

Rebecca Evans MS

Cabinet Secretary for Economy, Energy and Planning

10 November 2025

Draft Budget scrutiny 2026-27

Dear Rebecca,

Given the limited time available for scrutiny of the Welsh Government's draft budget 2026-27, the Committee has agreed to prioritise oral evidence sessions with the Cabinet Secretary for Climate Change and Rural Affairs and the Cabinet Secretary for Transport and North Wales. It has, therefore, agreed to undertake scrutiny of the draft budget for your responsibilities that fall within the Committee's remit via correspondence. As such, we would be grateful for a written response from you to the questions set out in Annex 1.

You will see that several questions relate to the subsidy package for Cardiff Airport. We note from [your letter of 31 October](#) that ongoing legal action in relation to the Welsh Government's investment in Cardiff Airport means it may not be possible for you to respond fully to those questions at this time. We would be grateful for any information you can provide at this time, with a more detailed response following the Competition Appeal Tribunal's judgement.

It would be helpful if you could provide a response as soon as possible, and by 3 December 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 slightly increased from £8.49m to £8.52m, and capital funding has remained the same at £12.4m.

- Can you set out which specific projects and programmes are supported under the green energy BEL? What will the uplift in the resource budget fund?
- What are the resource and capital budget allocations for Trydan Gwyrdd Cymru? What are the specific allocations for each of the three projects announced to date?
- You've [previously stated](#) you expect to see a rise in the number of renewable energy projects successfully bidding for Contracts for Difference. How do allocations under the Green Energy BEL support this?

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 2026-27?

Welsh Government Energy Service (WGES)

The budget for the WGES sits within the Climate Change and Rural Affairs MEG. The resource allocation has increased from £4.17m to £4.25m, and the capital allocation has increased from £22m to £22.2m.

- What is your current assessment of progress towards a net zero public sector by 2030, do you still expect this ambition to be achievable?
- Given that the budget for the WGES sits with the Deputy First Minister and Cabinet Secretary for Rural Affairs, how are you working to ensure alignment with your priorities and to avoid duplication?

National Infrastructure Commission for Wales (NICW)

In previous years, the NICW has been allocated £400,000 from the Planning and Regulation BEL. Following your [review of the Commission](#), you have [stated that](#) “the future role and structure of the commission” will be for a new Welsh Government to consider.

- Can you confirm whether the NICW has been allocated funding for 2026-27, and if so what the total allocation is and where this sits within your budget?
- Whether the [extension to the existing Commissioner’s](#) terms to September 2026 is being funded from any new allocation for 2026-27 or from [underspend in previous years](#).

Maritime Ports and Cardiff Airport

Ports

Your December 2024 paper to us, responding to our questions on the 2025-26 draft budget, highlighted that your budget was supporting development of a Maritime and Ports Strategy, alongside a Freight Strategy - both for publication “before the end of this Senedd term”.

With this in mind, can you:

- provide an update on the development of both strategies; and
- outline how your draft budget allocations will support delivery of these during 2026-27, including details of the relevant BEL(s) and how the allocations are being / will be prioritised to reflect the content of the strategies?

Cardiff Airport

Your [July 2025 statement](#) on Cardiff Airport explained that the long-term strategy for the Airport focuses on “attracting and growing aviation and aerospace businesses linked to the Airport” and “a targeted programme of air service development”. It confirmed your [April statement](#) which indicated £20m of the total subsidy of around £206m had been allocated in the current 2025-26 financial year. We note that the subsidy award details [published on the UK Government website](#) indicate that the subsidy will be managed through two “packages”, which appear to reflect the objectives of the long-term strategy (“attracting non passenger business” and “targeted route development”). We are aware that the subsidy is being challenged in the [Competition Appeal Tribunal](#), and note comments from the Director General for Economy, Energy and Transport [in correspondence to](#) the Public Administration and Public Accounts Committee that “the judgement will not necessarily conclude the matter, as it could be subject to appeal”.

With this in mind, we would be grateful if you could set out:

- how the draft budget allocations within your portfolio will support the development of Cardiff Airport, and specifically delivery of the long-term strategy;
- confirmation of which BEL(s) within your MEG include allocations for the Airport subsidy package;

- details of how the first £20m tranche of the Airport subsidy package, allocated in 2025-26, is being spent, including how this is split between the two “packages”, how it’s impact is being evaluated and how the Airport is being performance managed based on the results of that evaluation;
- details of how the evaluation of the 2025-26 subsidy allocation will inform the approach to the 2026-27 allocation;
- how the 2026-27 allocation will be split between the two packages; and
- in the light of the Director General’s comments, how you are assessing and managing the legal risk to both the subsidy package and the development of the Airport, including your approach to contingency planning.

Planning

Resource funding for the Planning and Regulation Action has increased slightly from £8.91m to £9.02m. The [Detailed Draft Budget Report 2026-2027](#) states that £5.1m is allocated to tackling capacity and delays in the planning system and that investment will continue in a planning service provided by Welsh Government, Natural Resources Wales (NRW) and local planning authorities (LPAs). It also states planning application fees have increased by an average of 50%.

- Is the whole of the £5.1m included within the £9.02m allocated to Planning and Regulation? If not, could you provide a breakdown of where the funding comes from?
- What assessment have you made of the impact of the £5.1m on tackling capacity and delays in the planning system and what are the expected outcomes?
- What actions will be taken within this programme of work?
- How will the £5.1m funding and actions be shared across the Welsh Government Planning Division, Planning and Environment Decisions Wales (PEDW), NRW and LPAs?
- What assessment have you made of the impact of increasing planning application fees by an average of 50% on developers and planning authorities?