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## Response to the Welsh Government 2021-22 Draft Budget

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### Introduction

The Marine Conservation Society (MCS) welcomes the opportunity to respond to the Welsh Government's 2021-22 draft budget.

MCS is the leading UK's leading marine charity. We work to ensure our seas are healthy, pollution free and protected. Our vision is for seas full of life where nature flourishes and people thrive. We have actively been working in Wales to improve the health of Welsh seas for the past 14 years.

Our focus for this response will be in relation to **Environment MEG** spending.

### Changes to the Environment Main Expenditure Group (MEG)

While the Environment MEG has experienced an **increase of over 105% in funding**, we recognise that a significant proportion of this **reflects a change in the source of funding** due to the UK's exit from the EU. This sizeable increase equally **reflects the return of two Budget Expenditure Lines (BELs)** to the Environment MEG - 'Landscape and Outdoor Recreation' and 'Resource Efficiency and Circular Economy.'

Despite this, the Environment MEG has received a **net increase of £33m**, which has been predominantly allocated towards Energy (£5m), Resource Efficiency and Circular Economy (£6.624m) and Agriculture EU Pillar 1 Direct Payments (£6.855m). We are particularly pleased with the funding made available for 'Resource Efficiency and Circular Economy' alongside Welsh Government's commitments to the introduction of a Deposit Return Scheme (DRS), Extended Producer Responsibility (EPR) legislation and additional single-use plastic regulations.

### Moving towards a Circular Economy and waste elimination

While these new allocations are warmly welcomed, the draft budget should seek to include **a more detailed break-down** on how these funds are to be administered across key measures to tackle waste and pollution; namely **the introduction of a deposit return scheme, extended producer responsibility and new single-use plastic regulations**. We are aware that the Circular Economy Fund already contributes £13m to support reuse and repair activities<sup>1</sup>, therefore would be interested to know how this new budget allocation will respond to activities **beyond** repair and reuse in town centres.

### Clarity needed around the Marine and Fisheries BEL

Despite a net increase of £33m into the Environment MEG, **no additional funding has been made available for the 'Marine and Fisheries' BEL**. This is **disappointing** in the context of the Welsh Government's commitments to a Green Recovery and the statement made by the Minister of Finance in-text of this Draft Budget that it is a Government prioritisation "to urgently respond to the Climate Emergency"<sup>2</sup>.

While we understand and fully respect the additional pressures placed on Fisheries following Brexit, we must continue to express concerns surrounding the **disproportionate focus on Fisheries within the 'Marine and Fisheries' Division**. This existing imbalance is further emphasised through the terminology used in

<sup>1</sup> Welsh Government Press Release, November 2020, [£3.5m Circular Economy fund for public bodies to support a green recovery opens](#)

<sup>2</sup> Welsh Government, December 2020, p.ii, [2021-22 Draft Budget Narrative](#)

overarching BEL Action, *Developing and managing Welsh Marine, fisheries and aquaculture including the enforcement of Welsh Fisheries*, whereby no direct reference is made to the environment.

Furthermore, in the recent CCERA scrutiny of the draft budget, the Minister of Environment stated that there was a “lack of legal capacity” to introduce new fisheries legislation to enforce Welsh fisheries<sup>3</sup>. This not only **contradicts the overarching BEL Action** mentioned above, but also has potentially huge ramifications for whether we can move towards sustainable management of Welsh fisheries now that we are no longer EU members. **We would advocate for additional budget allocation to increase legal capacity or a redistribution in legal capacity to work on fisheries matters.**

While the terrestrial environment receives some further breakdown of spending, e.g. ‘Clean Energy’, Radioactivity and Pollution Prevention’ within the Energy division, no similar level of detail is made available for Marine and Fisheries. It would be **highly beneficial if this was revisited** and would in turn ensure sufficient **transparency and Ministerial accountability**. **We would be particularly keen to see the incorporation of a ‘blue recovery’ BEL.**

### **Inclusion of Marine in new Biodiversity Spending**

Despite a lack of new funding for ‘Marine and Fisheries’, new allocations of £3.550m have been made available for ‘Biodiversity, Evidence and Plant Health’ and £11.416m for ‘Landscape & Outdoor Recreation’. As the **Welsh Government has repeatedly identified the marine environment as a key space for outdoor recreation and biodiversity**, we would be interested to find out how these new spending allocations can be applied to activities directly relating to the marine environment.

Within the 2021-22 draft budget, the Minister of Finance stated the allocation of “nearly £80m in additional capital funding to directly support activities that promote decarbonisation and further enhance our rich biodiversity”<sup>4</sup>. Further specification is required as to **how this funding will be fairly distributed between terrestrial and marine environment activities.**

### **Wales’ Green Recovery Commitments**

In consideration of Wales’ commitment to a Green Recovery following the Covid-19 pandemic, it is surprising that **no direct reference is made to a Green Recovery** throughout the 2021-22 Draft Budget Narrative or Improvement Plan. In fact, the absence of a direct referral indicates the contrary; that a Green Recovery is **not being prioritized** in this budget.

Furthermore, it remains unclear on how the Green Recovery extends to the marine environment – a critical exclusion, considering the Welsh marine area is **a third larger** than the Welsh land area. Reference and acknowledgment of a Green **and Blue** Recovery at the least should be included in the Budget narrative and it should be made apparent how the marine environment fits into this.

Thank you for the opportunity to scrutinise the 2021-22 Draft Budget. We hope you find our feedback helpful and if you would like to discuss any points in further detail, please do get in touch.

Yours Sincerely,

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<sup>3</sup> Senedd.tv, CCERA Committee meeting, Agenda #3: [Scrutiny of the Welsh Government Draft Budget 2021-22](#)

<sup>4</sup> Welsh Government, December 2020, p.3, [2021-22 Draft Budget Narrative](#)