

# Sustainability Committee

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## Inquiry into the Welsh Assembly Government's sustainability and climate change policies

### Submission from the Minister for Environment, Sustainability and Housing, and the Deputy Minister for Housing

#### Purpose

1. The Sustainability Committee is conducting an inquiry into how Welsh Assembly Government sustainable development policies and national targets have been mainstreamed within portfolios.

#### Sustainable Development

2. The Welsh Assembly Government has a duty under section 79 of the Government of Wales Act 2006 to make a scheme setting out how it proposes to promote sustainable development in the exercise of its functions. It also has a duty to:

Keep the SD scheme under review;

Publish a report of how the proposals set out in the SD Scheme have been implemented in that financial year;

Every four years to publish a report containing an assessment of how effective the proposals have been in promoting sustainable development.

3. In line with our statutory duty:

An independent report on the effectiveness of the previous Sustainable Development Scheme was published in July 2008;

The Sustainable Development Annual Report for the period 2007/8 was laid before the Assembly in January 2009. This largely reports on actions undertaken in the previous administrations' Sustainable Development Action Plan that covered the period 2004-07. The report indicated that of the 94 actions, 79 had been completed whilst the remaining 15 were on their way to completion.

4. In May 2008 the National Assembly was informed of the decision by the Minister ESH to remake the WAG's SD Scheme.

5. Cabinet agreed at its meeting in October 2008 to publish a consultation document on a new SD Scheme One Wales: One Planet. The consultation period has now ended, and the final SD Scheme will be published shortly. The new Scheme:

Confirms that sustainable development should be the central organising principle for WAG and the wider public sector in Wales;

Confirms a new vision of a sustainable Wales and the operating principles to support this

Confirms that the SDS will be the overarching aim of all WAG's policies and programmes, across all Ministerial portfolios.

Brings together, across all Ministerial portfolios, the key policies and programmes within the One Wales Programme for Government, along with 17 actions for WAG, demonstrating WAG's commitment to this agenda;

Confirms the suite of SD Indicators we will use to measure our progress towards sustainability.

6. WAG published in August 2008 its latest Sustainable Development Indicators report. These show the progress Wales is making towards sustainable development. The 2008 publication shows:

clear improvements in 15 of the 39 areas measured;

12 of 39 indicators show little or no change;

6 show a clear deterioration; and

for 6 indicators there is insufficient or no comparable data to report change.

7. In relation to the National Park authorities, the Assembly Government has issued them with a Policy Statement setting out a clear agenda on sustainable development, including action to integrate SD principles into all areas of their work. We are following this up by setting annual targets on the delivery of SD action, for example relating to sustainable transport in National Parks.

8. In relation to sponsored bodies Countryside Council for Wales and the Environment Agency, WAG issues annual remit letters which stress the contribution that they are expected to make to the WAG's sustainable development agenda. Section 4 of the Environment Act 1995 defines the principal aim of the Environment Agency, requiring it to take the achievement of sustainable development into account

when discharging its functions. WAG has issued statutory guidance to the Agency identifying the Assembly Government's objectives for the Agency which reflect WAG's own priorities.

9. All major policies and strategies within DESH are tested against the WAG's Policy Gateway process, using the policy integration tool developed for WAG by Forum for the Future.

## **Environment Strategy**

10. The Environment Strategy for Wales was published in May 2006 and sets out a 20 year vision for the Welsh environment. It has six main themes, and sets out 39 high level environmental outcomes that collectively will achieve the WAG's vision. Progress is measured against 103 indicators that are linked to the outcomes.

11. The first Environment Strategy was accompanied by an Action Plan which contained 62 actions contributing to the 39 outcomes. In September 2007 a progress report was published, summarising data and information on the indicators, and summarising progress on the action plan.

12. In July 2008, WAG published a State of the Environment 2008 Statistical Bulletin, reporting the progress for 103 indicators, organised by the six main themes of the Environment Strategy.

13. In October 2008, following a 6 week web-based consultation, the second Environment Strategy Action Plan, covering the period 2008-11, was launched. This contains 41 new actions, involving 22 different stakeholders in Wales. The second Action Plan recognises that other WAG policies and programmes, and other existing workstreams will help deliver Environment Strategy outcomes. The second Action Plan does not duplicate this effort, nor does it replicate other ongoing regulatory and legislative drivers.

14. The actions in the Environment Strategy Action Plan 2008 -11 are identified as performance targets in the remit letters of sponsored bodies such as the Countryside Council for Wales and the Environment Agency, as well as the National Park Authorities, helping to ensure that they deliver them in partnership with the Assembly Government.

15. Progress against all the actions in the second Action Plan, together with progress against 'live' actions from the first Action Plan, will be reported in a single progress report later this year.

16. The Natural Environment and Rural Communities Act 2006 places a duty on public authorities to promote biodiversity, and is being followed up with a range of action, including working with local authorities on the appointment of biodiversity champions, and guidance to all WAG departments on the application of the duty.

