## Cabinet Secretary for Economy and Transport - draft budget scrutiny

November 2018

## Our approach

- 1. On 22 November 2018, the Committee took oral evidence from the Cabinet Secretary for Economy and Transport, Ken Skates AM, on the draft budget as it relates to the Committee's remit.
- **2.** We also took oral evidence from the Cabinet Secretary for Energy, Planning and Rural Affairs, Lesley Griffiths AM, and the Minister for Environment, Hannah Blythyn AM, on 8 November. The Committee has published a separate report in response to that scrutiny session.

## 1. Decarbonisation and the economy

- **3.** In 2018, the Welsh Government added a new, sixth priority area decarbonisation to its national strategy, Prosperity for All.
- **4.** The Welsh Government has described decarbonisation as being at the heart of its Economic Action Plan<sup>1</sup>. The detailed draft budget proposals indicate that carbon impact is a key factor when allocating capital funding to new projects and priorities.
- **5.** The economic contract is a first-stage requirement that businesses seeking investment from the Welsh Government must demonstrate growth potential, fair work, the promotion of health, and progress in reducing their carbon footprint".<sup>2</sup>.

<sup>&</sup>lt;sup>2</sup> Cabinet Secretary for Economy and Transport's written submission



<sup>&</sup>lt;sup>1</sup> Welsh Government outline budget proposals for 2019-20

- **6.** The second stage requirement is that businesses asking for direct financial support from the newly-established Economy Futures Fund (EFF) will be required to develop proposals that respond and align to at least one of five so-called "Calls to Action", one of which is decarbonisation.
- 7. The Cabinet Secretary wrote to the Economy Infrastructure and Skills Committee on 4 October providing a breakdown of EFF projects by Call to Action. This indicated that no projects had applied under the decarbonisation Call to Action. The Cabinet Secretary told this Committee that two recent awards of funding "applied to decarbonisation". He went on to say that a "significant number of the calls relate to one another".
- **8.** In reference to the extent to which the economic contract and the Calls to Action are monitored and assessed, the Cabinet Secretary said:

"The [economic] contract is designed as a process of conversation in order to ensure that businesses are complying with four key features that drive social inclusion, inclusive growth and future proof economic growth."

**9.** He clarified that "The Calls to Action are those components of our interventions that are monitored" and explained:

"So, if decarbonisation is one of the calls that a business accesses funding through then that will be fully monitored, there'll be performance indicators applied to the grant that we offer and, of course, if there are any shortcomings, then we would seek to recoup part or all of that grant."

#### Our view

This Committee welcomes the inclusion of decarbonisation as a sixth priority area in Prosperity for All. However, we have not seen the change in emphasis we might have expected as a result. We reiterate the comments made in our recent report following draft budget scrutiny of the Cabinet Secretary for Energy, Planning and Rural Affairs' portfolio, that:

"There is little evidence that the inclusion of decarbonisation as the sixth priority in Prosperity for All has informed decisions about budget allocations this year. In next year's draft budget, we expect to see clear evidence of this change and, moreover, it should be evident across Cabinet portfolios".

The Committee is not persuaded that the monitoring arrangements surrounding parts of the Economy Futures Fund are sufficiently robust. We welcome the requirement that businesses seeking investment as part of the economic contract must demonstrate progress in reducing their carbon footprint. However, given that it was described by the Cabinet Secretary as "a process of conversation", it is unclear how robust the process is. We accept that a comprehensive monitoring programme is unlikely to be necessary at this stage of the process. We would nevertheless expect there to be a clear, demonstrable commitment that the business in question has a serious focus on reducing its carbon footprint.

Given that funding awards have been made to 34 businesses, all of which are apparently committed to reducing their carbon footprint, it is somewhat surprising that only two funding awards apply to decarbonisation.

There is a lack of clarity about the number of funding awards that have been made under the decarbonisation Call to Action. We note the Cabinet Secretary's comments that "a significant number of the calls and the applications relate to one another", but it remains unclear how many awards have been made under the decarbonisation Call to Action. Furthermore, it is unclear whether the primary purpose of the awards fall under the decarbonisation Call to Action, or whether these are awards made under other Calls to Action but also relate to decarbonisation.

We also believe the Cabinet Secretary should keep under review the operation of the decarbonisation Call to Action with a view to encouraging more businesses to make use of the funding to reduce their carbon footprint.

