and Infrastructure Committee**

Adolygiad o flaenoriaethau'r Pwyllgor ar gyfer y Chweched Senedd | Review of the Committee's priorities for the Sixth Senedd

Ymateb gan Sefydliad Materion Cymreig | Evidence from Institute of Welsh Affairs

---

# Review of the Climate Change, Environment, and Infrastructure Committee's priorities for the Sixth Senedd



## About the IWA

We are a think tank and charity, independent of government and political parties. By bringing together experts from all backgrounds, we conceive ambitious and informed ideas which secure political commitments to improve our democracy, public services and economy.

We provide platforms for debate, opportunities for people to make their voices heard and agenda-setting research. We are funded by our members, income from our events and training sessions, and supported by trusts, foundations and other funding bodies. We are a proud signatory to the Zero Racism Wales pledge, a Living Wage employer and hold NCVO Trusted Charity Mark Level One.

Our vision is to create a Wales where everyone can thrive.

The IWA is a registered charity in England and Wales: 1078435 and a company limited by guarantee registered in England and Wales: 02151006

## 4. Your opinion

1. What are your views on the Committee's three strategic priorities: Climate Change; Sustainable Communities: and Protecting and enhancing the natural environment?

We welcome the Committee's continued focus on its three strategic priorities: Climate Change; Sustainable Communities: and Protecting and enhancing the natural environment. We think there are real opportunities to work together with other Senedd Committees on the following key issues and would welcome continued consideration of climate change across all Senedd Committees. We outline below our views on what should be continued areas of focus for the Committee in relation to its priorities.

### **Priority one: Climate change**

As outlined within this priority area, we need to see more tangible progress on reducing Wales' carbon emissions during this Senedd term. Given the recent news of the closure of Ffos-y-Fran, the UK's largest opencast coal mine, on 30 November 2023, Wales will witness a significant drop in carbon emissions, given that for 2021 Ffos-y-Fran coal mine [emitted](#) 930,533 tonnes CO<sub>2</sub>e. However, while this is good news, we must also observe a decrease in carbon emissions across key sectors. We must ensure that the closure of Ffos-y-Fran does not obscure the reality of lower than anticipated carbon emission rates elsewhere and continue to push for a reduction in all sectors.

We welcome the Committee's mention of coal tips within this priority area. We believe it is vital that the issue of coal tip safety becomes a key focus for the Committee given the upcoming Disused Tips Safety Bill in this Senedd Term. As evidenced by the [Law](#)

[Commissions 'Regulating Coal Tip Safety in Wales Consultation Paper'](#), approximately 70% of Wales' coal tips are thought to be on private land. We understand the scale of the challenge facing the Welsh Government and welcome the consideration of this within the Coal Tip Safety White Paper. Given the ongoing climate risks of increased flooding in the South Wales Valleys and the increased likelihood of tip collapse, we call for determined action to acknowledge the scale of the challenge and to respond with the urgency and resources required to ensure the safety of communities.

The decarbonising homes challenge should remain a priority. [As we know](#), Wales has some of the oldest and least well insulated housing stock in Europe. It is crucial that we see a continued focus on decarbonising housing through improved building standards and a long-term greener homes programme. Whilst the [Warm Homes programme](#) is to be welcomed, it represents a drop in the ocean when it comes to tackling this problem. Beyond greater energy efficiency of homes in Wales, we want to see homes as power stations, producing enough energy to balance the overall demand of the household with generation. Energy consumption could be cut by more than 60% – saving the average household over £600 a year – if homes were designed to 'homes as power stations' standard so that they generate, store and release their own solar energy. While so far there has been a needed focus on decarbonising Wales' stock of social housing, it is important to widen the focus and look at ways to help homeowners and those in the private rental market in our efforts to decarbonise housing. Ways in which people in Wales could power their homes more efficiently should be considered part of any work the Committee undertakes in this area, for example, looking at how to incentivize the take up of heat pumps for example.

Within this priority area we welcome the Committee's focus on understanding and adapting to climate risks in Wales. As outlined in the [UK Climate Change Committee Adapting to Climate Change \(UKCCC\) report](#), published in September 2023, [Prosperity for All: A Climate Conscious Wales](#) provides a useful coverage of required research and potential actions across priority climate risk areas. However, the UKCCC report identifies insufficient progress in the delivery and implementation of adaptation and monitoring is limited in Wales. Climate change adaptation must continue to be an area of focus for the Committee. We must act to alleviate the significant impacts of climate change in Wales which are already having a serious impact on communities, with three major flooding events since the start of 2020 and the hottest day ever recorded in Wales in July 2022. It is important to go beyond mitigation and accept there is a need to invest in adaptation. Not doing so now will only mean higher adaptation costs are incurred in the future.

