

Sustainability Committee – 17 February 2011

Inquiry into Mainstreaming Sustainability into Ministerial Portfolios

Written Evidence - Department for the Economy and Transport

Purpose

This paper sets out how sustainable development has been mainstreamed into the work of the Department for the Economy and Transport (DE&T). It sets out our continued commitment to ensuring that sustainable development is at the heart of policy-making and delivery activities.

Background

Since the previous report to the sustainability committee in April 2009, there have been two major developments which have made a genuine and positive impact upon mainstreaming sustainable development in DE&T.

Firstly, the priorities set out in the policy document 'Economic Renewal: a new direction' makes clear that we want a strong economy, not as an end in itself, but for the contribution it can make to the quality of life and the economic, social and environmental wellbeing of people and communities in Wales, placing sustainable development as the central organising principle of our approach.

Secondly, the National Transport Plan provides a clear commitment to sustainable transport. For the first time, all modes of transport are being planned together enabling us to make the best use of the existing road network, maximise the use of public transport and encourage walking and cycling.

Mainstreaming Sustainable Development within DE&T

Economic Renewal

Our vision for economic renewal is of a Welsh economy built upon the strengths and skills of its people and natural environment; recognised at home and abroad as confident, creative and ambitious; a great place to live and work. This vision is grounded upon five priority areas for action. These are:

1. Investing in high quality and sustainable infrastructure
2. Making Wales a more attractive place to do business
3. Broadening and deepening the skills base
4. Encouraging innovation
5. Targeting the business support we offer.

Across all five priorities, the three pillars of sustainable development; the economy, environment and people have underpinned our approach and been mainstreamed into our actions.

1. Investing in infrastructure

Like the rest of the world, Wales faces the modern challenge – and opportunity – of moving to a low waste, less resource intensive, low-carbon economy.

Economic Renewal: a new direction recognises that this will require a range of behaviour changes, from modal shifts in transport, to using ICT to reduce the need to travel, to new ways of generating energy, and using resources responsibly. It announces a major investment in next generation broadband as well as a range of measures such as support for resource efficiency.

2. Making Wales a more attractive place to do business

The policy recognises that we need to develop the conditions which not only allow, but actively help, people and businesses to flourish sustainably. By making the most of our assets and by getting the balance right between environmental, social and economic objectives. It proposes a range of measures including a review of planning policy for economic development and ensuring the impact of regulation on business is taken into account.

3. Broadening and deepening the skills base

The foundation of any sustainable economy is its working population. Education and skills at all levels are vital for economic growth and prosperity in Wales. They contribute to national competitiveness, business productivity and individual social mobility. Developing skills is central to making Wales a highly attractive place to live, invest, employ and grow and will support the transition to an increasingly knowledge-based and low carbon business base.

4. Encouraging innovation

Economic Renewal places a particular emphasis upon increasing R&D, innovation and commercialisation. Part of that will require us to build on our strengths such as our high-quality research capacity in renewable and low carbon technology such as hydrogen-fuelled transport systems and the Low Carbon Research Institute. An integrated approach will give an opportunity to more effectively target future support for low carbon projects by, for example, working closely with the energy and environment sector.

5. Targeting the business support we offer

Economic Renewal outlines a sectoral approach to business support. This is an approach where DE&T will focus its work upon six sectors including Energy and Environment. Other sectors such as Tourism, Food, Agriculture and Construction are being taken forward by their relevant departments.

The new policy also emphasises the need to encourage business behaviours that support our wider policy objectives including resource efficiency and sustainable development. Support for social enterprises and under-represented groups continues under our Entrepreneurship function.

Infrastructure

Economic Renewal proposes the development of a Wales Strategic Infrastructure Plan, to promote a more joined up approach to infrastructure planning and development, and the development of next generation broadband throughout Wales.

In developing this, we have already committed to use the principles of the developing Natural Environment Framework (NEF) and our own Sustainable Development Integration approach, into this plan. This will ensure that the issues of ecosystems and sustainable development are fully realised.

In my portfolio I work closely with the Minister for the Environment, Sustainability and Housing and with the Deputy Minister for Housing and Regeneration on regeneration issues. Our major land and property projects have sustainable development embedded from the outset. For example, masterplans have been drawn up to translate sustainable development policy into specific requirements for each project. These ensure that sustainable development considerations and high quality design combine to deliver sustainable outcomes.

Where possible, local employment, training and local supply chains are built into programmes and projects by making use of the "Can Do" Toolkit. Our activities are also tied into the *Arbed* programme to promote energy efficiency and reduce fuel poverty.

