Julie James AS/MS Y Gweinidog Newid Hinsawdd Minister for Climate Change

Llywodraeth Cymru

Ein cyf/Our ref: JJ/PO/427/2023

Welsh Government

Huw Irranca-Davies MS Chair Legislation, Justice and Constitution Committee Welsh Parliament Cardiff Bay Cardiff **CF99 1SN**

12 December 2023

Dear Huw,

Thank you for the report from the Legislation, Justice and Constitution Committee on the Welsh Government's Legislative Consent Memorandum on the UK Energy Bill.

You have already received my response to your first recommendation regarding the process within Welsh Government surrounding decisions relating to UK Bills. In terms of your second recommendation, I draw your attention to the processes that we outlined in that response. We expect timely and open engagement from the UK Government on all potentially relevant UK legislation, in line with commitments made as part of the IGR Review. As I have stated to your Committee and in Senedd Plenary, this simply did not happen for the UK Energy Bill.

I want to set out the action I have called for to ensure that where the UK Government is working up new policy in areas that impact on our ability to deliver on our net zero commitments, including matters such as those covered in the now UK Energy Act, there is effective involvement and engagement with the devolved nations. This action builds on the lessons that we learnt form the development of the UK Energy Bill and wider work on net zero.

First, I continue to call on the UK Government, at both the portfolio level with the Secretary of State for Energy Security and Net Zero and to the Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations that the current intergovernmental working on net zero, including energy, needs greater cross government working. In addition, the UK Government need to have greater recognition that matters reserved to the UK Government have significant implications on our ability to deliver our energy and wider net zero commitments. I have written to both Secretaries of State calling for a strengthening of the current intergovernmental structures to make this joint working possible. This is also a matter I have raised with the Independent Commission on the Constitutional Future of Wales citing the UK Energy Bill as an example where intergovernmental working arrangements were clearly insufficient.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Secondly, and related to the above point, the UK Energy Bill highlighted that in some areas, heat specifically, the devolution settlement is less than clear on where specific responsibility rests. In recognition of this, we have agreed through the IMG on Net Zero that a new Heat and Buildings intergovernmental group is established to work through the details of how we decarbonise heat and buildings in a way where actions across the nations of the UK support our collective net zero priorities. This will support direct implementation of the UK energy Act and wider work on heat and building decarbonisation.

While I remain deeply concerned with the approach the UK Government have taken to disregard the devolution settlement to proceed with the Bill without the consent of the Senedd, I can report that a number of the commitments the UK Government made to strengthen the requirement to consult with the Devolved Governments are being implemented. While we are at the very first stages of implementation, consultation is underway across a number of areas and I hope this results in meaningful joint policy development in areas where we feel the Act is acting in areas of devolved competence.

I fully appreciate that laying our LCM for this Bill so late in the process made effective scrutiny from the Senedd extremely challenging. While I repeat that we progressed the laying of the LCM and supplementary LCMs as soon as we could in the specific context of this Bill, there was more that the Welsh Government could have done to update the Senedd on our analysis and work with the UK Government on the Bill. While I hope we will not be in this position again, I remain committed to ensuring the Senedd and relevant committees are updated on progress to support effective scrutiny.

Yours sincerely,

Julie James AS/MS

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