### **Priority two: Sustainable communities**

We welcome a continued focus on ensuring Wales has sustainable communities. One important area where we need to see urgent progress in the coming years is Wales' grid capacity. We must ensure we have a grid fit for Wales' future renewable energy aspirations. Recent data from RenewableUK Cymru highlights that Welsh grid capacity needs to double by 2035 for Wales to meet its target of 100% of electricity needs from renewable sources by 2035. We need to see the Committee drive forward calls for action in this area and recommend the National Infrastructure Commission review the grid capacity in Wales. Furthermore, local authorities in Wales should work with Distribution Network

Operators to give certainty about projects and grid demand, with the Welsh Government using anticipatory investment. Such work should complement that done by the [Welsh Affairs Committee in UK Parliament in 2022](#). We know that the grid can act as the great enabler or inhibitor of Wales' energy ambitions: it must therefore receive due attention. The Welsh Government has the ability to grant small/medium size renewable energy projects, but the grid's capability to support a decentralised, community-led energy system fit for the future is vital. The Committee have a significant role to play in ensuring due scrutiny is taking place in this space.

Moving to 100% renewables by 2035 would enable Wales to increase energy security, reduce fuel poverty and tackle climate change. Locally produced energy that is affordable, reliable and clean is better for people in Wales. By moving to renewables we can create a sustainable source of energy for Wales, have more control over energy prices and reduce our carbon emissions. Wales has some of the best natural resources for renewable energy in Europe, but we must act to take a leadership role in their deployment – and in doing so create real benefits for people's lives. We welcome the Committee's continued focus to work within this policy area.

While we must move at pace towards Wales' renewable energy future, we must also consider how we can ensure that Welsh communities benefit from the renewable energy infrastructure they host locally. At the IWA we are currently undertaking research exploring how we can ensure that the wealth generated from the growing renewables industry in Wales is better retained and shared among communities more fairly. The project will explore a range of areas, taking a closer look at the role of Community Benefit Funds schemes administered by private developers in communities, and their impact. As established by the IWA's [Fiscal Firepower](#) paper, Welsh Government has a limited budget to undertake major infrastructure projects such as the deployment of renewables generation projects. It is therefore important to ensure that the private funding coming into Wales from organisations looking to deliver renewables projects results in tangible positive change for communities. Given constrained borrowing powers and the impact of inflation on the Welsh Government budget, private funding can act to plug fiscal gaps and its impact maximised. We would suggest that the Committee also consider examining ways in which we can unlock further economic benefit for the people of Wales from the future green revolution of renewable energy in Wales. We must harness Wales' renewable and natural resource wealth in longer term and more strategic ways. The net zero transition is likely to result in an intensive period of economic activity, and then settle into a more steady state. Wales should look to harness the wealth created during this period for the longer term, in a way which benefits future generations. We believe a Wales Wealth Fund is an idea whose time has come, offering a potential to redistribute some of the profits of the renewable energy industry across Wales. A Wales Wealth Fund would operate like Sovereign Wealth Funds (SWFs), a state-owned investment fund comprising money generated by the profits of a state-owned renewables developer (Ynni Cymru) or a share of the profits from private renewables developments. Such a wealth fund would provide a significant benefit for Wales' economy and its communities and would help redistribute profits more fairly.

### **Priority three: Protecting and enhancing the natural environment**

In this priority area we welcome the Committee's continued focus on biodiversity and preventing habitat loss. In tackling the climate emergency it is vital that we also address the nature emergency and ensure efforts to mitigate habitat and biodiversity loss in Wales.

As discussed above, it is evident that we must tackle the issue of coal tip safety and Wales' opencast reclamation problem to clean up and enhance the natural environment. However, we must consider the habitats and biodiversity that now live within many coal tips and overburdens. It is important that in removing and landscaping coal tips we tackle this issue while mitigating habitat and biodiversity loss within these sites.

2. To what extent are the Committee's three strategic priorities still relevant, reflecting on social, economic and environmental developments since they were set at the start of the Sixth Senedd?

Since the start of the Sixth Senedd in October 2021, the cost of living crisis and inflation have hit people across Wales particularly hard. Coupled with the energy crisis that resulted, in part, from Russia's invasion of Ukraine in February 2022, this has sparked questions surrounding international energy security. While these events have hit the Welsh economy they have also confirmed the need to invest in renewable energy to stabilise energy markets, potentially lower energy costs and provide greater energy security. Therefore the Committee's three strategic priorities remain relevant.

The [UK Climate Change Committee Wales Progress Report](#), published in June 2023, gives the opportunity to offer fresh areas of challenge. Clearly there is a delivery gap when it comes to making good on the ambitious targets the Welsh Government have set across the net zero space. Consequently the Committee should ensure it is focusing on scrutinising the delivery of policy and progress against key metrics. We must ensure there is sufficient capacity and expertise in key public bodies to deliver the vision in practice.

