



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Cynaliadwyedd
The Sustainability Committee**

**Dydd Iau, 19 Mawrth 2009
Thursday, 19 March 2009**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

| | |
|--------------------|---|
| Lorraine Barrett | Llafur Labour |
| Mick Bates | Democratiaid Rhyddfrydol Cymru (Cadeirydd y Pwyllgor) Welsh Liberal Democrats (Committee Chair) |
| Angela Burns | Ceidwadwyr Cymreig Welsh Conservatives |
| Alun Davies | Llafur Labour |
| Andrew R.T. Davies | Ceidwadwyr Cymreig (yn dirprwyo ar ran Brynle Williams) Welsh Conservatives (substitute for Brynle Williams) |
| Lesley Griffiths | Llafur Labour |
| Rhodri Glyn Thomas | Plaid Cymru The Party of Wales |
| Leanne Wood | Plaid Cymru The Party of Wales |

Eraill yn bresennol
Others in attendance

| | |
|-------------------|--|
| Dr Christine Daws | Rheolwr Gyfarwyddwr, Cyllid, Llywodraeth Cynulliad Cymru Director General, Finance, Welsh Assembly Government |
| Grant Duncan | Pennaeth Cynllun Gofodol Cymru, Llywodraeth Cynulliad Cymru Head of Spatial Plan Wales, Welsh Assembly Government |
| Carys Evans | Pennaeth Datblygu Byrddau Iechyd Lleol, Llywodraeth Cynulliad Cymru Head of Local Service Board Development, Welsh Assembly Government |
| Brian Gibbons | Aelod Cynulliad, Llafur, (y Gweinidog dros Llywodraeth Leol a Chyfiawnder Cymdeithasol) Assembly Member, Labour, (the Minister for Local Government and Social Justice) |
| Bob Hudson | Pennaeth yr Is-adran Strategol, Llywodraeth Cynulliad Cymru Director of Strategic Division, Welsh Assembly Government |
| Steve Milsom | Pennaeth yr Is-adran Pobl Hyn a Gofal Hirdymor, Llywodraeth Cynulliad Cymru Head of Older People and Long Term Care Policy Division, Welsh Assembly Government |
| David Powell | Pennaeth yr Is-adran Cyllid Llywodraeth Leol Head of Local Government Finance Division, Welsh Assembly Government |
| Chris Riley | Uwch Reolwr, Is-adran Strategaeth, Llywodraeth Cynulliad Cymru Senior Manager, Strategy Division, Welsh Assembly Government |
| Martin Sykes | Prif Weithredwr, Gwerth Cymru Chief Executive, Value Wales |
| Eric Thomas | Rheolwr Cynorthwyol, Ystadau Iechyd Cymru Assistant Director, Welsh Health Estates |

Caroline Turner Cyfarwyddwr y Gyfarwyddiaeth Cyfathrebu, Llywodraeth
Cynulliad Cymru
Director of Communications Directorate, Welsh Assembly
Government

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Dr Virginia Hawkins Clerc
Clerk
Meriel Singleton Dirprwy Glerc
Deputy Clerk

Dechreuodd y cyfarfod am 1.03 p.m.
The meeting began at 1.03 p.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Mick Bates:** Welcome to this afternoon's meeting of the Sustainability Committee. As usual, I need to make a number of housekeeping announcements. In the event of a fire alarm, you should leave the room by the marked fire exits and follow the instructions of the ushers. No test is planned for today. Please ensure that all mobile phones, pagers and BlackBerrys are switched off as they interfere with the broadcasting equipment.

[2] The National Assembly for Wales operates through the media of Welsh and English. Headphones are provided, through which a simultaneous translation from Welsh to English may be heard. They can also be used to amplify the sound for those who are hard of hearing. The translation is on channel 1 and channel 0 is for the verbatim feed. Please do not touch any of the buttons on the microphones as that can disable the system, but please ensure that the red light is on before you begin speaking. Thank you all very much.

[3] I have received apologies from Brynle Williams and Karen Sinclair. I am certain that you will all join me in wishing Brynle a speedy recovery. He is now home and comfortable. Andrew R.T. Davies will be substituting for Brynle today. It is a great pleasure to welcome to committee Angela Burns, who is the shadow spokesperson for the environment for the Welsh Conservatives. A very warm welcome to you. I also thank Darren Millar for his contribution to the committee and wish him well in his new role.

[4] Today, we will take evidence on the implementation of sustainable development targets and policies by the Welsh Assembly Government. We will scrutinise the Minister for Social Justice and Local Government. In the second session, we will scrutinise officials representing the Minister for Health and Social Services and, finally, officials representing the Minister for Finance and Public Service Delivery.

1.05 p.m.

Adroddiad ar Weithredu Targedau a Pholisïau Datblygu Cynaliadwy gan
Llywodraeth Cynulliad Cymru: y Portffolio Cyfiawnder Cymdeithasol a
Llywodraeth Leol
Report on the Implementation of Sustainable Development Targets and Policies
by the Welsh Assembly Government: Social Justice and Local Government
Portfolio

[5] **Mick Bates:** First, I welcome Brian Gibbons, the Minister, and his colleagues. Starting with the Minister, would you please introduce yourselves for the Record and we will then move on to questions from Members?

[6] **The Minister for Social Justice and Local Government (Brian Gibbons):** I am Brian Gibbons, Minister for Social Justice and Local Government.

[7] **Mr Powell:** I am David Powell, head of the local government finance division.

[8] **Ms Turner:** I am Caroline Turner, the head of the communities directorate.

[9] **Mick Bates:** Thank you all very much and thank you for your paper, which outlined how you consider the Government to be meeting sustainability targets. I will start by asking you to outline the top three achievements in your portfolio that demonstrate that you are meeting the demands of sustainable development.

[10] **Brian Gibbons:** That is a good question to kick off. The first thing that the Department for Social Justice and Local Government is looking to deliver in sustainability terms is sustainable communities. Crucial to that are activities such as Communities First for our most disadvantaged communities. In addition, the post office development fund, the diversification fund, and our business rate scheme will contribute to sustainable communities. The efforts that we are making to tackling poverty are at the heart of sustainability. We know that a community that lives in poverty and experiences great inequality will almost certainly be dysfunctional. So, the priority that we are giving to tackling poverty is very important. We are helping to build a society in Wales that is at peace and ease with itself and is contributing to the common good. The third one—

[11] **Mick Bates:** Sorry—

[12] **Brian Gibbons:** The third is our social enterprise action plan and our activities around social enterprise. The key essence of a social enterprise is to work for the community or for social objectives rather than being motivated by profit. The work that we are doing in relation to the social enterprise action plan, working with development trusts and with the Wales Co-operative Centre, linking across to Communities First and the wider poverty agenda in Wales all contribute to the sustainability agenda in Wales.

[13] **Mick Bates:** Sorry, I interrupted you because, at first, I thought that you said that the post office development fund was your third achievement.

[14] **Brian Gibbons:** That was an example of how we are contributing to sustainable communities.

[15] **Mick Bates:** Lovely. What are the key policy documents that inform the way in which you deliver those policies sustainably?

[16] **Brian Gibbons:** In some respects, trying to address your letter was a little difficult. We tried to pick these particular items as examples of the type of activity that we are undertaking in these areas. You will be aware that the first example—and I can go through the list if you want me to—

[17] **Mick Bates:** No, we have that list. Thank you.

1.10 p.m.

[18] **Brian Gibbons:** To take one example, we have produced a single equality scheme

action plan, which is a document of about 40 pages. The Department for Social Justice and Local Government co-ordinates that. The individual action plans of every department of the Welsh Assembly Government, which probably run to hundreds of pages, underpin that. That one example stands on its own, but there is also the revised guidance for Communities First and the six new themes for Communities First. Furthermore, the development of the outcomes fund, the consultation that took place on the post office diversification fund, and the new legislation that was brought forward a week to 10 days ago on the proposed child poverty Measure are all very much at the heart of the sustainability agenda. The social enterprise action plan was also published in the past six weeks to two months. I am sure that the committee is aware of that. We have issued the guidance and the legislation underpinning our business rate relief scheme. I am sure that the committee will be aware of that, too. So, those are practical examples of the documentation underpinning our approach.

[19] **Mick Bates:** Alun wants to come in briefly and then we will go to Leanne.

[20] **Alun Davies:** One document that you did not mention is the Wales environment strategy. To what extent does the principle to promote sustainable development enshrined in both the 1998 and the 2006 Government of Wales Acts—and I am talking more in environmental terms—impact on how you make decisions as a Minister? Reading through your paper, I see that sustainable development is first mentioned on the bottom of page 2 in paragraph 6. I am not entirely sure that it is mentioned again. To what extent does the Government's stated commitment to the environment inform your actions and decisions on a daily basis?

[21] **Brian Gibbons:** It is important, but the nature of my portfolio is one of face-to-face services. So, compared with some portfolios, it might be a bit more difficult to cite clear, environmental or ecological policies. However, we administered the community facilities and activities programme grant and we expect buildings constructed with the aid of that grant to be green and to meet the standards of the Building Research Establishment environmental assessment method.