**Recommendation 1.** The Cabinet Secretary should clarify how businesses seeking investment as part of the economic contract are required to demonstrate their commitment to reducing their carbon footprint.

**Recommendation 2.** The Cabinet Secretary should provide further information about the awards that have been made under the decarbonisation Call for Action. This should include information about whether the primary purpose of the awards fall under the decarbonisation Call to Action, or whether these are awards made under other Calls to Action but also relate to decarbonisation.

**Recommendation 3.** The Cabinet Secretary should report back to this Committee within the next six months on the uptake of funding under the decarbonisation Call to Action. This should include information on any steps that have been taken to encourage uptake.

#### 1. 1. Decarbonisation by sector

- **10.** Although the UK has made some progress in reducing emissions, Wales has lagged behind, with an average annual increase of 1.4% from 2009-2016. Compared to 1990 levels, Wales's emissions have reduced by 14%. Total emissions in Wales increased by 5% in 2016.
- 11. Under the Environment (Wales) Act 2016, the Welsh Government has moved to a carbon budget based approach to reduce emissions by at least 80% by 2050 compared to 1990 levels. In order to map a clear pathway to meet this aim, the Welsh Government is required to meet statutory interim targets of reductions for 2020 (27%), 2030 (45%), and 2040 (67%).
- **12.** In written evidence, the Cabinet Secretary says that these targets and budgets will "require a fundamental change to at least three major infrastructure networks Power, Transport and Heat".
- **13.** The Welsh Government has recently undertaken a consultation "Achieving our low-carbon pathway to 2030", which sought views on action it should be taking to reduce emissions. The results of the consultation will be used to develop its first Low Carbon Delivery Plan, due to be published in March 2019.
- **14.** Stakeholder views provided to the Committee on the consultation proposals were mixed, with some expressing concern that the actions proposed had not been assessed with regard to their possible economic cost, emission reduction potential, or wider impacts. An official accompanying the Cabinet Secretary emphasised that it was an "early-stage consultation" and said:
  - "I think we were very clear in the consultation that anything that we would then take forward—so, if it was on the transport side in relation to buses or taxis, for instance—we would do a full impact assessment at that particular point. So, this was about looking across the piece rather than looking at individual policy areas in more detail. It was about getting that broad span of, 'This is the ask needed for Wales as a whole'."
- **15.** One of the areas covered within the consultation is the Environmental Protection Scheme (EPS), which is due to end in December 2020. The EPS is a scheme which aims to support the most carbon intensive industries to bring forward investment and installation of technologies that deliver environmental benefits above and beyond the legal minimum required. The Cabinet Secretary said that:

"The EPS has been particularly important in regard to the steel sector. We've been able to support Tata and Celsa with projects designed to cut emissions and improve their efficiency, but there are many other businesses that have benefited from the EPS."

**16.** The Cabinet Secretary said the scheme had been consolidated into the Economy Futures Fund, as this will "enable us to act more flexibly". In response to a query about how awards under the EPS are monitored, the Cabinet Secretary said:

"There's regular monitoring of programmes that have been supported through the EPS, and that will continue with the Economy Futures Fund interventions as well. Account managers will check against delivery whether the conditions that were applied to a grant are being met, and we will recoup any money that is granted to a business if they are not meeting the targets and the objectives associated with their application."

#### Our view

The Committee welcomes the consultation on "Achieving our low-carbon pathway to 2030", which, alongside longer term plans, will inform the delivery plan for the Welsh Government's first carbon budget. Given that the delivery plan will be published in March 2019, we are concerned that the Welsh Government will not have sufficient time to turn the results of that consultation into an effective plan.

We share the concerns of many of our stakeholders that the proposals in the consultation were under-developed. We were pleased to hear the commitment that the plan, when it is published, will be accompanied by a comprehensive assessment of the cost and anticipated impact of each intervention.

We are currently undertaking work on the proposals with a view to influencing the development of first, and future plans. We will be reporting on this matter early in 2019.

We have also addressed this matter in our report on the Welsh Government's Climate Change (Wales) Regulations 2018.

#### 1. 2. Decarbonisation of transport

#### Rail

17. The Cabinet Secretary's written evidence outlined how the new rail contract for Metro and wider Welsh rail services, which had been operational from 14 October, will support decarbonisation of transport:

"The new rail contract reflects our commitment to carbon reduction. Treherbert, Aberdare, Merthyr Tydfil, Coryton and Rhymney lines running north out of Cardiff Queen Street will have 100% electric traction, with the electricity sourced from 100% renewable sources (50% from within Wales). There will be a reduction in carbon emissions of 25% across the whole service by the fifth year as a result of introducing the latest generation of low emission Diesel Multiple Units."