17. DESH is fully reflecting its sustainable development policies for the marine environment in the drafting of the Marine and Coastal Access Bill. The provisions in the Bill, when enacted, will assist us in securing the better management of Wales' marine resources in line with SD principles.

## **Climate Change**

18. One Wales sets out the Assembly Government's commitment to achieve annual greenhouse gas emission reductions of 3% per year by 2011 in areas of devolved competence. The Climate Change Commission for Wales, which includes representatives of all four main political parties, business, local government, the third sector as well as representatives from expert organisations, has been looking at the outline proposals for delivering the 3% target.

19. A high level climate change policy statement was published for consultation in January 2009. It explains the Assembly Government's policy on climate change and expands on the One Wales commitments. It sets out the challenge we face, defines the targets in more detail and summarises the areas where we intend to focus action.

20. A more detailed programme of action aimed at delivering its targets and addressing the impacts of climate change will be published for consultation in June 2009. Work is underway in all Assembly Government Departments to develop this consultation.

21. We want all new buildings constructed in Wales from 2011 onwards to be zero carbon. We are pursuing devolution of the Building Regulations to help us move this forward and will consult further with stakeholders.

22. Other activity to take forwards our climate change agenda include :

a Wales-wide multimedia communications campaign on climate change;

holding a series of community events on climate change throughout Wales;

appointing the two sets of six Climate Change Champions for Wales in 2008 and 2009.

23. The investment available for promoting energy efficiency and tackling fuel poverty has been increased. The Home Energy Efficiency Scheme (HEES) has assisted some 93,000 households from across Wales with heating and insulation measures. An additional £26m Strategic Capital Investment Fund investment over the next three years will be focused on assisting those in fuel poverty living in the most inefficient properties. We will publish our consultation on the National Energy Efficiency Savings Plan in March 2009.

24. Policy responsibility for promotion of cycling now lies within DESH. To help ensure this agenda is fully integrated with activity to promote walking, a new Walking and Cycling Action has been drawn up and includes relevant activity across WAG. This will be formally

published shortly. The cross cutting nature of the Walking and Cycling Action Plan and the targets it contains should make a helpful contribution to meeting WAG's CO2 targets, as well as engaging a wide range of organisations in their achievement.

## **Water**

25. A consultation on a Strategic Position Statement on Water was published in January 2009. The statement builds on statutory requirements and expands upon the commitments in the Environment Strategy for Wales to manage water resources sustainably and to maintain and enhance water quality in Wales. The statement gives a strategic steer on Welsh priorities and policies relating to Water in Wales.

26. In delivering the Water Framework Directive, each river basin management plan will be accompanied by an Impact Assessment, Strategic Environmental Assessment, and an Appropriate Assessment under the Habitats Directive.

## **Planning**

27. Planning Policy Wales, published in 2002, reflects the commitment for planning policy in Wales to provide for homes, infrastructure, investment and jobs in a way that is consistent with sustainability principles.

28. In July 2008, a consultation on further amendments to the draft Ministerial Interim Planning Policy Statement on climate change was launched. We have since consulted further on:

The design of developments to include climate change mitigation and adaptation measures;

The use of sustainable building standards (Code for Sustainable Homes and BREEAM) to drive up the sustainability of buildings in Wales;

The incorporation of local renewable and low carbon energy sources in new developments to reduce carbon emissions further (from April 2009); and

The ability for Local Planning Authorities to set higher standards in the above areas for strategic sites through their local development plans.

The policy is due to be introduced in April.

29. A new Technical Advice Note on Sustainable Buildings is being prepared, and Technical Advice Note 12 Design updated, to increase the emphasis of Climate Change as a key design consideration.

30. We intend to work with local government to take forward recently completed research to develop a suite of indicators to measure sustainable development outcomes delivered through the land use planning system.

## **Waste**

31. Our Sustainable Development Scheme has flagged up our aspiration to become a zero waste nation, building on our stated goal of achieving 70% recycling of municipal waste by 2025. Sustainable development policies sit at the heart of the current waste strategy, Wise About Waste, and are also enshrined in the draft new Waste Strategy that I plan to launch for consultation in April. The commitment in the Environment Strategy "to minimise the amount of waste we produce at source and work towards achieving minimised waste to landfill by 2026" is being incorporated into the draft new Strategy that will be consulted upon in April.

32. The current waste strategy and the new draft waste strategy both address the direct emissions of greenhouse gases from landfill. This is why ambitious recycling and composting targets were set for municipal waste. The reduction of biowaste from landfill is a key action, and this will further reduce direct greenhouse gas emissions in the form of methane. The technology choices in the waste treatment procurement programme are fully aligned with carbon reduction. DESH has provided guidance to local authorities on how to evaluate bids from technology providers to provide waste treatment infrastructure, on that basis.

33. Wise About Waste was subject to environmental, social and economic appraisals. The three Regional Waste Plans were also subject to a sustainability assessment that met the requirements of the Strategic Environmental Assessment Directive.