[22] One of the six priorities in the Communities First programme's vision statement is environmental sustainability. Under the post office diversification fund, small or larger capital sums are available to those businesses, depending on which you apply for, to invest in environmental improvements to their buildings. However, such activity is not a big part of my portfolio. However, where the opportunities exist, they are very much a part of my portfolio. Fuel poverty is another area. We highlight that issue as part of the wider poverty agenda, but we have to work through other portfolios to deliver that objective. I do not know whether Caroline wants to add to that.

[23] **Ms Turner:** No, I do not have anything to add.

[24] **Alun Davies:** For argument's sake, have you ever considered saying to Communities First partnerships that they must conform to these environmental standards in their operations? By making decisions in Cardiff, you would then be influencing and directing how the anti-poverty programmes operate throughout Wales. Have you ever taken decisions of that sort?

[25] **Brian Gibbons:** The original Communities First programme was very much a bottom-up programme and it remains as such. In the early years, the programme suffered by having no sense of direction from the centre. As we developed guidance over the years, and as we settled on a number of key priorities, namely the six priorities in the vision statement, the focus began to emerge. Clearly, the outcomes fund that we are developing and some of the demonstration projects that we support under it have clear environmental targets or perspectives for the way in which your question is presented—

[26] **Mick Bates:** I will interrupt at that point, if I may, as I know that Lesley Griffiths has a specific question about biodiversity and I will call her in a moment, but I think—

[27] **Alun Davies:** May I ask the Minister to—*[Inaudible.]*

[28] **Mick Bates:** Just briefly, please, Alun.

[29] **Brian Gibbons:** There are two projects in particular: one is the Anglesey community environment project, as part of the outcome programme, and, equally, one of the projects from Newport has some elements of that in it. We support that classic or traditional view of sustainability.

[30] **Mick Bates:** If you could provide us with a note on specific examples, that would assist us with scrutinising—

[31] **Brian Gibbons:** There is a project in Bridgend as well.

[32] **Mick Bates:** It would be very useful.

[33] **Alun Davies:** On the outcome—*[Inaudible.]*

[34] **Leanne Wood:** Minister, you say that your portfolio does not really lend itself to ecological considerations—I think that that is what you said—but you are responsible for local government and I also think that there are lots of opportunities in Communities First, for example, such as community renewable energy projects, food growing and food co-operative projects, and conservation and biodiversity projects. There is a whole host of things that Communities First networks could be involved in. I think that that is something that should be considered for future guidance for Communities First projects—making sustainability issues much more central to those organisations.

[35] I wanted to ask you about the new sustainable development scheme for Wales—‘One Wales: One Planet’. The consultation document says that the Government recognises that the vision for a sustainable Wales will require radical change in all sectors of society. Will you tell us how the key policy documents that deliver sustainability in your portfolio are radical?

[36] **Brian Gibbons:** The single equality scheme that has been established—respecting the diversity of Wales with six strands—is a radical document. I do not think that there is another administration in the United Kingdom that has a similar document. The document predates the equality Bill that is yet to be even considered or laid before the House of Commons. So, I think that that is certainly a very radical and innovative proposal. Our legislative requirement on child poverty is again very much a radical document—Scotland is not taking that view. We have proposed a legislative basis for tackling child poverty and the United Kingdom has decided to replicate what we are doing in Wales in that regard. Not only are we being radical, but we are being innovative, to the extent that legislatures in other parts of the United Kingdom are looking at what we are doing and trying to incorporate it into their policy frameworks. I think that replication is the highest form of honour in those circumstances.

[37] To go back to your first point, environmental consideration is one of the six strands, but if we are going to have a community-based approach for Communities First—in other words, the mobilisation of communities rather than a top-down, command-and-control type of community regeneration—the essence of that is that we indicate what the priorities are, but then we must let communities make the decision. We could say, ‘Right, communities, forget about what you think; we think this should be your priority and we will only support you if

this is your priority'. That is not the way—

[38] **Leanne Wood:** The Government is committed to cutting carbon emissions across all sectors by 3 per cent. So, in some senses, you have to take a top-down approach with Communities First partnerships, do you not? I accept the point about it being bottom-up—

[39] **Brian Gibbons:** That is the whole point of the six priorities.

[40] **Leanne Wood:** Okay. Going back to the question that I asked you earlier, I accept that some of the new measures that you are introducing might be radical, but in this committee, we are trying to work out how to cut Wales's carbon emissions, and a sustainable Wales in that sense is one where our carbon emissions are much lower than they are at the moment. Can you tell us whether there are radical ways included in the documents that inform the work in your portfolio so that carbon emissions will be cut in the areas that you are responsible for?

1.20 p.m.

[41] **Brian Gibbons:** Considering the way in which you have posed the question, I think that the nature of the portfolio gives only limited opportunities to do that. However, as the Minister with responsibility for social justice, the challenge, as part of the 'One Wales: One Planet' approach, is to ensure that social justice is mainstreamed into that agenda. In other words, as we deliver a sustainable Wales, we will do so on the basis of social justice, so that those who are disadvantaged or marginalised will not have to shoulder a disproportionate share of the burden. The proposals involve working with colleagues on fuel poverty and on increasing the energy efficiency of people's homes as part of a shared agenda. The digital inclusion agenda is also important, as that will allow people to access services without having to travel and to be fuller citizens who can participate actively in decisions.

[42] **Mick Bates:** Minister, we accept your reply to Leanne about these issues, but would it be possible to provide us with evidence of evaluation of how those particular actions are reducing carbon emissions? That was the question. We are deeply concerned that, through all portfolios, the Government's aim, as expressed in 'One Wales', will not be achieved unless individual portfolios can state exactly how they are evaluating and monitoring the situation in terms of these actions. If you could provide us with a note, that would be useful.

[43] At this stage, we will move on to a local government issue to do with biodiversity.

[44] **Lesley Griffiths:** Minister, your paper makes no mention of biodiversity champions. What is the role and remit of these champions?

[45] **Brian Gibbons:** I do not have any direct portfolio responsibility for biodiversity champions. It is not something that I am actively engaged with within my portfolio. Other colleagues will be able to give you a fuller answer. I can ask them to do that.

[46] **Mick Bates:** It is a local government function.

[47] **Brian Gibbons:** Yes, but housing is equally a local government function. If you asked me a detailed question about housing policy, however, I would not be able to answer it without speaking to the person who has portfolio responsibility for it. Transport is a local government function, but one would expect the Minister with responsibility for transport to deal with the implementation of transport policy.

[48] **Mick Bates:** Caroline, do you wish to comment on that?

[49] **Ms Turner:** I thought perhaps that David might want to come in on that point.

[50] **Mr Powell:** One of the things that we are doing in the programme for action, to do with grants generally, is to look at the degree to which sustainability is built into the terms and conditions of capital and grant funding across the department. We are looking at the potential to include in revenue and capital grants standard terms and conditions that would require BREEAM-type excellence in capital construction. There is also an energy reduction target for revenue grants. It would potentially be a term and a condition that an organisation in receipt of a revenue funding grant would need to reduce energy consumption. The Minister has already made the point that, for smallish organisations, there is a difficulty as to how you can reconcile that approach with viability and the need to look at climate change reduction, but it is certainly something that we are looking at as part of the overall programme of action, which our environment colleagues are spearheading, to see how we can standardise it and make it a part of grant funding.

[51] **Mick Bates:** Do you use this policy gateway integration tool to direct you in that? I see you nodding.

[52] **Brian Gibbons:** All the strategic and major policies in our portfolio go through the policy gateway, and they are assessed against the criteria for sustainability, as they are for the other cross-cutting themes that the Assembly Government has adopted. On our budget in social justice and local government—David may be able to give the precise figures—something like 85 or 90 per cent of the money goes more or less directly to local government in an unhypothecated way.

[53] **Mr Powell:** It is about 97 per cent when you take the police and local government revenue support grant into account.

[54] **Brian Gibbons:** When you look at programmes such as Communities First, which are delivered in the community, there is a particular way in which social justice as a portfolio works. It makes it quite difficult to give answers to the questions that you are asking, compared with another department which is more directly involved in operational delivery.

[55] **Mick Bates:** Minister, while I accept that it appears from what you are telling me that, despite the use of the policy gateway, you do not have an evaluation of what you are contributing towards any future carbon reduction issues. There has been no attempt to evaluate Communities First in terms of what it may achieve in that way.

[56] **Brian Gibbons:** No, Communities First and—

[57] **Mick Bates:** If that is the case, can you provide us with the evidence that something has happened?

[58] **Ms Turner:** May I come in on that point? You mentioned the policy gateway. When we were developing the next phase of Communities First, we used the policy gateway to engage with colleagues across a wide range of Assembly departments, including environment. It helped us to develop the environmental element of one of the six themes that the Minister mentioned. We have identified the types of activities in which local partnerships will be able to engage and develop that complement our overarching policies, but that are manageable for them. We are talking about quite small-scale activities of the type that Leanne mentioned in terms of food co-operatives, developing allotments and allocating that food locally, improvements to the built and natural environment, small-scale transport schemes that will reduce the need for travel, and sustainable resource-use addressing climate change. So, they are quite small-scale activities that will fit the wider agenda.

