

# Report on Legislative Consent Memorandum for the Great British Energy Bill

October 2024

## 1. Introduction

1. On 8 August 2024, the Cabinet Secretary for Economy, Transport and North Wales ('the Cabinet Secretary') laid a Legislative Consent Memorandum for the Great British Energy Bill ('the LCM') before the Senedd.
2. On 17 September 2024, the Business Committee referred the LCM to the Climate Change, Environment and Infrastructure Committee ('the Committee') and the Legislation, Justice and Constitution ('LJC') Committee with a reporting deadline of 15 November 2024.

### Our approach

3. The Committee considered the LCM at its meeting on 3 October 2024.



## 2. The Great British Energy Bill

4. The Great British Energy Bill ('the Bill') was introduced in the House of Commons on 25 July 2024.

### Policy objective

5. According to the Explanatory Notes, the Bill will “*enable the Secretary of State for Energy Security and Net Zero to designate a company as Great British Energy and place it on a statutory footing. Great British Energy will be an operationally independent company wholly owned by the Government. Its objects will be to facilitate, encourage and participate in the production, distribution, storage and supply of clean energy; the reduction of greenhouse gas emissions from energy produced from fossil fuels; improvements in energy efficiency; and measures for ensuring energy security*”.

6. The policy objective of the Bill, as outlined in paragraph 3 of the LCM, is:

*“for the company Great British Energy to drive clean energy deployment, create jobs, boost energy independence, and provide value for the UK taxpayer.”*

7. Paragraph 9 of the LCM also states that the Bill also includes provision for the Secretary of State “to provide financial assistance to the company, to set its strategic priorities, to give it mandatory directions, and in relation to the provision of the company’s annual accounts to the Secretary of State and their laying before Parliament”.

## 3. The LCM

### Provisions for which consent is required

8. According to the Welsh Government, consent is required for the entirety of the Bill (clauses 1 to 8). Further details can be found in paragraphs 13 to 24 of the LCM.

9. The UK Government shares the Welsh Government’s view that the Bill requires the Senedd’s consent.

## Welsh Government's current position on consent

**10.** The Welsh Government has not explicitly stated its reasons for making the provisions for Wales in the Bill. The Welsh Government concludes it is “supportive of legislation to establish GBE to help facilitate and encourage the development of renewable energy projects”. It adds that:

- there is little information on the operational and practical aims of GBE. Wales has already progressed work in this area through Trydan Gwyrdd Cymru which is an already established public energy company developing renewable energy projects in Wales on Welsh Government estate;
- it is seeking further engagement with UK Government on the role of the Welsh Ministers and the Senedd with the Bill; and
- it will provide further updates to the Senedd on the Welsh Government's position in relation to this Bill following further engagement with the UK Government on those matters and the policy intent of GBE.

## Outstanding matters

**11.** After initial consideration of the LCM, the Committee agreed to write to the Cabinet Secretary to request further information on:

- potential duplication of functions of GBE and Trydan Gwyrdd Cymru,
- potential overlap between the remit, aims and operation of GBE, and those of Ynni Cymru, the Welsh Energy Service and Community Energy Wales, and
- the role of the Welsh Ministers and the Senedd in determining the strategic priorities of GBE to the extent that they concern subject matters within the Senedd's legislative competence.

**12.** A copy of the letter can be found at the end of this report.

## Committee's view

At the time of our consideration of this LCM, although the Welsh Government stated its support for the proposed legislation, it was not in a position to recommend that the Senedd give consent to the Bill's provisions. We expect the

Cabinet Secretary to provide an update on discussions with the UK Government before tabling the Legislative Consent Motion associated with the LCM.

The Committee has sought clarification from the Cabinet Secretary on several outstanding matters. These relate mainly to how the GBE will operate alongside existing Welsh bodies and in the context of Welsh Government energy policy.

Firstly, we are concerned about the potential duplication of functions of GBE and Trydan Gwyrdd Cymru and how that would be addressed. We are also concerned that the operation of GBE might potentially impact Trydan Gwyrdd Cymru's ability to deliver its aims successfully.

According to the LCM, the UK Government intends that GBE will be able to provide support to “local authorities and community groups through a variety of mechanisms including, but not limited to equity, loans, grants, insurance, and guarantees”. We have therefore sought clarification from the Cabinet Secretary about whether she considers there to be any potential overlap between the remit, aims and operation of GBE and those of Ynni Cymru, the Welsh Energy Service and Community Energy Wales.

