Agenda - Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith

Lleoliad:

Ystafell Bwyllgora 4 Tŷ Hywel a fideogynadledd drwy Zoom

Dyddiad: Dydd Iau, 11 Rhagfyr 2025

Amser: 09.15

I gael rhagor o wybodaeth cysylltwch a:

Manon George

Clerc y Pwyllgor

0300 200 6565

SeneddHinsawdd@senedd.cymru

Hybrid

Rhag-gyfarfod preifat (09.00-09.15)

Cyfarfod cyhoeddus (09.15-15.30)

1 Cyflwyniadau, ymddiheuriadau, dirprwyon a datgan buddiannau

(09.15)

2 Bil yr Amgylchedd (Egwyddorion, Llywodraethiant a Thargedau Bioamrywiaeth) (Cymru) - Trafodion Cyfnod 2

(09.15-15.30)

Huw Irranca-Davies AS, y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd a Materion Gwledig

Naomi Matthiessen, Prif Swyddog Cyfrifol y Bil ac Arweinydd Polisi ar gyfer Llywodraethiant ac Egwyddorion, Dirprwy Gyfarwyddwr Is-adran Tirweddau, Natur a Choedwigaeth - Llywodraeth Cymru

Alice Teague, Dirprwy Gyfarwyddwr, Adran y Môr a Bioamrywiaeth, Arweinydd Polisi ar gyfer Bioamrywiaeth - Llywodraeth Cymru

Dorian Brunt, Cyfreithiwr Arweiniol, Gwasanaethau Cyfreithiol, Bil yr Amgylchedd (Egwyddorion, Llywodraethiant a Thargedau Bioamrywiaeth) (Cymru) - Llywodraeth Cymru

Senedd Cymru
Welsh Parliament

Bydd y dogfennau sy'n berthnasol i drafodion Cyfnod 2 ar gael ar dudalen we'r Bil.

Cytunodd Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith ar 20 Tachwedd 2025, o dan Reol Sefydlog 26.21, y byddai'r drefn ystyried ar gyfer trafodion Cyfnod 2 fel a ganlyn:

Adrannau 1-8; Atodlen 1; Adrannau 9-10; Atodlen 2; Adrannau 11-28; Atodlen 3; Adrannau 29-43; Atodlen 4; Adrannau 44-45; Teitl Hir.

3 Papurau i'w nodi (15.30)

3.1 Bil Gwasanaethau Bysiau (Cymru)

(Tudalennau 1 - 4)

Dogfennau atodol:

Llythyr gan Ysgrifennydd y Cabinet dros Drafnidiaeth a Gogledd Cymru at Gadeirydd y Pwyllgor Cyllid ynghylch y Memorandwm Esboniadol diwygiedig ar gyfer y Bil Gwasanaethau Bysiau (Cymru)

3.2 Cynllun Masnachu Allyriadau y DU

(Tudalennau 5 - 10)

Dogfennau atodol:

Llythyr gan y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd a Materion Gwledig at y Cadeirydd ynghylch Cynllun Masnachu Allyriadau y DU - 27 Tachwedd 2025

Llythyr ychwanegol gan y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd a Materion Gwledig at y Cadeirydd ynghylch Awdurdod Cynllun Masnachu Allyriadau y DU - 4 Rhagfyr 2025

3.3 Cyllideb Ddrafft Llywodraeth Cymru 2026-27

(Tudalennau 11 - 33)

Dogfennau atodol:

Ymateb gan Ysgrifennydd y Cabinet dros Lywodraeth Leol a Thai at y Cadeirydd ynghylch cyllideb ddrafft Llywodraeth Cymru ar gyfer 2026-27

Ymateb gan Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio at y Cadeirydd ynghylch cyllideb ddrafft Llywodraeth Cymru ar gyfer 2026-27

3.4 Y Pwyllgor Llifogydd ac Erydu Arfordirol, sef 'Yswiriant a Flood Re: Safbwynt Cymru', a'r cynigion cysylltiedig

(Tudalennau 34 - 64)

Dogfennau atodol:

Llythyr gan Gadeirydd Pwyllgor Llifogydd ac Erydu Arfordirol Cymru at y Cadeirydd ynghylch yr adroddiad ar ymgynghoriad y Pwyllgor Llifogydd ac Erydu Arfordirol, sef 'Yswiriant a Flood Re: Safbwynt Cymru', a'r cynigion cysylltiedig (Saesneg yn unig)

3.5 Adfer safleoedd glo brig

(Tudalennau 65 - 83)

Dogfennau atodol:

Llythyr gan y Rhwydwaith Gweithredu Glo at y Cadeirydd ynghylch y cais sy’n gysylltiedig â’r cynllun adfer ar safle Ffos-y-frân (Saesneg yn unig)

Llythyr gan Gyfeillion y Ddaear at y Cadeirydd ynghylch y cais sy’n gysylltiedig â’r cynllun adfer ar safle Ffos-y-frân (Saesneg yn unig)

Llythyr gan Chris ac Alyson Austin at y Cadeirydd ynghylch y cais sy’n gysylltiedig â’r cynllun adfer ar safle Ffos-y-frân (Saesneg yn unig)

3.6 Bioamrywiaeth forol

(Tudalennau 84 - 87)

Dogfennau atodol:

Llythyr gan Gyswllt Amgylchedd Cymru at y Cadeirydd ynghylch darparu adnoddau ar gyfer bioamrywiaeth forol (Saesneg yn unig)

3.7 Grŵp Rhyngweinidogol ar yr Amgylchedd, Bwyd a Materion Gwledig

(Tudalen 88)

Dogfennau atodol:

Llythyr gan y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd a Materion Gwledig at y Cadeirydd ynghylch y Grŵp Rhyngweinidogol ar yr Amgylchedd, Bwyd a Materion Gwledig

4 Cynnig o dan Reol Sefydlog 17.42 (vi) a (ix) i benderfynu gwahardd y cyhoedd o weddill y cyfarfod hwn

(15.30)

Cyfarfod preifat (15.30-16.00)

5 Trafod yr adroddiad drafft ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2026-27

(Tudalennau 89 - 116)

Dogfennau atodol:

Adroddiad drafft ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2026-27 (Saesneg yn unig)

Ken Skates AS/MS
Ysgrifennydd y Cabinet dros Drafnidiaeth a Gogledd Cymru
Cabinet Secretary for Transport and North Wales

Llywodraeth Cymru
Welsh Government

Ein cyf: MA/KSNWT/2789/25

Peredur Owen Griffiths AS
Y Cadeirydd
Y Pwyllgor Cyllid
Senedd Cymru
Caerdydd
CF99 1NA

25 Tachwedd 2025

Annwyl Peredur

Bil Gwasanaethau Bysiau (Cymru) – Memorandwm Esboniadol ac Asesiad Effaith Rheoleiddiol Diwygiedig

Ar ôl cwblhau'r trafodion Cam 2 mewn perthynas â Bil Gwasanaethau Bysiau (Cymru), ac yn unol â Rheol Sefydlog 26.28, mae Memorandwm Esboniadol diwygiedig wedi'i osod i gyfrif am welliannau a wnaed i'r Bil yng Ngham 2 er mwyn adlewyrchu darpariaethau newydd neu ddiwygiedig, neu ddarpariaethau sydd wedi'u dileu.

Hoffwn ddwyn y newidiadau perthnasol sydd wedi'u gwneud i'r Asesiad Effaith Reoleiddiol (RIA) i sylw'r Pwyllgor.

Argymhellion y Pwyllgor

Yn fy llythyr dyddiedig 8 Mawrth, yn dilyn cyhoeddi adroddiad Cam 1 y Pwyllgor, nodais fy ymateb cychwynnol i argymhellion y Pwyllgor. Gallaf yn awr roi rhagor o fanylion yr argymhellion hynny y mae'r RIA wedi'i ddiwygio mewn ymateb iddynt.

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Argymhelliad 2. Mae'r Pwyllgor yn argymell bod Ysgrifennydd y Cabinet: yn rhoi eglurder ynghylch y costau ychwanegol a amcangyfrifir er mwyn cyflawni rhwydwaith dyheadol Trafnidiaeth Cymru, a chynnwys y wybodaeth honno mewn Asesiad Effaith Rheoleiddiol diwygiedig, ar ôl Cam 2.

Mae'r ymadrodd 'Rhwydwaith Uchelgeisiol' wedi'i ddileu a rhoddwyd 'dyheadau ar gyfer gwella gwasanaethau' yn ei le i adlewyrchu'r ffordd y mae gwelliannau rhwydwaith, sy'n parhau i fod yn amodol ar y cyllid fydd ar gael, yn esblygu. Mae eglurhad hefyd wedi'i ychwanegu o gostau posibl gwelliannau dyheadol (gweler Paragraff 8.85), gan gynnwys enghraifft eglurhaol o'r gost. Mae'r diweddariad hefyd yn nodi y bydd penderfyniadau ar gynyddu cilometrau cerbydau i gefnogi dyheadau ar gyfer gwelliannau i'r rhwydwaith bysiau yn cael eu llywio gan waith modelu ar gostau a refeniw yn cael eu gwneud gan TrC wrth i'r cynlluniau ar gyfer y rhwydwaith fynd rhagddynt.

Argymhelliad 3. Mae'r Pwyllgor yn argymell bod Ysgrifennydd y Cabinet: yn egluro sut y pennwyd yr amcangyfrif cost o £187.2 miliwn ar gyfer caffael depos bysiau, gan gynnwys manylion y rhagdybiaethau a wnaed, a chynnwys y wybodaeth honno mewn Asesiad Effaith Rheoleiddiol diwygiedig, ar ôl Cam 2.

Mae paragraff 8.19 wedi'i ddiweddaru gyda manylion ychwanegol sy'n egluro sut amcangyfrifwyd y gost wreiddiol. Roedd hyn yn seiliedig ar ymarfer a gynhaliwyd i nodi nifer y cyfleusterau, a'u math a'u maint, sydd eu hangen ym mhob rhanbarth (gyda chost unedol depos bach, canolig a mawr) a nodir perchnogaeth lawn ar ddepos diesel yn unig. Nodir bod rhai elfennau sensitif ynghlwm wrth gyhoeddi amcangyfrifon cost unedol depos gan fod trafodaethau ynghylch prynu safleoedd yn parhau.

Ychwanegwyd eglurhad hefyd ynglŷn â'r costau ychwanegol sy'n gysylltiedig â'u newid i fod yn ddepos trydan, gan gynnwys cyfeiriad at y rhagdybiaeth mai amcangyfrif y gost fydd £80 miliwn (sydd hefyd yn deillio o gostau unedol depos bach, canolig a mawr). Er bod y gost hon eisoes wedi'i hymgorffori yn y modelau ar gyfer pob opsiwn (Busnes fel Arfer, Partneriaethau Statudol a Diwygio Bysiau), ni fu cyfeiriad penodol ati yn y testun. Mae hyn bellach wedi'i unioni ym Mharagraff 8.19.

Er y cydnabyddir y gall rhai costau uwchraddio ar ôl caffael (fel adnewyddu neu adeiladu adeiladau, seilwaith gwefru cerbydau ac uwchraddio grid) fod yn fwy na'r rhagamcanion cychwynnol, disgwylir iddyn nhw gael eu gwrthbwyso gan weithredwyr sy'n cadw eu perchnogaeth ar rai depos. Yn dilyn ailasesiad o amcangyfrifon costau depo a thrafodaethau gyda TrC ynghylch cynlluniau sy'n esblygu o ran perchnogaeth depos, ystyrir bod yr amlen ariannol gyffredinol a gynhwysir yn yr RIA gwreiddiol, sef amcangyfrif o £178m, yn parhau'n amcangyfrif cywir ar sail y wybodaeth ddiweddaraf sydd ar gael.

Nodir hefyd bod y modelu costau a manteision yn cynnwys tuedd optimistiaeth o 46% a roddir ar ben yr amcangyfrifon hyn, ac a ddefnyddir mewn modelau economaidd i gyfrif am ansicrwydd ynghylch costau seilwaith, ac felly ystyrir bod yr asesiad gwreiddiol yn gadarn ac yn unol ag arfer gorau modelu economaidd.

Argymhelliad 4. Mae'r Pwyllgor yn argymell bod Ysgrifennydd y Cabinet: yn diwygio'r amcangyfrifon cost a nodwyd yn yr Asesiad Effaith Rheoleiddiol yn dilyn y penderfyniad i fwrw ymlaen â phedwar parth masnachfraint, neu fel arall gadarnhau nad oes effaith ar gostau, a chynnwys y wybodaeth honno mewn Asesiad Effaith Rheoleiddiol diwygiedig, ar ôl Cam 2.

Mae eglurhad wedi'i ychwanegu at yr RIA o'r newid o naw parth masnachfraint i bedwar (paragraff 8.48). Mae rhagdybiaethau ar gyfer costau staff rheolaidd yn yr opsiwn diwygio bysiau hefyd wedi'u newid mewn ymateb i argymhelliad y Pwyllgor (ceir crynodeb yn Nhabl A3.2). O ganlyniad, mae'r costau staff rheolaidd (ar ôl y cyfnod pontio cychwynnol) wedi newid o £5.7M i £3.3M (Tabl 8.8). Mae hyn yn effeithio ar holl senarios asesu'r opsiwn diwygio bysiau a'r naratif cysylltiedig, ac mae'r tablau yn yr holl ddogfen wedi'u diweddaru. Yn olaf, ychwanegwyd eglurhad i adlewyrchu bod cost adnoddau staff yn cynnwys cyflog ac ar-gostau.

Argymhelliad 5. Mae'r Pwyllgor yn argymell bod Ysgrifennydd y Cabinet: yn egluro pam y gwnaed rhagdybiaeth i brydlesu'r fflyd bysiau di-allyriadau newydd, gan gynnwys sut yr amcangyfrifwyd y costau, a chynnwys y wybodaeth honno mewn Asesiad Effaith Rheoleiddiol diwygiedig, ar ôl Cam 2.

Ychwanegwyd eglurhad o gostau prynu a lesio bysiau (paragraff 8.81). Er bod manteision ac anfanteision ynghlwm wrth bob opsiwn, mae cyfanswm y costau (gan gynnwys costau gweithredu blynyddol) dros oes cerbyd o dan y ddau opsiwn fwy neu lai yr un faint. At ddibenion modelu, gan nad yw'r proffil prynu cerbydau sy'n ofynnol yn yr opsiwn diwygio bysiau wedi'i ddatblygu'n llawn eto, mae costau prynu bysiau wedi'u cynnwys fel cost amorteiddiedig o fewn y costau gweithredu blynyddol amcangyfrifedig, er y nodir y gall Llywodraeth Cymru yn ymarferol benderfynu prynu bysiau newydd os yw cyllid cyfalaf yn haws ei gael na chyllid refeniw.

<u>Gwelliannau Cam 2</u>

I grynhoi, mae'r diwygiadau yng Ngham 2 i'r RIA fel a ganlyn:

- Eglurhad bod y cyllid presennol ar gyfer cymorth i wasanaethau bysiau yn gyfuniad o gyfraniadau gan Lywodraeth Cymru ac awdurdodau lleol (e.e. paragraff 7.8)
- Mae adran Prosiectau Pathfinder TrC wedi'i diweddaru gyda'r data diweddaraf
- Mae'r gwaith modelu wedi'i adolygu i alinio'r gwerthoedd carbon a ddefnyddir yn senarios 'Methodoleg Polisi Cymru' â gwerthoedd Canolog Tablau TAG (i fod yn gyson â'r rhai a ddefnyddiwyd yn senarios Methodoleg TAG) er mwyn sicrhau cymhariaeth ar draws opsiynau a meysydd polisi eraill. Er bod yr RIA a gyhoeddwyd yn adlewyrchu'r newid hwn, mae'r modelu gwreiddiol bellach wedi'i ddiweddaru, gan arwain at fân ddiwygiadau i'r allbynnau .

Gwnaed newidiadau yng Ngham 2 i'r Memorandwm Esboniadol (gan gynnwys y Nodiadau Esboniadol) i:

- adlewyrchu'r gwelliannau i'r Bil a basiwyd yng Ngham 2; gan gynnwys cyflwyno adrannau newydd i'r Bil a newidiadau dilynol i rifau'r adrannau;

- mewnosod manylion ychwanegol yn yr RIA y cytunais i'w cynnwys yn fy llythyr ymateb i Adroddiad Cam 1 y Pwyllgor Cyllid ar y Bil;

- cynnwys diffiniad o'r 'Mesur Teithio gan Ddysgwyr (Cymru) 2008' yn y rhestr geirfa;

- egluro y bydd gwasanaethau bws lleol yn cael eu sicrhau drwy gontractau, trwyddedau, darpariaeth uniongyrchol, trwy ddarparu rhai mathau eraill o wasanaethau bws sy'n bodoli eisoes, gan gynnwys gwasanaethau trafnidiaeth gymunedol, neu gyfuniad o'r rhain;

- rhoi eglurhad ychwanegol o adran 36 (TUPE) a'r rheoliadau a wneir trwyddi ac a fydd yn angenrheidiol i ddiwygio'r bysiau.

Hoffwn fanteisio ar y cyfle i ddiolch unwaith eto i'r Pwyllgor Cyllid am graffu ar y Bil.

Rwyf wedi anfon copi o'r llythyr hwn at Gadeirydd y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith.

Yn gywir

Ken Skates AS/MS
Ysgrifennydd y Cabinet dros Drafnidiaeth a Gogledd Cymru
Cabinet Secretary for Transport and North Wales

Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: HID-PO-616-25

Llŷr Gruffydd AS
Cadeirydd
Y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith
Senedd Cymru
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Caerdydd
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27 Tachwedd 2025

Annwyl Llŷr,

Rwy'n ysgrifennu atoch i'ch hysbysu bod Awdurdod Cynllun Masnachu Allyriadau'r DU (ETS y DU) (sy'n cynnwys Llywodraeth Cymru, Llywodraeth y DU, Llywodraeth yr Alban a Gweithrediaeth Gogledd Iwerddon), wedi cyhoeddi dau ymateb i ymgynghoriadau ETS y DU heddiw, ac un ymgynghoriad pellach. Ar 25 Tachwedd 2025, cyhoeddodd yr Awdurdod ymateb i Ehangu Cwmpas Cynllun Masnachu Allyriadau'r DU: Ymgynghoriad morol, sy'n ymwneud â chynnwys allyriadau o weithgareddau morol domestig. Ochr yn ochr â'r ymateb hwn, cyhoeddodd yr Awdurdod ymgynghoriad hefyd ar gynnwys allyriadau morol rhyngwladol i gwmpas ETS y DU. Yn dilyn hyn, ar 26 Tachwedd, cyhoeddwyd ymateb i Gynllun Masnachu Allyriadau'r DU: Ymgynghoriad am yr Adolygiad o Ddyraniadau am Ddim. Yn ogystal â hynny, heddiw gosodwyd *Gorchymyn Cynllun Masnachu Allyriadau Nwyon Tŷ Gwydr (Diwygio) 2026* yn y Senedd.

Mae Ymateb yr Awdurdod i'r ymgynghoriad morol domestig yn dilyn cynigion i ddod ag allyriadau morol domestig i mewn i ETS y DU. Mae'n cadarnhau y bydd y cynllun yn berthnasol i longau o 5000 tunnell gros (GT) ac uwch heb drothwy de minimis, gyda phwynt adolygu ar gyfer y trothwy hwn yn 2028. Mae'n esbonio y bydd oedi wrth gynnwys llongau ar y môr tan fis Ionawr 2027 ac y bydd y cynnwys yn cynnwys gostyngiad o 50% yn rhwymedigaethau ildio ETS y DU ar lwybrau rhwng Gogledd Iwerddon a Phrydain Fawr i fod yn gydradd â llwybrau rhwng Gweriniaeth Iwerddon a Phrydain Fawr. Bydd yn darparu eithriad ar gyfer llongau fferi sy'n gwasanaethu ynysoedd a phenrhynoedd yr Alban, ac ar gyfer cychod pysgota, a bydd y rheini yn cael eu hadolygu yn 2028. Bydd y cap cyffredinol ar ddyraniadau ETS y DU yn cynyddu yn unol â'r cynnydd a ragwelir mewn allyriadau o gyflwyno'r sector morol i ETS y DU.

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Mae'r Awdurdod, gan gynnwys swyddogion ledled Llywodraeth Cymru, wedi ymgysylltu'n helaeth â rhanddeiliaid yr effeithir arnynt. Roedd y mwyafrif o blaid y cynigion hyn ac yn cefnogi cynnwys allyriadau morol yn y cynllun. Cynghorodd y Pwyllgor Newid Hinsawdd (CCC) yn erbyn addasu'r cap i gyfrif am allyriadau morol gan eu bod yn pryderu bod nifer y dyraniadau yn y cynllun yn rhy uchel a phris dyraniadau ETS y DU yn rhy isel i sbarduno datgarboneiddio. Fodd bynnag, penderfynodd yr Awdurdod fwrw ymlaen â chynyddu'r cap i gyfrif am allyriadau morol. Mae'r cap yn gyson â Sero Net a byddai'n parhau i fod felly gyda'r dyraniadau ychwanegol ar gyfer allyriadau morol. Dylid gwneud unrhyw benderfyniadau i dynhau'r cap trwy ailosod y cap yn ffurfiol neu drwy fecanweithiau sefydlogrwydd y farchnad. Nid yw dyraniadau yn y cynllun wedi'u neilltuo ar gyfer sectorau ac felly byddai peidio ag ychwanegu dyraniadau i gynnwys yr allyriadau morwrol yn arwain at ostyngiad yn y dyraniadau sydd ar gael i'r sectorau presennol, a fyddai'n cael effaith sylweddol ar gyfranogwyr Cymru. Er bod pris dyraniadau ETS y DU wedi bod yn is na phris dyraniadau ETS yr UE dros y flwyddyn ddiwethaf, mae'n cynyddu'n raddol.

Bydd y newidiadau hyn i'r rheolau yn gofyn am newidiadau i'r ddeddfwriaeth, a fydd yn cael eu gwneud yng Ngorchymyn Cynllun Masnachu Allyriadau Nwyon Tŷ Gwydr (Diwygio) 2026. Ar hyn o bryd bwriedir ei osod yn y Senedd ym mis Ionawr 2026, gyda'r dyddiad dod i rym ym mis Ebrill 2026.

Mae'r ymgynghoriad ar gynnwys allyriadau o weithgarwch morwrol rhyngwladol yn dilyn y cyhoeddiad ar 19 Mai 2025 y bydd y DU a'r UE yn gweithio tuag at sefydlu cyswllt rhwng ETS y DU ac ETS yr UE. Mae'r Ddealltwriaeth Gyffredin [1]yn nodi pwysigrwydd sicrhau nad yw cyswllt yn creu ystumio o ran cystadleuaeth, gyda chyfeiriad penodol y dylai'r cwmpas gynnwys trafnidiaeth forol ryngwladol.

Mae'r ymgynghoriad ar weithgarwch morol rhyngwladol yn cynnig y byddai taith ryngwladol yn cynnwys unrhyw fordaith sydd naill ai'n dechrau neu'n gorffen mewn porthladd yn y DU ac yn ceisio barn ar gynnwys neu eithrio allyriadau o deithiau i ac o diriogaethau dibynnol ar y Goron a Thiriogaethau Tramor. Mae'n cynnig y byddai cyfranogwyr yn monitro ac yn adrodd am 100% o'u hallyriadau nwyon tŷ gwydr ar daith rhwng porthladd yn y DU a phorthladd y tu allan i'r DU. Fodd bynnag, dim ond er mwyn cwmpasu 50% o'u hallyriadau y byddai gofyn i weithredwyr ildio eu dyraniadau. Byddai hyn yn adlewyrchu ymagwedd bresennol yr UE at allyriadau morol rhyngwladol yn ETS yr UE. Mae hefyd yn cynnig bod llongau ar y môr yn cael eu cynnwys, a'i fod yn ofynnol iddynt fodloni'r rhwymedigaethau Monitro, Adrodd a Gwirio (MRV) ac ildio yn ETS y DU. Yn olaf, mae'n cynnig addasu'r cap i gyfrif am allyriadau morol rhyngwladol gan ddefnyddio llwybr cyson sero net diweddaraf y DU fel y nodir yn y Strategaeth Datgarboneiddio Morol.

Bydd yr Awdurdod, gan gynnwys swyddogion ar draws Llywodraeth Cymru, yn ymgysylltu'n helaeth â rhanddeiliaid yr effeithir arnynt i gasglu barn i gefnogi penderfyniadau terfynol ar sut y bydd ETS y DU yn cael ei ehangu. Bydd y diwygiadau hyn i ETS y DU yn gofyn am ddiwygiadau i Orchymyn Cynllun Masnachu Allyriadau Nwyon Tŷ Gwydr 2020 a chyfraith yr UE fel y mae wedi ei chymhwyso i gyfraith ddomestig, felly bydd y Senedd, ynghyd â Seneddau eraill y DU yn cael cyfle i graffu ar y ddeddfwriaeth sy'n rhoi effaith i'n cynlluniau.

Mae Ymateb yr Awdurdod i'r ymgynghoriad Adolygiad o Ddyraniadau Am Ddim yn dilyn cynigion i ddiwygio'r polisi dyrannu am ddim a'i addasu ar gyfer sectorau'r Mecanwaith Addasu Ffiniau Carbon (CBAM), yn dilyn cyhoeddiad Llywodraeth y DU y bydd CBAM yn cael ei gyflwyno yn 2027. Dyraniadau am ddim o lwfansau ETS y DU (a elwir yn ddyraniadau am ddim) yw'r unig bolisi sydd ar waith ar hyn o bryd i liniaru dadleoli carbon. Dadleoli carbon yw allyriadau nwyon tŷ gwydr sy'n cael eu dadleoli wrth i gynhyrchu gael ei symud i wledydd eraill sydd â pholisïau lliniaru newid hinsawdd gwannach. Mae polisi dyraniadau am ddim yn amddiffyn cyfranogwyr ETS y DU rhag y pris carbon llawn trwy

[1] UK-EU Summit - Common Understanding (HTML) - GOV.UK

ddarparu swm o ddyraniadau i gyfranogwyr am ddim. Mae hyn yn arbennig o bwysig i gyfranogwyr Cymru sy'n derbyn lefelau uchel o ddyraniadau am ddim.