These activities align with Action 10 of the Sustainable Development Scheme which states that "In our economic development and regeneration work we will encourage our partners to adopt similar principles to ours, integrating social, economic and environmental considerations, and seeking to maximise the benefits to the local community and economy from the way regeneration takes place".

Wales Transport Strategy and National Transport Plan

The Wales Transport Strategy - *One Wales: Connecting the Nation* - and related National Transport Plan describe how we intend to deliver our vision of a modern, integrated and sustainable transport system. They have been developed to recognise the importance of tackling the causes and impacts of climate change and set out the specific actions being taken to put transport onto a carbon reduction pathway.

With proper direction, investment and substantive behaviour change we aim, by 2020, to see increased walking and cycling, greater use of public transport, and a much greater proportion of fuel efficient vehicles on the road in Wales. It is our intention that sustainable transport options are used to inform location choices and the design of developments. A Strategic Environmental Assessment which helped to identify a number of sustainable transport options. Moreover, we also carried out an Equality Impact Assessment to examine the social impacts.

We are about to commence a review of the first year of operation of the *National Transport Plan*. In doing so, we will be looking at how we ensure we continue to maintain our focus on sustainable transport development which is accessible for all across Wales.

In addition, we will also shortly be publishing the first set of National Transport Plan indicators which will be used to monitor the delivery. These indicators cover each of the core principles of Sustainable Development and follow the actions outlined in the Wales Transport Strategy.

Developing sustainable travel will be supported with continued investment in areas such as Sustainable Travel Centres, the Welsh Transport Entitlement Card, re-opening of railway lines, Safe Routes in Communities programme and the services associated with the provision of rural transport.

We are also encouraging our local authority partners to deliver this key policy objective through their preparation and delivery of regional transport plans. Progress will be monitored by the Assembly Government on an annual basis with the first Annual Progress Report to be submitted in summer 2011.

Sustainable Travel Centres

Sustainable travel is about understanding the needs of a local area and delivering a package of measures to provide sustainable travel alternatives through walking, cycling, public transport, and sustainable car use. The Sustainable Travel Centres Initiative was announced in March 2009.

Cardiff was selected as the location for the first initiative and is progressing well with a number of projects already delivered, including park and ride at Pentwyn, Pont y Werin pedestrian and cycle bridge, Cardiff Bus smart card, Oy Bike Scheme and the City Car Club scheme.

In March 2010, plans for the second scheme in the Môn a Menai area were announced. The proposals for the Môn a Menai Sustainable Travel Area include public transport infrastructure projects within the city of Bangor and the Menai area. Walking and cycling infrastructure projects together with smarter travel projects such as travel plans for main employers, bus service improvements and the Beic Môn a Menai project are also part of the scheme.

Encouraging behaviour change is critical to success in reducing emissions from transport and is a major focus of our approach, which is why we plan to deliver a programme of personalised, workplace and school travel planning. Through a European tendering exercise we have awarded three consultants, under a four year framework contract, to take forward the projects.

These align with Action 8 of the Sustainable Development Scheme which states that "We will work to develop a series of Sustainable Travel Towns in each region. To take this forward we will initially develop a pathfinder scheme in a

large urban area. We will subsequently identify and develop a series of towns linked to other key settlements identified in the Wales Spatial Plan.”:

Incorporating the Sustainable Development Scheme and the Environment Strategy into policy decisions.

The three pillars of sustainable development; the social, economic and the environment were fully embraced in the analytical work undertaken for *Economic Renewal: a new direction* along with wide-ranging stakeholder engagement to inform the development of the programme.

The *Green Jobs Strategy* is a *One Wales* commitment, which clearly positions the development of green jobs in the context of a transition to a more sustainable economy. This will lead to employment opportunities in low carbon solutions and climate change adaptation measures, as well as enhancing business competitiveness through improvements in resource efficiency.

This strategy responds to the growing national and international regulatory and policy context which continues to drive low carbon, resource efficient and environmentally sustainable products and processes. It sets out how businesses and other organisations in Wales will be helped to adapt to and capitalise on the opportunities presented.

It aligns with Action 8 of the Sustainable Development Scheme which states that “By our Green Jobs Strategy, we will set out the path to a sustainable low carbon, low waste economy for Wales, and will identify the roles that the Assembly Government needs to fulfil”.