**18.** In reference to the inclusion of carbon reduction targets in the contract, the Cabinet Secretary said:

"Built into the franchise agreement are opportunities at year 5 and year 10 to reset the carbon targets. That could then, if hydrogen trains are mature enough by that stage, enable us to set more stretching targets, which in turn would incentivise the operator and development partners to bring into being hydrogen trains, for example. So, we've designed the contract to be as forward-looking as possible."

#### Bus

- **19.** The Cabinet Secretary's written evidence said that "improving air quality by reducing carbon emissions is a key objective for bus services in Wales". The Low Carbon Vehicle Partnership has indicated that just 2.1% of all Welsh buses are Low Carbon Emission Buses (LCEBs), compared to 11.1% in Scotland and 13.4% in England.
- **20.** The Cabinet Secretary said the Welsh Government would be bringing forward "proposals to reduce the carbon footprint of buses down to zero in 10 years". He said proposals for legislation to reform bus services and taxis would be brought forward before the end of 2018. The Cabinet Secretary said:

"we also recognise that we need to show some real leadership here, and public transport is the place where we can show that leadership, so we've talked about the railway. Buses and taxis are the other component of public transport, alongside active travel, and those are the areas, I think, where the Government is best placed to show

leadership and set some direction, because massive private car ownership is not really in our gift to be able to resolve."

#### Electric Vehicle Charging Points

- **21.** According to statistics from ZapMap, Wales currently has 3.2% of the UK's electric vehicle (EV) charging points.
- **22.** On 11 October 2018, the Cabinet Secretary provided an update on the £2m funding for EV charging points, which formed part of the two year budget agreement with Plaid Cymru (2018-19 and 2019-20). He said the funding would be used towards the creation of a publicly accessible national network of rapid charging points by 2020. The network would be focused on or near the strategic Welsh road network, with a particular emphasis on North-South and East-West journeys. The Cabinet Secretary told the Committee:

"we will be rolling out the development of charging points next year. I think what's important is that we recognise that, as a matter of social inclusion, we shouldn't just push a huge amount of public resource into areas where there may not be market failure very soon—where the market itself would invest—and ignore huge swathes of Wales, rural Wales, for example, where the market won't intervene."

**23.** In relation to the capacity of the grid, the Cabinet Secretary said:

"we also need to consider the condition and the capacity of the grid which...is creaking at the moment. It would struggle to service a significant increase in electric vehicles in Wales."

**24.** An official accompanying the Cabinet Secretary added that:

"we have to start thinking, then... what does that mean in terms of the wider grid infrastructure, and whether there are opportunities...around renewable generation, locally connected into the grid,,, to overcome some of the constraints in those parts of Wales that otherwise might be notspots."

#### Our view

The Committee was pleased to hear the Cabinet Secretary's comments about the "future-proofing" of the rail franchise contract. In particular, we welcome the inclusion of opportunities in the contract at the 5 and 10 year stages to reassess carbon reduction targets. We commend this prudent approach. We welcome the Cabinet Secretary's commitment to bring forward proposals to reduce the carbon footprint of buses down to zero in 10 years. However, given that only 2.1% of all Welsh buses are currently Low Carbon Emission Buses, we believe this could be a significant challenge, which will require a suitably ambitious response. We look forward to scrutinising the proposals in due course.

Finally, on the issue of electric vehicle charging points, we note the Cabinet Secretary's comments about risks arising from using public funds to intervene before the market has had an opportunity to respond to the emerging opportunities. However, we believe that the Welsh Government should continue its work in this area and should focus on those locations that the market is unlikely to be able to address, such as in rural communities.

**Recommendation 4.** The Welsh Government should report back to this Committee within the next six months on progress of the development of an electric vehicle charging point network and its plans for further development in this area.