Mae Ymateb yr Awdurdod yn cadarnhau y gall gweithredwyr ddewis eithrio data gweithgaredd o'r flwyddyn 2020, neu flynyddoedd 2020 a 2021 (oherwydd effaith Covid-19), o gymariaethau hanesyddol wrth ystyried a yw lefelau gweithgarwch wedi newid. Mae hefyd yn cadarnhau y bydd y meincnodau cyfredol, a ddefnyddir i bennu lefelau dyraniadau am ddim trwy gynrychioli perfformiad y gosodiadau gorau, yn parhau i gael eu defnyddio nes bod meincnodau newydd yr UE 2026 ar gael. Bydd hyn yn darparu'r fframwaith mwyaf cadarn a chynrychioliadol ar gyfer adlewyrchu gwelliannau effeithlonrwydd, cymell datgarboneiddio, a bydd yn cynnal aliniad ag ETS yr UE. Er y bu diddordeb mewn datblygu meincnodau sy'n canolbwyntio ar y DU, nid oedd hynny'n hyfyw oherwydd y cyfyngiadau sylweddol yn y set ddata o osodiadau'r DU. Mewn perthynas â chyflwyno CBAM y DU, mae'r Ymateb yn cadarnhau bod dyraniadau am ddim yn cael eu dileu'n raddol ar gyfer sectorau a gwmpesir gan CBAM y DU yn ystod y cyfnod 2027-2030. Mae hyn yn bwysig er mwyn sicrhau cydlyniant rhwng polisïau dyraniadau am ddim a CBAM sy'n gorgyffwrdd wrth liniaru dadleoli carbon.

Mae'r Ymateb hefyd yn cadarnhau na fydd yr Awdurdod yn bwrw ymlaen â chynigion i ddiwygio'r Rhestr Dadleoli Carbon (CLL), i lefelau haen dyraniadau am ddim yn seiliedig ar lefel y dadleoli carbon, i ddileu dyraniadau am ddim yn raddol ar gyfer sectorau nad ydynt ar y CLL yn gynharach nag a gynlluniwyd ar hyn o bryd, i ystyried mynediad at dechnolegau datgarboneiddio wrth roi dyraniadau am ddim, ac i gymhwyso amodau i dderbyn dyraniadau am ddim. Ni chafodd y cynigion hyn eu symud ymlaen oherwydd diffyg data digonol yn y DU, pryderon ynghylch ychwanegu cymhlethdod ac ansicrwydd a'i gwneud hi'n anoddach i gyfranogwyr gynllunio a buddsoddi mewn gweithgareddau datgarboneiddio, materion cyflawni, a'r awydd i gynnal aliniad ag ETS yr UE tra bod cyswllt yn cael ei archwilio.

Mae'r newidiadau i reolau ar ddata gweithgaredd, meincnodau, a dileu dyraniadau am ddim ar gyfer sectorau a gwmpesir gan CBAM y DU yn gofyn am newidiadau i'r ddeddfwriaeth. Heddiw, gosodwyd y Gorchymyn gerbron y Senedd, a fydd yn caniatáu ar gyfer y newidiadau hyn.

Trwy Gynllun Masnachu Allyriadau'r DU, mae'n rhaid i ni annog datgarboneiddio mewn ffordd nad yw'n rhoi diwydiant Cymru o dan anfantais, ac mewn ffordd sy'n cefnogi llwybrau datgarboneiddio'r diwydiant i fyd sero net. Mae'r cyhoeddiadau hyn a'r Gorchymyn yn cynrychioli cam nesaf hanfodol wrth gynyddu cwmpas ETS y DU a chymhwyso dull mwy ystyriol o ran dyrannu am ddim o fewn ETS y DU.

Rwyf hefyd yn anfon copi o'r llythyr hwn at Gadeirydd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad.

Yn gywir

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Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: HID-PO-629-25

Llŷr Gruffydd AS
Cadeirydd
Y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith
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4 Rhagfyr 2025

Annwyl Llŷr,

Rwy'n ysgrifennu atoch i'ch hysbysu bod Awdurdod Cynllun Masnachu Allyriadau'r DU (ETS y DU) (sy'n cynnwys Llywodraeth Cymru, Llywodraeth y DU, Llywodraeth yr Alban a Gweithrediaeth Gogledd Iwerddon), wedi cyhoeddi dau ymateb i ymgyngoriadau ETS y DU heddiw.

Y cyntaf yw Ymateb yr Awdurdod i'r ymgynghoriad ar ymestyn cap ETS y DU y tu hwnt i 2030[1]. Ers lansio ETS y DU yn 2021, mae'r Awdurdod wedi gweithio i ddatblygu ac ehangu'r Cynllun yn unol ag ymrwymiadau sero net ledled y DU. Mae'r Awdurdod yn bwriadu i'r ETS fod yn gonglfaen i'r dull datgarboneiddio ledled y DU dros y degawdau nesaf. Mae'r ymateb hwn yn cadarnhau penderfyniad yr Awdurdod i ymestyn ETS y DU, gan barhau i sbarduno datgarboneiddio y tu hwnt i 2030 wrth gefnogi diwydiannau yn y trawsnewidiad i sero net erbyn 2050.

Ar hyn o bryd mae Gorchymyn Cynllun Masnachu Allyriadau Nwyon Tŷ Gwydr 2020 yn darparu i ETS y DU weithredu tan ddiwedd y cyfnod masnachu presennol ar 31 Rhagfyr 2030 (Cam I ETS y DU). Er mwyn sicrhau bod ETS y DU yn parhau i weithredu ar ôl 2030, bydd y Cynllun yn cael ei ymestyn i Gam II ETS y DU i ddechrau ar 1 Ionawr 2031. Bydd Cam II ETS y DU yn para am 10 mlynedd rhwng 1 Ionawr 2031 a 31 Rhagfyr 2040. Bydd hyn yn sicrhau bod signalau'r farchnad yn parhau i fod yn gyson â nodau datgarboneiddio hirdymor, gan alluogi cynllunio strategol a buddsoddiad hirdymor mewn datgarboneiddio.

[1] Ymestyn Cap Cynllun Masnachu Allyriadau'r DU y tu hwnt i 2030 - GOV.UK

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Mae'r Awdurdod hefyd wedi penderfynu caniatáu bancio lwfansau[2] rhwng Camau I a II o ETS y DU. Bydd caniatáu bancio rhwng Cam I a Cham II ETS y DU yn ymestyn darpariaethau hyblygrwydd presennol y Cynllun ac yn rhoi mwy o gyfle i gyfranogwyr fanteisio ar opsiynau lleihau tymor hwy.

Ymgysylltodd yr Awdurdod, gan gynnwys swyddogion ledled Llywodraeth Cymru, yn helaeth â rhanddeiliaid yr effeithir arnynt gan gynnwys y Pwyllgor Newid Hinsawdd (CCC), a gefnogodd ymestyn y cynllun a bancio rhwng camau.

Mae'r Ymateb hwn gan yr Awdurdod yn ymwneud ag ymestyn y cynllun y tu hwnt i 2030. Nid yw'n cynnig llwybr penodol ar gyfer Cam II ETS y DU. Cyn deddfu i ymestyn y Cynllun, bydd yr Awdurdod yn ymgynghori ar fanylion proffil cap Cam II manwl. Byddwn yn ceisio ymgynghori eto ar lwybr penodol ar gyfer cap Cam II cyn gynted â phosibl. Bydd y broses ymgynghori yn amlinellu'r sail ddadansoddol ar gyfer yr ystod o lwybrau yr ydym yn eu hystyried, ac effeithiau sy'n dod i'r amlwg o'r llwybrau hynny. Bydd hefyd yn ymgynghori ar adegau adolygu posibl, i sicrhau bod dyluniad a gweithrediad y Cynllun yn cyflawni ein targedau hinsawdd uchelgeisiol, gan gefnogi busnesau i ddatgarboneiddio. Bydd y cap Cam II yn cael ei osod yn ddigon cynnar cyn dechrau Cam II ar 1 Ionawr 2031 i ddarparu'r sicrwydd gofynnol i gyfranogwyr.

Yr ail gyhoeddiad yw Ymateb yr Awdurdod i ymgynghoriad ETS y DU: Polisi Marchnadoedd y Dyfodol[3], a adolygodd bolisi marchnadoedd er mwyn sicrhau bod ETS y DU yn parhau i fod yn addas i'r diben a'i fod yn effeithiol wrth reoli'r risgiau sy'n wynebu cynllun sefydledig sy'n dal i aeddfedu. Mae'r ymateb yn ystyried rhyngweithiadau â'r cyhoeddiad ar 19 Mai 2025 y bydd y DU a'r UE yn gweithio tuag at sefydlu cyswllt rhwng ETS y DU ac ETS yr UE. Mae'n cadarnhau mai dim ond yng nghyd-destun cynllun annibynnol domestig y bydd newidiadau i bolisi marchnadoedd yn berthnasol. Bydd polisi marchnadoedd mewn cynllun cysylltiedig yn cael ei bennu trwy drafodaethau parhaus rhwng yr UE a'r DU.

Mae'r ymateb yn nodi'r penderfyniad i gadw Pris Cadw ar gyfer Arwerthiannau (ARP) a'i ddiogelu rhag chwyddiant. Cyflwynwyd yr ARP yn 2021 ac ar hyn o bryd mae'n gosod isafbris cynnig o £22 mewn arwerthiannau. Mae'r ymateb yn cadarnhau y bydd cynnydd cychwynnol yn seiliedig ar chwyddiant yn 2026 o £22 i £28 gyda chynnydd blynyddol yn seiliedig ar chwyddiant o 2027 ymlaen. Mae hyn yn cywiro'r gostyngiad mewn termau real yr ARP ers iddo gael ei gyflwyno ac yn sicrhau ei fod yn parhau i ddarparu signal o isafswm pris hirdymor i gyfranogwyr y farchnad.

Bydd polisïau marchnadoedd presennol eraill yn cael eu cynnal gan y byddai newidiadau pellach yn gofyn am ddiwygiadau technegol cymhleth a allai gael eu heffeithio gan drafodaethau cysylltu. Mae'r ymateb yn adlewyrchu'r penderfyniadau polisi y mae'r Awdurdod yn eu hystyried yn gymesur i gefnogi marchnad annibynnol effeithiol tra bod trafodaethau i gysylltu ETS yr UE a'r DU yn parhau.

Ymgysylltodd yr Awdurdod, gan gynnwys swyddogion ledled Llywodraeth Cymru, yn helaeth â rhanddeiliaid yr effeithir arnynt gan gynnwys y Pwyllgor Newid Hinsawdd (CCC), a gefnogodd y newidiadau i'r ARP.

Bydd y newidiadau i'r rheolau hyn yn gofyn am newidiadau i Reoliadau Arwerthu Cynllun Masnachu Allyriadau Nwyon Tŷ Gwydr 2021 ("y Rheoliadau Arwerthu"), y bydd Llywodraeth y DU yn mynd i'r afael â hwy yn Rheoliadau Arwerthu Cynllun Masnachu Allyriadau Nwyon

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[2] Mae bancio yn golygu prynu lwfans mewn blwyddyn benodol ar gyfer ildio yn y blynyddoedd dilynol. Mae hyn yn sicrhau y gall lleihau allyriadau ddigwydd ar y gost leiaf, trwy gefnogi cyfranogwyr i fodloni eu rhwymedigaethau prynu ac ildio o dan y Cynllun mor hyblyg â phosibl, gan ddatgarboneiddio eu gweithrediadau pan fydd yn rhataf gwneud hynny.

[3] Cynllun Masnachu Allyriadau'r DU: Polisi Marchnadoedd y Dyfodol - GOV.UK

Tŷ Gwydr (Diwygio) 2026 drwy bŵer galluogi o fewn Deddf Cyllid 2020. Mae'r Rheoliadau Arwerthu yn rhan o fframwaith ETS y DU ac maent yn nodi dyluniad yr arwerthiant, gan gynnwys y pris clirio arwerthiant.

Yn unol â Fframwaith Cyffredin ETS y DU, safbwynt Llywodraeth Cymru ar ETS y DU yw mai'r elfennau ariannol yw'r mecanwaith er mwyn i nod terfynol y system, sef diogelu'r amgylchedd drwy gymell datgarboneiddio, gael ei gyflawni. Gan fod y diwygiad i ostwng y lwfansau arwerthu yn cael ei wneud i'r Rheoliadau Arwerthu, ac nid deddfwriaeth sylfaenol, nid yw Cynnig Cydsyniad Deddfwriaethol yn berthnasol. Mae'r diwygiad yn cael ei wneud gan OS i is-ddeddfwriaeth. Gan nad yw'r OS yn diwygio deddfwriaeth sylfaenol o fewn cymhwysedd deddfwriaethol y Senedd, nid oes angen Memorandwm Cydsyniad OS o dan Reol Sefydlog 30A o Reolau Sefydlog y Senedd. Fodd bynnag, gallaf eich sicrhau y bydd fy swyddogion a'n Gwasanaethau Cyfreithiol yn ymwneud ag adolygu'r gwaith o ddrafftio Rheoliadau Arwerthu Cynllun Masnachu Allyriadau Nwyon Tŷ Gwydr (Diwygio) 2026 a byddaf yn ysgrifennu atoch eto pan fydd yr OS yn cael ei osod, sydd ar hyn o bryd wedi'i anelu at fis Mawrth 2026.

At ei gilydd, rwyf o'r farn bod ETS y DU yn parhau i fod yn ysgogiad polisi dylanwadol iawn ar gyfer cyflawni sero net yng Nghymru a'i fod yn blatfform hanfodol er mwyn annog busnesau i fuddsoddi mewn technolegau datgarboneiddio a'u mabwysiadu. Mae'r cyhoeddiadau hyn yn rhan o ddatblygiadau parhaus i fireinio'r cynllun, gan ein galluogi i greu trefniadau mwy cadarn a fydd yn cymell arloesedd, yn sbarduno gostyngiadau mewn allyriadau, ac yn sicrhau dyfodol gwydn a chynaliadwy i Gymru.

Rwy'n anfon copi o'r llythyr hwn at Gadeirydd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad.

Yn gywir,

Huw Irranca-Davies AS/MS
Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change & Rural Affairs

Jayne Bryant AS/MS
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Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref : PO/JB/00619-25

Llyr Gruffydd AS

Cadeirydd y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith

1 Rhagfyr 2025

Annwyl Llyr

Diolch ichi am eich llythyr dyddiedig 10 Tachwedd ynglŷn â'r gyllideb ddrafft ar gyfer 2026-27 a'r cynnydd o ran datgarboneiddio stoc dai bresennol Cymru. Rwy'n croesawu diddordeb parhaus y Pwyllgor yn y maes pwysig hwn.

Gweler ynghlwm ymateb Llywodraeth Cymru i'ch cwestiynau.

Yn gywir

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YMATEB LLYWODRAETH CYMRU I'R CWESTIYNAU GAN Y PWYLLGOR NEWID HINSAWDD, YR AMGYLCHEDD A SEILWAITH MEWN PERTHYNAS Â CHYLLIDEB DDRAFFT 2026-27 LLYWODRAETH CYMRU.

Rhaglen Cartrefi Clyd

Ym mis Ebrill 2024, gwnaethom lansio cynllun Nyth Cartrefi Clyd sy'n seiliedig ar alw, sef cam cyntaf ein Rhaglen Cartrefi Clyd. Lansiwyd Nyth fel cynllun 7 mlynedd gwerth £30m y flwyddyn i fynd i'r afael â thanwydd tlodi a hefyd gyfrannu'n ystyrlon at ein hymdrechion i ddatgarboneiddio'r sector adeiladau preswyl. O ystyried y newid mewn pwyslais yn yr iteriad newydd o Nyth, mae ymdrechion wedi canolbwyntio ar sicrhau ansawdd wrth gyflawni'r cynllun hwnnw cyn ystyried camau pellach, gan gynnwys cwmpasu mentrau sy'n seiliedig ar ardaloedd.
Rydym yn gweithio gyda chontractwyr Nyth i nodi ymyriadau sy'n seiliedig ar ardaloedd bach y gellir eu cyflawni o fewn cwmpas y contract, megis blociau o fflatiau neu strydoedd o dai teras. Mae nifer o brosiectau eraill ar raddfa fach wedi cael eu cyflawni mewn partneriaeth â landlordiaid cymdeithasol cofrestredig ac awdurdodau lleol. Mae swyddogion bellach wedi dechrau gwaith cwmpasu ar gynllun sy'n seiliedig ar ardaloedd mawr a byddant yn cyflwyno opsiynau i'r weinyddiaeth nesaf.

- **Beth yw'r cyfiawnhad dros gynnydd o 2% yn unig yn y gyllideb gyfalaf o ystyried canfyddiadau ymchwiliad y Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol i dlodi tanwydd nad yw buddsoddiad yn y Rhaglen Cartrefi Cynnes “yn agos at” y lefel sydd ei hangen i gyrraedd targedau tlodi tanwydd?**

Mae cynnydd o 2% oherwydd chwyddiant yn cael ei gymhwyso at bob Prif Grŵp Gwariant sy'n adlewyrchu rhagolygon chwyddiant mis Mawrth y Swyddfa Cyfrifoldeb Cyllidebol ar gyfer 2026-27. Mae hyn yn sicrhau bod pob rhan o Lywodraeth Cymru yn dechrau 2026-27 â'r un lefel o gyllid o leiaf mewn termau real â'r flwyddyn hon. Er y cydnabyddwn bryderon y Pwyllgor ynglŷn â thlodi tanwydd, mae'n rhaid i benderfyniadau ar fuddsoddiadau ychwanegol gael eu hystyried ochr yn ochr â blaenoriaethau croes a fforddiadwyedd cyffredinol o fewn y rhaglen gyfalaf ehangach. Mae'r cynnydd yn cael ei gymhwyso'n gyson at linellau pob cyllideb gyfalaf gyffredinol yn y Prif Grŵp Gwariant, yn unol â'r dull gweithredu y cytunwyd arno ar gyfer Cyllideb 2026-27.

Dim ond dechrau'r broses gyllidebol yw Cyllideb Ddrafft 2026-27 – nid y diwedd. Bydd llawer yn newid rhwng nawr a mis Ionawr pan fydd y Gyllideb Derfynol yn cael ei chyhoeddi. Er bod cynnydd o 2% oherwydd chwyddiant mewn cyllidebau cyfalaf cyffredinol yn y Gyllideb Ddrafft hon yn gadael cyllid heb ei ddyrannu, ein huchelgais ddisyfl yw sicrhau Cyllideb Derfynol sy'n defnyddio'r holl adnoddau sydd ar gael ar gyfer 2026-27 ac yn cefnogi gwasanaethau cyhoeddus rheng flaen.

Nid cynllun Nyth Cartrefi Clyd yw'r unig ateb sydd ar gael yng Nghymru i fynd i'r afael â thanwydd tlodi drwy wella effeithlonrwydd ynni. Mae'n rhedeg ochr yn ochr â'r cynllun Rhwymedigaeth Cwmnïau Ynni, sy'n gweithredu ledled Prydain Fawr ac sy'n cael ei gyllido gan gyflenwyr ynni.

Rydym yn parhau i weithio gyda Chymdeithas Llywodraeth Leol Cymru ac yn hawlio cymaint o gyllid â phosibl i Gymru o gynlluniau ar gyfer Prydain Fawr gyfan ac yn sicrhau bod cymorth ar gael i'r rhai sydd â'r angen mwyaf. Er enghraifft, mae cynllun hyblyg y Rhwymedigaeth Cwmnïau Ynni ar gael ym mhob awdurdod lleol yng Nghymru. Bydd hyn yn sicrhau mynediad eang at y cynllun i aelwydydd ledled Cymru a bod deiliaid tai yng Nghymru yn cael eu cyfran deg o'r cyllid hwn.

- **Beth yw eich amcangyfrif o nifer yr aelwydydd y byddwch yn eu cefnogi drwy'r rhaglen yn 2026-27, a sut y mae hyn yn cymharu â blynyddoedd blaenorol?**

Bydd cynllun Nyth yn anelu at gefnogi'r targed blynyddol a nodir yn y ddogfen bolisi wreiddiol, sef 1500 o gartrefi, gan gydnabod bod y cynllun yn seiliedig ar alw. Mae rhywfaint o gyllid hefyd yn cael ei ddefnyddio i unioni problemau gyda deunydd inswleiddio waliau ceudod a osodwyd yn Arfon. Rydym yn disgwyl i'r cynnydd o 2% yn y gyllideb dalu am gostau uwch am lafur a deunyddiau.

Gwnaed penderfyniad ymwybodol i symud i ddull tŷ cyfan, a pholisi carbon isel yn gyntaf, pan wnaethom lansio'r iteriad hwn o gynllun Nyth. Rydym yn cydnabod bod costau'r dull gweithredu hwn yn uwch ac yn gweithio gyda'n contractwyr i geisio arbedion effeithlonrwydd lle bynnag y bo modd heb effeithio ar ansawdd ein darpariaeth.

Bydd y data llawn ar yr hyn a gyflawnwyd gan Nyth 2024-25 yn cael eu cynnwys yn yr adroddiad blynyddol, y byddwn yn anelu at ei gyhoeddi cyn diwedd y flwyddyn.

Roedd y flwyddyn olaf o'r iteriad blaenorol o Nyth (2023-24) yn cefnogi 4,816 o aelwydydd o gyllideb o £39 miliwn, gan gynnwys dyraniadau atodol. Mae'r data hyn yn cynnwys rhai prosiectau a ddechreuodd yn 2023-24 ac a ddaeth i ben yn ystod 2024-25, ochr yn ochr â dechrau'r cynllun newydd.

- **Sut rydych yn gweithio gydag Ysgrifennydd y Cabinet dros Gyfiawnder Cymdeithasol i gydbwyso'r angen i ddatgarboneiddio cartrefi drwy ôl-osod yn ddyfnach â'r angen brys i ymdrin â thlodi tanwydd?**

  Mae'r contract ag asiant cyflawni Nyth yn gofyn am leihau biliau ynni ac allyriadau carbon ar gyfer pob cartref unigol, a hefyd ar gyfer y cynllun yn ei gyfanrwydd. Argymhellir yr ymyriadau mwyaf costeffeithiol i sicrhau'r manteision deuol hyn.

  Un enghraifft o gydbwyso o'r fath yw ein cytundeb i osod boeleri modern hynod effeithlon yn lle boeleri nwy aneffeithlon o ran ynni lle nad yw pympiau gwres yn ateb addas. Mae hwn yn ymyriad cymharol isel ei gost, ond mae ei effeithiau o ran lleihau carbon a biliau yn sylweddol.

  Mae grŵp llywio cynllun Nyth ar lefel swyddogion yn cynnwys cynrychiolwyr o feysydd Cymunedau a Threchu Tlodi a Newid Hinsawdd. Mae'r grŵp yn monitro cynnydd ac yn cytuno ar unrhyw newidiadau sydd eu hangen i sicrhau canlyniadau deuol y cynllun.

- **A ydych chi'n dal yn fodlon â'r dull presennol o gynyddu'r cap cyllideb fesul aelwyd gan ddarparu ôl-osodiadau dyfnach i nifer is o aelwydydd nag yn y blynyddoedd blaenorol?**

  Mae'r cynllun Nyth newydd yn cwmpasu mesurau effeithlonrwydd ynni effeithlon a fydd yn ei gwneud yn bosibl i bobl wresogi eu cartrefi am gost is. Mae'r mesurau hyn hefyd yn cyd-fynd â thargedau datgarboneiddio Llywodraeth Cymru. Hyd yma, rydym yn hyderus nad ydym wedi gwario'n ormodol ar unrhyw eiddo, a bod ein hymyriadau wedi bod yn rhai costeffeithiol. Rydym yn anelu at gyhoeddi adroddiad blynyddol Nyth 2024-25 cyn diwedd y flwyddyn.

- **Pa effaith fydd gan y dull hwn ar gynnydd tuag at dargedau tlodi tanwydd a newid hinsawdd?**

  Mae cost ynni dipyn yn uwch na chostau cyn yr ymchwydd mewn prisiau a waethygwyd gan ryfel Rwsia yn Wcráin. Mae hyn wedi arwain at sefyllfa lle yr amcangyfrifir bod 25% o aelwydydd yng Nghymru yn byw mewn tlodi tanwydd o gymharu â 14% cyn yr ymchwydd mewn prisiau.

  Po uchaf fo lefel yr ymyriad effeithlonrwydd ynni drwy ôl-osod yn ddyfnach neu ddefnyddio technoleg fel paneli solar ffotofoltaidd, y mwyaf o arian a gaiff ei arbed ar filiau. Mae hyn yn sicrhau ein bod nid yn unig yn rhyddhau pobl o dlodi tanwydd ond yn eu diogelu rhag ysgytwadau ynni yn y dyfodol. Rydym yn gweithio gyda chydgysylltwyr ôl-osod Nyth er mwyn sicrhau bod y gyfres o ymyriadau a awgrymir ar gyfer pob cartref yn sicrhau manteision i'r deiliaid.

Mae'r gwaith modelu a wnaed wrth ddatblygu'r achos busnes yn amcangyfrif y dylai'r ffordd y mae cynllun Nyth yn gweithredu ar hyn o bryd leihau allyriadau carbon deuocsid o gyfanswm o 2.11 miliwn o dunelli dros oes yr asedau a osodir o dan y cynllun; y ffigur hwn yw cyfanswm yr arbedion o osodiadau dros gyfnod 7 mlynedd y cynllun. Bydd yr effaith fwyaf ar allyriadau o adeiladau preswyl yn dod o newid i wresogi carbon isel. Fodd bynnag, mae cost uned trydan yn golygu nad hwn yw'r ateb mwyaf priodol bob amser o safbwynt tlodi tanwydd. Yn yr achosion hyn, mabwysiedir dull gweithredu pragmataidd. Mae'r defnydd o foeleri nwy hynod effeithlon ochr yn ochr ag inswleiddio yn aml yn ateb costeffeithiol i leihau allyriadau a biliau ynni cymaint â phosibl yn y byrdymor i'r tymor canolig. Mae cynnwys systemau solar ffotofoltaidd lle maent yn briodol hefyd wedi galluogi aelwydydd i gynhyrchu eu hynni adnewyddadwy eu hunain, gan gyfrannu at ein diogeledd ynni a'u helpu i reoli eu biliau.

- **A allwch chi roi'r wybodaeth ddiweddaraf am y gwaith i ddatblygu cynllun sy'n seiliedig ar ardaloedd fel rhan o'r rhaglen?**

Mae swyddogion wrthi'n datblygu opsiynau ar gyfer datgarboneiddio o fewn ardaloedd daearyddol, fel dull sy'n ategu cynllun Nyth sy'n seiliedig ar alw. Mae ystyriaethau yn cynnwys dosbarthiad daearyddol tai aneffeithlon o ran ynni, atebion technoleg posibl ac effeithiau ar arbedion maint. Maent hefyd yn ystyried y niferoedd mawr o gynlluniau sy'n seiliedig ar ardaloedd sydd eisoes wedi'u cwblhau drwy Arbed, a gafodd gyllid gan yr UE nad yw ar gael inni mwyach. Bydd opsiynau ynglŷn â chynllun sy'n seiliedig ar ardaloedd yn y dyfodol yn cael eu cyflwyno i'r weinyddiaeth nesaf.

