

Rebecca Evans MS

Cabinet Secretary for Economy, Energy and Planning

16 December 2024

Draft Budget scrutiny 2025-26

Dear Rebecca,

Thank you for your evidence paper in response to our [letter](#) of 29 October regarding the scrutiny of the Welsh Government's 2025-26 budget. We appreciate your engagement with the Committee on this topic.

Following publication of the draft budget on 10 December 2024, the Committee agreed to write with further questions to inform its scrutiny. I would be grateful if you would provide information to address the matters set out in Annex 1.

I should be grateful for a response as soon as possible, and by **23 January** at the latest.

Yours sincerely,



Llyr Gruffydd MS,

Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. / We welcome correspondence in Welsh or English.



Energy

Green Energy

Resource funding for the green energy BEL has increased from £3.3m to £8.46m, and capital funding has decreased from £17.2m to £12.4m.

- Can you clarify which specific projects and programmes sit under the green energy BEL?
- What are the budget allocations for Trydan Gwyrdd Cymru?
- Alongside Welsh Government funding, do you envisage leveraging private sector funding to support Trydan Gwyrdd Cymru's work?
- How will allocations under the Green Energy BEL support renewable energy developers in Wales to maximise opportunities through the Contracts for Difference scheme?

Ynni Cymru

The resource and capital budgets for Ynni Cymru have remained the same, at £2.47m and £10m respectively.

- How do the budget allocations reflect the Welsh Government's ambition for 1 GW of renewable energy generation capacity to be locally owned by 2030?
- How many community renewable energy projects do you intend to support through Ynni Cymru in 2025-26?

Welsh Government Energy Service (WGES)

The WGES works with the public sector and community enterprises to reduce energy use, generate locally owned renewable energy and reduce carbon emissions.

The resource budget for the WGES has increased from £3.97m to £4.17m, and the capital allocation has decreased from £3.2m to £2.2m.

- What is your current estimate of progress towards a net zero public sector by 2030, and do you believe this ambition is achievable?
- How will budget allocations to the WGES accelerate progress towards a net zero public sector?
- Can you confirm who has responsibility for the WGES, given that the Budget Expenditure Line sits under Climate Change and Rural Affairs rather than Economy, Energy and Planning?

Local Area Energy Plans

The Net Zero Plan stated Local Area Energy Plans would be developed by the end of the 2023-24 financial year. Your paper indicates a budget of £0.65m in 2025-26 to deliver these plans.

- What is the reason for the delay in the plans being produced?
- How will the budget allocation of £0.65m be used to facilitate their completion?
- The renewable energy deep dive said the Welsh Government would scale up local energy plans to create a national energy plan by 2024. Has this plan been developed? If so, how has the plan influenced budget allocations in the energy aspect of your portfolio?

Infrastructure Commission

Under its terms of reference, the National Infrastructure Commission for Wales (NICW) is subject to a comprehensive review at least once every 5 years. This is currently underway and the Cabinet Secretary has said this will be completed by the end of the year, with the outcome published in early 2025.

The allocation of £400,000 for the NICW has remained the same as previous years.

- How has the review of the NICW been taken into account when making this allocation and does this indicate that the Commission will not be subject to any significant changes?

Maritime Ports and Cardiff Airport

Your paper says the draft budget will support development of a Maritime and Ports strategy for Wales before the end of this Senedd term. However, the MEG does not appear to include any allocation for ports:

- Please could you outline where in the draft budget funding for development of the strategy can be found? How much is budgeted for its preparation?
- Please can you set out the specific steps which will be taken in 2025-26 to develop this strategy?

As noted in our letter to you following scrutiny in November, your official told us during that session that the Maritime and Ports Strategy was due to be developed by the end of this Senedd. However, the National Transport Delivery Plan indicates that this was to be completed between 2022 and 2024.

- Please can you explain why this deadline has slipped, including when the decision was taken, and what assessment you made of the impact on ports of the delay.

Road, public transport and freight policy and investments are crucial in ensuring effective connectivity for maritime port operations and Cardiff Airport. While Welsh Government priorities are set out in the National Transport Delivery Plan, we are interested in how the prioritisation of investments in these areas within the portfolio of the Cabinet Secretary for Transport and North Wales reflect the needs of maritime ports and Cardiff Airport, now that these are your responsibility.

- Please could you set out how you have engaged with the Cabinet Secretary for Transport and North Wales on the development of 2025-26 draft budget within the transport MEG, specifically in terms of the prioritisation of schemes which might be needed to support maritime ports and Cardiff Airport.

We have received a paper from the Cabinet Secretary for Transport and North Wales which indicates that the National and International Connectivity BEL within the Transport MEG includes funding for "on-going work on the future of Cardiff Airport". Given that you are responsible for the Airport:

- Can you outline why this funding is not within your MEG, what it will fund and how you are involved in delivery of this work?

While we appreciate that you are limited in what you can say on the detail of the CMA report and your approach to funding for the long-term strategy for Cardiff Airport, we would like some reassurance on the planned approach and the way forward. The budget documentation does not include any reference to the long-term strategy:

- Can you reassure us that the funding will be available once you have determined the approach following your review of the CMA's report, and indicate where this funding is currently held?

We note that the BELs included in the draft budget have a negative allocation of £3m of resource, and about £1.8m of capital funding, for Cardiff Airport.

- Please can you set out what these relate to?

Planning

In November, the you announced that decisions on energy proposals with generating capacity of up to 50 megawatts would be delegated from the Welsh Ministers to PEDW planning inspectors. You said in Committee on 20 November this would reduce the end-to-end time by three months or more.

Resource funding for the Planning and Environment Decisions Wales (PEDW) and Planning & Regulation Expenditure BELs has increased by £3.82m to accelerate infrastructure planning decisions.

The Draft Budget narrative says "key delivery partners, including Natural Resources Wales [NRW], will receive an uplift in funding, including an additional £5m to enhance its capacity to progress

infrastructure consents promptly and to provide necessary input in the land use and marine planning processes”.

- What will the £3.82m resource allocation be spent on specifically?
- What will the £5m additional allocation proposed for NRW be spent on specifically?
- What assessment have you made of the impact this level of additional funding will have on timescales for infrastructure planning decisions?
 - o When do you expect to see results?
- More broadly, how does this Budget increase capacity elsewhere in the planning system, which has a key role in supporting decision-making on infrastructure developments?
 - o The Draft Budget narrative says key delivery partners, “including” NRW will receive additional funding – other than NRW, which organisations are these, how much funding is allocated to them and for what purpose specifically?
 - o Does the Draft Budget provide additional funding specifically for Local Planning Authorities to increase planning capacity? If so, how? If not, why?