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Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newi
Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climat
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Llywodraeth Cymru
Welsh Government

Llŷr Gruffydd MS
Chair
Climate Change, Environment and Infrastructure Committee

16 March 2026

Dear Llŷr,

Thank you for your letter of 26 February setting out the CCEI Committee's views on the topics covered during general scrutiny on 11 February 2026.

I am grateful to the Committee for setting out its views on the matters we discussed and for highlighting areas it intends to draw attention to in its report to its successor committee.

I have asked my officials to carefully consider all the points the Committee has made. There were some areas were the Committee wanted additional information or to clarify matters; the remainder of this letter provides a response on these points.

<u>Single use plastics</u>

The Counsel General set out our position in letters to the Legislation, Justice and Constitution Committee on 13 October 2025 and 5 January 2026. In summary, following the UK Government's United Kingdom Internal Market Act (UKIMA)review, in developing relevant legislative proposals – which includes both Welsh primary and secondary legislation – the Welsh Government recognises the UKIM Act may have an impact. Where the market access principles could impact on the effectiveness of Welsh Government policy we will engage on a four nations basis through the relevant Common Frameworks to explore whether any exclusions from requirements of the Act are necessary.

Within the Common Framework, in line with its principles, we first explored opportunities for policy harmonisation across the UK. We tested whether our 'Phase 2' bans could be adopted by other governments within our ambitious timescales, thereby removing the need for an exclusion. Regrettably, this was not achievable.

On 7 October 2025, I notified the UK Government and Devolved Governments of my continued intention to implement the "Phase 2" bans before the Senedd election, highlighting the tight timescales for doing so. Officials assessed the need for an exclusion under the revised Common Framework procedures and confirmed that while one would be required, there was insufficient time for it to be agreed and implemented ahead of the Senedd pre-election period.

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We remain committed to seeing polystyrene lids for cups or takeaway food containers, plastic single-use carrier bags or products made of oxo-degradable plastic banned and we are already working to achieve that as soon as possible. Our efforts are focused on assembling the evidence required to support an exclusion under the revised Common Frameworks processes. The Common Framework group has requested further information which we are currently providing.

Disused tips

As requested, I have set out funding allocations for Phase 1 of the multi-year grant scheme approach (2026 – 2029) for coal safety at Annex A.

I understand that the Cabinet Secretary for Economy, Energy and Planning intends to issue an amended direction that will come into force on 6 April that will clarify that getting coal from mineral-working deposits including disused tips will come within the definition of development caught by the direction.

Air Quality

As I stated at the Committee session, the report that we commissioned from Ricardo to model the costs and benefits of potential domestic solid fuel regulations in Wales indicated that regulations could result in increased costs for consumers, particularly in rural areas, but there was limited data to support those findings. In view of this uncertainty and after further reflection, I have asked officials to strengthen this evidence base and further consider any necessary fuel poverty mitigation measures prior to a decision on regulations being made by the next Government. Work is now underway to gather the additional information required to strengthen the evidence base. This will continue into the autumn, and it will be for the next Welsh Government to consider how it might wish to take this forward.

As I stated at Committee, the Environment (Air Quality and Soundscapes) (Wales) Act 2024 also places a duty on Welsh Ministers to promote awareness of air pollution. To fulfil this duty, we will be publishing in March our Promoting Awareness of Air Pollution Delivery Plan. The Plan will include a focus on raising public awareness of the impacts of domestic burning on air quality and health, and will provide clear, practical information to help consumers make cleaner and more efficient burning choices.

In addition, we will continue to ensure that information about schemes and mitigations to address fuel poverty are shared. For example, for those who meet the eligibility criteria, the Welsh Government's Warm Homes Nest Scheme offers a bespoke package of measures to insulate and decarbonise homes, which leads to lower energy bills.

Carbon Budget 2

Current estimates show that Wales would outperform its CB2 target by 1MtCO2e if Port Talbot's blast furnace remained operational. However, official territorial emissions statistics are only available for Wales up to 2023 so care should be taken when interpreting these results. Table 1 includes historic and projected emissions for the CB2 period.