Yn y cyfamser, rydym eisoes wedi cefnogi rhai cynlluniau ag anghenion technegol penodol. Er enghraifft, rydym yn cyllido gwaith ar un o ystadau Ffederasiwn Haearn a Dur Prydain yng Nghaerdydd.

Mae ein Rhaglen Ôl-osod er mwyn Optimeiddio wedi rhoi cyllid i rai landlordiaid cymdeithasol gynnig ôl-osod yn seiliedig ar ardal lle mae niferoedd sylweddol o gartrefi cymdeithasol ochr yn ochr â thai mewn deiliadaethau eraill. Mae'r opsiwn hwn ar gael i unrhyw landlord cymdeithasol pan fyddant yn asesu cynlluniau posibl.

- **A allwch chi gadarnhau lefel unrhyw gyllid canlyniadol Barnett a gafwyd o ganlyniad i fuddsoddiad Llywodraeth y DU yn ei Chynllun Cartrefi Cynnes a sut mae hyn yn cael ei adlewyrchu yn eich cyllideb?**

Nid yw Cynllun Cartrefi Cynnes wedi cael ei gyhoeddi eto, ac edrychwn ymlaen at weld y manylion o ran cyllid ar draws ymyriadau a'r rhaniad rhwng blynyddoedd ariannol bryd hynny.

- **Pa ystyriaeth a roddwyd i glustnodi unrhyw gyllid canlyniadol ar gyfer buddsoddiad yn y rhaglen hon?**

Nid yw Llywodraeth Cymru yn clustnodi cyllid canlyniadol Barnett at yr un diben â'r rhaglen gan Lywodraeth y DU y mae'n deillio ohoni. Er bod newidiadau mewn cyllid yn Lloegr ar gyfer rhaglenni datganoledig yn arwain at addasiadau yn ein grant bloc drwy fformiwla Barnett, nid yw'r newidiadau hyn yn pennu sut y caiff y grant bloc ei wario. Mae penderfyniadau ar ddyrannu cyllideb Llywodraeth Cymru – sy'n cynnwys y grant bloc, trethi datganoledig, a benthyca cyfalaf – yn cael eu gwneud gan Weinidogion Cymru gyda chymeradwyaeth y Senedd. Os bydd achos dros ddefnyddio cyllid canlyniadol at ddibenion tebyg, bydd Gweinidogion Cymru yn ei ddyrannu yn unol â'u blaenoriaethau fel rhan o'r broses gyllidebol briodol.

Mae trechu tlodi tanwydd yn flaenoriaeth i'r llywodraeth hon a byddwn yn ystyried unrhyw gyllid canlyniadol yn ofalus yn y cyd-destun hwn, unwaith y bydd y manylion ar gael.

Datgarboneiddio preswyl ac ansawdd

- **Faint o gyfanswm y cyllid cyfalaf sydd wedi'i ddyrannu i'r Rhaglen Ôl-osod er mwyn Optimeiddio (ORP) ar gyfer 2026-27?**

Nid oes unrhyw benderfyniad wedi cael ei wneud eto. Byddaf yn ystyried cyngor gan swyddogion ac yn gwneud cyhoeddiad maes o law.

- **Sut mae'r ORP yn cael ei werthuso a sut mae hyn yn cael ei ddefnyddio i lywio opsiynau polisi cyn Cyllideb Carbon 3?**

Rydym wedi comisiynu sefydliad ymchwil gymdeithasol i gynnal gwerthusiad ffurfiol o'r Rhaglen Ôl-osod er mwyn Optimeiddio. Mae hyn yn cynnwys ymchwil feintiol ac ansoddol. Mae'r ymchwilwyr yn cynnal dadansoddiad cost a budd o'r rhaglen ac asesiad o gostau a manteision gwahanol becynnau o ymyriadau a ariennir o dan y rhaglen. Ochr yn ochr â'r gwaith hwn, rydym hefyd wedi gwahodd landlordiaid cymdeithasol a'u tenantiaid i gymryd rhan mewn arolwg, cyfweliadau a grwpiau ffocws.

Byddwn yn defnyddio allbynnau'r ymchwil, y bwriadwn eu cyhoeddi yn 2026, i lywio polisïau yn y dyfodol i leihau allyriadau yn ystod Cyllideb Garbon 3 (2026-2030).

Rydym hefyd yn casglu astudiaethau achos i ddangos y manteision y gellir eu sicrhau drwy osodiadau arfer da yn ogystal ag enghreifftiau o brosiectau heriol a'r camau a gymerwyd i oresgyn anawsterau.

- **Faint o aelwydydd sydd wedi cael eu cefnogi gan gynllun Cartrefi Gwyrdd Cymru hyd yn hyn, beth yw gwerth cyfartalog y benthyciad a faint o aelwydydd ydych chi'n amcangyfrif y bydd y cynllun yn eu cefnogi yn 2026-27?**

Mae cynllun peilot Cartrefi Gwyrdd Cymru yn cefnogi aelwydydd perchen-feddianwyr i wella effeithlonrwydd ynni a lleihau allyriadau carbon drwy gyllid fforddiadwy. Ers i geisiadau agor yn ystod hydref 2023, mae 723 o asesiadau ôl-osod wedi cael eu cwblhau, sy'n rhoi'r wybodaeth sydd ei hangen ar aelwydydd i wneud penderfyniadau ynglŷn â buddsoddi. Mae 143 o asesiadau a 110 o geisiadau eraill yn mynd rhagddynt.

Gwerth y benthyciad cyfartalog ar brosiectau hyd yma yw £15,386. Erbyn diwedd blwyddyn ariannol 2025-26, rydym yn disgwyl y bydd tua 1,000 o asesiadau ôl-osod a 230 o brosiectau ôl-osod wedi'u cwblhau. Gyda'r cynnydd o 2% mewn cyllid a gynhwyswyd yng Nghyllideb Ddrafft 2026-27, disgwylir lefelau cyflawni tebyg y flwyddyn nesaf.

Rebecca Evans AS/MS
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio
Cabinet Secretary for Economy, Energy and Planning

Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref MA/RE/2948/25

Llyr Gruffydd AS
Cadeirydd - Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith

2 Rhagfyr 2025

Annwyl Llyr,

Diolch am eich llythyr ynghylch y craffu ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2026-27. Cyhoeddwyd y Gyllideb Ddrafft mewn dwy gam. Cyhoeddwyd crynodeb y Gyllideb Ddrafft 2026-27 (Cam 1) ar 14 Hydref 2025, a manylion y Gyllideb Ddrafft 2026-27 (Cam 2) ar 3 Tachwedd 2025.

Mae'r papur amgaeedig yn rhoi manylion am y cynlluniau ar gyfer yr Economi, Ynni a Chynllunio a nodir yn y Gyllideb Ddrafft, a gwybodaeth ar yr hyn mae'r Pwyllgor wedi gofyn amdani ar feysydd penodol.

Yn gywir

Rebecca Evans

Rebecca Evans AS/MS
Ysgrifennydd y Cabinet dros yr Economi, Ynni a Chynllunio
Cabinet Secretary for Economy, Energy and Planning

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Llywodraeth Cymru
Welsh Government

Y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith

Papur Tystiolaeth ar Gyllideb Ddrafft 2026-27 – Prif Grŵp Gwariant (MEG) yr Economi, Ynni a Chynllunio

26/11/2025

Cynnwys

1. Ynni

Ynni Gwyrdd

Allwch chi nodi pa brosiectau a rhaglenni penodol sy'n cael eu cefnogi o dan y Llinell Wariant yn y Gyllideb (BEL) ynni gwyrdd? Beth fydd y cynnydd yn y gronfa cyllideb adnoddau?

Mae'r Llinell Wariant yn y Gyllideb Ynni Gwyrdd ym Mhrif Grŵp Gwariant yr Economi, Ynni a Chynllunio yn cefnogi'r gwaith o ddatblygu polisïau a rhaglenni sy'n cyfrannu at darged Llywodraeth Cymru, sef cynhyrchu digon o drydan glân o ffynonellau adnewyddadwy i ddiwallu'r hyn sy'n cyfateb i'r galw am drydan yng Nghymru erbyn 2035, a sicrhau bod o leiaf 1.5 GW o gapasiti cynhyrchu ynni adnewyddadwy dan berchnogaeth leol erbyn 2035.

Ar hyn o bryd, mae'r Llinell Wariant yn y Gyllideb Ynni Gwyrdd yn cefnogi'r canlynol:

Timau Cynllunio Ynni Lleol a Chyflawni Ynni Rhanbarthol

Cymru yw'r rhan gyntaf o'r DU i sicrhau darpariaeth genedlaethol Cynlluniau Ynni Ardal Leol (CYAL) system gyfan. Mae Llywodraeth Cymru wedi darparu cymorth i alluogi pob un o'r 22 awdurdod lleol i gynhyrchu CYAL ar gyfer eu hardal, gan sicrhau bod gan bob rhan o Gymru ddarlun clir o'r ffyrdd y gallant ddarparu system ynni lân a dibynadwy.

Mae Llywodraeth Cymru wedi gweithio gyda'r pedwar rhanbarth a'r holl awdurdodau lleol, gan ddefnyddio methodoleg a ddyluniwyd gan Energy Systems Catapult (ESC), a oedd yn gweithredu fel cynghorydd technegol ar draws y rhaglen. Roedd hyn yn sicrhau cysondeb, trylwyredd technegol, a dull systemau cyfan. Mae'r cynlluniau'n ymdrin ag effeithlonrwydd ynni, datgarboneiddio gwres, cynhyrchu ynni adnewyddadwy, a gofynion rhwydwaith, ac maent yn dangos i ba raddau y mae angen newid. Maent hefyd yn cynnig opsiynau ar gyfer cyflawni. Bydd angen rhagor o adnoddau ar y timau rhanbarthol a lleol i ddatblygu prosiectau y gellir buddsoddi ynddynt.

Mae'r Llinell Wariant yn y Gyllideb Ynni Gwyrdd yn ariannu timau cyflenwi ynni rhanbarthol sy'n gyfrifol am oruchwylio a helpu i gyflawni'r cynlluniau ar draws y sector.

Trydan Gwyrdd Cymru

Sefydlodd Llywodraeth Cymru y cwmni datblygu ynni adnewyddadwy cyntaf sy'n eiddo i'r wladwriaeth yn y DU. Mae Trydan Gwyrdd Cymru (Trydan), a sefydlwyd yn 2024, yn gweithio tuag at ddarparu 1GW ychwanegol o ynni glân a gynhyrchir yn adnewyddadwy i Gymru erbyn 2040, gan sicrhau bod mwy o fanteision cynhyrchu ynni yn cael eu cadw yng Nghymru. Yr Is-adran Ynni yw tîm partneriaeth Trydan.

Mae Trydan wedi asesu'r cyfleoedd ar Ystad Goetir Llywodraeth Cymru ac mae ganddo lif o brosiectau posibl, gyda chwech wrthi'n cael eu datblygu. Lansiwyd y tri phrosiect cyntaf ar 10 Gorffennaf 2025 ac mae tîm Trydan nawr yn datblygu asesiadau amgylcheddol manwl, gwaith peirianneg ac ymgysylltu â'r cyhoedd, gan arwain at gyflwyno ceisiadau cynllunio, erbyn 2027 mae'n debyg:

- Fferm Wynt Glyn Cothi, Sir Gaerfyrddin, hyd at 162MW
- Fferm Wynt Clocaenog Dau, Sir Ddinbych, hyd at 132 MW
- Fferm Wynt Carreg Wen, Rhondda Cynon Taf, hyd at 108 MW

Gallai'r safleoedd i gyd gynhyrchu 400 MW o bŵer, gyda'r potensial i gynhyrchu hyd at 400 MW o drydan glân - digon i bweru 350,000 o anghenion trydan cyfartalog blynyddol cartrefi yng Nghymru. Mae hynny tua chwarter cartrefi Cymru.

Bydd safle solar arall ar dir Llywodraeth Cymru yn cael ei gyhoeddi cyn bo hir. Bydd Trydan yn gwmni datblygu ynni adnewyddadwy enghreifftiol, gan gadw gwerth yng Nghymru, gwrando ar gymunedau lleol, a gwella'r amgylchedd lleol.

Gwasanaeth Ynni Llywodraeth Cymru

Mae Is-adran Ynni Llywodraeth Cymru, mewn partneriaeth â'r Is-adran Newid Hinsawdd, yn gweinyddu ac yn darparu Gwasanaeth Ynni Llywodraeth Cymru (WGES). Mae'r Is-adran Ynni yn rheoli'r cymorth i gynlluniau datblygu ynni cymunedol a chymorth strategol i gyflawni'r cynllun ynni.

Mae Gwasanaeth Ynni Llywodraeth Cymru yn darparu cymorth i gymunedau drwy gymorth gan swyddogion datblygu a mynediad at y Gronfa Benthyciadau Ynni Lleol (LEF) a'r Cynllun Grantiau Ynni Lleol (LEG). Sefydlwyd LEF yn 2016 i ddarparu benthyciadau datblygu ac adeiladu i gymunedau ac mae'n cael ei weithredu ar ein rhan gan Fanc Datblygu Cymru. Sefydlwyd LEG yn 2021 i ategu'r LEF, gan nad oes llawer o brosiectau ar raddfa fach yn fasnachol hyfyw. Mae'r grant yn galluogi cyflawni manteision amgylcheddol a chymdeithasol y cynlluniau hyn. Mae'r cynnig cyfun o grant a benthyciad yn darparu cynnig ariannol hyblyg. Mae Grantiau Ynni Lleol, a'r Gronfa Ynni Lleol, yn canolbwyntio'n bennaf ar gefnogi mudiadau cymunedol, mentrau cymdeithasol a modelau perchnogaeth leol.

Ynni Cymunedol Cymru (CEW)

Mae Llywodraeth Cymru yn darparu cyllid grant craidd i Ynni Cymunedol Cymru, sefydliad aelodaeth nid-er-elw sy'n cefnogi ac yn cynrychioli prosiectau ynni cymunedol yng Nghymru. Sefydlwyd Ynni Teg (YT), cangen ddatblygol y bartneriaeth, i weithredu fel datblygwr ar gyfer cymunedau nad ydynt yn gallu datblygu prosiectau eu hunain, yn enwedig mewn ardaloedd mwy difreintiedig. Mae Ynni Cymunedol Cymru yn gweithio ochr yn ochr â Gwasanaeth Ynni Llywodraeth Cymru (WGES) ac Ynni Cymru, gan ddarparu cymorth gwahanol ac ategol i gymunedau. Er bod Gwasanaeth Ynni Llywodraeth Cymru yn darparu cymorth technegol a mynediad at gyllid i grwpiau, a bod Ynni Cymru yn gweithio gyda phrosiectau ar fodelau busnes arloesol, mae Ynni Cymunedol Cymru yn cynrychioli'r sector ac yn ei ddatblygu, gan ddarparu cymorth a her i ddatblygu'r uchelgais ar y cyd.

Cymorth Polisi

Mae'r Llinell Wariant yn y Gyllideb Ynni Gwyrdd yn ariannu'r gwaith o gynhyrchu tystiolaeth, fel yr adroddiadau Cynhyrchu Ynni yng Nghymru a'r Galw am Ynni yng Nghymru, sy'n darparu gwybodaeth am y galw a'r defnydd o ynni ar lefel Cymru.

Mae'r Llinell Wariant yn y Gyllideb Ynni Gwyrdd wedi cael cynnydd o £33,000 yn 2026-27 o'i gymharu â llinell sylfaen ddiwygiedig 2026-27 i gefnogi costau cyfraniadau Yswiriant Gwladol a chyflogau.

Beth yw'r dyraniadau cyllideb adnoddau a chyfalaf ar gyfer Trydan Gwyrdd Cymru?

Y dyraniad refeniw cyffredinol ar gyfer Trydan Gwyrdd Cymru ym mlwyddyn ariannol 2025-26 yw £6,447,268. Rydym yn disgwyl dyrannu lefelau tebyg o gyllid i Trydan ar gyfer blwyddyn ariannol 2026-27. Nid oes dyraniad cyfalaf ar gyfer Trydan ym mlwyddyn ariannol 2026-27 gan fod disgwyl i gyllid ar gyfer y flwyddyn nesaf fod yn refeniw yn unig. Bydd Llywodraeth Cymru yn gweithio gyda Trydan i sicrhau bod y cyllid refeniw hwn yn cael ei ddyrannu'n effeithiol ar draws y portffolio er mwyn gwneud y mwyaf o gynnydd prosiectau yn y gyllideb, yn dibynnu ar anghenion datblygu, mynediad at gadwyni cyflenwi ac adborth gan ymgyngoreion.

Beth yw'r dyraniadau penodol ar gyfer pob un o'r tri phrosiect a gyhoeddwyd hyd yma?

Mae'r tri phrosiect a gyhoeddwyd hyd yma yn rhan o bortffolio mwy o ddatblygiadau posibl y mae Trydan yn eu harchwilio. Gan adlewyrchu'r gwaith ehangach hwn a bod costau datblygu prosiectau yn fasnachol sensitif, nid yw'n briodol cyhoeddi costau manwl ar lefel prosiect ar hyn o bryd.

Rydych chi wedi dweud o'r blaen eich bod yn disgwyl gweld cynnydd yn nifer y prosiectau ynni adnewyddadwy sy'n gwneud cais llwyddiannus am Gontractau Gwahaniaeth. Sut mae dyraniadau o dan y BEL Ynni Gwyrdd yn cefnogi hyn?

Nid yw'r Llinell Wariant yn y Gyllideb Ynni Gwyrdd yn ariannu prosiectau sy'n gwneud cais am Gontractau Gwahaniaeth yn uniongyrchol. Mae prosiectau sy'n dewis mynd ar drywydd Contractau Gwahaniaeth yn gwneud hynny'n annibynnol ar gymorth ariannol neu gymorth gan Lywodraeth Cymru. Fodd bynnag, mae'r Llinell Wariant yn y Gyllideb Ynni Gwyrdd yn ariannu Bargen y Sector Ynni Adnewyddadwy, y mae Llywodraeth Cymru yn gweithio arni gyda datblygwyr ynni adnewyddadwy a rhanddeiliaid eraill, i ddatblygu dull gweithredu ar y cyd ar gyfer darparu ynni adnewyddadwy yn fwy syml a buddiol yng Nghymru.

Ynni Cymru

Sut mae dyraniadau'r gyllideb yn adlewyrchu uchelgais Llywodraeth Cymru i 1 GW o gapasiti cynhyrchu ynni adnewyddadwy fod dan berchnogaeth leol erbyn 2030?

Mae'r targedau a bennwyd gan Lywodraeth Cymru ar gyfer 1 GW o gynhyrchu dan berchnogaeth leol yn agos at gael eu cyflawni, a dyna pam mae Llywodraeth Cymru wedi cynyddu'r uchelgais i 1.5 GW erbyn 2035. Roedd adroddiad diwethaf Cynhyrchu Ynni yng Nghymru, gan ddefnyddio data 2023, yn nodi bod 899 MW o gynhyrchu trydan a gwres dan berchnogaeth leol yng Nghymru. Mae cefnogaeth Gwasanaeth Ynni Llywodraeth Cymru, Ynni Cymru ac Ynni Cymunedol Cymru, ochr yn ochr â gwaith caled perchnogion prosiectau lleol, i gyd yn cyfrannu at gyflawni'r targed hwn.

Faint o brosiectau ynni adnewyddadwy cymunedol ydych chi'n bwriadu eu cefnogi drwy Ynni Cymru yn 2026-27?

Mae Llywodraeth Cymru wedi cynnig cymorth i 48 o brosiectau ynni lleol clyfar newydd yn 2025-26 drwy Ynni Cymru. Y nod yw y byddai Llywodraeth Cymru yn gallu cefnogi nifer tebyg o geisiadau o ansawdd uchel yn 2026-27.

Gwasanaeth Ynni Llywodraeth Cymru (WGES)

Beth yw eich asesiad presennol o gynnydd tuag at sector cyhoeddus sero net erbyn 2030, ydych chi'n dal yn disgwyl cyrraedd yr uchelgais hwn?

Mae datgarboneiddio'r sector cyhoeddus yn dal yn un o brif flaenoriaethau Llywodraeth Cymru. Mae uchelgais Sero Net 2030 wedi ysgogi dulliau gweithredu ac arweinyddiaeth sylweddol ar draws cyrff cyhoeddus, gan sbarduno newid systematig a manteision mesuradwy ar draws yr ystâd, y fflyd a defnydd tir. Mae'r cynnydd hyd yma yn dangos yr hyn y gellir ei gyflawni i eraill ledled Cymru, modelu rôl a dylanwadu ar newid ehangach yn ogystal â meithrin gallu a chapasiti'r farchnad.

Rydym wedi ymrwymo o hyd i wireddu'r uchelgais hon drwy fentrau fel Gwasanaeth Ynni Llywodraeth Cymru ac rydym yn parhau i gydweithio â'r sector cyhoeddus. Rydym yn edrych ymlaen at ganfyddiadau adroddiad dilynol Archwilio Cymru y flwyddyn nesaf ar Baratoi'r Sector Cyhoeddus ar gyfer Carbon Sero Net erbyn 2030 er mwyn cyfrannu at ein gwaith cynllunio yn y dyfodol.

Gan mai'r Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Faterion Gwledig sy'n gyfrifol am gyllideb Gwasanaeth Ynni Llywodraeth Cymru, sut yr ydych yn gweithio i sicrhau cysondeb â'ch blaenoriaethau ac osgoi dyblygu?

Rwy'n gweithio'n agos iawn gyda'r Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd i gysoni ein gweithgareddau ar draws ein portffolios. Mae ein hadrannau priodol yn gweithio mewn partneriaeth i gytuno ar flaenoriaethau cyflawni Gwasanaeth Ynni Llywodraeth Cymru i sicrhau bod ein blaenoriaethau'n cyd-fynd ac i osgoi unrhyw risg o ddyblygu.

Comisiwn Seilwaith Cenedlaethol Cymru (NICW)

Yn yr un modd â blynyddoedd blaenorol, dyrannwyd £400,000 i NICW o'r BEL Cynllunio a Rheoleiddio. Yn dilyn eich adolygiad o'r Comisiwn, rydych wedi datgan mai Llywodraeth newydd Cymru fydd yn ystyried "rôl a strwythur y comisiwn yn y dyfodol".

A allwch gadarnhau a ddyrannwyd cyllid i NICW ar gyfer 2026-27, ac os felly, beth yw cyfanswm y dyraniad a ble mae hyn o fewn eich cyllideb?

Ar gyfer blwyddyn ariannol 2026-27, mae cyllideb NICW yn parhau i gael £400,000, wrth aros am ganlyniad penderfyniadau ynghylch dyfodol y Comisiwn sy'n cael eu gwneud gan Lywodraeth nesaf Cymru. Mae hyn yn rhan o MEG yr Economi, Ynni a Chynllunio, fel rhan o'r gyllideb Gwariant Cynllunio a Rheoleiddio, BEL 2250.

A yw'r estyniad i delerau'r Comisiynydd presennol hyd at fis Medi 2026 yn cael ei ariannu o unrhyw ddyraniad newydd ar gyfer 2026-27 neu o danwariant mewn blynyddoedd blaenorol.

Mae'r gyllideb o £400,000 a ddyrannwyd yn y BEL Gwariant Cynllunio a Rheoleiddio 2250 ym mlwyddyn ariannol 2026-27 yn cynnwys ffioedd Comisiynwyr fel y mae wedi'i wneud ers i NICW gael ei adnewyddu ym mlwyddyn ariannol 2021-22.

2. Porthladdoedd a Meysydd Awyr

Porthladdoedd

Roedd eich papur i ni ym mis Rhagfyr 2024, a oedd yn ymateb i'n cwestiynau ar gyllideb ddrafft 2025-26, yn tynnu sylw at y ffaith bod eich cyllideb yn cefnogi'r gwaith o ddatblygu Strategaeth Forol a Phorthladdoedd, ochr yn ochr â Strategaeth Cludo Nwyddau - i'w cyhoeddi "cyn diwedd tymor y Senedd hon". Gyda hyn mewn golwg, allwch chi: roi'r wybodaeth ddiweddaraf am ddatblygiad y ddwy strategaeth;

Rydym yn cydnabod bod y cynllun yn hwyr, ond gyda phorthladd Caergybi yn cau ychydig cyn y Nadolig y llynedd a'i effaith glir ar y diwydiant, roedd yn hanfodol ein bod yn ymateb i'r flaenoriaeth honno ac yn aros am gasgliad Ysgrifennydd y Cabinet dros Drafnidiaeth a Thasglu Môr Iwerddon Gogledd Cymru (a sefydlwyd fel ymateb i'r cau hwnnw) cyn dechrau ar y cynllun hwn. Daeth chweched cyfarfod a chyfarfod olaf y tasglu, i ystyried a chytuno ar argymhellion y Tasglu, i ben ar 20 Tachwedd. O ganlyniad i dasglu Môr Iwerddon ac adroddiad y Ddadl ar Bwyllgor yr Economi, Masnach a Materion Gwledig: **Difrod Storm a Chau Porthladd Caergybi - Darganfyddiadau Cychwynnol ym mis Gorffennaf**, daeth yn amlwg y byddai'n well gan randdeiliaid weld y Llywodraeth yn cyhoeddi cynllun cludo Nwyddau a logisteg ar y cyd, yn ogystal â strategaeth porthladdoedd a morol. O ganlyniad, un o brif argymhellion Tasglu Môr Iwerddon yw bod Llywodraeth Cymru yn cyhoeddi set o flaenoriaethau ar gyfer cynllun porthladdoedd a morol, cludo nwyddau a logisteg, cyn diwedd tymor y Llywodraeth i baratoi ar gyfer y llywodraeth nesaf. Fel rhan o'r gwaith hwnnw, bydd hefyd yn sefydlu cyngor cludo nwyddau ac ymarfer mapio arosfannau lorïau ar gyfer Cymru, a gyhoeddir yn y flwyddyn newydd.

Mae'r gwaith paratoi ar gyfer y cynllun eisoes wedi dechrau. Mae Ysgrifennydd y Cabinet dros Ogledd Cymru a Thrafnidiaeth a minnau wedi cytuno ar gwmpas drafft ar gyfer y gwaith, yn dilyn ymgynghoriad mewnol. Mae'r cwmpas yn cael ei fireinio ar hyn o bryd yn dilyn ymgynghoriad allanol ac adborth gan randdeiliaid allweddol. Bydd y ddogfen gwmpasu hon wedyn yn cael ei datblygu'n set o flaenoriaethau. Cyn diwedd tymor y Llywodraeth, byddwn yn cyhoeddi'r set hon o flaenoriaethau ar gyfer y cynllun porthladdoedd a morol, cludo nwyddau a logisteg, i baratoi ar gyfer y Llywodraeth nesaf.