In a system where scrutiny of delivery is minimal, it is vital that we get to the root causes of the delivery gap and how we can use the devolved powers that we do have to best effect. The UKCCC report was useful in highlighting the areas in which Wales has significant powers devolved. This is a vital step in holding the government to account for their responsibilities. In an environment where it can be unclear on who has responsibility for which policy levers this transparency is critically important for effective scrutiny.

3. What are your view on the Committee's detailed priorities/outline programme of work for Years 3 to 5 of the Sixth Senedd (set out in its report, [Priorities for the Sixth Senedd](#))?

A number of the areas of work remain relevant. We outline below some potential areas of focus for the Committee over the next 3-5 years.

**Priority one: Climate change**

As the UK Climate Change Committee June 2023 [report](#) on Wales' progress against its net zero goals establishes, there are key areas within devolved competency where Wales is failing to meet its goals. Indeed, the report highlights how Wales is not on track to meet its second carbon budget. The IWA have [written](#) about the very real delivery gap in Wales when it comes to actions to tackle climate change. It is vital that the Committee undertake work that interrogates the substantial gap between rhetoric and reality when it comes to delivering policy interventions. The Committee has a key role to play here in scrutinising public bodies' delivery of climate actions. The Committee must be robust and offer critique which focuses on the substantial elements that are within devolved competency. A wider area the Committee could consider looking into is the degree to which the blurred line between devolved and reserved in the climate space is slowing implementation of effective policy. In a number of areas there is a jagged edge between responsibilities and this leads to a lack of accountability and transparency in both Cardiff Bay and Westminster alike. For Wales to truly turbo-charge its net zero journey, clearly established and joint priorities on tackling climate must be established between the Welsh and UK Governments. Governance may not be the most newsworthy of candidates for Committee interrogation, but it underpins the effective delivery of all activities in this area.

As outlined above, it is essential that the Committee acknowledge the urgency of addressing coal tip safety in Wales and we would welcome a determined focus on this issue. With the upcoming Disused Tips Safety Bill in the next Senedd term we would welcome scrutiny of the Bill and the delivery of securing or removing coal tips. Given the vast costs involved in securing Wales' many coal tips, it is vital that we ensure sustainable financing of Coal tip safety. We welcome the findings of the Coal Tip Safety White Paper and believe that the most at risk category D and C tips should be removed or landscaped first as a matter of urgency before moving onto category B and A tips.

Furthermore, Wales is facing an opencast mine reclamation problem across the South Wales coalfield where many former opencast mines have been given sub-standard reclamations and remain a continued risk to the environment and local communities. Most recently, there are fears that the Ffos-y-Fran opencast may receive a sub-standard restoration due to insufficient funds. We welcome the Law Commission's 'Regulating Coal Tip Safety' report and its inclusion of opencast waste materials and importantly the need to expand the definition of a 'mine' to include opencast mining. However, we suggest that the Committee explore the possibility of widening the focus of coal tip safety policy/legislation to also include Wales' opencast reclamation problem. We welcome the consideration for the restoration of these sites to be brought into the wider discussion regarding coal tip safety given that these issues are interlinked and relate to the urgent need to restore Wales' post-industrial landscape for future generations.

We think that the work of the independent [Net Zero 2035 Challenge Group](#) established by the Welsh Government-Plaid Cymru Cooperation Agreement should certainly be within the scope of the Committee. The Challenge Group should report with nearly two years left of the Senedd. As such, there is space for the Committee to scrutinise their work and make recommendations on what comes next.

## **Priority two: Sustainable communities**

As outlined above, the Committee should ensure a committed focus to decarbonising housing. We want to see homes as power stations with improved building standards and a long-term greener homes programme.

We welcome the Welsh Government's plans for Ynni Cymru and believe that a publicly owned energy company would be a positive step in securing and retaining some of the economic benefit of renewable energy within Wales. The IWA originally made the case for a Welsh owned, not for profit renewable energy developer in our 2017 [ReEnergising Wales report](#). However, it would be useful for the Committee to commit to observing this policy development to ensure that along with this policy we have sustainable and established delivery to ensure Ynni Cymru is a success by providing useful scrutiny. There is also a need for clearer articulation of what Ynni Cymru is, what it aims to achieve and what its governance structures are. At the moment this is unclear.

The Committee has outlined plans to continue work on renewable energy. Within this work we would welcome a greater focus on engaging communities within private sector renewable energy developments. Community ownership of renewable energy plays a crucial role within the renewables sector in Wales, however we must also look at the ways in which communities are engaged within private sector developments. From public engagement to the use of Community Benefit Funding schemes (CBFs), the ways in which developers operate will differ. There is an opportunity to learn from best practice in Wales, to observe developers who engage with communities meaningfully and support communities to utilise CBFs to create positive economic impact in their local communities. This best practice should be encouraged across the sector to ensure the communities that host renewable energy projects feel they can play an active part and ensure their voices are heard. Furthermore, this could potentially impact behaviour change among communities if they are meaningfully engaged with and supported to utilise the real economic impact of CBFs.

