

**Pwyllgor Newid Hinsawdd,
yr Amgylchedd a Seilwaith**

—
**Climate Change, Environment,
and Infrastructure Committee**

Julie James MS, Minister for Climate Change
Lee Waters MS, Deputy Minister for Climate Change

01 November 2021

Draft Budget scrutiny 2022-23

Dear Julie and Lee,

The Climate Change, Environment and Infrastructure Committee has started its preparations for scrutiny of the Welsh Government's draft Budget for 2022-23.

We understand the draft budget will be published on 20 December 2021, so we anticipate holding a scrutiny session with you early in 2022. The Clerking team will be in touch with your office in due course to arrange a suitable date for the session.

To assist the Committee in its preparations, I would be grateful if you would provide information in relation to the matters set out in this letter. Of course, you should not feel limited by our request and are welcome to address any other issues you believe will assist the Committee in its work.

I would be grateful if you could provide information to address the issues set out in Annex 1 in advance of the scrutiny session. I have asked the Clerking team to liaise with your officials about an exact deadline.

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.

Preventative Spend

- Details of the proportion of portfolio budget allocated to preventative spending measures and how this has increased compared to last year's budget.
- Details of which specific policies or programmes in the portfolio are intended to be preventative.

Evidence-based policy making

- An explanation of how you have used evidence in prioritising your draft budget allocations and how you will monitor and evaluate programmes to ensure they provide value for money and inform future budget setting processes.
- Details of how the development of the draft budget has been informed and influenced as a result of consultation with stakeholders.

Well-being of Future Generations Act

- Examples of how the Act has informed decisions on specific budget allocations.
- Details of how the impact assessment process has influenced the development of the draft budget, including examples of where a decision has been assessed against the Welsh Government's well-being objectives.

Equality, Welsh language and children's rights assessment

- Details of how you have considered the impact of the draft budget on groups with protected characteristics and the Welsh language, including details of any relevant impact assessments.
- Details of how children's rights have been considered in the budget decisions for the portfolio.

Covid-19 Reconstruction: Challenges and Priorities

An explanation of how the budget allocations within your portfolio align with the key priorities for reconstruction in light of the Covid-19 pandemic.

Legislation

Budget allocations for the implementation of existing and planned primary legislation; and the implementation of planned and existing subordinate legislation, including that emanating from the UK Environment Bill.

Programme for Government

- An explanation of how the budget allocations within your portfolio align to Programme for Government commitments and priorities.

Responding to the climate and nature emergencies

- An explanation of how the Welsh Government's declaration of 'climate' and 'nature' emergencies has influenced this year's budget setting process.
- An explanation of how you have working with your Cabinet colleagues to ensure that the environment, biodiversity loss and climate change have been "at the heart of" the budget setting process.

Decarbonisation

- An explanation of how the budget allocations support the delivery of the policies and proposals in the Second Low Carbon Delivery Plan, which are relevant to the remit of this Committee.
- An explanation of how the higher interim emissions reduction targets for 2030 and 2040, and a net zero target for 2050 have influenced allocations.
- An explanation of work undertaken to estimate the carbon impact of spending decisions and how this has influenced the approach to allocations.
- An update on work to align the fiscal and carbon budgets.

Budget structure

- A breakdown of the 2022-23 draft budget, and any future indicative budgets, by Spending Programme Area (SPA), Action and Budget Expenditure Line (BEL), both revenue and capital, along with 2021-22 Budget allocations as a comparison.
- A narrative description of the policy areas funded through each BEL.
- A summary of any changes made in the structure and presentation of the budget compared to previous years, including details of how any new or reorganised SPAs, Actions of BELs relate to those used in 2021-22 and ensuring 2022-23 allocations can be compared to previous years.

Transport

How the draft budget supports the Welsh Government's transport priorities, particularly delivery of the new Wales Transport Strategy and the associated delivery plans and strategies, including how you have prioritised funding, the affordability of your priorities and any areas of concern.

How the draft budget provides for:

- The impact of, and recovery from, the Coronavirus pandemic, including support for transport providers.
- Specific allocations made in relation to Brexit to mitigate impact on transport services / sectors.
- Delivery of the rail franchise.
- Delivery of the North East Wales, South West Wales and South East Wales Metros.
- Delivery of the Welsh Government’s rail infrastructure priorities.
- The development of Transport for Wales – including a breakdown of TFW’s budget allocation, itemising its corporate budget alongside allocations for delivery of specific programmes.
- The recommendations of the South East Wales Transport Commission.
- Investment in the trunk road and motorway network.
- Delivery of active travel policy – including a table detailing total and per capita allocations for active travel for 2022-23, compared with each of the preceding three years. Revenue and capital allocations should be clear and broken down by individual funding stream (active travel fund, local transport fund, safe routes in communities etc).
- Support for bus and community transport services, including a table detailing total and per capita allocations for 2022-23 compared with each of the preceding three years. Revenue and capital allocations should be clear and the table should be broken down by individual funding stream (BSSG, BES2, Concessionary Fares etc).
- Support for local transport priorities.

Planning

How the draft budget provides for:

- Funding of Planning and Environment Decisions Wales and how this differs from how Planning Inspectorate Wales was funded.
- Sufficient resourcing for local planning authorities to carry out their functions adequately.

Environment

How the draft budget provides for:

- Delivery of the Nature Recovery Action Plan, including management and monitoring of the National Sites Network.
- Replacement for EU LIFE funding following the UK's departure from the EU.
- Development of the new National Park.
- Delivery of the Clean Air Plan.
- Implementation of the Woodlands for Wales Strategy, including the National Forest Strategy.
- Implementation of the National Strategy for Flood and Coastal Erosion Risk Management, including the take up of the Coastal Risk Management Programme.
- Initiatives to reduce plastic pollution, including the development of a Deposit Return Scheme and Extended Producer Responsibility (EPR) for plastic packaging.
- Development of permanent environmental governance arrangements, and the work of the Interim Environmental Protection Assessor.
- Delivery of the Marine Protected Area Network Management Plan.

Natural Resources Wales (NRW)

Details of budget allocations for NRW, including explanations of any changes.

Additional areas of Committee interest

How allocations in the draft budget provides for:

- Implementation of recommendations made by the Green Recovery Task Force.
- Delivery of the Welsh Government's Warm Homes Programme, including priority actions for 2021-2023 set out in its Tackling Fuel Poverty Plan, 2020–2035.
- Delivery of renewable energy and public sector energy efficiency programmes, including funding for the Welsh Energy Service.

- The National Infrastructure Commission for Wales.
- Implementation of the Digital Strategy for Wales and delivery plan, and allocation for the Centre for Digital Public Services.
- Details of the total Welsh Government contribution to the Superfast Cymru successor scheme, including relevant contract targets for BT/Openreach and performance towards these targets.
- Details of the budgets allocated to other Welsh Government connectivity schemes (including Access Broadband Cymru, the Local Broadband Fund and the Welsh Government top-up to the UK Government’s Gigabit Broadband Voucher scheme) and connectivity targets these schemes have.
- Details of any budget allocated to improving mobile connectivity.