Bydd y ddogfen a gyhoeddir yn galluogi'r Llywodraeth nesaf i weld yn glir beth yw blaenoriaethau'r sector a gallu eu symud ymlaen wrth i'r gwaith paratoi gael ei wneud.

Rydym hefyd wedi cytuno â'r argymhelliad i gyflwyno'r gwaith o greu Cyngor Logisteg newydd yng Nghymru a chomisiynu ymgynghorwyr i fapio cyfleusterau presennol ar ochr y ffordd a lleoliadau parcio Cerbydau Nwyddau Trwm (HGV) sy'n cael eu defnyddio'n aml yng Nghymru.

Ar hyn o bryd rydym yn datblygu rhywfaint o waith paratoi ar gyfer ffurfio Cyngor Logisteg Cymru. Rydym yn gweld Cyngor Logisteg Cymru fel dilyniant naturiol i'r tasglu hwn. Rydym yn disgwyl y bydd hyblygrwydd a modd gwneud newidiadau i'r aelodaeth hyd yn oed ar ôl y cyfarfod cyntaf. Mae cylch gwaith y Cyngor yn debygol o fod yn eang felly mae hyblygrwydd yn allweddol. Gobeithiwn allu rhoi'r wybodaeth ddiweddaraf i'r Pwyllgor am yr aelodaeth yn fuan.

Amlinellwch sut bydd eich dyraniadau cyllideb drafft yn cefnogi'r gwaith o gyflawni'r rhain yn ystod 2026-27, gan gynnwys manylion y BEL(s) perthnasol a sut mae/bydd y dyraniadau'n cael eu blaenoriaethu i adlewyrchu cynnwys y strategaethau?

Ni ellir mesur dyraniad cyllid ar gyfer datblygu'r cynllun porthladdoedd a morol, cludo nwyddau a logisteg yn llawn ar hyn o bryd, nes ein bod wedi cwblhau cwmpas y gwaith yn dilyn adborth allanol. Rydym wedi cytuno ar set o flaenoriaethau a chostau cysylltiedig i ddatblygu'r cynllun. Bydd hyn yn cael ei drosglwyddo i'r Llywodraeth nesaf i'w ystyried, gan fwrw ymlaen â'r cynllun a dyrannu'r gyllideb ar gyfer ei ddatblygu'n llawn. Bydd y gwaith o fapio gwariant presennol ar gyfleusterau ochr y ffordd o hyd at amcangyfrif uchafswm o £100,000 heb gynnwys TAW, ar gyfer blwyddyn ariannol 2025-26, yn dod gan Ysgrifennydd y Cabinet dros Drafnidiaeth a chyllideb refeniw bresennol Gogledd Cymru ar gyfer BEL 1883 Cysylltedd Cenedlaethol a Rhyngwladol yn y MEG Trafnidiaeth.

Cyfanswm y gyllideb refeniw ar gyfer BEL Cysylltedd Cenedlaethol a Rhyngwladol 1883 yw £4.1m ym mlwyddyn ariannol 2025-26. Bydd unrhyw waith ymgynghori ychwanegol heb ei feintioli sydd ei angen rhwng nawr a chyhoeddi'r set o flaenoriaethau yn cael ei ddyrannu o'r BEL hwn. Bydd hyn yn parhau i gael ei fonitro yn ystod gweddill blwyddyn ariannol 2025-26.

Maes Awyr Caerdydd

Sut y bydd dyraniadau'r gyllideb ddrafft yn eich portffolio yn cefnogi datblygu Maes Awyr Caerdydd, ac yn benodol cyflawni'r strategaeth hirdymor?

Bydd dyraniadau'r gyllideb ddrafft ar gyfer blwyddyn ariannol 2026-27 yn cefnogi'r maes awyr drwy ddenu a thyfu busnesau hedfan ac awyrofod sy'n gysylltiedig â'r Maes Awyr, a chefnogi rhaglen wedi'i thargedu o ddatblygu gwasanaethau awyr, gan ganolbwyntio ar gysylltedd teithwyr â nifer fach o ganolfannau awyr byd-eang a chanolfannau economaidd sydd o bwys i Gymru.

Cadarnhad o ba BEL(s) yn eich Prif Grŵp Gwariant sy'n cynnwys dyraniadau ar gyfer pecyn cymhorthdal y Maes Awyr?

Bydd BEL 1240 Maes Awyr Rhyngwladol Caerdydd o fewn MEG yr Economi, Ynni a Chynllunio yn cael ei defnyddio i ddarparu dyraniadau ar gyfer pecyn cymhorthdal y Maes Awyr.

Manylion ynghylch sut mae cyfran gyntaf pecyn cymhorthdal gwerth £20m y Maes Awyr, a ddyrannwyd yn 2025-26, yn cael ei gwario, gan gynnwys sut mae hyn yn cael ei rannu rhwng y ddau "becyn", sut mae ei effaith yn cael ei gwerthuso a sut mae perfformiad y Maes Awyr yn cael ei reoli ar sail canlyniadau'r gwerthusiad hwnnw?

Mae'r Maes Awyr wedi darparu rhagolwg dangosol i ni ar gyfer sut bydd cyfran gyntaf pecyn cymhorthdal y maes awyr, a ddyrannwyd ym mlwyddyn ariannol 2025-26, yn cael ei gwario, gan gynnwys sut mae hyn yn cael ei rannu rhwng y ddau becyn.

- Dyrannwyd £17.2m ar gyfer buddsoddiadau cyfalaf o dan: Pecyn 1: Datblygu a gwella busnes nad yw'n ymwneud â theithwyr,
- Dyrannwyd £2.8m ar gyfer buddsoddiad refeniw o dan; Pecyn 2: Datblygu llwybrau awyr masnachol i deithwyr.
- Mae telerau'r cytundeb grant ar gyfer y pecyn buddsoddi yn ei gwneud yn ofynnol i'r Maes Awyr ddarparu adroddiad ariannol, bob chwe mis, i gynnwys ond heb fod yn gyfyngedig i fanylion eu gwariant gwirioneddol o'r cyllid ar gyfer y 6 mis blaenorol ar gyfer Pecyn 1: Datblygu a gwella busnes nad yw'n ymwneud â theithwyr, a Phecyn 2: Datblygu llwybrau awyr masnachol i deithwyr. Defnyddir yr wybodaeth hon i werthuso sut mae'r cyllid yn cael ei ddefnyddio a'r cynnydd cyffredinol tuag at y targedau a nodir yn y cytundeb grant.
- Nid ydym wedi derbyn nac arfarnu adroddiad chwech misol cyntaf y maes awyr eto.

Manylion ynghylch sut bydd gwerthuso dyraniad cymhorthdal 2025-26 yn llywio'r dull gweithredu ar gyfer dyraniad 2026-27.

Mae'r cytundeb grant yn cynnwys proffil talu dangosol ar gyfer y pecyn buddsoddi dros y 10 mlynedd nesaf. Bydd dyraniad blynyddol y gyllideb yn cael ei fonitro'n agos fel rhan o adroddiadau monitro chwech misol y maes awyr. Mae gennym hawl i adolygu telerau ac amodau cytundeb grant y maes awyr o bryd i'w gilydd ac ystyried unrhyw amrywiadau angenrheidiol a/neu resymol neu ofynion ychwanegol, a gall y rhain gynnwys addasiadau i ddyraniadau'r gyllideb flynyddol.

Sut bydd dyraniad 2026-27 yn cael ei rannu rhwng y ddau becyn?

Penderfynir ar hyn unwaith y byddwn wedi gwerthuso adroddiad chwe-misol cyntaf y maes awyr pan fyddant yn cynnwys manylion eu gwariant tybiedig o'r cyllid am y 6 mis nesaf wedi'i rannu rhwng y ddau becyn.

Yng ngoleuni sylwadau'r Cyfarwyddwr Cyffredinol, sut rydych chi'n asesu ac yn rheoli'r risg gyfreithiol i'r pecyn cymhorthdal ac i ddatblygiad y Maes Awyr, gan gynnwys eich dull o gynllunio wrth gefn?

Rwy'n cydnabod y bydd gan aelodau'r Pwyllgor lawer o gwestiynau ynghylch y goblygiadau i ddyfodol y Maes Awyr sy'n deillio o'r her gyfreithiol hon. Fodd bynnag, gan fod Llywodraeth Cymru bellach mewn proses ymgyfreitha, bydd Gweinidogion yn gyfyngedig o ran yr hyn y gallant ei ddarparu i'r Senedd a'i Phwyllgorau o ran diweddariadau ac ymatebion i gwestiynau. Mae'n hanfodol i ni adael i'r broses gyfreithiol annibynnol fynd rhagddi mewn trefn briodol. Mae hyn yn cyd-fynd â sylwedd canllawiau'r Senedd ar baratoi tystiolaeth ysgrifenedig.

Byddaf yn ymateb i gwestiwn sydd heb ei ateb gan y Pwyllgor ac yn rhoi'r wybodaeth ddiweddaraf i'r Senedd ar wahân pan fydd gennym eglurder ynghylch canlyniad yr her.

Cynllunio

Mae'r cyllid adnoddau ar gyfer y Cam Gweithredu Cynllunio a Rheoleiddio wedi cynyddu ychydig o £8.91m i £9.02m. Mae Adroddiad Manwl y Gyllideb Ddrafft 2026-2027 yn datgan bod £5.1m yn cael ei ddyrannu i fynd i'r afael â chapasiti ac oedi yn y system gynllunio ac y bydd buddsoddiad yn parhau mewn gwasanaeth cynllunio a ddarperir gan Lywodraeth Cymru, Cyfoeth Naturiol Cymru ac awdurdodau cynllunio lleol. Mae hefyd yn datgan bod ffioedd ceisiadau cynllunio wedi cynyddu 50% ar gyfartaledd.

A yw'r £5.1m i gyd wedi'i gynnwys yn y £9.02m a ddyrannwyd i Gynllunio a Rheoleiddio? Os na, a allech roi dadansoddiad o ble y daw'r cyllid?

Mae'r cyllid ychwanegol a ddarparwyd yn 2025-26 i fynd i'r afael â chapasiti ac oedi yn y system gynllunio wedi cael ei ymgorffori yng nghyllideb sylfaenol 2026-27 o £9.02m.

Pa asesiad yr ydych wedi'i wneud o effaith y £5.1m ar fynd i'r afael â chapasiti ac oedi yn y system gynllunio a beth yw'r canlyniadau disgwyliedig?

Mae'r cyllid a ddyrannwyd fel rhan o'r Gyllideb Ddrafft hon wedi cael ei dargedu at feysydd lle mae capasiti cyfyngedig, gwelliannau i'r system gyfan a chefnogi gweithio rhanbarthol ar y cyd. Ar ben hynny, bydd y cynnydd sylweddol mewn ffioedd ceisiadau cynllunio o 1 Rhagfyr 2025 ymlaen yn darparu cynnydd parhaol yn yr adnoddau sydd ar gael i awdurdodau cynllunio lleol. Mae rhagor o fanylion am y camau i'w cymryd yn y rhaglen waith ar gael isod.

Mae nifer o'r camau gweithredu yn gofyn am recriwtio staff ychwanegol i fynd i'r afael â chyfyngiadau hysbys. Mae'r broses recriwtio wedi cael ei chynnal yn ystod y flwyddyn ariannol hon. Bydd yn cymryd amser i'r broses recriwtio gyfrannu at welliannau i'r gwasanaeth. Yn yr un modd, mae rhai o'r gwelliannau i'r system gyfan yn y camau cychwynnol a bydd yn cymryd amser i'r manteision gael eu gwireddu.

Er mwyn sicrhau bod modd mesur gwelliannau i systemau yn y dyfodol, mae Fframwaith Perfformiad Cynllunio Cymru wedi cael ei ailgyflwyno ar gyfer blwyddyn ariannol 2025-26.

Pa gamau fydd yn cael eu cymryd yn y rhaglen waith hon?

Bydd y camau gweithredu canlynol ar adnoddau yn cael eu cymryd:

Ymchwil y Sefydliad Cynllunio Trefol Brenhinol (RTPI)

- Mae sicrhau bod gan Gymru ddigon o gynllunwyr sydd â'r sgiliau iawn yn y meysydd iawn yn hanfodol i gyflawni ein polisïau. Rwyf wedi comisiynu'r Sefydliad Cynllunio Trefol Brenhinol i ymgymryd â darn o waith ar 'gynllunio'r gweithlu'. Bydd yn rhoi darlun manwl o'r sefyllfa o ran capasiti, adnoddau a sgiliau ar draws y gwasanaethau cynllunio. Mae hyn yn cynnwys awdurdodau cynllunio lleol, Penderfyniadau Cynllunio ac Amgylchedd Cymru, Cyfoeth Naturiol Cymru a'n Cyfarwyddiaeth Gynllunio ein hunain. Caiff yr adroddiad ei gyhoeddi erbyn diwedd y flwyddyn. Mae hwn yn ddarn pwysig o ymchwil a fydd yn ein galluogi i ddatblygu strategaeth i wella capasiti a chadernid ein gwasanaethau cynllunio a bydd yn sicrhau bod ein hadnoddau'n cael eu cyfeirio at y lle y byddant yn cael yr effaith fwyaf.

Bwrsarïau - Llwybrau at Gynllunio

- Mae sicrhau bod gan Gymru ddigon o gynllunwyr sydd â'r sgiliau iawn yn y meysydd iawn yn hanfodol i gyflawni ein polisïau. Er mwyn cynyddu nifer y cynllunwyr sydd ar y gweill, fe wnaethom gymeradwyo £143,000 y flwyddyn ariannol ddiwethaf ar gyfer Bwrsariaethau Cynllunio Trefol drwy'r Cynllun Llwybrau at Gynllunio sy'n cael ei weinyddu gan CLILC ar ein rhan.
- Rydym hefyd wedi ymrwymo i ariannu bwrsariaethau ychwanegol y flwyddyn ariannol nesaf. Ar hyn o bryd rydym wrthi'n canfod y galw o fewn awdurdodau cynllunio lleol.
- Gyda'r cynnydd mewn ffioedd yn dod i rym erbyn diwedd y flwyddyn, rydym yn disgwyl i awdurdodau cynllunio lleol ail-fuddsoddi incwm ffioedd ychwanegol yn ôl yn eu gwasanaethau a chofrestru ar gyfer y Cynllun Llwybrau er mwyn manteisio i'r eithaf ar y cyfleoedd a gynigir gan gyllid y Llywodraeth. Gellir talu costau staff o'r cynnydd mewn ffioedd cynllunio, a byddwn yn talu'r costau i raddedigion gael cymhwyster cynllunio ôl-radd.

Cynlluniau Datblygu Strategol Cynllunio Rhanbarthol / Canolfannau Sgiliau Cynllunio ar y Cyd

- Rydym wedi darparu cyllid (£110,000) ar gyfer dwy rôl Uwch Gynllunydd i weithio ar raglenni seilwaith ar draws Rhanbarth Gogledd Cymru. Rydym yn annog awdurdodau cynllunio lleol a Chyd-bwyllgorau Corfforedig i ystyried cynigion tebyg i fanteisio i'r eithaf ar sgiliau a gwasanaethau a rennir, gan ystyried yr heriau presennol o ran adnoddau, recriwtio a sgiliau.
- Rydym wedi cymeradwyo £400,000 i gymell a pharatoi Cynllun Datblygu Strategol ar gyfer y flwyddyn ariannol hon.
- Mae De Ddwyrain Cymru wedi dechrau paratoi'r Cynllun Datblygu Strategol yn ffurfiol. Mae Gogledd Cymru yn dilyn yr un drefn ac yn ddiweddar maent wedi cwblhau ymgynghoriad ar eu Cytundeb Cyflenwi drafft a rhagwelir Cytundeb Cyflenwi terfynol yn ystod y flwyddyn ariannol hon. Gyda'i gilydd, mae'r ddau ranbarth wedi hawlio'r £400,000 i ysgogi cynnydd yn y cynllun.
- Rydym yn ystyried cyllid i ysgogi Cynlluniau Datblygu Strategol eraill sy'n cael eu cyflwyno.

Fel y nodwyd uchod, mae cyllid wedi'i dargedu at feysydd lle mae capasiti cyfyngedig, gwelliannau i'r system gyfan a chefnogi gweithio rhanbarthol ar y cyd. Mae'r camau gweithredu allweddol yn cynnwys:

- Comisiynu’r Sefydliad Cynllunio Trefol Brenhinol i ymgymryd â darn o waith ar ‘gynllunio’r gweithlu’ a fydd yn cael ei gyhoeddi ddechrau’r haf. Bydd yn rhoi darlun manwl o’r sefyllfa o ran capasiti, adnoddau a sgiliau ar draws y gwasanaethau cynllunio. Mae hyn yn cynnwys awdurdodau cynllunio lleol, *Penderfyniadau Cynllunio ac Amgylchedd Cymru*, Cyfoeth Naturiol Cymru a'n Cyfarwyddiaeth Gynllunio ein hunain. Caiff yr adroddiad ei gyhoeddi erbyn diwedd y flwyddyn. Mae hwn yn ddarn pwysig o ymchwil a fydd yn ein galluogi i ddatblygu strategaeth i wella capasiti a chadernid ein gwasanaethau cynllunio a bydd yn sicrhau bod ein hadnoddau'n cael eu cyfeirio at y lle y byddant yn cael yr effaith fwyaf.

Cyn cwblhau'r ymarfer cynllunio'r gweithlu, er mwyn cynyddu nifer y cynllunwyr sydd ar y gweill, rydym wedi darparu £143,000 o’r flwyddyn ariannol ddiwethaf ar gyfer Bwrsarïau Cynllunio Trefol drwy'r Cynllun Llwybrau at Gynllunio sy'n cael ei weinyddu gan CLlLC ar ein rhan. Rydym hefyd wedi ymrwymo i ariannu bwrsariaethau ychwanegol y flwyddyn ariannol nesaf. Gyda'r cynnydd mewn ffioedd yn dod i rym erbyn diwedd y flwyddyn, rydym yn disgwyl i awdurdodau cynllunio lleol ail-fuddsoddi incwm ffioedd ychwanegol yn ôl yn eu gwasanaethau a chofrestru ar gyfer y Cynllun Llwybrau er mwyn manteisio i'r eithaf ar y cyfleoedd a gynigir gan gyllid y Llywodraeth. Gellir talu costau staff o'r cynnydd mewn ffioedd cynllunio, a byddwn yn talu'r costau i raddedigion gael cymhwyster cynllunio ôl-radd. Bydd y cyllid yn cael ei dalu o BEL Gwariant Cynllunio a Rheoleiddio 2250.

Er mwyn archwilio rôl elfennau digidol a deallusrwydd artiffisial i wella effeithlonrwydd gwasanaethau cynllunio, rydym wedi comisiynu CDPS y Ganolfan Gwasanaethau Cyhoeddus Digidol i nodi darpariaeth weithredol a gwelliannau i brofiad defnyddwyr. Mae fersiwn alffa o wasanaeth cyn ymgeisio safonol, sy'n seiliedig ar enghreifftiau o arferion gorau, wedi cael ei gwblhau a'i rannu ag awdurdodau cynllunio. Cyflwynwyd y ddwy garfan gyntaf o hyfforddiant digidol a dylunio sy'n canolbwyntio ar y defnyddiwr ym mis Tachwedd 2025. Mae gwaith wedi dechrau ar nodi llinell sylfaen ar gyfer egwyddorion a safonau data a rennir a fydd yn angenrheidiol i lywio’r broses gydweithio yn y dyfodol.

Er mwyn cefnogi'r ddarpariaeth ranbarthol, rydym wedi darparu cyllid ar gyfer dwy rôl Uwch Gynllunydd i weithio ar raglenni seilwaith ar draws Rhanbarth Gogledd Cymru. Mae gennym gyllid ar gael i gefnogi mentrau ychwanegol gan awdurdodau cynllunio lleol a Chyd-bwyllgorau Corfforedig i fanteisio i'r eithaf ar sgiliau a gwasanaethau a rennir gan ystyried yr heriau presennol o ran adnoddau, recriwtio a sgiliau.

Meithrin Gallu ym mhenderfyniadau Cynllunio ac Amgylchedd Cymru

Defnyddiwyd elfen o gyllideb Penderfyniadau Cynllunio ac Amgylchedd Cymru i gynyddu eu gallu i ddelio â'r cynnydd mewn ceisiadau am brosiectau seilwaith ochr yn ochr â chynnydd arall mewn gwaith achos cynllunio ac amgylcheddol. Yn benodol, mae 15 o swyddi ychwanegol (cyfwerth ag amser llawn) wedi cael eu cyflwyno, gyda'r broses recriwtio wedi'i chwblhau neu ar y gweill.

Bydd y buddsoddiad hwn mewn adnoddau staff yn galluogi Penderfyniadau Cynllunio ac Amgylchedd Cymru i barhau i gyflymu amseroedd penderfynu o'r dechrau i'r diwedd ar gyfer Gwaith Achos Seilwaith a chyflwyno gwell gwasanaethau cyn ymgeisio a dilysu i wella ansawdd ceisiadau sy'n symud ymlaen i gael eu harchwilio.

Daw'r drefn Cydsynio Seilwaith newydd i rym ym mis Rhagfyr 2025. Bydd yr adnodd staff ychwanegol yn helpu Penderfyniadau Cynllunio ac Amgylchedd Cymru i gynllunio a pharatoi ar gyfer y math newydd hwn o waith achos.

Mae Penderfyniadau Cynllunio ac Amgylchedd Cymru yn paratoi ar gyfer cynnydd mawr yn Arholiadau'r Cynllun Datblygu Lleol drwy recriwtio a hyfforddi Arolygwyr ychwanegol i ymgymryd â'r gwaith hwn. O 1 neu 2 y flwyddyn, mae gan Penderfyniadau Cynllunio ac Amgylchedd Cymru 3 CDLl i'w Harholi ar hyn o bryd, a rhagwelir y bydd CDLl Caerdydd ar gael cyn diwedd y flwyddyn ac o leiaf 5 arall yn 2026.

Mae'r gyllideb yn ariannu gwelliannau i Borth Gwaith Achos Penderfyniadau Cynllunio ac Amgylchedd Cymru er mwyn galluogi pob parti i gael gwell gwasanaethau digidol ar gyfer apeliadau a cheisiadau a gyflwynir i Weinidogion Cymru.

Sut bydd y cyllid a'r camau gweithredu gwerth £5.1m yn cael eu rhannu ar draws Is-adran Gynllunio Llywodraeth Cymru, Penderfyniadau Cynllunio ac Amgylchedd Cymru (PEDW), Cyfoeth Naturiol Cymru ac Awdurdodau Cynllunio Lleol?

Mae'r dyraniadau cyllid ar gyfer 2026-27 wedi cael eu pennu yn unol â blynyddoedd blaenorol, gydag adnoddau'n cael eu cyfeirio'n bennaf at ddau faes allweddol: Penderfyniadau Cynllunio ac Amgylchedd Cymru, a Gwariant Cynllunio a Rheoleiddio (BELS). Amlinellir manylion y meysydd gwariant penodol yn yr adran flaenorol.

Yn ogystal â'r gwelliannau i'r system a'r cyllid cydweithredol rhanbarthol y tynnir sylw atynt uchod a fydd o fudd i ddarparu gwasanaethau lleol yn bennaf, bydd cyfran fach o'r gyllideb yn cael ei defnyddio i gryfhau capasiti gwaith achos yn y Gyfarwyddiaeth Gynllunio. Mae dau Uwch Reolwr Cynllunio ychwanegol wedi cael eu recriwtio. Fodd bynnag, mae problemau capasiti yn parhau oherwydd diffyg cynllunwyr tref cymwysedig sy'n gwneud cais am yr ymgyrchoedd recriwtio allanol. Mae dyrchafiadau mewnol hefyd yn golygu bod swyddi gwag sylweddol yn dal i fodoli yn ein tîm prosesu gwaith achos. Rydym wrthi'n recriwtio i lenwi'r swyddi gwag sy'n weddill.

Mae cyllid penodol o fewn MEG CCRA yn cael ei ddyrannu i BEL cymorth grant Cyfoeth Naturiol Cymru er mwyn gallu parhau i gefnogi a gwella ffrydiau gwaith penodol i sicrhau bod penderfyniadau cynllunio a seilwaith Cyfoeth Naturiol Cymru yn cael eu gwneud yn gyflymach.

Pa asesiad yr ydych wedi'i wneud o effaith cynyddu ffioedd ceisiadau cynllunio 50% ar gyfartaledd ar ddatblygwyr ac awdurdodau cynllunio?

Daeth Rheoliadau Ffioedd newydd i rym ar 20 Hydref ac fe'u cefnogwyd gan Asesiad Effaith Rheoleiddiol a oedd yn ystyried effeithiau'r cynnydd mewn ffioedd ar ddatblygwyr ac awdurdodau cynllunio. Bydd y drefn ffioedd newydd yn dod i rym ar 01 Rhagfyr 2025 a fydd yn galluogi'r Llywodraeth i fynd i'r afael â'r diffyg presennol rhwng cost penderfynu ar geisiadau a'r incwm a geir am ddarparu'r gwasanaeth hwn drwy sicrhau darpariaeth ar gyfer system fwy teg, effeithiol ac effeithlon o ddiweddaru a rhoi cyhoeddusrwydd i ffioedd.

Mae ffioedd wedi cynyddu 50% ar gyfartaledd ar gyfer y rhan fwyaf o fathau o geisiadau a mwy, cynnydd o 32% mewn ffioedd ar gyfer gwasanaethau cyn ymgeisio, a chynnydd o 23% mewn ffioedd ar gyfer y categorïau hynny nad ydynt yn dod o dan ymchwil ARUP. Yn dilyn y cynnydd hwn, bydd ffioedd yn cael eu diweddaru 10% bob blwyddyn (yn ogystal â chwyddiant) nes bydd y Costau Llawn wedi'u Hadennill (FCR). Ar ôl y pwynt hwn, bydd ffioedd yn cael eu haddasu yn ôl chwyddiant. Bydd y rhan fwyaf o fathau o geisiadau yn cyflawni FCR o fewn 3-5 mlynedd. Dyma'r buddsoddiad mwyaf yn ein gwasanaethau cynllunio dros y blynyddoedd diwethaf.