## 2. Air Quality

- **25.** Parts of Wales have some of the worst air quality in the UK. Cardiff and Port Talbot both have higher particulate matter levels than Birmingham or Manchester, and a road in Caerphilly is the most polluted outside of London. Public Health Wales (PHW) figures show that air pollution contributes to around 2,000 deaths per year in Wales.
- **26.** The Cabinet Secretary's written evidence states that the Welsh Government's updated Wales Transport Strategy is due to be published in May 2020 and will:
  - "include a key focus on moving to lower carbon modes of transport to...reduce the growing number of Air Quality Management Areas which have a strong link to transport related emissions."
- **27.** In its January 2018 report following the scrutiny session with the Cabinet Secretary, the Committee recommended that the updated Wales Transport Strategy should include targets and mechanisms to monitor air quality in Wales, with specific reference to locations such as schools and hospitals. The Cabinet Secretary accepted this in principle.
- **28.** The Cabinet Secretary's written evidence did not confirm how the recommendation will be taken forward. In response to a question on this issue, the Cabinet Secretary said:

"we do recognise that certain areas in our communities are particularly significant in regard to air pollution, and that the individuals are far more susceptible to poorer air quality and the health impacts that that can have. The problem though is that many of the levers that enable us to improve air quality are outside our control. For example, what comes out of the back of a vehicle, we have no control over. We don't have control over the taxes on fuel. We don't have control over the taxing of vehicles. We don't have control in terms of being able to move the entire fleet to electric. And, so, actually, when it comes to the big interventions, we are passive. We have no control over it."

#### 2. 1. Roadside Nitrogen Dioxide Concentrations

- **29.** In February 2018, in a case brought by the environmental group ClientEarth, the High Court ruled that the Welsh Government had failed to meet EU targets to cut air pollution. The ruling placed a legal obligation on the Welsh Government to produce a plan to improve air quality across Wales in line with EU law. In July 2018, the Welsh Government applied to the High Court for an extension, which was granted. The final plan must now be in place by 30 November 2018. The Cabinet Secretary confirmed that the plan would be published in time.
- **30.** As a result of the court case, in April 2018, the Minister for Environment, Hannah Blythyn AM, announced that temporary 50mph speed limits would be introduced in a number of locations where  $NO_2$  levels exceeded limits. The Cabinet Secretary said the Welsh Government would be reporting to the Assembly in the new year on the effectiveness of this intervention.
- **31.** The Cabinet Secretary's written evidence also stated that officials are working with PHW to review evidence on the benefits of introducing 20mph speed limits, including reviewing any improvements in air quality where local authorities have previously implemented 20mph zones.
- **32.** In response to a question about whether there was a plan to introduce an "all-Wales 20mph strategy", which would make 20mph the default speed limit, the Cabinet Secretary said this:

"raises a really interesting point about whether we could apply this on a national basis, and whether that would be more desirable...than encouraging local authorities to make decisions. It's really interesting because I'm looking at economic development increasingly through a regional lens, so I'd welcome committee's view on whether this is something that could perhaps be taken forward on a regional basis."

#### Our view

Our January 2018 report recommended that the updated Wales Transport Strategy should include targets and mechanisms to monitor air quality in Wales, with specific reference to locations such as schools and hospitals. We note the Cabinet Secretary's comments about the limited impact of interventions in non-devolved areas. However, these interventions are within the Welsh Government's competence and could make a significant difference.

We are disappointed that, despite agreeing to the recommendation in principle, it is unclear whether the recommendation will be taken forward. We believe the strategy should address this issue when it is published in May 2020.

We are pleased that the final plan to improve air quality will be in place by 30 November 2018. The Committee will seek regular updates on its impact. We have also commented on air quality in our report on the draft budget as it relates to the Cabinet Secretary for Energy, Planning and Rural Affairs' portfolio.

We would welcome further information from the Welsh Government on the impact on air quality of the introduction of 50mph speed limits in specified locations and its proposals for 20mph limits.

**Recommendation 5.** We reiterate our 2018 recommendation that the updated Wales Transport Strategy should include targets and mechanisms to monitor air quality in Wales, with specific reference to locations such as schools and hospitals. We believe this should also include public parks.

**Recommendation 6.** The Welsh Government should report back to this Committee within 6 months on progress in addressing Roadside Nitrogen Dioxide Concentrations. This should include an assessment of the impact of 50mph limits in specified locations.

**Recommendation 7.** The Welsh Government should report back to this Committee within the next 6 months on its plans in relation to 20mph limits.

## 3. Highway investment

**33.** On 24 July 2018 the Cabinet Secretary wrote to all Assembly Members describing a "Green Corridors on the Welsh Trunk Road Network" initiative. The letter said:

"Initially over a five year period the initiative will deliver a programme of work and activities designed to improve the landscape and environmental quality of the urban and rural transport network, aiming to enhance a sense of place and providing attractive 'gateways' into Wales for our visitors."