Clause 5 of the Bill (Strategic Priorities and Plans) provides that the Secretary of State must prepare a statement of strategic priorities for GBE. Before making a statement, the Secretary of State must consult with the Welsh Ministers to the extent that the statement concerns subject matters within the Senedd’s legislative competence. Clause 5(7) provides that the duty to consult may be satisfied by consultation carried out *before* the Act comes into force. These consultation provisions, which bypass the Senedd, are not satisfactory. We have sought clarification from the Cabinet Secretary on how the Senedd will be consulted on these matters and how the scrutiny of such statements by the Senedd can be ensured.

Furthermore, we were struck by the lack of involvement of Welsh Ministers in the decision-making process. Given the potential overlap of functions, we are concerned that the Secretary of State is required only to consult the Welsh Ministers, rather than to seek the consent of the Welsh Ministers for any strategic priorities concerning devolved matters.

If it is received in time, we will ensure that the Cabinet Secretary’s response is made available to Senedd members in advance of the debate on the LCM. Until the Welsh Government has provided further information, the Committee

cannot come to a view on whether to recommend to the Senedd that it gives or withholds legislative consent.

Rebecca Evans MS

Cabinet Secretary for Economy, Energy and Planning

7 October 2024

Dear Rebecca,

### Legislative Consent Memorandum for the Great British Energy Bill

You will be aware that the Legislative Consent Memorandum for the Great British Energy Bill has been referred to the Climate Change, Environment and Infrastructure Committee (the Committee) for consideration with a reporting deadline of 15 November 2024.

The Committee considered the LCM at its meeting on 3 October 2024 and agreed I should write to you to seek further information to inform our work.

At the time the LCM was laid, the Welsh Government acknowledged there is overlap between the aims and operation of Great British Energy (GBE) and Trydan Gwyrdd Cymru. It added:

*"given the high-level strategic approach of this Bill and information available currently on GBE in general, it is difficult to determine what the impact may be in terms of the operational application of GBE as a company and potential conflicts of competition with Trydan Gwyrdd Cymru or other aspects of Welsh Government energy delivery functions."*

1. What consideration have you given to the potential duplication of functions of GBE and Trydan Gwyrdd Cymru, and how is this influencing your decision on whether to recommend the Senedd gives consent to the provisions in the Bill?
2. Do you have any concerns that the operation of GBE will impact on the ability of Trydan Gwyrdd Cymru to deliver its aims successfully?



3. What consideration have you given to how the interplay between GBE and Trydan Gwyrdd Cymru will be managed in practice?

4. Are there any circumstances under which you would seek to deliver projects in Wales through GBE and, if so, what would the criteria for doing so be?

According to the LCM, the UK Government intends for GBE to be able to provide support to “local authorities and community groups through a variety of mechanisms including but not limited to equity, loans, grants, insurance, and guarantees”.

4. Can you clarify whether there is any potential overlap between the remit, aims and operation of GBE and those of Ynni Cymru, the Welsh Energy Service and Community Energy Wales?

The LCM states the Welsh Government is supportive of the Bill and GBE in general “but are seeking further engagement with UK Government on the role of Welsh Ministers and the Senedd with the Bill”.

5. Can you provide an update on any such engagement?

Clause 5 of the Bill (Strategic priorities and plans) provides that the Secretary of State must prepare a statement of strategic priorities for GBE. Before making a statement, the Secretary of State must consult with the Welsh Ministers to the extent that the statement concerns subject matters within the Senedd’s legislative competence.

Clause 5(7) provides that the duty to consult may be satisfied by consultation carried out before the Act comes into force.

6. To what extent do you consider it appropriate for the Secretary of State to be required to consult the Welsh Ministers, rather than to seek the consent of the Welsh Ministers for any strategic priorities concerning devolved matters?

7. What involvement have you had in discussions on the proposed strategic priorities for GBE thus far?

8. What role will the Senedd have in scrutinising the statement before it is made if it concerns subject matters within the Senedd’s legislative competence?

Given the timescale the Committee is working towards to report on the LCM, I should be grateful for a response as soon as possible, and by 21 October 2024 at the latest.

Regards,

A handwritten signature in black ink, appearing to read 'Llyr', is centered on a light yellow rectangular background.

Llyr Gruffydd MS,  
Chair, Climate Change, Environment and Infrastructure Committee

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