Rhoddwyd ystyriaeth ofalus i'r amserlen ar gyfer cyrraedd sefyllfa o Adennill Costau Llawn. Bydd awdurdodau'n Adennill Costau Llawn ar y rhan fwyaf o fathau o geisiadau o fewn 3 blynedd, tra byddant yn gwneud hynny ar y mathau sy'n weddill ymhen tua 5 mlynedd. Mae'r dull hwn yn cynnwys cynnydd cymedrol a chynyddrannol mewn ffioedd, gan symud ymlaen tuag at nod adennill costau llawn. Ei nod yw cydbwyso'r gwaith o sicrhau bod ymgeiswyr yn gallu cynllunio ar gyfer y costau hyn a'u hamsugno, ar yr un pryd â chynnig rhyddhad ariannol i awdurdodau cynllunio lleol sy'n cael trafferth.

Mae'r RIA yn esbonio bod ffioedd ceisiadau cynllunio a dderbynnir fel cyfran o incwm y gwasanaeth rheoli datblygu ar hyn o bryd yn amrywio o 17% i 62%. Yn gyffredinol, mae'r 'bwlch ffioedd' yn fwy mewn awdurdodau llai a mwy gwledig nad ydynt yn derbyn ceisiadau mwy i ddarparu cymhorthdal i'r gwasanaeth. Bydd yn cymryd amser i'r cynnydd arfaethedig mewn ffioedd effeithio ar gydnerthedd a chapasiti gwasanaethau awdurdodau cynllunio lleol ac i wasanaethau adfer o'r llinell sylfaen bresennol. Ni ddisgwylir i godiadau mewn ffioedd gau'r 'bwlch ffioedd' yn llwyr ym mhob awdurdod cynllunio lleol, ond bydd yn helpu i'w leihau'n sylweddol.

Dros amser, bydd y cynnydd mewn ffioedd yn cynyddu adnoddau awdurdodau cynllunio lleol yn sylweddol ac yn eu rhoi ar sylfaen ariannol mwy cynaliadwy, gan arwain at benderfyniadau cynllunio cyflymach a mwy effeithiol.

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Your ref:

1st December 2025

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

Senedd
Cardiff Bay
Cardiff CF99 1SN

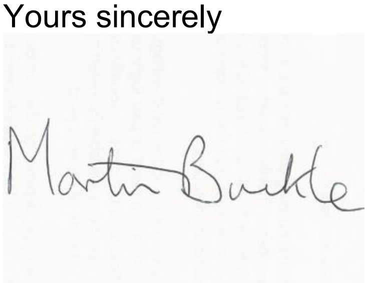
Dear Sir

Wales Flood and Coastal Erosion Committee
Flood Insurance – A Wales Perspective – Consultation Report & Proposals

I am pleased to enclose for your consideration a report which was agreed by our Committee at its meeting on 20th November. The report (para 10.5) does include references to the recent report from your Committee “The Response to Recent Storms.” I hope that you will find the report helpful in future deliberations on this important matter.

Please don’t hesitate to contact me if I can be of further assistance.

Yours sincerely



Martin Buckle
Chair, Wales Flood and Coastal Erosion Committee

Wales Flood and Coastal Erosion Committee

'Flood Insurance – A Wales Perspective'

Consultation Report and Resultant Proposals

November 2025

Karen Potter

Wales Flood and Coastal Erosion Committee Member

Contents

List of Acronyms

ABI	The Association of British Insurers
BBB	Build Back Better
BcR	Benefit-Cost Ratio
BRC	The British Red Cross
CCC	Climate Change Commission
CIWEM	The Chartered Institute of Water and Environmental Management
EA	The Environment Agency
FCERM	Flood and Coastal Erosion Risk Management
FPCs	Flood Performance Certificates
FRM	Flood Risk Management
LLFAs	Lead Local Flood Authorities
NFF	National Flood Forum
NFM	Natural Flood Management
NRW	Natural Resources Wales
PCWs	Price Comparison Websites
PFR	Property Flood Resilience
RCG	Rivers and Coastal Group
SAB	SuDS Approval Body
SME	Small or medium sized enterprise
SuDS	Sustainable drainage systems
TAN	Technical advice note
VCS	Voluntary and community sector
WFCEC	The Wales Flood and Coastal Erosion Committee
WG	Welsh Government

1. Background

1.1 'Insurance and Flood Re – A Wales Perspective' (2024)[1] reflected on the current status and limitations of flood risk insurance - within, outside of and beyond Flood Re arrangements. The draft report stemmed from the earlier work of two sub committees. Firstly, the 'Resources for Flood & Coastal Erosion Risk Management in Wales' Final Report (2022)[2] prepared by the Resources Sub-Committee, in which Proposal 18 recommended that dialogue be progressed with the insurance sector to develop its role in the uptake of property level resistance and resilience. Secondly, the report 'The Case for Change in Legislation and Associated Policy on Flood & Coastal Erosion Risk Management in Wales' (2023)[3], prepared by the Policy and Legislation Sub-Committee, had also recommended engagement with Flood Re and the wider insurance industry on standards for building back better after flooding events.

1.2 The draft report 'Insurance and Flood Re – A Wales Perspective' (2024) raised a number of questions, seeking to address the current limitations and inequalities of insurance arrangements. It thus provided an opportunity to return to initial consultees (who had previously responded to the Resources Report) in addition to other interested parties and seek views. The consultation ran 6 weeks from 4/2/25 to 18/3/25. Representatives from the following organisations and bodies have responded: the Association of British Insurers (ABI); the British Red Cross; the Chartered Institute of Water and Environmental Management's Rivers and Coastal Group (CIWEM RCG); Flood Re; the National Flood Forum (NFF); One Voice Wales (the national representative body for community and town councils in Wales); South West Wales Flood Risk Management (FRM) Group and Wales Coastal Groups Forum.

1.3 Following the synthesis of general comments on the report's findings (section 2), the responses to the consultation exercise are collated thematically in sections 3 to 9. These include consideration of the degree of support from the consultees to each of the seven questions raised, bringing additional information or insight into insurance and property flood resilience issues. In the period between the initial consultation exercise on 'Insurance and Flood Re – A Wales Perspective' (2024) and this response, there have been a series of developments regarding flood insurance, that have implications for the potential routes moving forward. Hence section 10 briefly sets out developments across: WG's update to the Technical Advice Note 15 (TAN15): Development, Flooding and Coastal Erosion[4]; the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs detailed response to the NICW report 'Building Resilience to Flooding in Wales by 2050'; the Climate Adaptation Strategy for Wales[5] and the UK Government's new 'Floods Resilience Taskforce'. Finally, section 11 sets out summary proposals and potential routes forward.

[1] Insurance and Flood Re: A Wales perspective [HTML] | GOV.WALES
[2] Resources for flood and coastal erosion risk management in Wales: final report | GOV.WALES
[3] The case for change in legislation and associated policy on flood and coastal erosion risk management in Wales: final report | GOV.WALES
[4] Technical Advice Note 15: Development, flooding and coastal erosion

[5] https://www.gov.wales/sites/default/files/publications/2024-10/climate-adaptation-strategy-for-wales-2024.pdf

2. General Comments

2.1 Echoed Concerns

2.1.1 The National Flood Forum (NFF) found the report echoed much of what they find, given their experience when talking to flooded and at-risk people. The NFF reported that they are witnessing more and more people from the categories exempted from Flood Re coming forward, seeking support and advice. The NFF have also noted increasing concern amongst their communities about what is going to happen when Flood Re comes to an end. As most mortgages now outlast the lifetime of Flood Re, the NFF are not seeing evidence that the market will pick up the mantel after the scheme ends, and believe it is critical that we discuss now what comes next after Flood Re.

2.1.2 The British Red Cross (BRC) cited their own key findings regarding the challenge of insurance cover from a UK poll of 3300 people across the four nations of the UK, finding that[6]:

- Of households flooded in the last 5-years, 56% had contents insurance and 51% had buildings insurance
- Of the households who had never been flooded, 75% had contents insurance and 67% had buildings insurance

The BRC felt these findings evidence the "consequences of insurance premiums rising after a flood event, potentially leading to a situation where those who have experienced flooding are less likely to be able to afford insurance cover than those in homes that have never flooded". Consequently, the BRC "urges government, both national and local, to target resources for flood resilience and recovery effectively for those who need them most". They further note that "areas that are both low-income and have previous experience of flooding are the most likely to contain uninsured households and should be placed at the front of the queue for publicly funded resilience and recovery support initiatives".

2.1.3 The report was well received from stakeholders outside of the insurance industry, for example: "eye opening" (Wales Coastal Groups Forum); allowing a contribution to an important agenda (One Voice Wales) and more generally, that it is insightful and a good read (CIWEM RCG).

2.2 Response from the Insurance Industry: The ABI and Flood Re

2.2.1 The ABI referred to Government responsibilities, stating "a fundamental tenet of insurance is that it puts policyholders back in the financial position they were in before damage was sustained. It is not primarily intended to improve recovery and property resilience and so the Build Back Better initiative is a significant step for the industry. Insurers are supporting customers to enhance their property's resilience after a flood but, as this report acknowledges, the role of the insurance sector in promoting flood resilience must be aligned with the work of government". The ABI further stressed that "it is the responsibility of both the UK and the Welsh Governments to invest in flood defence maintenance and infrastructure and ensure the planning system reduces inappropriate development in high flood risk areas".

2.2.2 Flood Re's response restated the initiative's context, that 500,000 UK homes have benefitted from the partnership model's operation, by sharing risk between Flood Re and the commercial insurance and re-insurance markets. However, Flood Re stressed that the scheme's balance is fundamentally challenged by climate change, that "increasing numbers of countries are finding

[6] The British Red Cross Poll on Vulnerability and Resilience: Public Awareness and Perceptions of Flood Risk in the UK - https://www.redcross.org.uk/about-us/what-we-do/we-speak-up-for-change/public-awareness-and-perceptions-of-flood-risk-in-the-uk

insurance and reinsurance for natural catastrophe risks is unavailable, and Governments are increasingly having to step-in to create or underwrite insurance pools such as Flood Re"[7]. Hence, Flood Re stated that "the UK and its nations should not assume insurance for flood risk will be available without taking actions to minimize underlying risks, and it is important that future insurability is recognised as one of the outcomes governments are seeking when allocating capital spending or making planning decisions". Although there are considerable efforts underway to manage risks, "risks overall are increasing due to factors such as climate change or continued building in high-flood-risk areas". Flood Re commended the Welsh Government (WG) for the implementation of Schedule 3 of the Flood and Water Management Act 2010 and requirements for sustainable drainage systems. However, they stressed in their response that "work remains to be done to ensure that homes and communities are resilient to flooding".

2.3 Working Together and Support

2.3.1 The ABI stressed that they have engaged with the Wales Flood and Coastal Erosion Committee (WFCEC) since its creation and are always keen where possible to work proactively with the Committee, WG and Natural Resources Wales (NRW) on flood policy. The ABI are very open to progressing dialogue and in agreement that a greater understanding of the issues is welcome. Flood Re also hope that they will be considered a partner in efforts to ensure resilience to flooding. They have detailed a series of studies, on Property Flood Resilience (PFR) home types, Build Back Better (BBB) uptake, and other aspects of PFR, for which they would like to see case studies or information that provide insights into Wales (and other nations). Much of the input to Flood Re projects is coordinated through an Expert Group convened on a regular basis and Flood Re have reached out to the Committee for an industry member to continue to provide insights into Welsh cases.

3. Measures in the National Strategy: Insurance Availability and Affordability

The draft report highlighted that we currently do not have data on the proportion of households or businesses reporting access to and levels of insurance coverage and premiums. Importantly, in addition, there is not a measure in the National Strategy to drive the collection of such evidence or data. Hence:

> **Q1 Do we need a measure/sub measure on proportion of properties at risk but without insurance in the National Strategy, and should/could this go further than proposed in the Environment Agency (EA) report[8] in taking on issues, e.g. affordability, refusals and other barriers to accessing insurance?**

3.1 Support for the Measure/s

3.1.1 One Voice Wales supported this measure and stated that, subject to mechanisms for data collection, they would also support this going further than the EA's indicator proposals. The NFF believed "it would be helpful to have some measure and understanding of how many people do or don't have insurance". In the NFF's experience "we don't really talk about the people who are uninsured. They are hidden". The BRC welcomed this approach and felt that tracking the proportion

[7] Flood Re references "The uninsurable world: how the insurance industry fell behind on climate change", FT, 02/06/24 and "Climate change is showing its claws", Munich Re, 9/01/2025 Climate change is showing its claws: The world is getting hotter, resulting in severe hurricanes, thunderstorms and floods | Munich Re

[8] https://www.gov.uk/flood-and-coastal-erosion-risk-management-research-reports/measuring-resilience-to-flooding-and-coastal-change

of 'at risk yet unprotected' properties would help draw attention to supporting this vulnerable category. The ABI would support such efforts to provide more data on properties at risk, also noting this would help the ABI understand the scale of underinsurance in Wales.

3.1.2 The ABI also added that "it is important to make and understand the distinction between availability (whether or not insurance can be provided for a property at higher risk of flooding) and affordability (whether the householder can afford to pay the premiums they are quoted as part of their budget)". The NFF further noting that "'affordability is a relative term, for many 'affordable' insurance is out of reach.

3.2 Source of Data?

3.2.1 It appeared logical to those outside of the insurance industry, that the insurance industry should supply the data. However, the ABI restressed that they would be happy to work with the Committee and WG on this aim, but that the insurance industry itself is not able to put a number on how many properties do not have insurance cover. Flood Re did not respond as to whether a measure was required, but did emphasise that "insurance uptake is extremely difficult to obtain credible data on" and would also "caution against looking at either Flood Re or insurers and thinking that there is a repository of information out there that would be a 'silver bullet'. While there are various providers and groups, including Flood Re, that hold useful data, the scope of this data is typically limited and too incomplete to answer wide-ranging public policy questions".

3.2.2 The South West Wales FRM Group noted that "Lead Local Flood Authorities (LLFAs) have limited data because we do not routinely follow up with residents and businesses about their insurance claims, or work with them on their individual recovery journey, post the immediate recovery stage". However, they raised the possibility of this being something to "add to the Section 19 report to draw in this evidence and fill the data gaps on insurance coverage and access to BBB" or "could the Section 18 capture some of this date in future years?" If there were to be a more active role for LLFAs, then it was noted that it will require lead-in time.

3.3 Flood Re Statistics

3.3.1 Flood Re re-emphasised their statistics on 'availability', explaining that 1000 properties have been tracked across the UK from 2016, including "about 100 properties with flood claims". Of the latter, in December 2024 all could get more than one quotation, and only a single property since 2021 has "briefly received no quotes", from which Flood Re concludes that "this indicates that insurance is available to homes in high-risk areas and with claims, and that the issue is that many householders are not taking out insurance (which may have to do with affordability)". Flood Re has done some analysis on national level market data to understand insurance markets, for which "quoted prices in high-flood-risk areas are 50-55% higher than in lower-risk areas" and a "home in a high-flood-risk area with a flood claim typically sees a jump of about another 50% - meaning these homes typically see prices that are 100-120% higher than low-risk, no-claim properties".

3.3.2 Flood Re also advised that of February 2025, 20,000 properties in Wales were ceded to the scheme in recent months and 900 claims have been made in Wales to date.

3.4 Mapping High Densities of Uninsured Properties and a Measurable Approach to Flood Risk

3.4.1 The British Red Cross also highlighted "the value of not only tracking the proportion of 'at risk yet unprotected' properties, but also mapping areas with high densities of uninsured properties onto flood risk maps. This would be valuable to help inform both capital investment decisions on new flood defences and also deployment of emergency response resources in the event of floods".

3.4.2 The ABI would also like to see "a measurable approach to flood risk at government level and a long-term measurable target for reducing the number of properties at risk of flooding". Otherwise, "without setting measurable and achievable targets on what adequate levels of flood resilience looks like, it is difficult to measure progress".

3.5 Summary

3.5.1 There is strong support for a measure in the National Strategy for Wales to understand the scale or the number of people and properties who do and do not have insurance or who are under-insured, particularly tracking the at risk, yet unprotected properties. It was also felt that the new measures should differentiate between 'availability' and 'affordability', ensuring that 'affordability' is clearly defined to ensure the cost of insurance cover is considered within reach for low income households.

3.5.2 Further consideration is required on data collection methods, including the possible role of LLFAs through Section 18 and/or Section 19 reports. Data held by the insurance industry is considered too limited and incomplete to address public policy questions. NB The data provided by Flood Re on insurance availability is at a UK level, limited to only 100 in the sample for those at high risk with former claims. It does not address take up (including affordability), nor those ineligible for the scheme. Hence, the consideration of data collection links to Q3/Section 5 concerning research needs.

Additional comments/proposals from consultees for consideration:

- Mapping areas with high densities of uninsured properties onto flood risk maps to inform investment and emergency response resourcing decisions.
- A measurable approach to flood risk in the Strategy, including a long term measurable target for reducing the number of properties at risk of flooding.

4. A Measure in the National Strategy for Uptake and Access to Property Flood Resilience (PFR)

The report drew attention (following the Climate Change Commission, 2023[9]) to the lack of data to assess access to insurance and capital for property flood resilience measures, including take up of Flood Re's 'Build Back Better' initiative. The report questioned:

> **Q2 Do we need a measure on proportion of properties accessing 'build back better' insurance claim payments and installation of PFR resilience measures and to progress dialogue with the insurance sector for data?**

4.1 Support for the Measure

4.1.1 One Voice Wales supported the proposed measure. The NFF agreed that a target and measure would be a good idea, in order to see progress and how the scheme is being implemented over time. The BRC note the "ability to measure progress on household uptake of PFR would be a significant step in supporting the development of strategic interventions to promote PFR", seeing 'Build Back Better' (BBB) insurance claim payments as "a welcome example of such an intervention" and that it

[9] Adapting to climate change - Progress in Wales

"would be informative to know the proportion of households that make use of it". The ABI agree that it would be useful to "see more granular data on the take-up of BBB and PFR measures".

4.1.2 Both CIWEM's RCG and the ABI extended the need for data or measures on the evidence of new homes being built to higher flood risk standards as is required as part of planning applications. Developers could help provide standardised information on flood measures, e.g. raised sockets, or flood design standard. This would require wide scale cooperation but would allow insurers to have a better understanding of what measures have been included, and in turn should help homeowners (CIWEM's RCG).

4.2 Source or Access to Data

4.2.1 Flood Re reported that BBB "is an extremely new program, and data is extremely limited, so will be of little value at this stage". Flood Re noted that "only 19 properties in Wales had taken up BBB as of January 2025, out of close to 200 eligible claims". Hence Flood Re's focus at this point is in improving the uptake as "currently only about 30% of properties offered BBB are taking up the measures" (nationwide).

4.2.2 The ABI felt it was important to note that BBB is not the only or principal way householders can install PFR measures and that responsibility for installing PFR measures extends beyond insurers, typically in the form of government grants and local authority schemes. The ABI note that the government has a key role to play in increasing take-up of PFR and hence feel that the government also has a key role in collecting data on the take up of such measures (also see response to Q7, section 9.4). Flood Re also noted that "BBB constitutes only a portion of those homes that are fitted with PFR measures, with government-backed and local authority schemes historically making up the majority of installations". Flood Re also stressed the need for the Government to collect data where PFR measures have already been installed under Government controlled schemes or planning consents.

4.2.3 The South West Wales FRM Group noted (under Q7) that PFR is increasingly becoming the outcome with the best Benefit-Cost Ratio on a high percentage of capital schemes in small to medium communities in rural South and West Wales". Hence, given the lack of data on PFR, the group felt it "might be beneficial to have more guidance on monitoring the performance of these schemes before and after installation". They note that "this approach has been embedded into the Natural Flood Management thinking, with most LLFAs seeking to gather data before and after the scheme to feed into the knowledge, data, and evidence base", and hence suggest that a similar mechanism could we adopted for PFR and insurance"?

4.3 Further Insight on the Poor Uptake of BBB and PFR

4.3.1 Both CIWEM's RCG and the NFF noted that insurers are not currently under obligation to provide BBB. The ABI also emphasised that BBB is not a universal provision and depends upon individual insurers signing up to the initiative with Flood Re. The NFF noted that the onus is currently on policy holders doing their homework and needing to ask the right questions. Flood Re stated that their messaging to householders "is to check with their insurer when purchasing insurance to ensure it is eligible for Build Back Better. This consumer push will help with embedding BBB throughout the industry and also improving awareness and uptake among households. It is also worth households working with their insurer to understand any BBB-related conditions to ensure their eligibility". The NFF would like the insurance companies to be more proactive about promoting BBB, rather than the onus being on householders (also see section 6.3.1 below). CIWEM's RCG suggested that BBB is standardised under Flood Re in order to better help all insurance policy holders.

4.4 Further Proposals for Evidence of PFR Effectiveness

4.4.1 The NFF called for more research on PFR and its effectiveness, stressing the importance of the research being independent. The NFF also cautioned that PFR is often seen as a 'silver bullet' and "many people do not understand the limitations", hence "we need to focus the dialogue on the right solution in the right place for the type of flooding" experienced. The ABI welcomed "any WG activity to gather data regarding properties where resilience measures have been installed in homes, either through PFR schemes or where they have been required as a condition of planning permission" and "therefore join this report in calling for the recent WG review of PFR to be published".

4.4.2 The NFF further stated that they were not seeing any evidence to date that adding PFR measures to a property decreases insurance costs and felt that insurers' assessments are not sophisticated enough at the moment. The ABI added that "another important aspect of data collection is the need for further evidence to demonstrate how effective certain PFR measures are materially reducing the impact and financial costs of flooding". The ABI explained that "collecting robust data and evidence about the effectiveness of resilience measures within and around properties is crucial to helping alleviate some of the concerns insurers have with the use of certain PFR measures, as well as giving confidence to home and business owners that installing certain measures will be worthwhile". CIWEM's RCG also noted that insurers use catastrophe models from vendors, hence vendors could also find ways to model improvements, which in turn could lead to savings on householder insurance premiums.

4.5 Flood Re Future Learnings and Collaboration on BBB

4.5.1 The British Red Cross noted the inhibiting effects more generally to PFR through "the inadequacy of national awareness" and the shortage of skills and certification in the construction sector (citing the Bonfield Action Plan[10]). Flood Re stated that they would "be looking into those properties that have declined the offer to better understand why and will be sharing learnings once that has completed". Flood Re believes the issues to be due to awareness of a brand new program but will "endeavour to work with relevant authorities to fix any issues identified". As "the uptake rate in Wales appears lower than the average, and we will share any insights into this that are relevant to government or the WFCEC, but it is also worth noting that many of the claims are still open and relatively recent (e.g. late 2024 floods)".

4.5.2 Due to the challenges of collecting property level data on PFR, Flood Re shared information that they are "looking at a framework that can create a smart system that makes best use of the information at key decision points". Flood Re's work on Flood Performance Certificates (FPCs) "is intended to serve as a vehicle for the communication of this information to householders and to financial institutions. Flood Re's FPCs Roadmap lays out the key considerations for FPCs, but it would be a framework that would ideally provide a response to the intent of this question and make use of the two categories of information noted above (BBB/insurer-level, and scheme/government-level)".

4.5.3 Flood Re believed that "the opportunity at this juncture is to engage with the formation of wider standards, metrics, and practices, and strengthening uptake through a common approach" across the UK. They note that "the PFR industry is small, and keen to tap into as wide a market as possible to help grow their businesses – trying to comply with different rules in different places can become a

[10] The Bonfield Action Plan: https://assets.publishing.service.gov.uk/media/5a81a13040f0b62305b8ffcd/flood-resilience-bonfield-action-plan-2016.pdf

barrier to participation. For this reason we would encourage a common rather than fragmented approach".

4.6 Summary

4.6.1 There was support for measures and targets on the uptake of BBB and wider schemes promoting PFR. The British Red Cross did note in general that the ability to measure progress on household uptake of PFR would be a significant step in supporting the development of strategic interventions to promote PFR, but the responses did not consider 'access' (affordability or ineligibility for Flood Re) to PFR measures by households or businesses in any detail. This could be taken forward by WG (see next section), or as a key implication for further understanding under Q1 and/or Q3.

4.6.2 Flood Re has limited data currently on BBB and is instead focusing on increasing uptake. A key role is seen for Government in collecting data on the uptake of PFR, given that government backed and local authority schemes make up the majority of installations.

4.6.3 There are opportunities to continue the dialogue with Flood Re to understand why properties have declined the offer to implement PFR measures. As BBB is not universally provided by insurance companies, there is also an opportunity to explore whether further engagement is required to make communities at risk aware they need to check with their insurers, or as per the NFF and CIWEM's RCG respectively, that the onus is placed on insurance companies to be more proactive or for BBB to be standardised.

Additional comments/proposals from consultees:

- More guidance and activity to gather data on the effectiveness/performance of resilience measures that have been installed in homes, including publishing the recent WG review of PFR. Consideration of a similar mechanism to Natural Flood Management, whereby most LLFAs gather data before and after the scheme to feed into the knowledge, data, and evidence base
- Ensuring a common approach across the UK, concerning standards, metrics and practices, to enable the PFR industry to grow.

5. Seeking a More Detailed Understanding of the Issues and Challenges Faced by Communities

The draft report noted that although public access to insurance is recognised at a key driver to resilience in Wales, the dominant focus to date is a one-way provision of information to increase flood awareness and the need for insurance. We are currently not listening and lack evidence on the detailed and complex nature of the issues being experienced in our communities, i.e. those who are aware that they require insurance but facing the challenges of 'affordability' or availability of insurance, particularly for properties built from 2009, tenants and businesses sitting outside of Flood Re criteria. Hence:

> **Q3 Is there a mechanism for opening up lines of communication and collating data to deepen understanding of insurance accessibility, or should this be taken forward as a key research need (including through the WFCEC Research Sub Committee)?**

5.1 Support for Further Research on Insurance

5.1.1 The South West Wales FRM Group have acknowledged the "known issues" with Flood Re raised in the report, having experienced tenanted properties in West Wales being at a distinct disadvantage. One Voice Wales was not aware of a mechanism for opening up lines of communication and collating data so would welcome this action being taken forward as a key research need. CIWEM's RCG do not believe a data set exists within the industry, due to the challenge of attempting to monitor insurance policies that only last one year and the further complication of insurers having different ceding rules to Flood Re. As the ABI cannot break down the home insurance premium data collected by the ABI to a Wales-specific level, they believe that the research need is "worth exploring and is another area where the insurance industry would welcome the opportunity to collaborate".