In addition, we suggest the Committee focus on further advancing community ownership of renewable energy in Wales. We must ensure that community ownership and investment in renewable energy stays in Wales and drives economic and social benefit. There is potential for favourable consideration to community projects by Natural Resources Wales and planning authorities, including simplifying processes, and by scoring social as well as local benefit. In addition, we suggest the Committee explore the potential for community renewables to be eligible for Social Investment Tax Relief.

Floating offshore wind developments in the Celtic Sea present an area of focus for the Committee going forwards. For Wales to get ahead in this area we must take a coordinated approach between government, industry, academia and others to establish a global advantage over marine energy and floating offshore wind as niche Welsh services. Given [recent events](#) surrounding the delay to floating offshore wind ambitions, we must see improved coordination between the sector, Welsh Government and UK Government. This sector could play a significant role in achieving net zero ambitions in both Wales and the UK. The IWA would welcome scrutiny of offshore wind developments at an appropriate

time to ensure a focus on retaining economic benefit to Wales from such developments with regards to supply chains and the administration of community benefit funds. At the moment it is less than clear how the offshore projects will deliver economic growth in Wales.

We note the announcement of two Welsh freeports in Anglesey and Port Talbot and Milford Haven and recognise their potential benefits to promote fair work opportunities, regeneration and job creation and economic growth. However the announcement of their creation does not mean effective delivery is guaranteed. When more information is known about these two investments the Committee should make a committed focus to observe and scrutinise developments to ensure an economic benefit to Wales is realised and prevent the unfortunate developments surrounding the Teeside Freeport from repeating in Wales. The Committee should also look at how the freeport status can be leveraged to boost marine energy generation off Wales' coast, while minimising environmental damage.

We welcome the Committee continuing their focus on decarbonising transport and achieving modal shift across society in Wales. This is a key area that will enable Wales to move towards its net zero ambitions over the coming years and achieve sustainable communities with a transport sector fit for future generations. While we have an ambitious transport policy, we have not seen adequate delivery in some key areas such as Electric vehicle (EV) charging facilities. Given that fewer than half of the Welsh government's main commitments regarding EV charging have been delivered on time, evidently there has been a significant delivery gap in achieving policy goals. It is important that the Committee provide effective scrutiny and monitor the progress within this area. This should link into the Committee's work on sustainable communities and has planning considerations, communications and equity at its core.

Lastly, it will be vital that we support workers to transition into roles that require green skills and move away from carbon intensive industries. We welcome the Welsh Government's recent plans for this area of work outlined in the Stronger, Fairer, Greener Wales: a plan for Employability & Skills. However, we must see committed action and welcome the Committee's scrutiny against key delivery areas identified within the plan. We believe working in collaboration with other Committees on this issue, particularly the Children, Young People and Education Committee, would provide deeper understanding regarding education and training for the future renewable energy industry. It is also important that the Committee hear from both the education and the private sector to establish whether the Welsh Government's [Net Zero Skills Action Plan](#) is fit for purpose in driving green skills development. We do not believe that retraining and green skills development is currently happening at anywhere near the scale required to enable Wales to meet its net zero ambitions. As a result, there is real risk that Wales will not feel the economic benefit offered by the net zero transition. The Committee should take time to scrutinise this area in depth, ensuring that Welsh Government actions in this area are informed by a wide array of stakeholders who are responsible for delivering different elements of Wales' green vision.

We must see further opportunities within Welsh colleges for training of the future workforce into the renewables industry, such as the 'Destination Renewables' programme led by DP Energy and EDF Renewables at Pembrokeshire College. Case studies can



provide evidence of best practice where successful training courses are being rolled out across Welsh colleges. It is crucial that while driving towards net zero we ensure Wales has a skilled workforce ready to take on low-carbon jobs and benefit from such opportunities.

4. To what extent are the Committee's detailed priorities/outline programme of work still relevant, reflecting on social, economic and environmental developments since they were set at the start of the Sixth Senedd?

Yes, the IWA considers that the outline programmes of work still remain relevant. Indeed, political developments have made them more pressing

5. Are there any other matters related to the Committee's priorities/work programme/ways of working that you would like to comment on?

The IWA believe there are real opportunities to work together with other Senedd Committees, notably the Economy, Trade and Rural Affairs Committee. So much of the net zero transition is dependent on delivery and partnership with the private sector and delivered alongside and in rural communities in Wales. Equally, we discuss the need to deliver green growth in order to level up communities in Wales. Such endeavours are inextricably linked to economy and trade. By working together across Committees on these matters we can ensure that the two endeavours will achieve the best outcomes for the people of Wales.