Table 1: Actual and projected emissions for Carbon Budget 2

Time period	Emissions (Kt)
2021	35,942
2022	36,418
2023	34,084
2024 projection (a)(b)	33,478
2025 projection (c)	33,478
Total CB2	**173,400**
CB2 target emissions	174,404
Surplus	**1,004**

(a) 2024 figure estimated using UK figures for 2024 and Emissions Trading Scheme data for 2024. Official statistics for 2024 Welsh emissions will be available Summer 2026.
(b) We have assumed 2023 emissions for Tata Steel Port Talbot site into 2024 and 2025.
(c) 2025 emissions are assumed to be the same as 2024 (no increase or decrease in emissions). Given the downward trend of emissions in Wales this is viewed as a reasonable and conservative assumption.

Decarbonising housing

This policy area falls within the portfolio of the Cabinet Secretary for Housing and Local Government.

You requested a list of relevant Welsh Government and UK Government domestic decarbonisation programmes. Existing schemes operational in Wales are as follows:

- The **Warm Homes Nest scheme** is the Welsh Government demand-led scheme supporting low-income owner occupiers or tenants in the private rented sector. The latest iteration of the scheme launched on 1 April 2024 and is intended to run for 7 years. It has an annual budget in excess of £30 million.
- **Green Homes Wales**, a Welsh Government initiative managed by the Development Bank of Wales, offers both interest free financing and fully funded expert support to owner occupiers who are ready to invest. It is compatible with collective purchasing schemes and the Boiler Upgrade Scheme, a grant scheme for low carbon heating systems. It is a pilot scheme with £5 million of loan funding made available for 2026-27.
- The **Optimised Retrofit Programme** is the Welsh Government's funding programme to support the decarbonisation of social homes in Wales. The funding available through the programme in 2025-26, including in-year supplements, is £122 million and a further £98.75 million has been allocated for 2026-27.
- **Leasing Scheme Wales** provides landlords and owners of empty homes the opportunity to lease their property to the local authority for between 5 and 20 years. While decarbonisation is not a core objective of this initiative, the Welsh Government will fund energy efficiency upgrades in homes with poor energy performance ratings that enter the scheme.

- The **Energy Company Obligations Phase 4** (ECO 4) scheme is administered by Ofgem on behalf of the UK Government and is funded through a charge on consumer energy bills. The scheme includes a demand-led main scheme and a scheme called ECO LA Flex, which was organised locally. Each of the 22 local authorities in Wales established LA flex schemes. The ECO4 phase began in April 22 and the charge on consumer bills will cease on 31 March 2026. A nine-month extension to the scheme to 31 December 2026 has been agreed to allow energy suppliers to fulfil any outstanding obligations. It also allows time for the remedial works to be completed on faulty External Wall Insulation and Internal Wall Insulation installations following the recent National Audit Office report into poor workmanship under the ECO4 scheme.The **Great British Insulation Scheme** (GBIS), formerly known as ECO+, is a UK Government scheme administered by Ofgem. It is intended to complement ECO4 by delivering less complex, single insulation measures. Referrals into this scheme have now stopped, and the scheme will end on 31 March 2026.

There are also a number of historic schemes which have been active in Wales in recent years, notably:

- The **Community Energy Saving Programme** (CESP), a UK Government scheme which ran from 1 October 2009 to 31 December 2012. CESP was created as part of the government's Home Energy Saving Programme to deliver energy saving measures in specific low-income areas of Great Britain.
- **Arbed**, a Welsh Government scheme which funded area-based interventions to deliver energy efficiency measures to low income households between 2011 and 2020/21.

There was a discussion during the scrutiny session on the impact of poor or inappropriate installation of energy efficiency measures under previous Welsh Government and UK Government schemes, including ECO. Below is a note of the different schemes, where redress should be sought depending on the scheme, and how householders can go about establishing under which scheme the work was carried out.