5.2 Information from Flood Re

5.2.1 Flood Re restated that insurance is available for those eligible for the Flood Re scheme. However, they have noted two related considerations that are worth government attention. Firstly, that Flood Re use Price Comparison Websites (PCWs) to track availability, and "instances of finding properties that cannot receive any quotes is exceedingly rare (since 2021, only a single property temporarily received a no-quote in mid-2023). This suggests that those who are unable to obtain insurance are not looking in the right places – many sound as if they checked with 1 insurer and assume this represents the entire market". Flood Re therefore feel that "communications should regularly highlight to householders that they should try to shop around for insurance, especially via PCWs but also via brokers and other channels that give them access to a large number of insurers". Secondly, affordability. Flood Re stated that "after a flood and making a claim, householders may see a jump in their prices from low hundreds of pounds to high hundreds or a thousand or more", therefore that householders need to shop around for the best price. Yet "this may be a tipping point from what is affordable for a household to what many struggle to afford, especially after the trauma, disruption, and cost of a recent flood".

5.2.2 Flood Re noted that prior to their scheme "just over half of these flood-claim homes would have paid thousands of pounds, while the remainder would have been unable to obtain insurance altogether. Flood Re's subsidy has brought prices down and closed the availability gap, but it was never intended to create a low and unitary price across the market. With the average cost to repair a flooded home now in excess of £70,000, continuing to pay out to repair those homes that keep flooding will start to create a burden on those households that pay into the subsidy". Flood Re stated that officials have noted "that more households in frequently flooded communities are declining to renew insurance, and that those uninsured households are being financially wiped out if flooded again. It may be worthwhile for public authorities to consider working with affected communities to ensure that households aren't letting go of their insurance at a critical time".

5.3 Summary

5.3.1 As the issues raised in the report have been observed by practitioners in Wales (particularly with tenanted properties ineligible for Flood Re), and data is not available from the insurance industry, then research needs are considered worth exploring – and the ABI would welcome the opportunity to collaborate.

6. Resources Required for Targeted Engagement

The report highlighted the current work by NRW in providing insurance guidance but notes the Blanc Report (2020) recommendations that there should be targeted engagement by Flood Re, the ABI and the EA (NRW in Wales) to promote awareness to high exposure households and businesses, particularly in less affluent areas. Furthermore, that the demographics and tenancy rates of affected areas should be reviewed by Local Authorities to ensure an appropriate response mechanism is put in place. Hence:

> **Q4 Do we need to allocate resources to target insurance guidance, progressing dialogue with the sector to understand the need and target engagement?**

6.1 Support for Targeted Engagement

The British Red Cross cited their UK polling evidence[11] that "nearly half (48 per cent) of those who have experienced flooding in their home within the last 5 years say they have not seen any information about flooding in their area". The poll also found that "people in the most deprived areas have lower confidence in their understanding of flood risk compared with those in the 20 per cent least deprived areas". South West Wales FRM Group have experienced tenants often lacking "knowledge about the risk of flooding, even when living next to rivers, which results in underinsurance and their inability to have robust contents-only policies". The Group noted some short term, targeted work post Storm Callum (Oct 2018), working with landlords to highlight the issue with tenants. One Voice Wales stated that targeted engagement would be welcomed, CIWEM's RCG agreed with this need. Flood Re stated that they support communication efforts that reinforce the importance of homes having insurance, and "believe that focusing efforts on certain key messages – shopping around, the importance of insurance, and not letting insurance lapse after flooding or making a claim, are important" (but did not reference 'targeted' insurance guidance).

6.2 Existing Engagement and Collaboration

6.2.1 The ABI stressed how active they and the wider insurance sector already are "in sharing insurance guidance and engaging with the public, elected representatives and government officials". Activities include regularly distributed guidance 'Responding to Floods: What You Need to Know'/ 'Ymateb i Lifogydd Beth Sydd Angen i Chi ei Wybod', developed in association with the National Flood Forum[12]. This guidance is shared with MSs and MPs in constituencies and regions that have experienced flooding, alongside specific information on how constituents can access affordable flood cover (such as going through a specialist broker). Such advice and guidance are also shared at various community events, the ABI having been attending community flood network events organised by NRW since 2018. The ABI also recognise the concerns raised in the report "about difficulties some communities face in understanding sometimes complex insurance information". They are also committed to helping improve financial literacy in the UK, with a broader guide to "Clear Communication with Fairer Finance" and Advisory Partnership with Plain Numbers, such initiatives aiming "to make financial services communications more accessible and could be harnessed to help people understand what they are covered for and what to expect from their insurer". Flood Re have also attended the session in March 2025 organized by NRW in Merthyr Tydfil, "to help the community understand its options after recent flooding. We will continue to try to join sessions of this

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[11] See the Red Cross Poll: https://www.redcross.org.uk/about-us/what-we-do/we-speak-up-for-change/public-awareness-and-perceptions-of-flood-risk-in-the-uk

[12] See: abi-responding-to-floods-guide---national-flood-forum.pdf and abi-guide-to-responding-to-floods---welsh.pdf

nature and support communities however we can, recognizing that we are a small team with limited resources".

6.2.2 The British Red Cross noted that local authority partnerships with the voluntary and community sector (VCS) and community organisations "can provide an effective line of communication to the underserved groups they work for". One Voice Wales also state their support, that they "would be pleased to distribute communications to the Community and Town Council sector in Wales to support communities that are at risk". The Wales Coastal Groups Forum will be taking up and considering targeted engagement within their community and engagement plans. The ABI were again emphatic that they are open to working together and progressing the dialogue. They stressed that the "community structured flood awareness events are an excellent opportunity to aid better understanding", they encourage "more such events in areas specifically affected by recent flooding", and more specifically "Committee member attendance, as a channel for providing more targeted advice and support". The ABI also recommended that the Committee consider "what other trusted voices and channels could be used to distribute information on flood insurance to those communities at higher risk of flooding", by "identifying the organisations and figures most trusted by communities, including their elected representatives, local authorities, community flood networks and advice bodies such as Citizens Advice Cymru as an important part of the dialogue".

6.3 Further Recommendations for Targeted Engagement

6.3.1 CIWEM's RCG noted that engagement is also required specifically with BBB, as many customers who are offered this refuse, which is seen as a big problem. Whilst targeted engagement is important, the National Flood Forum (NFF) noted (as per section 4.3.1) that not all policies of those companies that are in the scheme are included, hence "it is vital that policy holders do their own homework" and ask the right questions. Hence, the NFF would like to "move to a scenario where the insurance companies are being much more proactive about promoting BBB".

6.3.2 The ABI raised the need to improve flood risk awareness at the time of buying a home. They noted the work being undertaken by Flood Re on Flood Performance Certificates (FPCs), which they believe is a "good starting point to increase buyer awareness about their flood risk, alongside measures they could take to improve their flood resilience". CIWEM's RCG however questioned if FPCs will impact property prices, whether FPCs would only be required on new homes (the scope is uncertain at present) and to what extent a homeowner can decrease their own flood risk (for which BBB will work better for smaller floods). The NFF were also unclear at this point if FPCs will help or alternatively "push people into flood blight". The ABI added that in some cases guidance would be "better targeted towards groups other than the general public". As Flood Re operates on a business-to-business level with insurers rather than directly with customers buying property insurance, then whilst consumer awareness of Flood Re is useful, it is not essential for buying property insurance. The ABI would advocate better engagement with groups such as the construction sector to facilitate improved understanding of PFR.

6.4 Summary

6.4.1 Respondents have experienced communities lacking knowledge in high risk areas and welcomed the proposal for targeted insurance engagement. Greater consideration of trusted voices and channels has been advised, and proposals and guidance have been offered as to Local Authority and VCS partnerships. The efforts with engagement to date have been praised, but more events have been called for in areas specifically affected by recent flooding.

Further comments and proposals:

- Further engagement required for BBB
- The need to raise flood risk awareness at the time of buying a home
- Targeted guidance and engagement with the construction sector on PFR

7. Financial Support or Reduced Insurance Premiums

The Climate Change Commission (CCC) (2023) recommended the provision of financial support and access to insurance for smaller businesses and poorer households to gain reduced insurance premiums. Defra previously stated they would explore approaches to "encourage uptake", but we lack evidence of any such approaches to date. Hence:

> **Q5 Do WG need to monitor/scrutinise other approaches forthcoming from Defra, are there other UK led mechanisms or does WG need to take the initiative on providing support?**

7.1 Support for Financial Support to Access Flood Insurance

7.1.1 The British Red Cross (BRC) welcomed the CCC recommendation to provide financial support to lower income households to better access flood insurance. Or in the absence of such an approach it is "even more important to ensure that existing resources for flood defence and recovery are well targeted". One Voice Wales believed it would be sensible to monitor or scrutinise other approaches from Defra and to carry out further research on any other UK led mechanisms. The BRC are "not aware of Defra initiatives specifically targeted at addressing this need" and "would welcome a Welsh Government initiative on providing support to low-income, high flood risk communities where insurance coverage is low". One Voice Wales also believed that going forward there is clearly a leadership role for WG in taking any initiatives forward.

7.2 The Co-ordination of Approaches

7.2.1 The ABI and Flood Re focused on co-ordination of approaches. The ABI believed there is merit and encouraged a coordinated and joined-up approach, to ensure learning from other existing programmes in other parts of the UK. The ABI drew attention to the new National Flood Resilience Taskforce[13], "that works to ensure the UK's preparedness and resilience to flooding". They also noted the EA commissioned "'Floodproof: an action plan to build resilience'", which is an independent review of PFR (the ABI being part of its stakeholder steering group). The ABI encouraged "WG to closely scrutinise such reviews and action plans and compare this to its own review of PFR that is still to be published". Flood Re also referred to property resilience in their response, "in terms of building practices and planning standards".

7.3 Summary

The monitoring of approaches from Defra, or in the absence of such approaches, WG led financial support was welcomed by non-insurance industry consultees. The ABI and Flood Re focused on co-ordination and learning from national level approaches, including the new National Flood Resilience Taskforce. (In the terms of reference for the new Taskforce, it is stated that the taskforce "may

[13] See: https://www.gov.uk/government/groups/floods-resilience-taskforce

review" the "the identification and views of preparedness of the most vulnerable areas as well as actions to support the most vulnerable groups" as one of the themes[14]).

8. A Need for a Greater Understanding and How to Support Those Outside of Flood Re Criteria

The exclusion of development from 2009 onwards from Flood Re was to support the principle of discouraging further development in areas at high risk of flooding (through planning policy/TAN 15). Yet we lack data in Wales on how many properties have been build from 2009 in areas of high flood risk. Researchers (Sakai and Yao, 2023) have called for a new scheme focused on SMEs and home-based businesses. Hence:

> **Q6 In addition to post 2009 development, as the Insurance Industry itself recognises, we need a greater understanding of how many householders are affected, what can be done (and what needs to be done) to help those outside of current flood re eligibility criteria, or question whether the eligibility criteria are still relevant?**

8.1 Support for Greater Understanding

8.1.2 The British Red Cross (BRC) noted that the "ineligibility for Flood Re coverage for properties built after 2009 raises an equity issue that negatively impacts a growing proportion of households over time". The National Flood Forum (NFF) stated that they are indeed "seeing more and more people from the categories that are excepted from Flood Re coming forward seeking support and advice", which the NFF believe is a growing issue, "particularly from those in homes built after 2009, small businesses, and multiple dwellings in one building". One Voice Wales agreed, that "further information is needed to understand the current picture of effect…from this further work can be undertaken on assessment as to whether the eligibility criteria needs review and amendment". The ABI stated that "greater understanding of householders' situations is always welcome".

8.2 Review of the Eligibility Criteria

8.2.1 The BRC noted the significant proportion of new-build development being situated on flood plains, and that "mandating the inclusion of new properties could lead insurance companies to raise premiums. This presents an unwelcome 'Sophie's choice' for policy makers of whether the inequity should apply to those with newer homes or those with lower income. Neither of these options are tolerable, underscoring the need for public intervention for the uninsured".

8.2.2 The ABI stressed that the current eligibility criteria are relevant, restating the aim of purposefully excluding properties built after 2009 from the scheme to ensure inappropriate building in high flood risk areas was not incentivised, and emphasised that "this still applies".

8.2.3 The ABI stressed that home and business property insurance "are very different things, and home insurance is a simpler product. It is not possible or appropriate to extend Flood Re to cover businesses".

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[14] See p2, under focus areas:
https://assets.publishing.service.gov.uk/media/67dd924b64220b68ed6a6fa1/Terms_of_Reference_-_Flood_Resilience_Taskforce.pdf

8.3 Implications of the Current Eligibility Criteria for New Homes and Flood Defence Funding

8.3.1 Flood Re stated that "our clearest message for government is that planning must fully take into account flood risk and require that new homes are being made resilient if built in areas of flood risk". Flood Re have undertaken focus group work that "has shown that buyers of new homes believe that flood risk will have been accounted for in the planning process". Flood Re noted Wales' implementation of Schedule 3 and practices to ensure enhanced flood resilience for homes "is a major step, but all steps need to be taken to ensure that new build homes are made flood resilient – the paper notes that data is not being collected on homes built in flood zones". Flood Re would be interested to have further discussions to understand how a Flood Performance Certificate can fit into the SuDS Approval Body (SAB) process and any key considerations.

8.3.2 The ABI also emphasised that the "Government funding of flood defence infrastructure and maintenance, as well as increased up-take of PFR, will also help those households not eligible for Flood Re". Flood Re reiterated the importance of flood defences; "insurance availability and its pricing is directly impacted by government decisions on the level of flood defence investment. Continued investment is fundamental to achieve desirable market outcomes and indeed, any reduction in flood defence investment will have a significant impact for households, insurers, reinsurers, and of course, Flood Re".

8.3.3 The ABI noted that the British Insurance Brokers Association (BIBA) operates a commercial property flood insurance scheme for SMEs with assets of up to £1m[15]. This features flood only cover for either a £25,000 or £50,000 limit in the aggregate in the period of insurance and a defined amount of cover for immediate and necessary expenses incurred following a flood.

8.4 Summary

8.4.1 A greater understanding of how many householders and others ineligible for Flood Re was welcomed, as this was seen to be a growing issue. The eligibility criteria were viewed as still relevant or raising a difficult choice for policy makers as to whether inequity should apply to those with post 2009 homes or those with lower income. Instead, the need was seen to be for public intervention for the uninsured. The challenges of ineligibility also shifted the emphasis to 1) planning taking into account flood risk (and the monitoring of properties build in areas of flood risk) and 2) levels of government funding of flood defences and PFR.

8.4.2 Attention was drawn to BIBA's commercial property flood insurance scheme for SMEs. However, this does not offer subsidised cover (as per Flood Re), and the question remains as to the need for a new scheme focused on SME's and home businesses.

Further comments and proposals:

- Discussions with Flood Re to understand how a Flood Performance Certificate can fit into the SAB process.

9. Consideration of Revisions to the Wales National Flood Strategy

The Wales National Flood Strategy (2020) states that it "remains the responsibility of a home or business owner to have adequate insurance cover against flooding"[16] (WG, 2020, p31). Premium

[15] See: https://www.biba.org.uk/members/biba-schemes/commercial-property-with-flood-cover/

[16] WG FCERM Strategy (2020): https://www.gov.wales/sites/default/files/publications/2021-03/the-national-strategy-for-flood-and-coastal-erosion-risk-management-in-wales.pdf

levels reflect the level of risk, hence risk needs to be reduced to ensure insurance is affordable. Other stakeholders beyond the insurance industry hold responsibility for planning policy and the location of new development, building regulations for PFR, flood defence capital and revenue funding, broader policy on climate change and social equity. Hence:

> **Q7 Should a revised Wales strategy acknowledge the wider responsibilities and complexities to enable "the responsibility of a home or business owner to have adequate insurance cover against flooding", including maintenance of TAN15's strong stance on development of buildings in current and potential flood zones, PFR and other resilience being mandatory in planning rules (building regulations) and an ongoing dialogue with the insurance industry for a revised (more inclusive) Flood Re scheme?**

9.1 Support for Revisions to the Strategy, to Acknowledge the Wider Responsibilities and Complexities

9.1.1 One Voice Wales agreed that wider responsibilities and complexities should be acknowledged. The ABI welcomed the report's acknowledgement of the wider role WG must play in ensuring climate resilient buildings, noting this is especially important "given that Flood Re is a time limited scheme, there is a continued need for engagement to ensure sufficient investment in flood defences and an effective planning and building regulatory framework for resilient homes in the future. It is clearly better to protect properties from flooding before it is needed, rather than stepping in once it is too late". The ABI highlighted NRW data[17], which "makes for sobering reading, showing that 1 in 7 homes in Wales are at risk from flooding – a figure set to increase by more than a third as a result of climate change". The ABI noted the "positive steps taken by Welsh Government, such as legislation to make Sustainable Urban Drainage Systems mandatory in all new developments of more than one dwelling house or over 100 square meters". This is an area that the ABI "are encouraging the rest of the UK to look to Wales as an example". However, the ABI see two key areas "within the gift of the Welsh Government". Firstly, "the urgent need for a more robust planning system and policy on development in flood risk areas. Secondly, we have long called for increased government investment in flood defences and property flood resilience (PFR) measures".

9.2 A More Robust Planning System and Policy on Development in Flood Risk Areas

9.2.1 Flood Re supported "maintaining a strong stance on development of buildings in current and potential flood zones, and ensuring that planning for those homes built in at-risk areas have the necessary measures to mitigate them". The ABI stated, "reforms to the planning system must be made with adequate consideration of the risks, so that homeowners and businesses owners are not left with high-risk buildings difficult to insure". The ABI called for "an increased focus on the importance of climate resilience and current and future flood risk when considering where homes are built". The ABI noted the Cabinet Secretary's stated intention to publish the revised Technical Advice Note 15 (TAN15): Development, flooding and coastal erosion this spring, and would like to see this further embed climate and flood resilient development into the planning system". (TAN 15: has since been published, on the 31/3/25 [18]).

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[17] NRW Annual Report 2023 to 2024: https://naturalresources.wales/evidence-and-data/research-and-reports/flooding-reports-evidence-and-data/flood-risk-management-annual-report-2023-2024/?lang=en#:~:text=In%20Wales%2C%20there%20are%20estimated,through%20the%20activities%20we%20do

[18] Technical advice note (TAN) 15: development, flooding and coastal erosion has since been published by WG (31/3/25): https://www.gov.wales/technical-advice-note-tan-15-development-flooding-and-coastal-erosion

9.2.2 The ABI also noted concerns that "currently National Resource Wales (NRW) can object to a planning proposal, but we are not aware of a responsibility for local authorities to report whether that feedback has been taken into account, such as requiring the planning application to be amended to improve measures to protect against flood risk to fulfil NRW's concerns". The ABI thus supports "a clearer, more transparent process, which would provide reassurance to insurers and local communities who are often concerned about the potential impacts of new developments". The ABI also stressed more broadly that "insurance should be given greater consideration when granting planning permission".

9.3 Increased Investment in Flood defences

9.3.1 The ABI stated that the "primary funding responsibility for flood risk management schemes must be the responsibility of Welsh Government in its role of protecting citizens and communities. This is not a responsibility that can or should be passed off to others, including insurers, whose role is to ensure they have the requisite capital to pay claims should the worst happen". The ABI continue that "there needs to be a policy response that promotes the resilience of those properties most at risk of flooding and continued investment in flood risk management infrastructure".

9.3.2 The ABI welcomed the commitment in the Welsh Budget 2025-26 to "maintaining flood funding of £75 million per annum through the Flood and Coastal Erosion Risk Management Programme". But the ABI also noted "the recent NRW Report[19] which found that keeping funding at current levels results in over 18,000 additional properties remaining at High Risk and residual damages increasing by £800 million. Keeping pace with climate change everywhere requires 3.4 times current funding levels". The ABI stressed that spending on flood defence infrastructure is extremely cost effective. The ABI referred to Fathom's research[20], commissioned by Flood Re, that "shows that flood defences can save households alone £1.15 billion by mitigating damage each year" and previous research by the ABI, Flood Re and JBA that highlights that every £1 spent on flood defence maintenance saves £7 in capital spend"[21]. CIWEM's RCG also stressed that the maintenance of flood defences is key. The ABI also urged WG to implement the commitment in its Programme for Government to deliver nature-based flood management and implement the Natural Flood Management (NFM) Accelerator (2023-2025) to accelerate delivery of NFM interventions.

9.3.3 The ABI and insurers would also welcome access to data/information on the maintenance status of flood defence infrastructure managed by local authorities, to better understand flood risk and mitigation measures.

9.4 Increased Uptake and Investment in PFR

9.4.1 The ABI noted, "flood defences cannot of course prevent every single property from flooding and so it is also important to increase the uptake of PFR measures so that individual property owners can make their homes and businesses more flood resilient. Integrating flood resilient measures into new homes, such as raised plug sockets, air brick covers, and flood barriers, would help make homes and businesses more flood resilient". The ABI disagreed with the report's statement that

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[19] https://naturalresources.wales/evidence-and-data/research-and-reports/flooding-reports-evidence-and-data/long-term-investment-requirements-for-flood-defences-in-wales/?lang=en

[20] https://www.abi.org.uk/news/news-articles/2025/2/more-action-needed-to-protect-properties-as-adverse-weather-takes-record-toll-on-insurance-claims-in-2024/#:~:text=Research%20by%20Fathom%2C%20commissioned%20by,is%20saved%20in%20capital%20spend

[21] https://www.abi.org.uk/globalassets/files/publications/public/flooding/modelling-the-impact-of-spending-on-defence-maintenance.pdf

householders without insurance cannot progress to the recovery and resilience stage[22]. They believe this is not the case as additional costs to improve a property's resilience after a flood would usually need to be funded by the customer or by a government grant.

9.4.2 The British Red Cross (BRC) also "urge the Welsh Government to continue to ensure planning regulations mandate new buildings to be equipped with flood protection measures commensurate with their specific flood risk". The BRC also note the Town and County Planning Association's finding[23] "that this may require support to local government planning departments to ensure they have the resources and skills to apply them". The ABI proposed that WG could increase the installation of these measures by moving the necessary PFR measures to be handled through building regulations, rather than planning. The ABI believe that a basic level of PFR in building regulations would be an efficient, mandatory route to secure minimum standards.

9.4.3 The SouthWest Wales FRM Group also felt that particularly "if there is a lack of data on PFR and insurance, we need to implement more PFR schemes and work with businesses and residents to gather the missing data" and suggested WG implements a "PFR accelerator scheme", or to fund "post-events in support of PFR".

9.5 Revisions to the Flood Re Scheme

The BRC expressed the view that achieving universal flood insurance coverage would be desirable, but whilst "ongoing dialogue with the insurance industry seeks a solution to this problem, public funds and resources for flood resilience and recovery should be well targeted to support areas worse affected by flooding and deprivation-linked inability to afford insurance premiums".

Flood Re stated that the "continued achievement of our purpose will require active management of risks", furthermore that "seeking to expand the Flood Re scheme to include categories such as post-2009 properties which are being proposed specifically because of concerns that they may be high-risk, would exacerbate the challenges being faced by the scheme. This could substantively alter the subsidy structure in the scheme, with potential unintended consequences to the detriment of communities whose insurability is currently being maintained by the scheme. As outlined in our responses to the previous question, we would urge that government consider in the first instance the actions it can take to actively manage physical risks. By an active strategy of containing physical risk through planning controls, flood defences, and other mechanisms such as PFR, the Flood Re scheme can continue to manage the financial risks that are becoming increasingly challenging".

9.6 Summary

9.6.1 Respondents believed the wider responsibilities and complexities affecting individual householders' ability to have adequate flood insurance should be acknowledged. A robust planning system and increased investment in flood defences and PFR were seen to be within 'the gift' of WG. Insurance should be given greater consideration in planning and a robust planning system needs to undertake adequate consideration of the risks, so that homeowners and businesses owners are not left with high-risk buildings difficult to insure. Primary funding responsibility for flood defences must be the responsibility of WG in its role of protecting citizens and communities, a responsibility that cannot be passed off to others, including insurers, whose role is to ensure they have the capital to pay

[22] The report (section 4.2.1, p12) has been edited to clarify meaning in response to the ABI, to "any householders in Wales without unable to gain insurance, unable to afford their own PFR measures or access a government grant, means they cannot progress to the recovery stage and resilience".

[23] https://www.tcpa.org.uk/wp-content/uploads/2024/08/TCPA-Delivering-Flood-Resilience-Report-Sept-2024.pdf

claims should the worst happen. As flood defences cannot prevent every single property from flooding, it is also important to increase the uptake of PFR measures. Planning regulations should mandate new buildings to be equipped with flood protection measures commensurate with their specific flood risk, which requires resources for planning departments (including skill sets). The installation PFR measures could be increased in quantity and standards by moving necessary measures to be handled through building regulations.

9.6.2 As per Q6 Section 8.2, Flood Re eligibility criteria should not be revised, however access to insurance should be universal. In addition to the emphasis on WG's management of risk to ensure access to insurance, public funds and resources for flood resilience and recovery should be well targeted to support areas worse affected by flooding and poverty-linked inability to afford insurance premiums.

Further comments and proposals:

- Implement the commitment in its Programme for Government to deliver NFM, and to implement the NFM Accelerator (2023-2025), in order to accelerate delivery of NFM interventions
- Implement a PFR Accelerator Scheme
- Grant insurers access to flood defence infrastructure maintenance status

10. A Contextual Update

10.1 In the period between the initial consultation exercise on 'Insurance and Flood Re – A Wales Perspective' (2025)[24] and this response, there have been a series of developments regarding flood insurance, that have implications for, and/or lend weight to, the proposals and potential routes to move forward.

10.2 In March 2025, WG published an update to the Technical Advice Note 15 (TAN15): Development, Flooding and Coastal Erosion[25]. There are now new sections in TAN15 that consider flood protection measures for new buildings. The affordability of insurance and the associated costs of dealing with flooding consequences, are recognised to reinforce the overall principle of avoiding development in areas where the consequences of flooding will be unacceptable (section 2.8, TAN15). Planning authorities or developers considering development in areas at risk of flooding are advised to seek the views of insurers at an early stage of design planning, in order to integrate appropriate and effective design features to actively reduce flood risk, and to help the eventual occupiers of new developments (section 2.9). Finally, TAN15 states that planning and building regulations have a complementary role in flood management and the use of flood mitigation and damage resistant measures will be required as part of ensuring the consequences of flooding are acceptable. Thus, TAN15 states that any development in Zones 2 and 3 and the TAN 15 Defended Zones must have resilience to flood built-in at site and property level (section 13.2).

