

Environment Planning and Countryside Committee

EPC(2) 14-06(p2)

Date: 26 October 2006

Venue: National Assembly for Wales, North Wales Visitor Centre, Colwyn Bay

Title: Draft Budget 2007-08 to 2008-09

Purpose

To provide an opportunity for the Committee to comment on the draft Budget for 2006-07 (attached at Annex 1) in accordance with Standing Order 21.3. This is also in line with the Cabinet Written Statement which says that Subject Committees are to be consulted on the Draft Budget in the usual way.

Standing Order 21.3 provides that each Assembly Minister who is a member of a Subject Committee shall seek its views on the draft budget and convey them to the Finance Minister.

Recommendation That the Committee notes the information provided and comments on the draft budget (attached at Annex 1).

Timing

For discussion on 26 October.

Background

On 15 June 2006 the Committee was consulted on budget priorities within the portfolio of the Minister for Environment Planning and Countryside in accordance with Standing Order 21.2. The Committee's priorities were conveyed to the Minister Finance and Local Government and Minister for Environment Planning and Countryside via a letter from the Committee Chair on 20th June and these views informed discussions about the draft budget.

This Draft Budget represents the Assembly Government's best assessment of the distribution of funding to meet policy and programme objectives. The central reserve is at the minimum level now and any increase will have to be met from savings elsewhere.

Committee members should be aware that they cannot comment on other priorities outside this Committee. This will be up to colleagues in the appropriate Committees.

Summary

Environment Planning and Countryside MEG

£'000s

	1999-2000	2006-07	2007-08	2008-09	2009-10
DEL Baseline	120,076	327,421	342,429	340,349	341,891
Changes			1,200	1,200	1,200
Revised DEL Total	120,076	327,421	343,629	341,549	343,091

The figures for 2008-9 and 2009-10 are indicative plans.

This budget provides the resources for us to deliver:

- An increase in provision for Design Commission for Wales to support sustainable development
- Additional support for our W:ABC commitment to improve access to the coast.
- A baseline transfer of funds from the Education MEG to EPC to fund the Eco Schools initiative
- A number of projects supported by the Research and Evaluation fund.

Performance against Wales: a Better Country commitments within the portfolio.

Recycling increased to 25%

Wise about Waste: the National Waste Strategy for Wales sets the target to increase recycling to 15% by 2003-4 and 25% by 2006-7. Local authorities across Wales achieved a combined recycling and composting target of 19.4 per cent in 2004-05, the latest year where figures are available. By that date Newport and Caerphilly had exceeded 25 per cent recycling and composting, Ceredigion and Powys had exceeded 30 per cent. In 2005 we announced an increase in funding of £5m from 2007-8 onwards. In the draft budget we have added a further £2.2m for 2007-8 and £1.2m in 2008-9.

Further open access to coastal areas after the initial access to open countryside is established.

The new right of access to open country and common land was introduced in May 2005 and now over 22% of the land area of Wales has access for walking –a three fold increase in the amount of land accessible to the public. We announced in June 2006 our proposals to improve access to the coast, including enhanced access for cyclists, horse riders and the less able, with the medium-term aim of creating an all Wales coastal path. Further support is provided in this budget to improving access of £1.5m for 2007-8 and £1m for 2008-9.

Help agri-food industry gain a bigger share of the quality food market.

The 'Class of 2006 Going For Growth programme' was launched at the Royal Welsh Show in 2006 and detailed the support given to companies that were helped in developing into new domestic and international markets. This has been fully subscribed by Welsh food and drink companies. A quantitative review of the outcomes of all trade development activities during 2005-6 has been carried out, with positive results in terms of new business won, profit growth and jobs created. (£3m new business has been won, £808k profit benefit and 118 jobs created)

Processing & Marketing Grant has been used to support 197 projects with £40.3million in grants leading to investment of over £105 million. It has resulted in over 2500 jobs secured/created with over 9000 primary producers benefiting.

Work is also proceeding well to develop new markets for Welsh produce, such as the opening up of the market for export of Welsh Lamb to Dubai.

Develop skills training suitable for rural settings

Farming Connect is a unique Welsh scheme that is not available elsewhere in the UK. Farming Connect Development Centres organise events and seminars geared to technology and best practice transfer and 8,000 farmers have now attended Development Centre events. In addition, Farm Liaison Officers have been established at each Divisional office in Wales to advise farmers of a range of services provided by the Welsh Assembly Government.

Farming Connect also provides free business advice, access to best practice and technological information via development centres as well as training for the whole family. More than 4,800 farming families have received a Skills Check and over 2,400 have taken up training as a result. 570 farms have taken advantage of the ICT training delivered through the Farming Connect scheme

Encourage schools and hospitals to purchase more Welsh produce

Our public sector procurement guidance encourages organisations to re-think how they buy food to ensure they get the widest possible benefit from how the money is spent. I am hoping that these initiatives will encourage public bodies to support our local economies and to embrace a comprehensive local buying policy.

Welsh beef is now supplied to all but one of the health trusts in Wales and we are working with local authorities to get more Welsh local product into schools.

We are undertaking a review of Public Procurement in Wales, and have established a database of 508 Wales based companies able to supply local produce in key sectors available to all businesses for information on suppliers of these products.