[59] We are currently receiving applications for the outcomes fund, so it is a bit early to evaluate what the impact will be. We will be able to do that in about two or three years once we have allocated the funding towards that particular theme. We will then be able to monitor the activities to see what impact they have. However, in terms of Communities First, it is a bit early to evaluate its environmental impact at the moment.

[60] We also fund Groundwork in Wales and the Coalfields Regeneration Trust. Groundwork in Wales is based around developing sustainability and addressing environmental issues, but with a community development base.

[61] **Mick Bates:** Thank you. However, the Government has committed to a 3 per cent reduction in carbon emissions across all competencies by 2011.

[62] **Brian Gibbons:** Yes, as a start.

[63] **Mick Bates:** I have not heard any suggestion yet that you are prepared for that.

[64] **Brian Gibbons:** The delivery of that will mainly be through other portfolios. My task as Minister for local government in this particular context, because local government has a big role to play, is to ensure that local government will have sufficient resource and capacity to deliver that. As part of a generic responsibility for local government performance, the development of the performance framework for local government will include elements of sustainability, but the particular items that will feed into the performance framework will not be driven by me—they will be driven by the portfolio Ministers responsible for those areas of activity.

[65] **Mick Bates:** Could we have more detail on that? Lorraine will ask about the mechanisms, and Alun can then ask a question on local government.

[66] **Lorraine Barrett:** Minister, can you say something about the mechanisms that are in place within your portfolio to achieve the annual reduction targets for greenhouse gas emissions by 2011 that will be announced by the Minister for Environment, Sustainability and Housing in the summer?

1.30 p.m.

[67] **Brian Gibbons:** I have tried to explain how we are trying to build sustainable communities through programmes such as the single equality scheme and through wider community engagement, which are the means that are at our disposal to do that. As David said, if over 90 per cent of our resource is not for us to spend directly and we must allocate it without strings to local authorities or to Communities First partnerships, bearing in mind the six priorities, we are not in a position to dictate to those organisations how they should deliver their responsibilities. We must also bear in mind that the portfolio responsibility for virtually all those services lies elsewhere. So, our overall contribution to this will probably be relatively small compared with any other portfolio. However, we must ensure that, from the social justice point of view, these targets are deliverable in the context of the social justice framework in Wales.

[68] **Lorraine Barrett:** I can see where you are coming from and I have some sympathy with that, but you mentioned portfolio responsibilities, so, for example, the housing and transport elements of local government lie with other Ministers. As the Minister with overarching responsibility for local government, would you have any input—I do not want to use the word ‘collusion’—or communication with those other Ministers because of your overall responsibility for local government that would allow you to say if you were not happy with the way in which groups that are responsible to other Ministers are delivering in different

areas?

[69] **Brian Gibbons:** Yes, that is exactly the way that it happens. For example, the waste strategy would be developed through the Department for Environment, Sustainability and Housing, but as the Minister for Social Justice and Local Government, my responsibility is, first of all, to ensure that local government is adequately funded. I know that that is a job that DESH will also be doing, so it will not be entirely my responsibility, but it is part of my responsibility to deliver a challenge to DESH as it develops the strategy to ensure that local government, as a pivotal player, is adequately resourced for the emerging waste strategy. I will go around local authorities and they will feed back to me that there is an area that they would find difficult for x, y and z, and, as part of my ministerial responsibilities, I would deliver that challenge—in this particular instance, it would be on waste.

[70] In this area, it is also about ensuring that these strategies operate within a social justice and equalities framework, because solutions are possible to these problems, but they can be made on the basis of social inequality and made by lumping problems on the backs of the weakest, most vulnerable and disadvantaged members of our communities. That is one way of delivering it, but the nature of my portfolio is about ensuring that that does not happen and that the solutions are delivered on the basis of social justice and equality of opportunity. That is the substantial way that I engage with this agenda, because our direct spend, as a portfolio, which is exceedingly small compared with any other Assembly Government portfolio—

[71] **Mick Bates:** I think that we have got the message, Minister, but there are no mechanisms to monitor any carbon reductions that could be achieved in that area.

[72] **Alun Davies:** I would like to explore this further, Minister. You seem to be describing your role in terms of local government as being very passive, but you hold the purse-strings for the funding that is provided. We agree that we do not want to see hypothecation, except where absolutely necessary; we want to provide local authorities with the maximum freedom in order for them to deliver services in the way that their electorates and circumstances determine. However, the Government as a whole is committed to achieving certain objectives and to working in a particular way. Do you see it as your role to say to local government, ‘These are targets that have to be delivered. There is no debate about this. The Government has determined that these targets will be met. I want you to tell me how you will meet your targets’?

[73] Do you see it as your role, if, for example, a local authority said, ‘That is for you, Minister, and not for me’, to say ‘That is fine; therefore 1 per cent of your revenue support grant will go in two years’ time unless these targets are met’? I use that simply as an example of an activist policy, if you like, bearing down, in these cases, on emissions to determine that local government has a function and does achieve targets.

[74] **Brian Gibbons:** I think that that is very much the direction that we want to travel. You will be aware that this year is the first year that we have introduced improvement agreements. Previously, we had the performance improvement grant, which was essentially a global allocation to local authorities. I think that one local authority, perhaps, once had a provisional deduction. As an instrument that was not fine-tuned to the individual performance of local authorities and, effectively, it was an exceedingly blunt tool. We felt that it was not tightly focused in the line that you described. Now, we have introduced improvement grants, from which individual local authorities will have to pick eight areas of underperformance. They will have to agree those areas of underperformance with us, and the improvement agreement grant will only be payable contingent on them delivering against those areas. Therefore, they could get the improvement grant for seven of the eight strands, but one strand would not get paid for if they did not deliver against it. Again, those targets are identified as

areas of underperformance.

[75] Equally, in a wider sense, we are working with local government to try to develop a new relationship that is, as you said, moving away from hypothecation and towards a greater focus on outcomes. The key element of developing those outcomes will be to determine the key national priorities in Wales. In developing the outcome agreements, local government performance will be measured or assessed against those key national priorities, but not in a way that will be tied down by the inflexibilities and the cost of hypothecation and special grants. There is a lot of work going on to move from a situation in which, in many respects, there is not much accountability in special grants for the performance of local government, to a much more interactive relationship between us and local government, and have a better focus on outcomes.

[76] **Mick Bates:** Thank you, Minister. Very briefly, I will call on Angela Burns and Andrew R.T. Davies to ask the final questions.

[77] **Angela Burns:** In your paper, Minister, you said that work should start on a new child poverty strategy in 2009. Can you tell me whether it has started?

[78] **Brian Gibbons:** The Office of the Chief Social Scientist is in the process of evaluating our existing programme of policies. On the basis of the evidence that the Office of the Chief Social Scientist will give us, we will start on that. Obviously, a number of new policy areas, such as child welfare benefit uptake programmes, will hopefully be introduced at the beginning of the next financial year. Equally, the contributions that we will make to the child trust fund will begin in the next financial year. Hopefully, support for credit unions being located or supported in every secondary school will also happen—again, starting in the next financial year. The strategy is being evaluated for its current effectiveness as we speak, but linked to that, a number of particular policy areas will come into effect in the next financial year. We have the funding streams in place for that.

[79] **Angela Burns:** Would you say that these indicate how the sustainability considerations are being woven into this new policy?

[80] **Brian Gibbons:** Yes, in some new areas, such as in the integrated family support services which, again, will be something that will be unique to Wales. Integrated family support services do not exist anywhere else in the United Kingdom. Again, I think that we will be the first administration or jurisdiction to develop an integrated family support service type of strategy for families facing multiple disadvantage.

1.40 p.m.

[81] Hopefully those families will be placed on a much more sustainable footing, so that they have a better quality of life, and the children have a better opportunity to have a good start in life. Sadly, too many of them miss out on that at the moment.

[82] **Angela Burns:** You mentioned a better quality of life, so could you tell us how the strategy will deal with the impact of a poor quality environment in terms of green spaces, poor housing, lack of access, and so on?

[83] **Brian Gibbons:** This is one of the aspects of the Proposed Children and Families (Wales) Measure—a statutory duty will be placed on all public bodies, including local authorities, to provide adequate playing facilities, to assess play provision for children, and to address any inadequacies in care provision.

[84] **Angela Burns:** And poor quality housing? That is obviously a key issue.

[85] **Brian Gibbons:** Yes, but that is part of the wider, cross-portfolio work that is necessary to deliver on the child poverty agenda. It cannot be delivered solely from the Department of Social Justice and Local Government. It impacts upon the economy, transport, education, heritage—it is a cross-portfolio challenge for the whole of the Assembly Government.