**34.** The Cabinet Secretary told the Committee he would like to see the initiative extended across the trunk road network and local roads. He recognised that the costs of this could be challenging, but added:

"I'm in no doubt that if we were to deliver on what I would like to see happen then it would require a not insignificant resource and it would take time as well. But, there's already a maintenance programme that's operated by Welsh Government, the trunk road network and local authorities. It doesn't take much to bake into that the green corridor initiative."

#### Our view

We welcome this initiative in principle. However, it must deliver value for money and result in measurable environmental outcomes. We would welcome further information from the Cabinet Secretary in due course on his ambition to widen this approach across the road network. This should include an assessment of the anticipated costs and the impact arising from the initiative.

**Recommendation 8.** The Welsh Government should report back to this Committee within the next six months on the progress of the "Green Corridors on the Welsh Trunk Road Network" initiative.

### 4. M4 Relief Road

**35.** The Cabinet Secretary's paper makes clear that capital funding is held in central reserves for the M4 relief road project pending the outcome of the public local inquiry and decision by the First Minister on the project (£173.41m in 2019-20 and £215.319m in 2020-21).

#### WelTAG 2017

**36.** Transport proposals developed at either national or local level, and promoted or funded by the Welsh Government, must be appraised using Welsh Transport Appraisal Guidance (WelTAG). The original version of WelTAG was published in

2008. The Welsh Government published an updated version - WelTAG 2017 - in December 2017. WelTAG 2017 was developed with input from the Future Generations Commissioner's office.

**37.** The Cabinet Secretary confirmed that WelTAG 2017 was intended to be a new approach to transport appraisal compared to its predecessor. In reference to monitoring the application of the Guidance, the Cabinet Secretary said that there is a "review group who will be assessing the impact and outcomes of WelTAG 2017". An official accompanying the Cabinet Secretary said that, as yet, "we don't have any schemes that have gone all the way through that [WelTAG 2017] process yet".

#### M4 relief road

- **38.** The Cabinet Secretary has informed this Committee that the M4 relief road ("the Black Route") was assessed under WelTAG 2008 up to the inquiry stage. If it is approved, future assessments will thereafter be undertaken against WelTAG 2017.
- **39.** The Cabinet Secretary issued a written statement in April 2018 announcing that the public local inquiry into the M4 relief road had closed. It also committed to hold "a debate in Government time in the Assembly before a final decision is made by the Welsh Ministers whether to enter into contracts for construction". On 23 October, the Leader of the House, Julie James, said "the debate and vote will be taken into account in final investment decisions" and "it is a binding vote in Government time".
- **40.** The Cabinet Secretary confirmed to this Committee that the vote in the Assembly would "be binding". He said it would be "unimaginable for the Government to ignore what the Assembly says".

#### Our view

We note the Cabinet Secretary's comments that WelTAG 2017 is intended to constitute a new approach to transport appraisal. We also note that WelTAG 2017 will be subject to a review and look forward to receiving further information from the Cabinet Secretary at the earliest opportunity.

We welcome the Cabinet Secretary's confirmation that the Assembly vote on the decision to proceed with the M4 relief road will be binding. **Recommendation 9.** The Welsh Government should report back to this Committee within 6 months on the status of any reviews relating to WelTAG 2017.

# 5. The National Infrastructure Commission for Wales

- **41.** The aim of the Environment (Wales) Act 2016 is to ensure the environment in Wales is managed in a more "proactive, sustainable and joined-up" approach. The Act places a duty on the Welsh Government to promote the resilience of ecosystems and maintain and enhance biodiversity.
- **42.** The State of Natural Resources Report (SoNaRR) found that "all habitats have problems with resilience, with condition being the most frequently poor attribute". The Welsh Government's Natural Resource Policy (NRP) outlines the opportunities, priorities and risks for the Sustainable Management of Natural Resources (SMNR) in Wales, aligning policies with the principles of SMNR as outlined in the Environment Act.
- **43.** The Cabinet Secretary's written evidence described the National Infrastructure Commission as a body that "will provide independent and expert advice on strategic infrastructure needs and priorities" He added that:

"The initial focus will be on decarbonisation and green and blue growth. It will take account of the duties under the Environment (Wales) Act including the sustainable management of natural resources and biodiversity and resilience of ecosystems duty."