The primary way for a householder to identify which scheme funded their installation is through the handover documentation provided upon completion of the works. If this paperwork has been lost, householders can often identify the scheme by checking with the Microgeneration Certification Scheme (MCS), checking with TrustMark, or contacting the original installation company directly.

Regarding Consumer Energy Solutions, a large ECO installer based in Wales which has entered into administration, the Department for Energy Security and Net Zero (DESNZ) has nominated TrustMark to directly support affected customers. TrustMark will work closely with the MCS, Certification Bodies, Guarantee Providers, administrators, and other relevant parties to find an appropriate resolution wherever possible. Householders seeking redress or assistance regarding these installations should contact TrustMark directly:

- **By phone:** 0333 555 1234
- **By email:** disputes@trustmark.org.uk
- **Online:** By filling out the dispute form on the TrustMark website

For other ECO4 and GBIS installations, the Ofgem website sets out the complaints process consumers should follow and Trustmark has a 3 stage process relating to businesses that hold an active registration with them, as set out on their website.

For residents who have had energy efficiency measures installed under the Welsh Government's Nest scheme and wish to raise an issue, there is a dedicated complaints process. Complaints should be raised within six months of the event (or within six months of finding out there is a reason to complain), and no later than twelve months after the event itself. Householders can log a complaint with the Nest advice team:

- **By phone:** 0808 808 2244
- **By email:** advicewales@est.org.uk
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For installations carried out under the Welsh Government's Warm Homes Arbed scheme, householders should have been provided with copies of all necessary documentation upon completion. If issues arise and the original contractor is unable to assist, householders may be able to obtain a copy of their MCS certificate by contacting MCS directly via their online Certificate Queries portal.

Regarding Domestic Electrical Installation Certificates, the Welsh Government does not hold this information. These certificates are retained by either the original contractor or their sub-contractors, so householders are advised to contact them directly to confirm if they hold the relevant paperwork.

Finally, if an issue relates to Solar PV installed under Arbed, it is important to clarify the ownership and maintenance responsibilities. These measures were gifted to the property owner as part of the Welsh Government-funded scheme and are fully owned by the homeowner at the time the work was undertaken. Other than a general inspection approximately twelve months after installation, there are no further servicing arrangements in place, and rights of access do not apply. This declaration is contained within the Solar PV Guidance document supplied at the time of installation, which householders can provide to their solicitor if the property is being sold.

Net Zero public sector by 2030

You have asked for a detailed explanation of the increase in Welsh Government emissions between 2023 and 2024, including the methodologies used in calculating these emissions.

The increase recorded between 2023 and 2024 is due to an increase in the emissions measured for supply chains which are generally measured through expenditure proxies rather than actual emissions.

The identification of a genuine change in relation to supply chain emissions will only be distinguishable using supplier specific data (and not economic proxy-based approaches currently used). These proxy-based estimation methods (and results) are not suited for year-on-year tracking of emissions and therefore drawing conclusions on drivers of change

We are developing better carbon management tools through procurement and embedding these within contracts.

Climate adaptation

You noted you expect the Welsh Government to provide a considered and substantive response to the report National Infrastructure Commission for Wales ‘A Perfect Storm’ report, setting out clearly whether we have accepted or rejected the NICW’s recommendations. I can confirm I will respond to the National Infrastructure Commission on their report before the end of March. I can confirm that the response will be clear on whether Welsh Government has accepted or rejected each recommendation.

Nature Recovery Action Plan

I intend to publish the Nature Recovery Action Plan in March 2026. It will remain a live document as further iterations will be needed to reflect the emerging biodiversity targets and new section 6 requirements as set out in the Environment (Principles, Governance and Biodiversity Targets) (Wales) Bill (soon to become Act).