[86] **Mick Bates:** I thank the Minister and his officials, Dave Powell and Caroline Turner, for their answers this afternoon. As you are aware, a transcript will be sent to you. If you have any other information, particularly about monitoring future Government targets, it would be important for us to receive that—we are interested in the mechanisms that you have for producing baseline data, and how you can achieve a 3 per cent reduction within the portfolio. That would be useful to us.

[87] **Brian Gibbons:** I am assuming that other Ministers, such as the Deputy Minister for Housing, will do that for their own areas of portfolio responsibility.

[88] **Mick Bates:** Absolutely. I will write to you with some further questions as well.

1.42 p.m.

**Adroddiad ar Weithredu Targedau a Pholisïau Datblygu Cynaliadwy gan
Lywodraeth Cynulliad Cymru: y Portffolio Cyllid a Chyflenwi Gwasanaethau
Cyhoeddus**

**Report on the Implementation of Sustainable Development Targets and Policies
by the Welsh Assembly Government: Finance and Public Service Delivery.
Portfolio**

[89] **Mick Bates:** I invite our next panel of witnesses to the table as we move to item 3. We are reporting on the implementation of sustainable development targets and policies within the finance and public service delivery portfolio. I will ask you to give your names and positions for the record in a moment.

[90] **Rhodri Glyn Thomas:** Chair, I would like to apologise for being late. I had a constituency matter that I had to deal with.

[91] **Mick Bates:** Thank you. That is perfectly in order. I welcome you to committee.

[92] Which of the witnesses is playing Minister this afternoon? [*Laughter.*] Someone has to be responsible for answering the questions.

[93] **Dr Daws:** It will be me.

[94] **Mick Bates:** Thank you. I begin by asking you to give your name and position for the record.

[95] **Dr Daws:** I am Christine Daws, director general of finance.

[96] **Mr Sykes:** I am Martin Sykes, chief executive of Value Wales.

[97] **Ms Evans:** I am Carys Evans, head of local service board development.

[98] **Mr Duncan:** I am Grant Duncan, head of Spatial Plan Wales.

[99] **Mick Bates:** I welcome you and thank you for your paper. We move straight to questions, and the first is to Christine. Could you outline the top three achievements in the field of sustainable development that have been accomplished in finance and public service delivery?

[100] **Dr Daws:** One of the main achievements is our approach to the funding of services, and in particular, the changes that we have made to capital, with the introduction of the strategic capital investment framework. We now take a life-cycle approach to looking at business cases for investment, and that is important from a sustainability point of view. As the funders of services in Wales, particularly through the strategic capital investment framework, we are increasingly funding projects that specifically address issues of sustainability, and I think that there were some examples of that in the paper that the Minister presented. With regard to public service delivery, the approach that we are taking, in line with the 'Making the Connections' agenda, is to try to get people to join together in a more cross-cutting way to look at the issues of economy, environment and social needs in terms of sustainability. That is very evident in the policies of the spatial plan and through local service boards.

[101] **Mick Bates:** Thank you. What are the key policy documents that inform you how to implement sustainable development in the areas you just referred to?

[102] **Dr Daws:** It is a requirement of all Welsh Ministers to follow the annual sustainability plan, so that is the overarching document that our Minister will be working to, along with all other Welsh Ministers. If you want to talk about the specifics, Martin can talk to you very eloquently about a number of significant achievements that have been made specifically in procurement. It would be appropriate to ask him.

[103] **Mick Bates:** We will come to that later, but thank you for the offer at this stage.

[104] **Andrew R.T. Davies:** Thank you for the paper and for coming to the committee. The word 'radical' is often used to describe initiatives or activities. It is used in the 'One Wales: One Planet' consultation document on a sustainable future. Could you identify how your plans are radical in the true sense of the word?

[105] **Dr Daws:** I suppose the question is whether you mean my financing plans, our plans for public service delivery or procurement plans.

[106] **Mick Bates:** I think we will have a look at all three of them. Go ahead.

[107] **Andrew R.T. Davies:** The floor is yours.

[108] **Dr Daws:** In financing terms, as an official in finance on behalf of the Minister, I would have to say that our job is to ensure that we fund the plans of the Welsh Assembly Government. Therefore, if they are radical plans, we need to find innovative ways to fund them. That is part of our clear remit.

[109] **Andrew R.T. Davies:** Can you give me an example of how a radical approach and innovative financing would interact to allow a plan to come into action? Can you think of an example of where a Minister or a department has come to you, for example, with a radical initiative on sustainability to try to secure financing where you have had to be innovative in securing that finance? We could all think of schemes, but they might fall down when it came to financing them.

[110] **Dr Daws:** We are working through a number of different ways of approaching this. I cannot think of a specific example of where we have provided a specific way of doing something, but part of the planning work that is going on around climate change, for example,

is very much about working with each department to identify their contribution towards the targets and, where appropriate, trying to help them find ways of funding that within their existing budgets rather than with new money. I cannot give you a grand example—we have not done something specific such as constructing a building. I think that Martin might be able to give you some examples of approaches we are taking to procurement, which are best practice. Those would be better examples of how we use our resources more effectively to deliver on sustainability. I would really like Martin to answer that question.

[111] **Mick Bates:** Please go ahead.

[112] **Mr Sykes:** With regard to being radical and innovative, if we think back to 2005, Value Wales and its precursors developed a sustainable procurement assessment framework in conjunction with Forum for the Future. That was about two years ahead of the work that was coming out of the sustainable procurement taskforce, which was chaired for Whitehall Government by Sir Neville Simms. It is a framework that provides a five-level approach across a wide range of business activities, looking at how an organisation develops its procurement and its thinking with sustainable development at its core. About two years after that—and again Wales was at the forefront of this in the UK—we had the development of a sustainable risk-assessment template, the SRA. It was developed in conjunction with the Environment Agency, and it is used as the core of training that has been rolled out to more than 350 procurement people across the Welsh public sector.

1.50 p.m.

[113] It is used when looking at collaborative procurements, and we look at all aspects of sustainable development. We look at the impact on the environment, the recycling requirement, and the likely impact on the carbon footprint. We also look at the impact on the local community and on local business, and whether there are opportunities to create work where we are undertaking collaborative procurement. That is underpinned by a body that operates across Wales, the collaborative procurement steering group, which has representatives within it from every part of the Welsh public sector: from local government and the health sector, higher and further education, and so on.

[114] **Mick Bates:** I think that we have got the point. I am sorry to interrupt, but the session is short. Can you tell us as to how you evaluate that against any environmental or carbon reduction criteria?

[115] **Mr Sykes:** We look at the aspects involved in procuring a certain commodity or service. The team will look at the environmental impacts: what kind of materials there are, what substitutions are possible, and so on. We are currently in the process of evaluating this year's assessment of what the carbon footprint impact will be. I will give you one example: another innovative programme that we have, which does not exist in England, is the Xchangewales e-procurement programme. I have just been at a programme board meeting for that, and we have been measuring the performance of the programme this year. Among other things, we have undertaken 94 electronic—as opposed to postal—tenders. That has saved 2.2 million sheets of paper, which is equivalent to 240 trees, and 14.4 tonnes of carbon dioxide. I cannot give you the whole picture—

[116] **Mick Bates:** You would have used 2.2 million sheets of paper for 90 tenders?

[117] **Mr Sykes:** Ninety-four tenders, yes.

[118] **Mick Bates:** There is a lot to improve on, is there not?

[119] **Mr Sykes:** The tender documents go out, and then the prequalification documents

come in from all our suppliers, and so on.

[120] **Mick Bates:** These are bankers' numbers.

[121] **Mr Sykes:** Absolutely. We know that we have saved a small forest just at the Welsh Assembly Government by putting in duplex photocopiers and using recycled paper.

[122] **Mick Bates:** Is it possible to forward more detail about that procurement scheme to us?

[123] **Mr Sykes:** I could not give it to you today, but I can when we have finished the audit of this year. I have just been at one programme board meeting, and as part of that programme—as part of our benefits capture process—we include the carbon footprint and the environmental impact.

[124] **Mick Bates:** I wish to move on from this point.

[125] **Andrew R.T. Davies:** Grant seemed keen to say something, Chair.

[126] **Mick Bates:** Well, we will have a session on spatial planning in a minute with Lesley's questions. I would just like to look at targets.

[127] **Andrew R.T. Davies:** I was dying to ask about the policy gateway integration tool. *[Laughter.]*

[128] **Mick Bates:** You are then going to ask about—

[129] **Andrew R.T. Davies:** I just wanted to get that on the record, because it is such a wonderful title. Only the Welsh Assembly Government could have come up with something like that, I would suggest.

[130] **Mick Bates:** Would you put the question then, Andrew? We can then move on to Lorraine's questions about carbon emissions.

[131] **Andrew R.T. Davies:** The policy gateway integration tool—created by WAG—has a wonderful title, but how do you measure what is fair and good in respect of a sustainable environment under that toolkit?

[132] **Dr Daws:** It is a policy toolkit that all major policies within the Welsh Assembly Government go through. Where we have had a major policy, it will have gone through that toolkit. However, I do not administer it. I am not sure what the question is, but to give an example of something that would have gone through the toolkit, the local service board development would have been assessed against all the different criteria.