10.3 In April 2025 the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs detailed WG's response to the NICW review's recommendations into Building Resilience to Flooding in Wales by 2050 [26]. It is accepted that a renewed conversation about flood risk management

[24] Insurance and Flood Re: A Wales perspective [HTML] | GOV.WALES
[25] Technical Advice Note 15: Development, flooding and coastal erosion

[26] Letter: Welsh Government response to the NICW review into Building Resilience to Flooding in Wales by 2050 | GOV.WALES

and building resilience in at risk communities is needed, and it is anticipated that this issue will be returned to in the next Senedd (addressing NICW recommendation 2). There is widespread support in the Senedd for building community capacity for flood risk, including a potential national level forum (or equivalent), and support for the establishment of more community level groups to support resilience (recommendation 6). Kings College London have been commissioned to review forms of deliberative engagement, and officials have been asked to consider how to ensure equitable access to information and how to enable engagement in decision-making for diverse groups (recommendation 8). Also, it is noted that local councillors, town councils, and community councils, play a pivotal role in supporting their respective communities, that it is important to support them to undertake this role (recommendation 16). Local Authorities and NRW are seen as best placed and are encouraged by WG to deliver property flood resilience measures at a community level. It has been emphasised that householders who received property flood resilience measures via these schemes do not need to provide a financial contribution and that actions will be targeted towards the most at-risk communities. The intent is to continue to make funding available to support such measures, including to explore how investment in property level flood resilience can be scaled up, particularly for those at highest risk and who are least able to manage the costs of flooding (recommendation 13).

10.4 The letter to members of the National Infrastructure Commission for Wales (as above) also referred to the Climate Adaptation Strategy for Wales[27] (published October 2024) which sets out WG's commitment to responding to the changing climate. Within this national strategy, it is recognised that the negative impacts of climate change are likely to be felt most by those on low incomes, who may be less likely to adapt their homes, or to have household insurance to cover the costs arising from storm damage and flooding (section 2.1), making it harder for them, for example, to replace household goods after a flood (section 2.4). The social justice aspects of climate change adaptation are related to the Welsh Government's National Equality Objective 7, which states, "We will create an environmentally sustainable Wales with the capacity to….respond to the inequitable impacts of climate change". Hence in taking forward policies and actions to address the impacts of climate change, the Strategy commits to taking "appropriate steps to understand whether any groups and communities might be disproportionately affected and will consider the options available for addressing this" (section 2.4). In the climate change outcomes, "what does good look like", includes that "businesses have access to capital and insurance including for adaptation" (section 5.8) and that there is "equitable credit and insurance coverage and premiums for corporates and households to address climate-related risk" (section 5.15).

10.5 In September 2025, the Senedd's Climate Change, Environment, and Infrastructure Committee published 'The response to recent storms'[28], following an inquiry into what lessons can be learned following storms Bert and Darragh experienced during the winter of 2024. This includes asking that WG revisit emergency funding for households and to improve signposting to the Flood Re insurance scheme. Contributors to the enquiry had described how "repeated flooding caused significant anxiety and distress, particularly for residents without insurance coverage" (section 118). Contributors also noted the difficulties of navigating the Flood Re 'system' and called for "clearer, more accessible communication more accessible communication from insurance providers and government bodies to help residents and businesses better navigate the complexities of flood insurance coverage" (section 116). The Committee was concerned by the limited access to affordable flood insurance for residents and businesses. In the view of the Committee, "both governments and insurers must do more to

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[27] https://www.gov.wales/sites/default/files/publications/2024-10/climate-adaptation-strategy-for-wales-2024.pdf

[28] https://laiddocuments.senedd.wales/cr-ld17390-en.pdf

simplify and clarify access to insurance. The role of local authorities in offering advice and signposting must also be strengthened" (p47). The Committee recommended that "the Cabinet Secretary should report back to the Committee on how, in his view, existing insurance schemes such as Flood Re, can be better promoted to residents of high-risk flood areas in Wales" (Recommendation 16).

10.6 The UK Government set up a new 'Floods Resilience Taskforce' in September 2024, in order to provide oversight of national and local flood resilience and improve preparedness. Standing membership of the taskforce includes devolved administrations. The first meeting explored the support that insurers can provide to their customers, which included raising awareness and the increased take up of Build Back Better[29]. The taskforce has also established three taskgroups, on flood warnings, flood recovery and notably flood insurance, with updates expected at future taskgroup meetings (Hansard HC Deb., 26 February 2025)[30].

[29] https://www.gov.uk/government/news/new-taskforce-launched-to-turbocharge-flood-preparedness-and-delivery-of-flood-defences

[30] Hansard HC Deb. (26 February 2025) Draft Flood Reinsurance (Amendment). Available at: Draft Flood Reinsurance (Amendment) Regulations 2025 - Hansard - UK Parliament (Accessed: 20 October 2025).

11. Summary and Resultant Proposals

Considering the evidence in the 'Flood Re and Insurance: A Wales Perspective' report's evidence, the support for proposals and additional insight and expertise from the consultees', the original consultation questions are now framed as proposals:

Proposal 1: To include a measure/sub measure on the proportion or number of properties at risk yet under insured or without insurance in the National Strategy (including availability and affordability issues).
11.1 See section 3. There is strong support for a measure in a future revised National Strategy for Wales to understand the scale or the number of people and properties who do and do not have insurance or who are under-insured, particularly tracking the at risk, yet unprotected properties. The new measures should differentiate between 'availability' and 'affordability', ensuring that 'affordability' is clearly defined to ensure the cost of insurance cover is considered within reach for low-income households. 11.2 Further consideration is required on data collection methods, including the possible role of Lead Local Flood Authorities through Section 18 and/or Section 19 reports. Data held by the insurance industry is considered too limited and incomplete to address public policy questions. NB The data provided by Flood Re on insurance availability is at a UK level, limited to only 100 in the sample for those at high risk with former claims. It does not address take up (including affordability), those ineligible for the scheme. Notably the statistics differ markedly from the British Red Cross survey findings, also see section 2.1.1. Hence, the consideration of data source and collection links to Q3/section 5 concerning research needs. Additional comments/proposals from consultees for consideration: ▪ To map areas with high densities of uninsured properties onto flood risk maps to inform investment and emergency response resourcing decisions (which would be subject to collecting the data). ▪ A measurable approach to flood risk in the Strategy, including a long-term measurable target for reducing the number of properties at risk of flooding.

Proposal 2: To include a measure on the proportion or number of properties accessing 'build back better' (BBB) insurance claim payments and installation of PFR resilience measures in the National Strategy.
11.3 See Section 4. There is support for measures and targets on the uptake of Build Back Better (BBB) and wider schemes promoting Property Flood Resilience (PFR). The British Red Cross did note in general that the ability to measure progress on household uptake of PFR would be a significant step in supporting the development of strategic interventions to promote PFR, but the responses did not consider 'access' (affordability or ineligibility for Flood Re) to PFR measures by households or businesses in any detail. This could be taken forward by WG (see next section, 10.4), or as a key implication for further understanding (under Q1 and/or Q3). 11.4 Flood Re has limited data currently on BBB and is instead focusing on increasing uptake. There is a key role for Government in collecting data on the uptake of PFR, particularly given that government backed and local authority schemes make up the majority of installations. 11.5 Take the opportunities to continue the dialogue with Flood Re to understand why properties have declined the offer to implement PFR measures. As BBB is not universally provided by insurance companies, there is also an opportunity to explore whether further engagement is required to make communities at risk aware they need to check with their insurers, or dialogue with the insurance industry to place the onus on insurance companies to be more proactive, or for BBB to be standardised. Additional comments/proposals from consultees: ▪ More guidance and activity to gather data on the effectiveness/performance of resilience measures that have been installed in homes from WG. Consideration of a similar mechanism to Natural Flood Management (NFM), whereby most Lead Local Flood Authorities (LLFAs) gather data before and after the scheme to feed into the knowledge, data, and evidence base. ▪ Ensuring a common approach across the UK, concerning standards, metrics and practices, to enable the PFR industry to grow.

Proposal 3: Consider issues with insurance availability and affordability, notably including those ineligible for Flood Re, as a key research need (including action through the Joint Flood and Coastal Erosion Risk Management Research and Development Programme and in collaboration with the ABI).
11.6 See Section 5. The issues raised in the report have been observed by practitioners in Wales (particularly with tenanted properties ineligible for Flood Re). The Senedd's Climate Change, Environment, and Infrastructure Committee was concerned by the limited access to affordable flood insurance for residents and businesses. However, the data is not available from the insurance industry, hence there is a key research need to increase

understanding regarding the extent of issues concerning insurance availability and affordability. To note that the ABI would welcome the opportunity to collaborate in any research.

Proposal 4: To allocate resources for *targeted* insurance and PFR/BBB guidance to high exposure households and businesses (particularly in less affluent areas), considering trusted voices and channels (particularly in the VCS and including One Voice Wales) and progressing dialogue with the ABI.
11.7 See Section 6. Respondents have experienced communities lacking knowledge in high risk areas and welcomed the proposal for targeted insurance engagement. (This follows the recommendation of the Blanc Report (2020), that there should be targeted engagement to promote awareness of flood risk to high exposure households and businesses, a simple explanation of flood insurance, a guide to accessing affordable insurance (including through specialist brokers if necessary) and a guide as to what to expect from your insurer in the event of a claim[31].) There should be greater consideration of trusted voices and channels, and of the proposals and guidance offered as to Local Authority and partnerships with the voluntary and community sector. The efforts with engagement to date have been praised, but more events should be targeted and resourced in areas specifically affected by recent flooding. This aligns with the Senedd's Climate Change, Environment, and Infrastructure Committee's call for clarifying access to insurance, and could inform the plans of WG to review different methods of deliberative engagement with communities and to support wider training (including local councillors, town and community councils). Further comments and proposals: ▪ The need to raise flood risk awareness at the time of buying a home ▪ Targeted guidance and engagement with the construction sector on PFR.

[31] The Blanc Report (2020): Flood insurance review 2020: Doncaster - GOV.UK

Proposal 5: WG to monitor approaches from Defra and/or the UK Floods Resilience Taskforce to provide financial support and access to insurance (including reduced premiums) for smaller businesses and poorer households. Otherwise, WG to consider the need to take the initiative on providing such support.

11.8 See Section 7. The monitoring of approaches from Defra for support (which follows the recommendation from the Climate Change Commission (2023)[32]), or in the absence of such approaches, WG led financial support was welcomed by non-insurance industry consultees. The ABI and Flood Re focused on co-ordination and learning from national level approaches, including the new National Flood Resilience Taskforce. WG to consider the terms of reference for the new Taskforce, as it is stated that the taskforce "may review" the "the identification and views of preparedness of the most vulnerable areas as well as actions to support the most vulnerable groups" as one of the themes[33]. Such a commitment aligns with the WG's National Equality Objective 7 to respond to the inequitable impacts of climate change, and with the Climate Adaptation Strategy for Wales (October 2024), "as we take forward policies and actions to address the impacts of climate change, we will take appropriate steps to understand whether any groups and communities might be disproportionately affected and will consider the options available for addressing this" (section 2.4).

Proposal 6: WG to work with Defra and the UK Floods Resilience Taskforce to consider the need for a new scheme or alternative support for subsidised flood insurance cover for SMEs and home businesses, and to reconsider the Flood Re eligibility criteria or alternative support for homes built after 1 January 2009 and leaseholders (in a block of more than 3 flats).

11.9 See Section 8. A greater understanding of how many householders and others ineligible for Flood Re was welcomed, as this was seen to be a growing issue. The eligibility criteria were viewed by most consultees as still relevant, or alternatively as raising a difficult choice for policy makers as to whether inequity should apply to those with post 2009 homes or those with lower income. However, there is seen to be a need for public intervention for the uninsured. (A greater understanding and the need for public intervention are considered under proposals 3 and 5 respectively.) The challenges of ineligibility also shift the emphasis to 1) planning taking into account flood risk (and the monitoring of properties build in areas of flood risk) and 2) levels of government funding of flood defences and PFR (see proposal 7).

11.10 To note that the respondees did not comment on evidence that leaseholders (in a block of more than three, i.e. excluded from Flood Re) are struggling to access insurance. The proposal thus follows BIBA (BMG Research, 2022, p29[34]), to question Flood Re's eligibility criteria for those in a block of more than three leasehold flats (including basements).

11.11 Attention was drawn to BIBA's commercial property flood insurance scheme for SMEs. However, this does not offer subsidised cover (as per

[32] https://www.theccc.org.uk/wp-content/uploads/2023/08/Adapting-to-Climate-Change-Progress-in-Wales.pdf
[33] See p2, under focus areas: https://assets.publishing.service.gov.uk/media/67dd924b64220b68ed6a6fa1/Terms_of_Reference_-_Flood_Resilience_Taskforce.pdf
[34] Review of affordability and availability of flood insurance to help evaluate the effectiveness of FloodRe. - FD2721

Flood Re). There is still a need for a new scheme focused on SME's and home businesses. This aligns with the commitment shown in the Climate Adaptation Strategy for Wales (October 2024), that businesses and households have equitable access to capital and insurance including for adaptation (section 5.8 and 5.15).

Proposal 7: In the preparation of a revised WG FCERM strategy, WG should include an acknowledgement of the wider responsibilities and complexities to enable "the responsibility of a home or business owner to have adequate insurance cover against flooding". This should include the maintenance of TAN15's strong stance on development of buildings in current and potential flood zones and the installation of PFR to be mandatory in planning, and handled through building regulations.
11.12 See Section 9. Respondents believed the wider responsibilities and complexities affecting individual householders' ability to have adequate flood insurance should be acknowledged. Including: ▪ A robust planning system and increased investment in flood defences and PFR were seen to be within 'the gift' of WG. Insurance should be given greater consideration in planning and a robust planning system needs to undertake adequate consideration of the risks, so that homeowners and businesses owners are not left with high-risk buildings difficult to insure. Primary funding responsibility for flood defences must be the responsibility of WG in its role of protecting citizens and communities, a responsibility that cannot be passed off to others, including insurers, whose role is to ensure they have the capital to pay claims should the worst happen. As flood defences cannot prevent every single property from flooding, it is also important to increase the uptake of PFR measures. Planning regulations should mandate new buildings to be equipped with flood protection measures commensurate with their specific flood risk, which requires resources for planning departments (including skill sets). The installation PFR measures could be increased in quantity and standards by moving necessary measures to be handled through building regulations. (The updated TAN 15 does stress that the affordability (NB not availability) of insurance reinforces the overall principle of avoiding development in areas where the consequences of flooding will be unacceptable. However, the need for data or measures on the evidence of new homes being built to higher flood risk standards is not a requirement as part of planning applications. This does not allow insurers to have a better understanding of what measures have been included, and then (in theory) reduce premiums for homeowners. Hence there is still a need to consider the consultees' advice to push for a more strategic approach to data collection and monitoring regarding both the installation and the effectiveness of property resilience measures. Consultees also advised that planning regulations should mandate new buildings to be equipped with flood protection measures commensurate with their specific flood risk. They believed that the installation of PFR measures could be increased in quantity and standards by moving necessary measures to be handled through building regulations. TAN15 section 3.2 states that planning and building regulations have a complementary role in flood management and the use of flood mitigation and damage resistant measures will be required as part of ensuring the consequences of flooding are acceptable. Any development

in Zones 2 and 3 and the TAN 15 Defended Zones must have resilience to flood built-in at site and property level. However, the requirement for PFR measures to be handled through building regulations still needs to be considered by WG.

- Universal access to insurance. Public funds and resources for flood resilience and recovery should be targeted to support areas worse affected by flooding and poverty-linked inability to afford insurance premiums.

Further comments and proposals:

- Implement the commitment in its Programme for Government to deliver nature-based flood management and implement the NFM Accelerator (2023-2025) to accelerate delivery of natural flood management interventions
- Implement a PFR Accelerator Scheme
- Discussions with Flood Re to understand how a Flood Performance Certificate can fit into the SuDS Approval Body (SAB) process.
- Grant insurers access to flood defence infrastructure maintenance status

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03. 12. 2025

Dear Climate Change, Environment, and Infrastructure Committee,

We write to you in the hope that the CCEIC will, as a committee, request the Welsh Government calls in the application to reduce the agreed restoration plan at the Ffos-y-fran Land Reclamation Scheme.

Summary

As the full name of the project indicates, this was a scheme to restore to a high standard the area of land, labelled as derelict at the time, through opencast coal mining. Proper restoration is therefore the scheme's central purpose, rather than an add-on. Yet, despite it being the central purpose of the project, the restoration has suffered unjustifiable delay (the mining company is actively in breach of planning conditions requiring the land to be fully restored by 6 December 2024). Some of this delay was caused by the illegal coal mining of some 640,000 tonnes of coal beyond the end of planning permission in September 2022, enlarging the void and adding to the coal tips. Merthyr (South Wales) Ltd's (MSWL) own public accounts indicate coal was sold at record-breaking prices. MSWL finally agreed with Merthyr Tydfil County Borough Council to stop mining by November 2023 – but only because Port Talbot steelworks ended its contract with the mine (as expressed in Ministerial Advice in July 2023) and after Coal Action Network and Good Law Project mounted a judicial review against inaction by the Welsh Government and Council.

Weaponising restoration

MSWL has profiteered from its flagrant disregard for planning conditions with total impunity from any Welsh public authority to date. In contrast, when the Mining Remediation Authority took enforcement action against MSWL for mining outside its licenced area, MSWL quickly complied. The difference is that the huge restoration cost can be held as the sword of Damocles over the heads of the Council and Welsh Government, fearing they may have to fund that restoration should MSWL go into administration – as outlined in the Ministerial advice (July 2023).

This appears to have created a chilling effect on enforcement action that could have prevented over 2 million tonnes of CO2 from mining continuing at the site – as revealed by internal communications between the Planning Officer for the application and the Council's solicitor in July 2023: "Finally, there is the real risk that a stop notice would result in the abandonment of the mine given that <u>the approved restoration scheme is not deliverable.</u> This approach may also antagonise the developer and undermine the negotiations to date towards a revised restoration strategy...[own emphasis]" This also sets a deeply alarming precedent; just as MSWL cites the precedent set by Celtic Energy Ltd's own avoidance of restoration costs across four coal mines, we know that corporations are watching and learning from this case, undermining planning control and the polluter pays' principle.

Forensic financial review

However, advice that Coal Action Network has received from internationally renowned forensic accountants C. Lewis & Company suggests that the risk of MSWL being able to legally cut and run with the £91.2 million ring-fenced restoration funds has been substantively exaggerated. A key conclusion that the review reaches is that the most viable way for MSWL to end up in a position where they can withdraw in dividends more of the restoration funds is <u>by convincing the Council to approve a lower-cost restoration scheme.</u> That is exactly what the reduced restoration application before the Council attempts. Agreeing that less can be spent (by approving this application or any other application for an alternative lower-cost scheme) is the greatest risk to the availability of funds for a safe and thorough restoration of the land. This in itself would allow the company to legitimately withdraw as dividends the substantial funds set aside for the restoration. Unless this happens, the company is likely financially ‘locked in’ to fulfilling its obligations to restore the site fully based on the approved scheme and based on the most recent accounts, has the means to do so. If these funds were dispensed in dividends or for other purposes, that would likely represent unlawful dividends or wrongful trading, both of which can engender severe penalties, including leaving the directors personally liable for the Group’s liabilities. I have attached separately the full analysis by C. Lewis & Company.

Council control and conduct

Unfortunately, the Council has seemingly failed to control any aspect of MSWL’s activities, including: mining far beyond its planning permission, switching off its pumps causing the void to flood, the immediate loss of almost all jobs on the site, to secure restoration by 06 December 2024, and preventing it operating an unauthorised motocross track (beyond permitted development rights) atop the largest coal tip. But perhaps most centrally, despite years of challenges from groups and individuals, key Council staff have accepted and repeated MSWL’s claims that it is impractical to hold the company to fund the agreed restoration scheme, despite company accounts clearly indicating the very opposite to be true e.g. “...the approved restoration scheme is not deliverable” (as referenced earlier). Although the Council repeatedly failed to disclose on what basis it had been asserting this since at least 2023, it was made clear by the Council’s request for evidence from MSWL in June 2025 that its assertion over a period of years had been contrary to the evidence available to it. A lack of finances was the primary justification for MSWL not to have funded and finished restoration by the required deadline, supposedly requiring more time to present a reduced proposal. Despite being the justification for breaching another planning condition, the Council delayed requesting this evidence of deficient finances until over half a year after the site should have been reopened to Commoners and the 58,000 residents of Merthyr Tydfil. This inexplicable conduct by the Council is concerning and warrants further investigation. It has already resulted in serious consequences for Commoners, residents, planning control across Wales, and nature recovery, and constitute the grounds to take the process out of its hands.

In its response (July 2025) to the Council’s eventual request for evidence of its finances, MSWL suddenly claimed this is not a material planning issue. This is despite frequent referring to insufficient finances in its main Ecological Impact Assessment (March 2025) as a central justification to leave behind a flooded mining void, an exposed coal-face sheer cliff-face, and three colossal coal tips dominating the skyline:

- "By amending Option 2 to retain the water body, the final restoration plan represents a more financially sustainable and environmentally conscious approach…
- balancing the demands of ecological restoration with community needs and financial realities.
- These changes represented a pragmatic approach to restoration, one that sought to maximise ecological and social gains within the limited budget.
- ...be funded by the proceeds held in the ESCROW account [suggesting it will not fund more than the £15 million held by the Council]."
- "As the Council is fully aware, there are insufficient funds within the Escrow and restoration fund to allow for the full and successful implementation of the current restoration strategy for the site." – Planning Statement to extend the site (P/22/0237), 2002

Conclusion

Restoration of the land at Ffos-y-fran was the driving force for permitting the opencast coal mine. The Council's belief that MSWL cannot or will not fund the agreed restoration has guided its approach towards MSWL, including its breaches of planning control. The financial burden of the restoration scheme created a chilling effect on enforcement action by the Council, perhaps extending to the Welsh Government. It materialised that there was no evidence basis for this approach, which had been highlighted by third parties. The forensic financial assessment suggests that funding does not present a barrier to implementing the full approved restoration scheme. The failures outlined in this letter, and the conclusions reached within the forensic financial assessment, will hopefully lead to the CCEIC adding itself to the list of parties requesting that the Welsh Government call in MSWL's application to reduce the restoration by an order of tens of millions. Failing to do this will make a mockery of the Wellbeing of Future Generations Act, the Disused Mine and Quarry Tips (Wales) Act 2025, the Environment Bill, and Planning Policy Wales.

NOTE ON THE DISCLOSURE OF MINE RESTORATION PROVISIONS IN THE ACCOUNTS OF MERTHYR (SOUTH WALES) LIMITED

10 NOVEMBER 2025

C. Lewis & Company
www.clewisworldwide.com

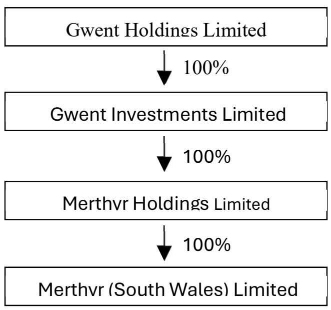
Introduction

1.1 I am Brendan Cashman, a Director with C Lewis & Company. I am a Fellow of the Institute of Chartered Accountants in England and Wales and A Certified Fraud Examiner.

1.2 I am instructed by Richard Buxton Solicitors to provide a note concerning the Ffos y Fran mine. In particular I am instructed to consider the disclosure of mine restoration provisions and the availability of cash to fund said provisions in the financial statements of Merthyr (South Wales) Limited and other related companies.

Group Structure

1.3 The relevant group companies are as follows, with each wholly owning the entity below it as follows:



1.4 Gwent Holdings Limited is in turn wholly owned by Mrs Jane Helen Louise Lewis.

1.5 Another relevant related company is Geraint Morgan Legacy Limited, which owns the land Ffos y Fran operates from. It is wholly owned by David Lewis.

Reporting requirements for mine restoration provisions

1.6 It is typical in the UK for planning permission to be granted for mines contingent on the owners/operators restoring the site once the mining license expires, at the expense of the owners/operators.

1.7 As security, it is also typical that in order to enforce site restoration, the relevant council will require the mine owner/operator to deposit an amount of money in an escrow account, that will be forfeited should the restoration obligations not be discharged.

1.8 Under UK GAAP, mining companies are required to account for these anticipated restoration costs, using the preparer of the financial statements' "best estimate" of what it would cost to "rationally pay to settle the obligation at the end of the reporting period".

1.9 Each year, the best estimate must be adjusted so as reflect a current estimate at the reporting date: note this need not be a professional valuation of the scheme, but merely the preparer's best estimate.

1.10 In practise, creating a provision in the financial statements means "setting aside" an amount of profits each year over the length of the mining license, precisely such that when the obligation must be met in the future there are available profits with which to do so.

Requirements to pay a dividend in the UK

1.11 In general, there is a difference between the cash generated by a company and the profits generated by a company, and a company can only pay dividends out of profits that it has generated. This means there are situations where a company can be sitting on lots of cash, but can struggle to get the cash out of the company and into the hands of its shareholders.

1.12 Broadly speaking, this is the situation MSWL is in: its business has been very cash-generative to this point, but because it has a legal requirement to set some of that aside to restore the site, it has not been as profitable in accounting terms.

1.13 To be more precise, whether a UK company can or cannot pay a dividend (i.e. distribute profits to its shareholders) is governed by the Companies Act 2006.

1.14 Specifically, section 830 states:

"*830 Distributions to be made only out of profits available for the purpose*

(1)A company may only make a distribution out of profits available for the purpose.

(2)A company's profits available for distribution are its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made…"

1.15 A dividend that is paid without having sufficient profits/reserves to do so is called an unlawful dividend. The penalties for making an unlawful dividend can be severe and can result in personal liability for the directors.

Observations from financial statements

1.16 Each of the companies in the group prepares its financial statements to 31 December, meaning that accounts are due at Companies House by 30 September the following year; each of the group companies has not yet filed accounts for the year ended 2024. This means that at time of writing, the latest publicly available financial information is to 31 December 2023.

Merthyr (South Wales) Limited

1.17 The (audited) financial statements of MSWL include, inter alia, the following at 31 December 2023:

- Amounts due from parent undertakings of £94,937,629.
- Cash at bank and in hand of £1,168,958.
- Cash funds held by LPAs as part of its s106 commitments of £15,413,773.
- Operating provisions relating to restoration costs of £91,173,578.
- Profit and loss reserves of £4,295,754.

1.18 The financial statements also provide the following narrative description of the operating provision:

"*The provision relates to the costs of returning land disturbed during mining activities including aftercare costs…*"

1.19 As noted in the "Risk management" section:

"*Full account has been taken for funding the restoration obligation in the future costs and cash flows.*"

1.20 In accounting terms, position appears to be that even if MSWL now has to pay the full restoration costs of £91m, they would have profits of £4m left over. If somehow it did not have to pay these restoration costs, there would be profits of £95m left over.

1.21 Note that MSWL does not have the cash itself to fund the restoration costs: this is because substantially all of the lifetime profits from the mine have been loaned to the ultimate parent company, Gwent Holdings Limited.