Tougher public health assessments for new developments

The recommendations of a research project on public health assessments for new developments were considered as part of the policy development process. . A draft Ministerial Interim Planning Policy Statement on Planning, Health and Well-being was published for consultation purposes on 31 July 2006 asking for comments by 27 October 2006.

Budget allocations for 2007-08 and later years

The additional funding provided in this BPR is as follows:

- Increase in provision for Design Commission for Wales to support sustainable development
- Additional improvements to access to the coast.
- Apportionment of most of the Research and Evaluation fund to support innovative projects environmental projects.
- A baseline transfer of funds from the Education MEG to EPC to fund the Eco Schools initiative

Design Commission for Wales (DCfW):

An increase of £0.1m from 2007-8 onwards has been made to the DCfW. The Commission is charged with promoting the Assembly Government's sustainability agenda in the built environment and this extra money will help them achieve this aim. It is uniquely placed through its sustainable development training work within the public sector and awareness raising activities in the wider development sector.

Access to the Coast

I am allocating a further £1.0m of capital funding to take forward our commitment to increase public access to the coast of Wales. This is supplemented by a further £0.5m revenue from my MEG's evaluation fund.

The First Minister announced a new coastal access improvement programme on 9 June 2006. The programme will aim to include the provision of new circular routes; extend opportunities for less mobile people to enjoy the coast; deliver new opportunities for cyclists and horse riders to enjoy the Welsh coast. Projects will build on work already being done along the coast for example the Pembrokeshire Coast Path, the recently launched Anglesey Coastal Path, and the developing Ceredigion Coastal Path.

Projects supported through the Research and Evaluation fund.

The Research and Evaluation fund was established in the 2004 BPR to promote evidence based policy in EPC. In the first two years the fund was £300k rising to £5.2m in 2007-8, which has been taken forward into 2008-09. In the first two years the fund was intended to fund R and E work on existing programmes. In addition some funding was also available to improve the research and evaluation infrastructure within EPC. All new large programmes now have an element of their budget

set aside for R and E work.

From 2007-8 some of the monies in the evaluation fund will be used to fund projects which have, as a result of research and evaluation proved to be performing well or to fund pilot projects which are central to the work of the EPC Department.

1. Local Environmental Quality

The Environment Strategy has five main themes and one of these is 'Our local environment' and includes environmental nuisances such as litter and fly-tipping. I am allocating £1m for 2007-8 and £1.7m for 2008-9 to target pilot activities that can be considered for adoption across Wales.

2. Waste Minimisation

Additional funding will support waste minimisation projects to use materials more efficiently and reducing the need to dispose of waste via landfill. E.g. a increasing home composting and the use of re-usable nappies. It will also provide a promotional campaign through Waste Awareness Wales to encourage the public to take more action to reduce waste. I have allocated £2.2m for 2007-8 and 1.2m for 2008-9.

3. Eco Schools

I have allocated £50k to eco schools which along with a £100k transfer from DELLS MEG, will provide more support for schools to embed the scheme in school culture and to help schools progress to Green Flag status. The funding will be used for additional development officers along with other measures under consideration such as an award scheme and teacher networking sessions.

4. Environment research

Research projects will include research on social science aiming to influence how Welsh society uses energy and materials, with the objective of reducing use of resources by people in Wales. Also the monies will be used to develop state of the environment reporting linked to the Environment Strategy indicators - for evaluating the progress of the strategy. I have allocated £0.150m in 2007-8 and £0.100m in 2008-9.

5. Areas of Outstanding Natural Beauty

Additional support will fund a number of sustainable development fund projects in Areas of Outstanding Natural Beauty. Examples so far include community renewable energy schemes and the Clwydian Ranger Bus Service helping elderly and disabled people in North Wales to visit and utilise local services within the AONB. I have allocated £0.250m in 2007-8.

All other changes

All other changes are due to reclassification of monies from revenue to capital or visa versa and have no effect on the total budget previously allocated to the programmes involved or on the total of the EPC MEG.

Committee Priorities for 2007-8

I am pleased that the budget for 2007-8 and the indicative budget for the following two years allows me to address some of the key priorities of the Committee set out in Glyn Davies' letter to the Finance Minister on 20th June 2006. (Copy at Annex 2).

Mitigation of Climate change: This is supported in my extra allocation to Eco- schools, Design Commission for Wales and research

Waste management: This is supported in the increases to waste, Local Environment Quality and research.

Tir Mynydd

Despite the wishes of the Committee I cannot continue TM in its current form because:-

- Maintaining the TM budget would entail a significant reduction of activity elsewhere in the RDP and would jeopardise Commission approval of the plan (unbalanced when set against EU requirements). The EU funding package including funds for the higher performing Tir Gofal and Tir Cynnal schemes and the re- prioritisation of Tir Mynydd is too a high price to pay.
- Tir Mynydd is simply a form of income support for upland farmers; farmers who are currently enjoying considerably higher levels of net income than their lowland counterparts. This is not equitable.

In conclusion I have considered carefully the views of the Committee, which are strongly held, but taking account of the above and the impact on other programmes in the RDP such as the very successful Farming Connect programme, I have decided not to make any substantive change to the overall Tir Cymru budget.