[133] **Ms Evans:** Yes. Are we—

[134] **Andrew R.T. Davies:** I am just asking how you measure it. As a gateway integration tool that you use in the Welsh Assembly Government, there is obviously an element of benchmarking, is there not? How do you benchmark to determine whether what comes out at the other end is good or indifferent?

[135] **Ms Evans:** My experience of the process is not so much of benchmarking, that is, saying whether something is good or not. The process is much more about looking at a policy proposal and trying to improve it by asking, 'If we refocus this, could we achieve greater social benefit?', and 'How could this complement and strengthen other things that we are

doing?’ You are trying to proof against missed opportunities as a result of taking too narrow a view of something, and identifying opportunities to be more effective and more ambitious. So, I would not say that it is a benchmarking process; it looks at how we can raise the quality and effectiveness of something by involving colleagues from other parts of the office and ensuring that we have taken a genuinely integrated view of the issue. It is more that sort of thing, really, than a benchmarking exercise.

[136] **Mick Bates:** I will leave the policy integration there, because I am not aware that it is in the public domain, even. It sounds as if it is an important piece of work. I would like to move on to carbon emissions and then the spatial plan.

[137] **Lorraine Barrett:** On carbon emissions, Jane Davidson told the committee earlier this month how Ministers will be involved in the 3 per cent annual reduction in emissions and sectoral targets under the climate change strategy. Could you say a little about the mechanisms that are in place within your portfolio to achieve the annual reduction target for greenhouse emissions by 2011, which will be announced by the Minister for Environment, Sustainability and Housing in the summer?

[138] **Dr Daws:** Martin has already taken you through some of the areas in which he is measuring specifically through his work what reductions are made. In finance, we do not specifically measure because we fund policy areas that then do the measuring. That is part of what I was talking about earlier with regard to our role, which is to ensure that specific proposals are funded to deliver on these targets. We are working with the portfolio departments. Grant or Carys will outline where we have specific policy areas.

[139] **Mr Duncan:** One of the ongoing strands of the spatial plan work is looking at low-carbon regions. That work hopes to report in June or July this year. We have different workshops lined up, so it is too early to come out with specific targets for different areas of Wales within that. As the work evolves and goes forward, that will be one of the mechanisms that we can look for with regard to how we are achieving it in different parts of Wales.

[140] **Mick Bates:** Lorraine, do you want to come back on that?

[141] **Lorraine Barrett:** Yes. I am still not sure that we are getting to the nub of it.

[142] **Mick Bates:** No, we are not getting to the point. We understand that the Government has the 3 per cent target in ‘One Wales’, but, from your answers, there does not appear to be any recognition internally that carbon reduction has to form part of the financing, the delivery and planning. Will anyone contradict that statement and tell me how you are already looking to reduce carbon emissions in these areas?

[143] **Dr Daws:** As officials in the Welsh Assembly Government, that lead is taken for us in our own departments by human resources. I sit on a board that looks at the targets and performance against the environmental indicators that we have for the Welsh estate—our buildings. So, from my perspective as an official working in the Welsh Assembly Government, I am very clear about how we are handling that. Martin is also playing his part, as I say.

[144] **Mr Sykes:** I would like to raise two things. I mentioned the sustainable procurement assessment framework. This is a live document and we are in contact with Forum for the Future and the Environment Agency to consider what we have to do to upgrade this document as we hear more and more about how the 3 per cent target will be delivered.

[145] On the area that Christine spoke about, the management of the Welsh Assembly Government estate, I have a small team of surveyors who are working with colleagues in

Whitehall, Scotland and Northern Ireland, looking at space standards and the quality of the space that we use and the number of buildings that we use. We are providing a database into which the information on all of the estate is loaded. This allows us to see the relative performance of those buildings so that, as the estate is rationalised or upgraded, we can identify those buildings that are the biggest producers of carbon and those that are not.

[146] **Lorraine Barrett:** I would like to say how helpful it is to have examples. Your example of the millions of pieces of paper was really good in the sense of being able to imagine something tangible. I was going to ask about the sources of greenhouse gas emissions across the portfolio and the way in which you are monitoring them. You have just touched upon the data that you have there. I was going to ask about the baseline data for the sources of emissions right across the portfolio.

[147] **Dr Daws:** As I said, within the Welsh Assembly Government estate, we have environmental dashboard that is regularly provided for us with the data, and we review that from the estate point of view.

2.00 p.m.

[148] **Ms Evans:** On the public service performance part of the portfolio and coming back to where the carbon emissions come from, we do not directly sponsor local government, the NHS, the police or the fire service or any of those agencies in Wales. On local service boards and the spatial plan, our role is much more one of trying to improve collaborative performance, of trying to see how local service boards work better together, and of promoting aims and outcomes, including reducing carbon emissions, as well as initiatives to tackle child poverty—namely all the core initiatives that the Welsh Assembly Government is trying to develop. This is much more about strengthening the leadership capacity locally to engage with these issues and to make progress on them.

[149] One helpful way of thinking about this is to ask what the barriers are to sustainable decision making and strong collaboration locally. The barriers to that were identified in the Beecham review, such as people working in silos, taking a short-term focus, making decisions about programmes or buildings in isolation from what other agencies might be doing next door. The local service board and partnership way of working is designed to stop that silo mentality and compartmentalisation and to get public services working together at the local authority and regional levels.

[150] **Lorraine Barrett:** Perhaps this question is for the Minister, because I do not want to take anything away from what you just said, and I appreciate that you are trying to get people to work together, but our frustration is that, in our previous session with the other Minister, Brian Gibbons—sorry, I was not going to name him, but I could not remember his title—

[151] **Rhodri Glyn Thomas:** It is the Minister for Social Justice and Local Government.

[152] **Lorraine Barrett:** Thank you. In our previous session with the Minister for Social Justice and Local Government, we could not quite pin him down on where his responsibility with local government lay. The transport and housing parts of local government are the responsibility of both the Deputy First Minister and Minister for the Economy and Transport and the Minister for Environment, Sustainability and Housing respectively and not his. We are trying to get to whose responsibility this is. I can understand what you say about Value Wales doing its bit and your comments on collaborative working, but who is making those organisations deliver the goods? Who is handling this and taking responsibility for it? It seems as though this falls between different Ministers and different portfolios. I am not sure whether it is your responsibility to answer that question today, but that is what we are trying

to get to.

[153] **Mick Bates:** The comment is clear and does not require an answer at this stage. We have to move on as I know that Lesley Griffiths has to leave shortly, and I am very keen for her to ask her questions of the RSPB and the spatial plan. I will then bring in Alun and Rhodri.

[154] **Lesley Griffiths:** Could you tell us how sustainability is delivered through the spatial plan?

[155] **Mr Duncan:** Sustainability is at the core of the spatial plan. In line with the development scheme, our core work is about integration and making better decisions through greater involvement. So, it brings in elements of the social, economic and environmental aspects and we have been at great pains, over the whole spatial plan journey, to try to include many of the different sectors and organisations that are around this table. So, sustainability in that context is about making better decisions by looking at things in the round.

[156] Specifically, 'People, Places, Futures: The Wales Spatial Plan 2008 Update' that the Assembly adopted came through a sustainability appraisal, a strategic environmental assessment and a habitat assessment under the habitats directive. So, all those things put together move us forward and keep us on the sustainability track.

[157] **Lesley Griffiths:** Looking at the six regional areas of the spatial plan, can you give us a progress report on how well you are doing with your strategy to reduce each area's ecological footprint?

[158] **Mr Duncan:** I cannot give you exact numbers at this point in time, but, for the update, we published, probably for the first time, what they were by area, using the Stockholm Environment Institute research. The commitment is to work to make a reduction there. The first phase of that work is to do with the low carbon work that I referred to earlier. To do that, we have engaged the Sustainable Development Commission, which is doing work now. The next immediate phase, in April and May, will involve workshops in each of the six areas, and because the challenges and opportunities will be different in each area, we need to ensure that the action plans and opportunities that come up are tailored specifically to their needs.

[159] **Lesley Griffiths:** Bearing that in mind, to embed positive environmental action, will you look at each area individually?

[160] **Mr Duncan:** The Chair mentioned the RSPB and, among the key elements that we have been working with are the Wales Environment Link, the Environment Agency and the Countryside Council for Wales. In south-east Wales in particular, some really innovative work has been done on network environment regions. That work will be reporting next month and, if it would be of use, we can give you a copy when it comes out. We will want to roll out any lessons to emerge from that work to the other areas, because it is quite new.

[161] The other angle worth mentioning is that we are working with the Wales Environment Link to see how we can improve its capacity to engage in this work across the six areas of Wales. We speak in our language, but it is a matter of ensuring that we can engage with the people on the ground to keep them informed of what we are doing.

[162] **Lesley Griffiths:** So, who else is involved in developing the strategy?

[163] **Mr Duncan:** In developing those strategies, it would run the whole gamut of the spatial plan teams in each area, and that includes the environment sector and local authorities.