The Committee may find previous updates on action to support nature recovery a helpful reference:

Written Statement: Biodiversity Deep Dive (25 July 2024) | GOV.WALES
Written Statement: A 30by30 framework for Wales - protecting 30% land, freshwater, and sea for people and nature by 2030 (19 August 2025) | GOV.WALES

Natural Resources Policy

The key findings of the review of the Natural Resources Policy were as follows:

- The policy should be updated to reflect current challenges and opportunities, moving away from EU Exit being the key priority to a focus on tackling the climate and nature emergencies which have been declared since its publication.
- That the next NRP should include more ambitious SMART targets and actions, ways to measure success and a robust governance framework to enable coordinated action.
- The review took into account the State of Natural Resources Report (SoNaRR) 2020 (since superseded by the recently published SoNaRR 2025) and identified a need to reflect the latest evidence regarding biodiversity decline, climate resilience and ecosystem services.
- That the policy should consider green growth, green jobs and the connections between resilient ecosystems and public health, including through a focus on urban green spaces.
- The updated policy will need to reflect the changes to the environmental governance and legislative framework which have taken place since the NRP was published in 2017.

Global Biodiversity Framework 30 by 30 target

Since June 2025, my officials have been overseeing the co-development of a suite of practical, evidence-based tools to support delivery of Wales' 30by30 Framework. Our collective aim is to identify, assess, and strengthen areas outside designated sites that make a substantive contribution to biodiversity outcomes - referred to as *Naturfa* sites. Naturfa status is a way to recognise places outside existing protected sites (OECMs/Nature Recovery Exemplar Areas) that support long-term nature recovery and contribute to Wales's 30by30 ambition.

Achieving Naturfa status requires a site to meet a series of criteria relating to biodiversity value, governance, management, and monitoring. We have also established a 'pathway' status for sites that are at an earlier stage of restoring biodiversity but are demonstrating strong commitment and progress. Naturfa status need not apply to strict nature reserves – any land that passes the criteria is eligible. Naturfa sites act as exemplars, showcasing effective approaches to nature recovery.

In November 2025, we invited members of our Biodiversity Strategic Implementation Group (SIG) to work together to test the Naturfa Toolkit on a site of their choosing. We received twelve pilot submissions. These were reviewed by an Approval Panel drawn from the SIG and were also independently assessed by the Joint Nature Conservation Committee (JNCC). Each site received a recommendation of either:

- Full Naturfa Status (meeting all criteria in principle)
- Naturfa Pathway (meeting all criteria in principle, except biodiversity value)
- Remain a candidate site (meeting some criteria)

Sites awarded Naturfa status will be required to report on the effectiveness of their management at least every five years. This will evidence Wales' contribution to the 30by30 target and help raise the profile of sites seeking further support.

The table below sets out the locations of the twelve sites submitted during the pilot phase.

Type of Site	**County**
Private estate/farm	Carmarthenshire
Local Nature Reserve	Carmarthenshire
Private farm	Ceredigion
eNGO Reserve	Gwynedd
Countryside Park	Monmouthshire
Private farm	Monmouthshire
Local Nature Reserve	Neath Port Talbot
Compensation Site	Newport
Community Nature Reserve	Pembrokeshire
Woodland Estate	Powys
Local Nature Reserve	Swansea
Local Nature Reserve	Vale of Glamorgan

Following the final ratification of the sites last month, I am delighted to confirm that four sites will be awarded Full Naturfa Status, with an additional two sites progressing on the Naturfa Pathway.

Throughout 2026-27, we will continue to run additional pilot phases to refine the Naturfa assessment tool, identify and recognise more Naturfa sites, and build a strong bank of high-quality case studies. This will be supported by ongoing work to establish a community of practice, helping to guide and strengthen future site submissions.

Tree planting

The Climate Change Committee (CCC) recommend levels of tree planting as part of a modelled overall pathway approach across all sectors. While the recommendation the CCC made in 2020 is very challenging, we have continued to strive towards it. In its latest report the CCC took a different approach to setting tree planting targets by taking into account our previous planting rates and the time it will take to achieve incremental year on year increases. We will consider its revised recommendations and approach when reviewing targets.