**44.** In response to a query about whether the Commission would be subject to the provisions of existing Welsh legislation, such as the Wellbeing of Future Generations or Environment Acts, an official accompanying the Cabinet Secretary said:

"the duties that Welsh Ministers have under the Environment Act, particularly around the sustainable management of natural resources, will apply directly to the commission...So, the duties on Welsh Ministers will apply immediately to the commission, absolutely. So, they will have to frame their work within that context."

#### Our view

The National Infrastructure Commission held its first meeting on 1 November 2018. It is too early, therefore, to consider its impact or effectiveness. There appears, however, to be a question about its governance arrangements and structure. Despite being an independent, arms-length body, requirements and duties placed on Welsh Ministers in relevant legislation will, apparently, directly fall on the Commission, by association. This does not appear compatible with comments about its independent status.

We would be grateful for further clarification of this matter.

**Recommendation 10.** The Welsh Government should clarify the status and governance arrangements of the National Infrastructure Commission. This should include an explanation of how it can be subject to provisions in the Wellbeing of Future Generations Act, despite not being listed as a public body for the purposes of that legislation. It should also explain how the Commissionis subject to the requirements of the Environment (Wales) Act.

**Recommendation 11.** The Well-being of Future Generations (Wales) Act 2015 should be amended to include the National Infrastructure Commission as a public body in Section 6 of that Act.

## 6. Transport for Wales

- **45.** Transport for Wales (TfW) was established in 2015 as a wholly Welsh Government owned subsidiary company limited by guarantee. Its initial purpose was to procure and develop/operate the new Welsh rail franchise and Metro services on the valleys lines a contract subsequently awarded to KeolisAmey in June 2018. "TfWRail" services became operational on 14 October 2018.
- **46.** The Cabinet Secretary made an oral statement to Plenary in January 2018, in which he set out ambitious plans for the organisation to take on a "much wider range of transport functions, similar in nature to the operations of Transport for London". He referred to the development of a business case for its future role.
- **47.** In his January statement the Cabinet Secretary said that the Welsh Government has "for the first time ... committed to a five-year programme of transport capital funding through Transport for Wales for both transport maintenance and new projects".

- **48.** A total of £171.25m of revenue funding has been allocated to TfW in 2019-20, along with capital allocations of £185.22m in 2019-20 and £186.3m in 2020-21.
- **49.** At the time of the scrutiny session with the Cabinet Secretary, two "interim" remit letters had been published (April to June and July to September 2018). The most recent remit letter said:

"The Company's core objectives for the Period should be aligned with the Welsh Government's Programme for Government, Taking Wales Forward 2016-2021, to build a united, connected and sustainable Wales. As an organisation, the Company should be aligned with the Wellbeing Objectives, being ambitious, seeking to engage and connected in its delivery approach as well as the delivery outcomes it will support."

**50.** In reference to the possibility of further functions or duties being conferred on TfW, the Cabinet Secretary told the Committee:

"The business case will be with us in the new year, and then we'll be making a decision about any additional duties and responsibilities that can transfer to Transport for Wales and, indeed, I think it's important to say the sequencing and the timeline for any transfer of functions."

**51.** The Cabinet Secretary described TfW as an "arm's-length body". He said that it would "have to comply with the Well-being of Future Generations Act's well-being objectives". An official accompanying the Cabinet Secretary said that "any duties that are incumbent upon Welsh Ministers will cascade down to Transport for Wales".

#### Our view

Given that the full role and status of TfW is still not settled, it is too early to consider its impact or effectiveness. As for the National Infrastructure Commission, there appears to be a question about its governance arrangements and structure. Despite being an independent, arms-length public body, it will be required to comply with Wellbeing of Future Generations Act, despite not being one of the public bodies listed in that Act.

We would welcome further information from the Cabinet Secretary on this matter.

**Recommendation 12.** The Welsh Government should clarify the status and governance arrangements of Transport for Wales. This should include an explanation of how it can be subject to provisions in the Wellbeing of Future

Generations Act, despite not being listed as a public body for the purposes of that legislation. It should also explain how Transport for Wales is subject to the requirements of the Environment (Wales) Act.

**Recommendation 13.** The Well-being of Future Generations (Wales) Act 2015 should be amended to include Transport for Wales as a public body in Section 6 of that Act.