Different structures come together but, essentially, all the different sectors come together to review it to see whether they all agree with it, and that includes the private sector and the wider public sectors.

[164] **Mick Bates:** Do you have any idea of how much it costs to deliver this biodiversity and environmental work through the Wales spatial plan?

[165] **Mr Duncan:** I have nothing specific at this time. Once we have the report published next month, the next immediate phase is to look at an implementation plan. That must take into account costings and the feasibility of the different elements.

[166] **Mick Bates:** How do you currently monitor biodiversity?

[167] **Mr Duncan:** In monitoring the specifics of the spatial plan, as I mentioned, there is a sustainability appraisal as part of a strategic environmental assessment. That informed the update last year, and part of the commitment is to produce an environment report after about a year. In the next month or two, there will be a report saying exactly and specifically how we have done and which areas we need to do more in or develop further.

[168] **Mick Bates:** If I understand your answer correctly, you are telling me that there has been no evaluation of the Wales spatial plan and its impact on biodiversity.

[169] **Mr Duncan:** I go back to my earlier remarks. On specific impacts on biodiversity, the different elements would have been taken into account in the strategic environmental assessments for the update work. That will be returned to in the review that will form part of the environment report.

[170] **Mick Bates:** Are the strategic environmental assessments in the public domain?

[171] **Mr Duncan:** Yes.

[172] **Mick Bates:** Could you forward us a link to them?

[173] **Mr Duncan:** Yes, indeed.

[174] **Mick Bates:** Thank you very much.

[175] **Rhodri Glyn Thomas:** Bùm yn gwrando'n ofalus ar eich atebion, ac mae gan Gynulliad Cenedlaethol Cymru a Llywodraeth Cynulliad Cymru gyfrifoldeb statudol dros ddatblygu cynaliadwy. Pan oeddwn yn Weinidog, cofiaf ddod ger eich bron—a dim ond Christine oedd yno yr adeg honno—ond nid wyf yn cofio unrhyw gwestiynau i mi am gyfraniad yr Adran dros Dreftadaeth tuag at ddatblygu cynaliadwy. Beth yn union sy'n cael ei wneud i sicrhau bod yr holl Weinidogion yn gyfrifol am sicrhau bod eu hadrannau'n ceisio cymryd camau i leihau allyriadau carbon ac ymateb i'r gofyn statudol o ran datblygu cynaliadwy?

Rhodri Glyn Thomas: I have been listening carefully to your answers, and the National Assembly for Wales and the Welsh Assembly Government have a statutory responsibility for sustainable development. When I was a Minister, I recall appearing before you—and only Christine was there at the time—but I do not recall any questions to me about the contribution of the Department for Heritage to sustainable development. What is being done to ensure that all Ministers are responsible for ensuring that their departments take action to reduce carbon emissions and respond to the statutory requirement on sustainable development?

2.10 p.m.

[176] **Dr Daws:** May I respond to that?

[177] **Mick Bates:** I would be very pleased if you would.

[178] **Dr Daws:** We now have a set of Cabinet committees that includes several Ministers and we also have an officials' group that provides a response, with the Minister who is responsible for that area chairing the meeting. So, in the area of sustainability, there is a Cabinet committee on climate change and each Minister will sit on that committee. Then, officials will similarly—

[179] **Rhodri Glyn Thomas:** More specifically, in real terms, what are you asking them to do to promote sustainable development and to reduce carbon outputs?

[180] **Dr Daws:** At the moment, that is a huge ongoing task. It is for each department to identify how it will contribute towards the target. That is what I was alluding to earlier—the finance department works with them to work out how those programmes will be funded to deliver against the targets. So, it is very much in planning at the moment. That has come out of the Cabinet committee. It is one of the clear requirements. I have seen—

[181] **Rhodri Glyn Thomas:** We have been planning this for the last 10 years. We have had a statutory responsibility for sustainable development for the last 10 years, since 1999. Are we still in the planning stage or are we actually doing something?

[182] **Dr Daws:** Several things have happened in different areas, but specifically on climate change, that is the way that that is being approached and the target on carbon reduction is relatively new. That was the example that I gave of a mechanism by which those targets are being delivered.

[183] **Mick Bates:** I think that that is a very good question and one on which we may write to the Minister. Although there are lots of good strategic examples, am I right to conclude this session by saying that, as yet, there are no specific targets as to where in your portfolio areas you will reduce carbon emissions or to say, 'This is how we can help to achieve a 3 per cent cut by 2011'?

[184] **Dr Daws:** That would be only in the area of procurement, I guess, where Martin is working much more explicitly.

[185] **Rhodri Glyn Thomas:** Can you tell us what has actually been achieved during the last 10 years? Can you give us an example of where any department has done anything at all about sustainable development and carbon outputs?

[186] **Mick Bates:** I think that that is a question for the Minister, really. If there are examples—

[187] **Rhodri Glyn Thomas:** The Minister is not here.

[188] **Mick Bates:** I know, Rhodri, but we can write to the Minister.

[189] **Dr Daws:** Given that we are not a portfolio department that has a lot of spending in that sense—we fund others to do it—I think that we need to be clear that there is an awful lot of work going on in the Welsh Assembly Government as a whole to reduce our impact on the environment, and there are clear targets. There is a lot of evidence around procurement and the work that Martin has been doing to enable the public services more widely to do that, so I would be quite concerned if we walked away from here with you feeling as though we have not done anything because I think that that is absolutely not the case.

[190] **Rhodri Glyn Thomas:** You do not have a spending portfolio as a department, but you control the spending portfolio of every other department and every Minister. I have been through this, and I have been in front of you answering about my spending. That question was not asked of me, but do you ask that question of any other Minister? Do you ask what they are doing to reduce carbon outputs and to promote sustainable development and how they integrate that within their department?

[191] **Dr Daws:** It is not our role to do that. The Minister for Finance and Public Service Delivery is not also the Minister for sustainable development. I believe that you have had the Minister for Environment, Sustainability and Housing, Jane Davidson, here previously and it is her department that is identifying the targets. We are all working with her, and through the department for finance, to ensure that the other portfolio departments do that. However, it is not a matter of asking, ‘Have you hit your target yet?’, because it is about having policies and programmes that will allow them to meet those outcomes. Through the Ideas programme, which is building on the corporate finance change programme, we are putting mechanisms in place that will enable us to see explicitly how well we are doing at delivering against the outcomes that have been identified as the key priorities for the Government. So, as officials, we are putting in place things that will help us to measure that, with a dashboard that will identify performance indicators against each of the outcomes. So, I think that the answer to the question that you asked is that we are putting in place those particular mechanisms, but it would be for individual Ministers to look at their performance against those indicators, rather than for us, in finance, to performance manage.

[192] **Rhodri Glyn Thomas:** I would be glad, Chair, if we could have a definition of this environmental dashboard. It sounds very nice, but it does not seem to me that it amounts to anything. Perhaps we could ask the Minister—

[193] **Dr Daws:** It is not—

[194] **Mick Bates:** Let us stick to the facts. Would it be possible for us to have a copy of the environmental dashboard?

[195] **Dr Daws:** It is not an environmental dashboard; it is wider than that. It is about the outcomes that the Assembly Government is seeking to achieve and underpinning all that is sustainability, the environment and the climate change targets.

[196] **Mick Bates:** I am a little lost now. It is not a dashboard, so it is—

[197] **Dr Daws:** I said that it was not an environmental dashboard—it is a wider policy.

[198] **Rhodri Glyn Thomas:** It is a bigger dashboard.

[199] **Mick Bates:** Thank you, Rhodri. Is it possible for us to have sight of that?

[200] **Dr Daws:** I would be very happy to send you some information on it.

[201] **Mick Bates:** Thank you.

[202] **Mr Sykes:** In the work that Value Wales does, led by the Minister through the business procurement taskforce, we are looking at the triple bottom line effect of sustainable development. So, we work with business, local government and higher education, and we have the opening doors charter for SME-friendly procurement to try to level the playing field. We have developed an initial small framework agreement, which is reserved under European Union rules, for the support of factories, such as the Remploy of this world, so that we can

guarantee that some work goes to them. We work with our colleagues in local government who are doing construction projects to build in social clauses, so that we can take people out of unemployment and create an opportunity for apprenticeships and so on. We have had some success in those areas, and we are rolling out a programme. The 3 per cent target is relatively new in that particular programme, and, as I said, we are working with other bodies to see how we can roll that out across the public sector.

[203] **Mick Bates:** Thank you. Finally, Alun, I believe that you have a question.

[204] **Alun Davies:** Coming back to Dr Daws, does the Wales environment strategy play any part in your day to day work?

[205] **Mick Bates:** A 'yes' or 'no' answer would be sufficient.

[206] **Rhodri Glyn Thomas:** Or any sort of answer.

[207] **Mick Bates:** If you would like to consider that, I will draw the session to a close to avoid further silence.