As we progress in decarbonising across sectors and developing our third carbon budget, we need to review targets to determine the scope for the contribution of tree planting to our own tailored pathway. Working closely with stakeholders, we propose to establish realistic but challenging targets and secure buy-in to achieving them. Working with the Trees and Hedges Stakeholder Group we have already jointly agreed a high-level, stretching aspiration for tree planting within SFS of 21,500ha by 2030. We will work with a range of stakeholders to agree ambitious targets including tree planting that will be additional to the SFS aspiration. This holistic approach reflects our commitment to achieving multiple benefits from environmental actions and will deliver climate and nature benefits while maintaining agricultural production.

Forever chemicals

You asked me to report back on the outcome of the discussion on PFAS at the next IMG meeting. Unfortunately, the March IMG has had to be cancelled. My officials have raised the issue through the supporting officials group and will work with colleagues to enable a discussion at a future IMG meeting.

Separately, I have written to the Secretary of State on this issue and wider contaminated land as matters which would benefit for four nation discussions and sharing of practice.

I hope you find this information useful.

Yours sincerely,

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Deputy First Minister and Cabinet Secretary for Climate Change & Rural Affairs

Annex A

The table below shows the breakdown of grants awarded under the Coal Tip Safety Grant Scheme for the period FY2025-26 to FY2028-29.

Applicant	FY 2026–27	FY 2027–28	FY 2028–29	Total
Blaenau Gwent	Capital: £1,865,000 Revenue: £145,000	Capital: £2,020,000 Revenue: £145,000	Capital: £1,020,000 Revenue: £145,000	Capital: £4,905,000 Revenue: £435,000
Bridgend	Capital: £675,000 Revenue: £98,650	Capital: £1,860,000 Revenue: £101,610	Capital: £290,000 Revenue: £104,659	Capital: £2,825,000 Revenue: £304,919
Caerphilly	Capital: £2,647,125 Revenue: £269,070	Capital: £2,728,000 Revenue: £275,540	Capital: £2,660,500 Revenue: £270,140	Capital: £8,035,625 Revenue: £814,750
Cardiff	Capital: £70,000 Revenue: £80,000	Capital: £10,000 Revenue: £80,000	Capital: £0 Revenue: £80,000	Capital: £80,000 Revenue: £240,000
Merthyr	Capital: £2,235,000 Revenue: £689,300	Capital: £2,455,000 Revenue: £731,200	Capital: £5,270,000 Revenue: £401,200	Capital: £9,960,000 Revenue: £1,821,700
Monmouthshire	Capital: £100,400 Revenue: £4,000	Capital: £275,700 Revenue: £4,000	Capital: £0 Revenue: £4,000	Capital: £376,100 Revenue: £12,000
Neath Port Talbot	Capital: £810,000 Revenue: £435,000	Capital: £950,000 Revenue: £410,000	Capital: £600,000 Revenue: £425,000	Capital: £2,360,000 Revenue: £1,270,000
NRW	Capital: £3,072,831.40 Revenue: £838,606.67	Capital: £3,686,784.97 Revenue: £771,525.77	Capital: £1,226,473.60 Revenue: £813,247	Capital: £7,986,089.97 Revenue: £2,423,379.58
Rhondda Cynon Taf	Capital: £12,899,000 Revenue: £851,000	Capital: £4,385,000 Revenue: £933,000	Capital: £2,220,000 Revenue: £1,004,000	Capital: £19,504,000 Revenue: £2,788,000

Torfaen	Capital: £7,702,750 Revenue: £415,300.30	Capital: £1,264,750 Revenue: £364,239.29	Capital: £4,044,750 Revenue: £371,562.59	Capital: £13,012,250 Revenue: £1,151,102.18
Wrexham	Capital: £524,710.05 Revenue: £60,606	Capital: £598,500 Revenue: £60,606	Capital: £8,500 Revenue: £60,606	Capital: £1,131,710.05 Revenue: £181,818
TOTAL	**Capital: £32,601,816.45 Revenue: £3,886,532.97**	**Capital: £20,233,734.97 Revenue: £3,876,721.06**	**Capital: £17,340,223.60 Revenue: £3,679,414.73**	**Capital: £70,175,775.02 Revenue: £11,442,668.76**