34. The draft new Waste Strategy will be accompanied by a full independent sustainability appraisal that met the needs of the Strategic Environmental Assessment Directive. The environmental aspects of the new waste strategy have been modelled using state of the art life cycle assessment tools. There has also been ecological footprint modelling, and Marginal Abatement Cost Curve modelling has been done for different waste management options.

## **Energy**

35. In February 2008, a consultation on our Renewable Energy Route Map for Wales was published. The Route Map sets out proposals to move Wales towards self-sufficiency in renewable electricity in a generation, whilst driving energy efficiency and its heating requirements being supplied from renewable sources. In particular we believe that with Wales' coastline, geography and climate, it is quite feasible for us within 20 years to produce more electricity from renewables than we consume as a nation.

36. Technical Advice Note 8 (published in 2005) establishes a target of 800MW of installed capacity, by 2010 for onshore wind development in the 7 Strategic Search Areas which the TAN identifies as being most suitable areas for large-scale onshore wind

development. Monitoring the progress towards target is undertaken annually.

37. In 2007 the Marine Renewable Energy Strategic Framework was launched, to improve our understanding of the marine resource in Wales, and its potential for exploitation within a sustainable development framework. The Assembly will be publishing for consultation our Marine Energy Strategic Plan towards the Spring. This will discuss, within a timeframe of 20 years, the potential targets for each type of marine renewable energy and also how we intend to ensure all the relevant Welsh Assembly Government policies support this agenda from a sustainable development perspective and help stimulate a new marine energy industrial sector in Wales.

38. The resource of the Severn Estuary tides provides a potential means of generating up to 5% of the UK's electricity needs. A proposed shortlist of schemes to generate clean, green electricity from the Severn estuary was unveiled on 26 January. The shortlist comprises a mixture of barrages and lagoon schemes. A three month consultation on the process adopted to arrive at the short listed schemes, and on the scope of a proposed Strategic Environmental Assessment, was also launched on 26 January. In addition, the Welsh Assembly Government, Defra and the South West Regional Development Agency announced that they would set up a £0.5M fund to support the development of innovative technologies, such as a tidal reef scheme, for harnessing tidal power in the Severn Estuary.

39. A consultation on a Bioenergy Action Plan for Wales will be launched this month (February). Its aims are to facilitate the increased use of bioenergy to:

Significantly reduce greenhouse gases emissions;

Contribute to long-term fuel security;

Ensure that the public sector leads by example;

Encourage the development of sustainable forestry and agriculture; and

Support business development and job creation in all parts of the biomass energy supply chain.

40. The consultation responses from the Route Map and the Bioenergy Action Plan will inform the development of the Welsh Assembly Government overarching strategy that covers all energy issues. This strategy will outline the contribution expected from a range of sources of renewable energy for the period beyond 2010 as well as setting out wider energy issues concerning energy efficiency. Once the strategy has been established, TAN 8 will be reviewed revising upwards the targets for renewable energy supplied by a range of sources.

## **Housing**

41. The Department is currently developing a new national housing strategy, Sustainable Homes, to replace the existing strategy, Better Homes (2001). The new strategy is out for consultation until 1 May, and the final document will be issued in the third quarter of 2009. An action plan to implement the strategy will be developed in 2009/10.

42. Sustainable Homes sets the long term vision for housing in Wales, and provides the overarching framework for housing policy looking forward.

43. "Sustainable Homes" incorporates the principles of sustainable development, and considers the broader role of housing. As well as addressing meeting housing needs and affordability, the strategy includes chapters on the role of housing in improving lives (social justice, health and wellbeing), strengthening communities (economic, physical and social regeneration) and reducing the carbon footprint (energy performance and climate change).

44. The Welsh Housing Quality Standard (WHQS) set in 2002 includes an energy efficiency target equivalent to an Energy Performance Certificate rating of D. In 2004 the Living in Wales Survey assessed 15% local authority stock. 57% of housing association stock complied with the energy efficiency standards of WHQS. An update of the Living in Wales Survey is due to be published in 2009.

45. Through the Assembly Government funded Inform to Involve (I2I) work guidance and support has been provided to Local Authorities and stock transfer Registered Social Landlords (RSL) as to how investment programmes can add value providing local employment and training.

46. WAG is supporting two RSL pilots which will be used as a Best Practice Example and to inform future standards:

to provide a base line indicator on sustainability, using environmental performance tool - EcoHomes XB.

to assess the sustainability standards it is possible to achieve for refurbishment of housing in Wales in relation to WHQS.

47. The Assembly Government is now promoting the Code for Sustainable Homes as the assessment framework for new housing and requiring at least Code Level 3 for all new housing that we influence through grant funding, investment and land disposals; moving to higher levels as quickly as possible.

48. For the zero carbon aspiration we have decided to concentrate on code level 5 (zero carbon for heating lighting and ventilation) for 2011 until implications of code level 6 are better understood (true zero carbon). Gaining early experience of higher standards is crucial to ensure we fully understand their implications. The Assembly Government is funding a programme of 22 schemes, up to 400 homes, within the RSL development programme to be built to code levels 4 and 5. Construction is expected to start in April 2009.

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