[208] **Dr Daws:** I am not quite sure what you mean by 'does it play any part'. Yes, it plays a part, because all Welsh Ministers have a statutory duty around sustainable development, so all officials have the same duty. What do you mean by the specifics of that? It is an approach to the way in which we look at things. If you look to provide funding, you look to see whether or not what is being funded meets a whole range of criteria, one of which is sustainability. Others include equality and affordability, and, when we are looking at business cases, the whole life-cycle cost is looked at, around investment. If that is what you mean, then, yes, we do consider the Wales environment strategy on a day to day basis, but I do not walk around thinking that I need to reduce carbon emissions by 3 per cent. However, throughout the Welsh Assembly Government in the way in which the estate is run and in the way that we do things, we are entirely focused on looking at this.

[209] **Alun Davies:** It is interesting that you used the present and future tense quite a lot, but not much of the past tense. Therefore, what has been achieved, because it has been almost two years since the last Assembly elections and the 'One Wales' agreement? In all of the resources of the Assembly Government, we are looking at what has been achieved. We are halfway through the Assembly term, and in two years' time the Assembly will be dissolved for the next set of elections. How far do you feel that the areas for which you are responsible have moved forward in order to achieve the target and the objectives that the Government has set for itself?

[210] **Dr Daws:** In the last two years, we have established aspects such as the strategic capital investment framework. Martin has given you ample evidence of what has been going on for a longer time period in terms of procurement. It takes time to establish some systems, and if you are collecting data on systems in terms of some of the dashboard stuff within the Assembly, we have had that data for a year, but not for the last 10 years.

[211] **Alun Davies:** Coming back to Ms Evans in terms of what was said about the local service boards, I understand the philosophy behind them and what you are trying to achieve for improved public service delivery, but how does a local service board help to achieve the 3 per cent target?

[212] **Ms Evans:** To give some examples, as you know, the local service boards are in a development process and some are further ahead than others, and so on. In terms of how focused we are on the 3 per cent target, Carmarthenshire local service board, for example, immediately realised that, if it was going to look at strategic issues that united all the partners

so that it was a shared agenda for all the partners, this was it. So, its priority from the beginning has been to reduce carbon emissions in Carmarthenshire. It has a project that includes a transport project, a physical environment project and shopping locally—there are five or six different strands.

2.20 p.m.

[213] Your question would be what value local service boards are adding to that. I think that they would say that they can be much more ambitious, because they are identifying new opportunities by bringing the partners together. To give you an example, if I was in the Assembly Government, trying to design an approach to this project, I would not necessarily have thought about the voluntary sector having a central role, perhaps because I would not have expertise in that area. However, because the local service board has grabbed it, it has a strong volunteering element to that project, which is also engaging a lot of local environmental groups. So, the local service board is enabling the partners to work in a more integrated and joined-up way, which they were all committed to doing anyway. They are all aware of the duty and the targets. Gwynedd Local Service Board is another example of this.

[214] The other thing that LSBs are adding is that they are realising, because they bring together the NHS, the local authority, the police force and all the local partners, that they have a lot of expertise in their organisations—in one case, for example, the local trust would have been much further ahead, because it had more expertise and it had done more work on it. So, it could share that expertise with others. The boards can also bring in expertise from organisations such as Forum for the Future and the Carbon Trust and share that across partners.

[215] **Alun Davies:** To what extent do you provide drive from the centre? You have used two examples, namely Gwynedd and Carmarthenshire, this afternoon, and you referred to both in the written paper that we received from the Minister. That is two out of six. To what extent does the drive from the centre determine the direction of travel for the other four or for the future? Two out of six is not particularly impressive.

[216] **Ms Evans:** That is not a definitive list. I would need to go back and have a more detailed look at what they are all doing. Those were just the ones that I am aware of.

[217] **Mick Bates:** A note would suffice, Carys. I apologise for having to draw this session to an end—

[218] **Rhodri Glyn Thomas:** A allaf i ofyn un cwestiwn cyflym i Carys? **Rhodri Glyn Thomas:** May I ask Carys a quick question?

[219] **Mick Bates:** Iawn, ond un byr iawn. **Mick Bates:** Fine, but a very brief one.

[220] **Rhodri Glyn Thomas:** Yr wyt wedi sôn am yr hyn sydd yn digwydd yng Nghaerfyrddin a Gwynedd, ond byddai hynny'n digwydd beth bynnag. Beth mae Llywodraeth Cymru yn ei wneud? Nid yw hynny'n ddibynnol ar Lywodraeth Cymru; mae'n digwydd oherwydd bod Cyngor Sir Caerfyrddin a Chyngor Gwynedd yn gweithredu yn y ffordd honno. Pa wahaniaeth mae Llywodraeth Cymru yn ei wneud ar y mater hwn? Mae gennym gyfrifoldeb statudol, ers 10 mlynedd, ond nid wyf eto **Rhodri Glyn Thomas:** You have mentioned what is happening in Carmarthenshire and Gwynedd, but that would happen anyway. What is the Welsh Government doing? That is not dependent on the Welsh Government; it is happening because Carmarthenshire County Council and Gwynedd Council are acting in that way. What difference is the Welsh Government making on this matter? We have a statutory responsibility, which we have had for 10 years, but I have yet to hear of anything that has emanated from anything

wedi clywed am unrhyw beth sydd wedi deillio o unrhyw beth mae Llywodraeth Cymru wedi ei wneud dros y 10 mlynedd diwethaf.

that the Welsh Government has done over the past 10 years.

[221] **Ms Evans:** Drwy'r byrddau gwasanaethau lleol, yr ydym yn ceisio cryfhau'r hyn sydd yn digwydd yn barod ac yr ydym yn ceisio ymateb i adroddiad Beecham lle mae llawer o siarad am bartneriaeth ond bod llawer o rwystrau yn y system. Un o'r pethau newydd am y ffordd hon o weithio drwy'r byrddau lleol yw bod aelod uwch o'r gwasanaeth sifil wedi ymuno â phob un o'r byrddau hynny, nid i arwain, fel pe bai gennym yr atebion i gyd, ond i helpu wrth wella cyfathrebu rhwng y canol a'r timau lleol, a'u helpu i adnabod rhwystrau. Er enghraifft, os yw pob partner yn gweithio mewn fframwaith perfformiad gwahanol, gall greu problemau ac mae'r problemau hynny yn deillio o Gaerdydd. Felly, yr ydym yn ceisio hwyluso beth sydd yn digwydd yn lleol yn barod i fod yn fwy uchelgeisiol ac yn fwy integredig. Nid wyf yn gwadu am funud bod llawer o'r arweiniad hwnnw'n dod yn lleol a dyna sut y dylai fod.

Ms Evans: Through the local service boards, we are trying to strengthen what is already happening and we are trying to respond to what Beecham mentioned in his report, namely that there is a great deal of talk of partnership, but that there are also many barriers in the system. One of the new things about this way of working through the local boards is that a senior civil servant has joined each of those boards, not to lead, as if we had all the answers, but to help to improve communication between the centre and the local teams, and to help them to identify barriers. For example, if every partner works within a different performance framework, that can create problems, and those problems emanate from Cardiff. Therefore, we are trying to facilitate what is already happening locally, so that it is more ambitious and integrated. I do not deny for a minute that much of that leadership is provided locally, and that is how it should be.

[222] **Rhodri Glyn Thomas:** Beth yr ydych yn ei wneud i sicrhau bod y ddwy ran o dair arall yn gweithredu yn yr un ffordd?

Rhodri Glyn Thomas: What are you doing to ensure that the other two thirds act in the same way?

[223] **Mick Bates:** I am sorry, but the pressures of time are too great and we are going over old ground a little. Thank you for your answers this afternoon. A transcript will be sent to you. There have been several references to information; whether or not the tool that you use was a dashboard, we would like to see it. If there were other examples regarding the service boards, we would like to see them. In terms of the spatial plan, if there was something about the costs of monitoring biodiversity and if it does happen under that, it would be useful. Thank you all.

2.25 p.m.

**Adroddiad ar Weithredu Targedau a Pholisïau Datblygu Cynaliadwy gan
Lywodraeth Cynulliad Cymru: Y Portffolio Iechyd a Gwasanaethau
Cymdeithasol**

**Report on the Implementation of Sustainable Development Targets and Policies
by the Welsh Assembly Government: Health and Social Services Portfolio**

[224] **Mick Bates:** Thank you for your paper. I understand that the lead on this—the Minister, in our terms this afternoon—is Mr Bob Hudson. I will start by asking each of you to state your name and position for the record. I will invite Bob to start.

[225] **Mr Hudson:** I am Bob Hudson, director of strategy and planning for the Department of Health and Social Services.

[226] **Mr Thomas:** I am Eric Thomas, assistant director of Welsh Health Estates.

[227] **Mr Riley:** I am Chris Riley. I am a strategy adviser in the Department of Health and Social Services, and I work within Bob's division.

[228] **Mr Milsom:** I am Steve Milsom, and I am head of the Older People and Long Term Care Policy Division.

[229] **Mr Mick Bates:** Thank you for your paper. We will move straight to questions. Angela Burns will ask the first question.