Other Group Companies

1.22 The cash generated from operating Ffos y Fran is still held in the Group, and can be seen in the financial statements of Gwent Holdings Limited, which has cash at bank and in hand at December 2023 of £118,270,182 (and a matching amount due to group undertakings of £94,937,629). This amount is more than enough to satisfy the amount provided for in the accounts of MSWL. In other words, GHL appears to hold significant cash reserves on behalf of MSWL, which are in excess of the amounts required to satisfy the restoration costs provided for.

1.23 Note that to fund a restoration costing £91m likely only requires MSWL to provide £76m in cash, as the Local Council holds £15m on its behalf.

1.24 Overall, the Group holds cash of £120,909,915, although only has profit and loss reserves (from which it can pay dividends) of £54,411,980.

1.25 In practical terms, this means it will be relatively easy (and legitimate) for the shareholders to extract the first £54m from the business – be it in dividends, salaries, commissions, etc.

1.26 After that, the profit and loss reserves will be negative (principally, due to the requirement for MSWL to fund the restoration), and it will become harder for the owners to extract the remaining (approximately £67m of) funds:

1.27 If they attempt to do so via dividends, these will be unlawful dividends which may leave the directors personally responsible for the Group's liabilities.

1.28 If they attempt to do so via any other means (salaries, commission payments etc) the business may now be wrongfully trading, which can also leave the directors personally responsible for liabilities.

Current implication

1.29 At present, although the mine has generated a lot of cash (to the tune of some £90m), it has not generated as much profit, due to the requirement to set aside earnings in order to restore the site after mining operations cease. In practise this makes it difficult for the ultimate shareholders to receive and benefit from this cash.

1.30 From an accounting perspective, the easiest way for the shareholders to get the cash generated from the mining operations would be to renegotiate what was required of it by the local council.

1.31 If the council were persuaded that a smaller restoration scheme would be appropriate (say, for half the costs), MSWL could then legitimately reduce their restoration provision as they would be able to satisfy their obligation for half as much. This would mean creating another c. £45m in profits which could be legitimately issued to the shareholders as dividends.

1.32 MSWL and its shareholders therefore have a huge interest in the Council agreeing to a smaller restoration scheme, as this could free up large amounts of cash for distribution as profits. This may well be the simplest route available to the shareholders. However, the latest available information about the Group accounts indicated that they have significant cash reserves available that could be devoted towards the restoration liability, for which provision has been made in a total amount of £ 91,173,578.

<u>Responses to specific comments made by Merthyr (South Wales) Limited</u>

1.33 We have seen various instances and manners by which Merthyr (South Wales) Limited claim that they are unable to afford the full costs of restoration. These include the following:

- "*there are insufficient funds within the Escrow and restoration fund*" – Planning Statement for 2022 extension application P/22/0237
- "*insufficient funds in the Restoration Fund held by the Council, together with funds set aside by the Company*" - Delegated Report for 2022 extension application P/22/0237
- *"In 2016 the original owners of the company who were operating the mine were released from their original obligations to restore the mine, this was subsequently replaced by an Escrow Account in the amount of £15m which is fully funded along with a parent guarantee provided by Merthyr Holdings Limited.*" - Final restoration strategy for alternative restoration proposal P/25/0037

1.34 We stress that these claims require careful parsing.

1.35 It is certainly true that if the restoration scheme will cost in the order of £90m, there is not enough available in the Escrow account alone. Note that MSWL also refers to the Escrow account as the "Restoration Fund", implying the "Escrow and restoration fund" referred to in the Planning Statement does not appear to relate to two sources of funding, but merely the £15m.

1.36 The excerpt from the Delegated Report for 2022 extension application may also be carefully worded: "funds set aside by the Company" may be carefully sidestepping the fact that there appears to be a £91m provision set aside, albeit the funds available to settle the obligation are held by the parent company rather than the Company itself.

1.37 It is likely true that the original owners of the company who were operating the mine were released from their original obligations to restore the mine. However, if it were correct that the new owners of the company were not bound to those obligations (or other similar obligations), I would not expect the financial statements to contain a provision. However, the financial statements do contain a provision of £91m, reflecting the preparer's (Mr D Lewis) best estimate of the amounts that will be required to settle MSWL's obligation.

1.38 It therefore does not appear that Mr D Lewis believes that MSWL's obligation is limited to the £15m that is held in escrow, and given the financial statements have been audited, neither do the auditors.

Conclusions

1.39 From the information available to me, the following can be said:

1.40 At 31 December 2023, Mr Lewis has attested (by signing the financial statements of MSWL) that his best estimate of the costs required to restore the site at Ffos y Fran was £91.2m.

1.41 The full amount of the restoration costs has been loaned by MSWL to Gwent Holdings Limited, another Group company.

1.42 As at 31 December 2023, Gwent Holdings Limited still holds cash in excess of this amount, and so, if it were to repay MSWL what it owes, MSWL would be able to fully fund the £91.2m restoration costs.

1.43 Even if Gwent Holdings Limited were to distribute all of its available profits (which it has not done based on the information available at time of writing), it would be left with cash of around £67m which it could likely not distribute lawfully without wrongfully trading. Together with the £15m held in escrow this would fund substantially all of the £91m required for the full restoration scheme, and even if it did not have the full amount in cash, the company would have assets that would in principle be available to fund the liability to MSWL.

Brendan Cashman 10 November 2025

Friends of the Earth Cymru | Cyfeillion y Ddaear Cymru

Jennifer Lloyd
Friends of the Earth Cymru
C12
Cathedral Road
Cardiff
CF11 9LJ

4th December 2025

Dear Climate Change, Environment and Infrastructure committee,

We are writing to the committee to ask for your supporting in urging the Welsh Government to call in planning application P/25/0037, concerning the restoration of Ffos-y-Fran, which is currently under consideration by Merthyr Tydfil County Borough Council (MTCBC).

Attached is the request for a call-in that we submitted to Welsh Government on 7th May 2025. To date there has been no direction made to call-in the application. We are also aware of other requests for a call-in sent by local activists and other environmental organisations.

Since we submitted this call-in letter there has been further concerns raised over planning application P/25/0037 and the company Merthyr (South Wales) Ltd's willingness to deliver what has been promised to the community and that they have an obligation to deliver – full restoration of the site.

These additional concerns are outlined here;

Failure to fulfil the originally promised restoration commitments

Planning application P/25/0037 proposes a significantly reduced scheme to what was promised to the community during the initial planning approval. If approved, it would leave Merthyr residents with dangerously steep slopes, new coal tips and a huge water-filled void above the town.

The cost of this reduced scheme, according to the planning documents, is £15million, which is to be funded wholly by the money set aside in an escrow account that was established when Merthyr (South Wales) Limited (MSW) first received permission to mine for coal at Ffos-y-Fran. The fund exists to make the site safe should the mining company renege on their obligation to deliver the final restoration. It was never intended to finance the restoration itself.

MSW claim that they do not have sufficient funds to carry out the promised restoration work and this is why they are applying to undertake a reduced restoration scheme, however their accounts filed at the end of 2023 show that they have £91.3 million set aside for the restoration of the scheme – enough to deliver the original remediation scheme promised to residents.

We were informed that the escrow agreement between MTCBC and MSW was amended in March 2024, but despite an FOI request by [redacted] —upheld by the Information Commissioner—the council has refused to release the updated agreement and is currently appealing the direction.

The document is crucial to the integrity of the planning process. A decision cannot be made without public and statutory consultees being able to scrutinise it.

It seems evident that MSW are trying all that they can to have the reduced and inadequate scheme approved to avoid the cost of restoration, despite profiting millions from the coal mine. They are putting their own profit before the safety needs of the community

Safety of the site

Mining for coal stopped officially 2 years ago - although coal mining continued beyond that point. The community has since been left with a dangerous hole in the hill above their town that is filling with water and present a risk to environmental health and people's lives. The site has also been left with steep slopes and new coal tips, and there are still no moves to make the site safe for residents of Merthyr Tydfil.

It is crucial that the full remediation scheme, as originally approved, is undertaken as soon as possible to ensure the safety of the community of Merthyr.

Senedd CCEI report on restoration of opencast mine sites

In the Report on Restoration of opencast mine sites, published by this committee in August 2024, a series of recommendations were made regarding the remediation of Ffos-y-Fran and the process for approval of the revised remediation plan. It is evident now that a number of these recommendations are not being upheld.

- **Recommendation 23:** Requires that the revised restoration plan must meet, at minimum, the objectives of the original plan, including safe public access, habitat creation, heritage protection and restoration of common land. The proposed reduced scheme—with its steep slopes and a potentially toxic water body—clearly fails this test.

- **Recommendation 24:** Requires full involvement of local residents in reviewing revised plans. This is impossible while key documents, the escrow agreement, are being withheld from the public.
- **Recommendation 25:** Requires MTCBC to publish the revised restoration application and associated reports. Withholding the escrow agreement—integral to understanding the scheme's financial viability—directly contradicts this recommendation.

Gives rise to controversy beyond immediate locality

We outlined in our call-in letter on 7th May many reasons that the application for the restoration of Ffos-y-Fran gives rise to controversy beyond the immediate locality. This has continued to be the case, and just today the BBC released an article highlighting numerous dangers that continue to pose a safety risk to the community in Merthyr Tydfil.

Most notably the new coal tips that have been created from the overburden of MSW's mining operations, which consultants on behalf of the council have said "pose an ongoing risk to the residents of Merthyr Tydfil and a potential financial burden" to the council.

Wales is already dealing with the remediation costs of thousands of disused coal tips, a fly in the face of the polluter pays principle, we cannot allow new ones to be created. Waste plan at UK's largest opencast mine Ffos-y-Fran 'dangerous' - BBC News

We expect that MTCBC will try to make a decision on the revised restoration scheme over the next couple of months, so it is crucial that the Welsh Government intervenes and calls in this application for the points listed in our original letter of 7th May, but also in consideration of the above new information.

We hope that the CCEI committee supports this request and adds their own voice to the call on the Welsh Government to use its powers to call-in this application for a thorough and impartial scrutiny by Welsh Ministers.

Your sincerely

Jennifer Lloyd on behalf of Friends of the Earth Cymru

Friends of the Earth Cymru | Cyfeillion y Ddaear Cymru

Jennifer Lloyd
Friends of the Earth Cymru
C12
12 Cathedral Road
Cardiff
CF11 9LJ

7th May 2025

Request to call-in Ffos y Fran reclamation scheme (p/25/0037)

We formally request that the Welsh Government calls in planning application P/25/0037 submitted to Merthyr Tydfil County Borough Council concerning variation of conditions involving revision to the restoration scheme of Ffos y Fran opencast coal mine.

Given the national significance of this application, both in terms of community and environmental impact, and the precedent it could set for the restoration of coal sites in Wales, we believe it is essential that this application is called in and the decision made by the Welsh Ministers.

We are requesting that the application is called in on the following points as outlined in Paragraph 1.35 of Planning Policy Wales :

- **The site gives rise to substantial controversy beyond the immediate locality**

Ffos y Fran has given rise to substantial controversy beyond the immediate locality since mining began in 2007.

The opencast coal mine has received widespread national and even international attention for a number of years~~,~~ - attracting media coverage from several Welsh and UK news sites, first relating to its initial planning application, numerous times during the coal mines operation, and more recently when the company continued to operate without planning permission for over a year, unlawfully mining more than 600,000 tonnes of coal.

Ffos y Fran also received international scrutiny when it was the subject of an investigation by the EU Commission due to potential breaches of EU environmental law. It was also the subject of a UN special rapporteur inquiry in 2017, which raised many concerns.

In 2024 the restoration of Ffos y Fran coal mine was subject to a Senedd Inquiry evidencing that the scheme is considered enough of a national controversy to make it into Senedd business. The report noted numerous times the company's complete disregard to its responsibility to restore the site, as was the basis for the approval to mine there in the first place, and said that the company's attitude to the inquiry was "is emblematic of the company's behaviour towards the local authority and residents." It is evident from this proposal that the company is trying to do as little as possible and put their private profit before the community safety.

Due to this history and context, the application is likely to give rise to continued controversy.

Throughout March and April, Friends of the Earth Cymru alongside members of the local community, carried out community engagement in Merthyr town centre to raise awareness of the proposals. Over these days we spoke to hundreds of people from right across south Wales, and some further afield. Awareness of Ffos y Fran opencast coal mine was widespread and the feeling from everyone was clear: the community deserves better, and the site should be fully restored.

If this significantly watered-down version of the scheme is given planning permission, it sends a message to other coal operators that they can get away with it too. This is particularly timely whilst the Senedd is considering legislation to manage the risks of the thousands of coal tips across Wales.

All eyes are on this proposal to see whether a decision is made in favour of community and environmental safety, or in favour of private profit.

- **The proposal is in conflict with national planning policies**

The restoration scheme being proposed by Merthyr (South Wales) Ltd is in conflict with several national planning policies which have been outlined below;

Planning Policy Wales (PPW)

PPW 12 in 5.14.50 "Restoration and Aftercare" states that "planning conditions should ensure that land affected by mineral extraction is restored to a high standard suitable for its agreed after-use".

The original planning application approved an agreed after use "The primary land use proposed on the restored site will be to return it to its former use as urban common land for stock grazing, with public access for air and exercise."

However, the proposal currently sitting with Merthyr County Borough Council for consideration will not return the site to its former use and will present significant hazards to the local community of steep slopes, new coal tips and deep water that will be dangerous to members of the community if they were to use it for exercise.

Mineral Technical Advice Note 2 – Coal (MTAN2)

MTAN2 explicitly states that "Wherever possible, land will be re-instated to contours and levels similar to original ground surface." Application P/25/0037 proposes to leave the giant void created by the coal mining operations, as well as leaving new coal tips, the exact opposite of what is required by policy relating to remediation of coal sites.

Based on these direct conflicts to national planning policy we strongly urge to Welsh Government to call in this application to ensure remediation of the site is carried out in line with policy and to a high standard that is safe for the community.

- **The proposals are likely significantly to affect sites of scientific, nature conservation or historic interest, or areas of landscape importance**

This proposal will have a significant impact on the local landscape by leaving behind a flooded coal mining void and substantial coal tips.

This adverse impact is in directly conflict to the local authority's landscape policy EnW5 Landscape Protection which requires that "proposals do not cause unacceptable harm to the character and quality of the County Borough" and that development and land use changes should protect and enhance the area's distinct environmental and cultural landscape assets.

These impacts are exacerbated by the site being so close in proximity to the Bannau Brycheiniog National Park.

This proposal is fundamentally at odds with the policy requirements to protect and enhance the landscape.

Based on the above reasons we strongly urge the Welsh Government to call in application P/25/0037, to ensure scrutiny in line with national policy.

Yours sincerely

Jennifer Lloyd on behalf of Friends of the Earth Cymru

Dear CCIE Committee,

could I please prevail on you to help us with our ongoing issues in trying to get the Ffos-y-fran mine owner, Merthyr (South Wales) Limited to deliver on their obligation to provide the final restoration of the site as originally promised and as specified in 2007. The current mine owner, Merthyr (South Wales) Limited (MSW) signed-up to this contract in 2015 when they took over the mining operation from Miller Argent (South Wales) Limited

Request:

Could you please urge the Welsh government to call-in the Section 73 planning proposal *[**P/25/0037**|Variation of conditions 4 (Duration of Restoration), 6 (Approved Plans) and 50 (Restoration Strategy) of planning permission APP/U6925/A/10/2129921 involving a revision to the restoration scheme]* and provide an objective, public determination of the proposal as we feel strongly that it cannot now receive this objectivity, nor visibility, if the responsibility were to be left to the MTCBC Local Authority to determine

Reasoning:

The operator is still very much continuing in his attempt to deliver a much reduced scheme despite demonstrating the financial wherewithal to provide the original scheme in full. They have over several years demonstrated in their company accounts that they were putting sufficient funds aside to cover the costs of that full restoration work and in the latest accounts submitted to Companies House, y.e. 2023, they show a figure of £91.2 million.

This should be more than enough to cover the cost of the full restoration of the site as suggested by an estimate of £50-60 Million provided by Mr Hugh Towns, Mineral Planning expert, in his presentation to yourselves in May 2024. Informal estimates secured by ourselves were even less than that figure when using alternative, but industry best practice, working methods.

The vastly overinflated figure of £120-125 Million that is being used to justify the 'financially undeliverable' argument is an unsubstantiated figure that was produced out of a desk exercise in the MTCBC LPA by one of its officers, not a professionally produced estimate from a full civil and mining engineering survey of the site and the work/work methodology required. This was confirmed by the lead planning officer in MTCBC LPA, and it is most likely to be wholly unrepresentative of the actual cost.

We need the intervention of the Welsh Government to call-in the Section 73 planning application for a much reduced final restoration of the Ffos-y-fran mine site submitted by the mine owner, Merthyr (South Wales) Limited, take control of the situation, and provide the more objective scrutiny that this issue needs and deserves. We need the Welsh Government to call-in and determine the application.

Our call-in request has been sitting with the Planning and Environment Decisions Wales PEDW department since 16th April of this year (2025) and I know of several other requests for a call-in from other organisations. PEDW have declined to place a hold directive, stop order, on the planning application to stop MTCBC determining the application which would pre-empt and nullify the call-in request.

We fear that the MTCBC LA have capitulated to the mining company's demands and are presiding over, or even facilitating the provision of a massively reduced final restoration of the Ffos-y-fran site to the detriment of the Merthyr residents. We cannot understand why this needs to be as, to us, there would be a clear breach of contract if MSW did not deliver the full and final restoration of Ffos-y-fran as specified in the 2007 planning consent.

The Section 73 planning application proposes a significant reduction in the scope of the final restoration of the site despite the mining company's patent ability to afford to meet their contractual and moral obligations under the original contract. The scheme would leave us with a dangerous deep mining void with a polluted lake at the bottom and 3 massive new spoil tips, at a time that we are struggling to find funding to inspect, maintain and remediate the existing, historic spoil tips in Wales.

Along with this, the MTCBC LA/LPA amended the surety/safety-net escrow account's contract (March 2024) to enable the release of money to the mining company to deliver an 'Interim Restoration' scheme that has not been subject to public scrutiny via the planning system. MTCBC claim that the work is being delivered under the existing planning consent, but we question this. This 'Interim Restoration' scheme is being funded by the same money as the Section 73 planning application, the £15 Million in the escrow account, and is delivering the core work specified within that S73 application.

This release of the escrow account contract(s) would answer these questions, but MTCBC have refused to let us have sight of it. We asked for access to it via the FoI process and then, after further refusal via internal appeal, we contacted the Information Commissioner's Office (ICO). The ICO subsequently directed MTCBC to release a copy of the contract into our hands, but they refused and have now challenged the ICO decision by appeal. This appeal will not be heard until sometime around April of next year (2026).

We are concerned that the key aspirations of the S73 proposal are being delivered via the 'Interim Restoration' work without public scrutiny using a contrived meld of existing planning consent and doubly allocated funding.

We feel that the MTCBC Local Authority and Local Planning Authority are far too close to the mining company in this case and are involved in supporting, even facilitating the mining company's attempts to avoid its contractual responsibility to provide the full and final restoration of Ffos-y-fran.

It is to be remembered that this is a land reclamation scheme, first-and-foremost, and the full and final restoration of the site would be the culmination of the only real benefit to the local residents. For us, after suffering at the hands of the opencast coalmining operation for nearly 17 years the failure to deliver on this promise would be the final ignominy. The work was approved to make safe dangerous and derelict land for public amenity and agricultural use The irony is that, if we cannot change the current situation, we are now likely to be left with dangerous and derelict land dressed as a more environmentally beneficial solution.

Chris and Alyson Austin
Residents - Merthyr Tydfil

Wednesday 4th December 2025

	Work	Planning Consent	Funding	Situation	Issue
1	**Original Scheme** **Final Restoration Phase**	Original (2007), and still current, planning consent	Developer responsible for full funding of the restoration work. £91.2 Million set-aside in y.e. 2023 accounts	Possibly abandoned by MTCBC and MSW in favour of a minimal restoration scheme	The local community were promised this and deserve it to be delivered. This was the principal aim-of/driver-for the land reclamation scheme. The coal was just to fund it
2	**Interim Restoration** (a mirror of the proposed S73 core work)	No specific planning consent gained it is claimed, by MTCBC LPA, to be running under the original planning consent	The £15 Million 'bond' money lodged in the escrow account	Work ongoing and has been so for over a year to our knowledge	We fear that this is it; the only restoration work that will be delivered. It may be delivering the S73 work without receiving scrutiny, nor specific planning consent!
3	**Section 73 planning application** Minimal Restoration Proposal	None The application is in pre-application phase	None - Cost capped at £15 Million and planned to use the full escrow account 'bond' money to finance	In limbo currently - awaiting further information from the developer	This would absolve the mining company of their contractual obligation to deliver the full, final restoration of the site and allow them to keep their £91 Million set-aside money

Eitem 3.6

From: Tessa Marshall – Wales Environment Link
Sent: 27 November 2025 13:11
To: Gruffydd, Llyr (Aelod o'r Senedd | Member of the Senedd)
Subject: Letter sent to DFM re adequate resourcing to marine biodiversity

Dear Llyr Gruffydd MS, Chair of the CCEI Committee,

I'm writing to let you know the WEL Marine working group has recently written to the Welsh Government regarding the inadequate resourcing of marine biodiversity. The letter is attached herewith.

We have become concerned regarding the resourcing of marine biodiversity, as staffing increases appear to being made in regards to renewable energy and offshore wind; without equivalent increases for marine biodiversity teams. This could further place marine biodiversity at risk.

We are hoping to secure some more detailed information regarding staffing in these areas from the DFM. Do let us know if you have any information or pointers regarding this matter. We hope to secure commitments to increase resourcing and enable proper care for the marine environment in the coming months and years.

As you may be aware, the WEL manifesto also includes detailed asks to restore our oceans in the next Welsh Government, and resourcing will be key to delivering against these.

Many thanks in advance,

Tessa

Tessa Marshall (hi/ei) / (she/her)
Swyddog Polisi / Policy Officer
Cyswllt Amgylchedd Cymru / Wales Environment Link

Huw Irranca-Davies MS,
Deputy First Minister of Wales,
Via email

27th November | 2025

Adequate Resourcing for the Marine Environment

Dear Deputy First Minister,

As you know, our marine environment is in a critical state. 1 in 6 species in Wales are at risk of extinction – including a significant number of marine species. In June, Natural Resources Wales published new condition assessments for a total of 85 features designated across 17 marine special areas of conservation (SACs) and special protected areas (SPAs). Of these 32 features were in favourable condition (38%), 47 were in unfavourable condition (55%) and 6 were in unknown condition (7%). We commend the significant amount of work that went into the production of these assessments, which could be incredibly useful for improving marine management going forward.

However, it appears better resourcing is needed to deliver improvements in marine environmental management. The updated condition assessments – although helpful - did not account for all Marine Protected Areas in Wales. It was furthermore disappointing to see the recent Species at Risk report by NRW did not include any consideration of marine species, further indicating that marine biodiversity is not being appropriately resourced.

Marine biodiversity underpins ocean resilience, supports our coastal communities, and sustains our economy. However, pressures upon the marine environment are only increasing. The Marine Conservation Society's Beachwatch data highlighted a 4% increase in marine litter in Wales last year, and we saw sewage discharges at an average of more than one every five minutes. We are also increasingly concerned that the ambitions for renewable development in the Celtic Seas will add increasing pressure upon the MPA network in Wales and is already adding additional resource and capacity constraints upon the Marine Biodiversity and Ecosystems Team and the Marine Planning Team.

Indeed, the Welsh Government commissioned Independent review of marine planning approaches in Wales (2025) identified the following as a "threat": "public sector resourcing and budget in Wales are constrained". Similar concerns were also raised in a report on marine planning in Wales undertaken by Howell Marine Consulting. Furthermore, marine biodiversity is facing additional challenges from the impact of fisheries in the offshore zone, where bottom trawling is occurring and impacting Welsh inshore fisheries and biodiversity across our seas. Given the scale of the challenge, we are sure you would agree adequate staffing in nature recovery and biodiversity – in NRW and the Welsh Government - is essential.

The Future Generations Report 2025 outlined, 'nature recovery is currently the best way for Wales to sequester more carbon and increase resilience to climate change effects'. Yet, there appears to be a considerable imbalance between the capacity of those teams in the Welsh Government working in marine biodiversity and marine planning, and those working in energy and terrestrial planning and biodiversity. Adequate resourcing is not only an environmental necessity but also key to protecting the well-being of future generations.

Therefore, we would like to request you share information pertaining to the resourcing of the Marine Biodiversity and Ecosystems Team, and the Marine Planning Team, how this compares to the resourcing of the renewable energy teams, and any assessments of the effectiveness of the work programme regarding marine biodiversity over the sixth Senedd. We would also welcome the opportunity to see any plans to increase capacity to ensure marine biodiversity is adequately protected and restored while marine development is enabled.

Further, we ask that you would meet with us to discuss these concerns further, so we can hear more about the Welsh Governments ambitions to protect crucial marine biodiversity for future generations.

Cofion gorau,

Jacques Villemot and James Hitchcock

Co-Chairs

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5 Rhagfyr 2025

Annwyl Mike,

Yn unol â'r cytundeb cysylltiadau rhyngsefydliadol, roeddwn am roi gwybod ichi y cynhaliwyd cyfarfod arall o'r Grŵp Rhyngweinidogol ar yr Amgylchedd, Bwyd a Materion Gwledig ar 24 Tachwedd 2025.

Fe wnes i gadeirio'r cyfarfod a fynychwyd gan Jim Fairlie MSP, Gweinidog Amaethyddiaeth a Chysylltedd Llywodraeth yr Alban, a Gillian Martin MSP, Ysgrifennydd y Cabinet dros Weithredu yn yr Hinsawdd ac Ynni hefyd dros Lywodraeth yr Alban. Roedd Andrew Muir MLA, Gweinidog Amaethyddiaeth, yr Amgylchedd a Materion Gwledig yn bresennol ar ran Gweithrediaeth Gogledd Iwerddon. Cynrychiolwyd Llywodraeth y DU gan Emma Reynolds AS, Ysgrifennydd Gwladol dros yr Amgylchedd, Bwyd a Materion Gwledig, a'r Farwnes Sue Hayman, Is-ysgrifennydd Gwladol Seneddol yn Adran yr Amgylchedd, Bwyd a Materion Gwledig.

Rwyf wedi cyhoeddi Datganiad Gweinidogol Ysgrifenedig yn crynhoi'r trafodaethau yn y cyfarfod.

Rwy'n anfon copi o'r llythyr hwn hefyd at y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith a Phwyllgor yr Economi, Masnach a Materion Gwledig.

Yn gywir,

Huw Irranca-Davies AS/MS
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Mae cyfyngiadau ar y ddogfen hon