Meeting the One Wales Carbon Reduction Targets

The carbon reduction targets in the *One Wales* agreement are expressed as a target for Wales as a whole in areas of devolved competency. They have been taken and developed into our programmes in a project specific way. Individual programmes and projects actions have carbon reduction built into their sustainable development approach.

In transport, there are eleven specific actions relating to transport within the *Climate Change Strategy for Wales Delivery Plan for Emission Reduction* published in October 2010 which will contribute to meeting the *One Wales* 3% emission reduction target. These actions include developing a programme of sustainable travel centres which includes promoting smarter choices, travel planning and the provision of personalised travel information as well as developing a series of park and ride and park and share facilities.

As well as continuing to invest significant funding in improving rail and bus services and promoting walking and cycling and promoting eco-driving. A few of the other actions include improving traffic management on the strategic road network, supporting the freight industry and supporting a programme of activities aimed at the production and use of alternative fuels.

Through our business support activities, we continue to provide advice and support to businesses on resource efficiency and carbon reduction and highlight responsible business practices including climate change adaptation. This is mainstreamed through our enterprise function, disseminated on the new website (business.wales.gov.uk) and is a requirement for our EU-funded programmes.

Research and development is provided to projects promoting low carbon activities. These include the Hydrogen Corridor Project (designated as the UK's Low Carbon Economic Area for alternative transport fuels), and static energy application generated from renewable sources. The Low Carbon Research Institute builds on our academic strengths and high quality research capability, and is funded by The Wales European Funding Office (WEFO).

Economic renewal has meant a change to a sectoral approach, focusing support on six key sectors where, with better targeted intervention, Wales can gain competitive advantage. The sectors will be underpinned by sector plans which will incorporate sustainable development.

One of the sectors is Energy and Environment including environmental remediation and management, an area in which Wales has a world-wide reputation and is of significance in climate change adaptation. The Energy and Environment team will be working with key sector participants to ensure that low carbon energy projects capitalise on our natural resources such as marine and tidal energy and wind.

Sustainability Proofing Tools Utilised in the Policy-making Processes

For Economic Renewal, the department used the *Sustainable Development Integration Tool*. This supported the integration of sustainable development into the policy-making process and provided a framework for the cross-functional thinking and teamwork that is critical to achieving sustainable outcomes.

In addition, the policy went through the *One Wales Policy Gateway* process. It was also assessed against the *One Wales* objectives including sustainable environment and using information on the sustainable development impact of the policy. The *Rural Proofing Checklist* was used to ensure that the policy met the needs of Wales' rural communities. The policy was developed from the outset with input from the DE&T Equality Support Unit.

All transport schemes funded by the Welsh Assembly Government must undergo a WELTAG assessment, which incorporates an assessment of the wider environmental impacts. These assessments are an important tool in policy-making and have led to a significant shift in the balance of funding towards more sustainable transport. WELTAG is consistent with the requirements of the Strategic Environment Directive.

The department has also produced an internal document - *Creating Sustainable Places Together*, as a sustainable development desk top manual, to support the development of sustainable policies, activities and programmes. It helps and

guides all managers within the department on how to mainstream sustainable development as the central organising principle of the department.

Underpinning this work is the Sustainable Development Integration Tool which enables managers to pursue activities and objectives that deliver against the Assembly Government's statutory sustainable development duty, policies and requirements. The desk top manual and tool are constantly reviewed and updated in the light of experience, and they are available to other departments to share the learning and experience gained from their usage.

In addition they have been shared for piloting with external stakeholders such as the Design Commission for Wales, Newport Unlimited and the Sustainable Development Commission.

We have also published on the intranet our Biodiversity Guidelines, for use by our managers and for sharing across all departments. The guidelines make clear our statutory duty and responsibilities with regard to biodiversity and the Natural Environment and Rural Communities (NERC) Act 2006. The guidelines show how we can deliver the duty when undertaking our development activities and projects.

Conclusion

My portfolio has sustainable development deeply embedded into its policies and activities. *Economic Renewal: a new direction* is the overarching policy for the economic renewal of Wales, with sustainability at its core. The *National Transport Plan* has public transport, cycling and walking as its central theme. Management systems are in place to continue to embed sustainability into the decision making process.

As a department, we will continue to mainstream sustainable development into our policies, processes and programmes and we are keen both to share our experience and to learn from others. To that end all of the documents and tools mentioned in this paper are available for sharing on the DE&T sustainable development intranet pages. Many others and further details of our programmes feature on the Welsh Assembly Government sustainable development web site pages to facilitate shared learning and further progress in mainstreaming sustainable development.