[230] **Angela Burns:** Your paper is very interesting, and in it, you detail at quite some length the NHS environmental management policy. You also have a lovely index at the back that is full of current initiatives. However, could I ask you to outline the top three achievements in the field of sustainable development that have been accomplished within the health and social services portfolio to date?

[231] **Mr Hudson:** I suppose that the three main things that we have done was, first, the development of a specific policy for the NHS, going back to 2006-07, in terms of reaffirming the duty on NHS bodies in terms of their responsibilities towards sustainable development. I think that the development of the toolkit that we put in place, which has given specific guidance to NHS bodies in terms of the actions that they need to undertake, has been followed by the implementation or the development of local action plans. Thirdly, which is the more concrete issue, I suppose, is the progress that we have made in relation to energy efficiency and energy consumption reduction, where we can demonstrate that, since the baseline of 1999-2000, there has been some 6 per cent reduction in consumption, and around 19 per cent improvement in overall energy efficiency in that time. The 6 per cent reduction is not the target that we had set ourselves; it was 15 per cent, but the system has been growing in that time, which is why there is a difference between those figures. Eric might want to comment a little further on that. They were the three things that I would highlight.

[232] **Angela Burns:** I am happy with that. The first one that you detailed was, in fact, the development of the policy. Would that be the key document? Are there any other major documents that inform the delivery of sustainable development within the portfolio? What else do people look to?

[233] **Mr Hudson:** The policy statement that was contained in the original circular in 2006 and the circular that launched the sustainable development toolkit would be the two main papers that we have launched out to the NHS. Is there anything else on top of that, Chris?

[234] **Mr Riley:** No.

[235] **Mr Hudson:** They are the main ones.

[236] **Angela Burns:** The 'One Wales: One Planet' consultation document on a new sustainable development scheme for Wales stated:

[237] 'We recognise that the vision will require radical change in all sectors of society'.

[238] In what way, do you think, could the key policy documents that you have within your portfolio be described as 'radical'? If not, why not? Do you have any intention of radicalising them further?

[239] **Mr Hudson:** Do you mean specifically in relation to sustainable development?

[240] **Angela Burns:** Absolutely.

2.30 p.m.

[241] **Mr Hudson:** There are a number of things. It is in relation to a sort of step change that we know that we will have to make in terms of the efficiency with which we do our current activities in the NHS. We currently have a system, and the same is true in social care, in many ways, which is heavily based on centralised services, institutions, with people travelling significant distances in some cases, multiple journeys and so on. So, there is something in relation to the overall models of care that we have, alongside our ability to deliver services much more efficiently. There is a two-pronged approach to this. First, we are delivering services in institutional and domiciliary settings in ways that minimise environmental impact and reduce energy consumption, travel, and so on. Secondly, we are trying to reshape health and social services in the long run so as to localise care, developing local models that reduce the need for inappropriate travel to distant services, and so on. We need to focus on those two broad areas.

[242] **Angela Burns:** I appreciate that—it answers my question well, but I would like to turn that on its head. Those radical, sustainable benefits are a knock-on effect of the changes that you are making within the health service. Have you looked at anything within the Department of Health and Social Services that could improve sustainability—perhaps something less obvious, which is not so much about service delivery, but which would have a radical impact on sustainability within your department?

[243] **Mr Hudson:** One of the things that I would highlight is some of the early work that we have been involved in around telemedicine and telehealth. To give a simple example, and a personal one, my GP has just switched to electronic repeat prescriptions. I used to have to go to my GP every month to get my repeat prescription, which is a six-mile round trip, and I do not have to do that any more. The prescription is delivered electronically to the local pharmacy, which is half a mile away from where I live. That results in a tangible reduction in travel for me. When you multiply that effect over the whole population, you get some significant reductions. The reductions in travel and carbon emissions from car journeys are of the same order of magnitude as the reductions that we have made in the energy efficiency work that Eric and his team have been delivering.

[244] There are other practical examples. In west Wales, the cancer network recently introduced a system of video-conferencing for cancer consultations, which has prevented a number of journeys—both patients travelling to see consultants, and GPs having to travel to case conferences. The network produced a neat little paper that demonstrated the environmental benefits of that change, and quantified the carbon reduction associated with introducing video-conferencing for clinical consultations.

[245] **Mick Bates:** Brilliant.

[246] **Angela Burns:** My final question on sustainability relates to your paper. It states that, where appropriate, new policies are tested through the Welsh Assembly Government policy gateway tool, which takes sustainable development into account. When you test your policies, what kind of outcomes do you get? I know that you will say that the outcomes are wonderful, but I would like to know.

[247] **Mr Hudson:** In truth, I am not sure how much the policy gateway tool drives us. It is an important process and an important policy check, because it puts sustainable development in the minds of policy makers when we are crafting policy. However, it would be wrong to pretend that it was the main driver taking this forward. Chris, would you like to comment on

that?

[248] **Mr Riley:** Could I comment on that and on the previous question about the radical impact of our changes? Bob mentioned that we issued circulars, and one of them had a toolkit attached. That was a big document that acted as a checklist, which we sent to all the health bodies in Wales, asking them to undertake a sustainability audit. We drew up that checklist with the Sustainable Development Commission and others. We tried to take the rather fuzzy idea of sustainable development and show, in concrete terms, what people are required to do. The document talks them through the process, asking what they are like now, showing them what they would look like if they were rather better, and what they would look like if they were much better. As a result we developed maturity matrices with three columns.

[249] We decided to do two things with that toolkit—to try to get organisations to buy into sustainable development, and to get the people who could make a practical difference, and whose jobs might be important in achieving sustainability, to think through their own activities. So, the document was divided into 11 big blocks, and picked up the huge amount of work that had been done around energy, and other areas. We also covered engagement with the public, how you try to persuade people to look after their own health, how you try to get organisations to look after their staff's health; all these are elements of a sustainable Wales. So, that document was radical, because we tried to integrate a lot of thinking under the umbrella of sustainability and make clear what we were trying to do. I cannot remember what the second question was. *[Laughter.]*

[250] **Angela Burns:** It was on how well you rate on sustainability—good, fair or poor?

[251] **Mr Riley:** The issue there is that it depends on the individual policy and on how much sustainability runs through the policy. We are probably not doing enough on that. I think that we have all learnt that it is not a particularly good idea to produce a policy and then test it. What you have to do is change the mindsets of the people producing the policies so that the ideas are embedded in the policy as it is developed. The next thing we want to do is develop some training programmes for policy makers in the department so that, when they are developing a policy on mental health or children's services, they are dealing in the concept of sustainable development as they do that work—so that it is embedded in the different stages of policy development. That is on our agenda for this year.

[252] **Mick Bates:** Thank you for that answer. I loved paragraph 11 of your paper, where you say that it is a bit of a fuzzy concept so you will show people what they can do. I think that you have just gone into more detail on that and answered the question fully.

[253] **Lorraine Barrett:** We like concrete examples—they are easier for slow brains on a Thursday afternoon to grasp.

[254] **Mick Bates:** What do you mean 'slow brains on a Thursday afternoon'? We are snappy. *[Laughter.]*

[255] **Lorraine Barrett:** You have already touched on emissions, cutting down journeys and other such ideas. Can you give us some examples of the sources of greenhouse gas emissions within your portfolio? How are you monitoring those emissions? Bob, I think that you have already mentioned data, but do you already have baseline data for these sources of emissions? If not, when would you expect to have them?

[256] **Mr Hudson:** We do, but perhaps Eric would like to respond to this.

[257] **Mr Thomas:** Yes, I will answer that question. We measure, year on year, our emissions in terms of the electricity, gas and other fossil fuels that we use. We are also

starting to monitor our journeys and all of the transport areas. That leaves out quite a lot in terms of carbon emissions in particular, which is why we are starting to look at carbon footprinting. We want to start this so that we can talk about direct and indirect emissions to try to get into this a bit more and understand the whole picture. This is building on some work that has been done in England; there is a carbon footprint for the NHS in England, and it has revealed some remarkable results from our point of view. We have been concentrating on direct emissions, but it has shown that emissions from procurement represent 60 per cent of the total carbon footprint. This is not something that we have taken into account before. Therefore, yes, we are measuring and tackling those issues, but in the traditional way of dealing with direct emissions. However, we want to look at indirect emissions, possibly through a carbon footprint or an ecological footprint. That is the way we intend to go.

[258] **Lorraine Barrett:** Have you been thinking about what staff could do across the portfolio, working in the health service in particular, but also in social care? I am thinking of car-sharing initiatives and so on. The Welsh Assembly Government and the Assembly Commission are bringing out a tax-free loan for staff to buy bikes.

[259] **Mr Thomas:** Another one of our little initiatives is our travel plan toolkit that we have issued to all of the trusts. We have asked all trusts to have a travel plan in place by the end of this month. To support them in that, we have also asked Sustrans to allocate a person to give them advice and guidance to get the travel plans done. The sort of initiatives you mention will be contained in those travel plans.

[260] **Mr Hudson:** We cannot yet demonstrate the benefits of that, because we are at the beginning of the process. It is a bit more complex in social care—and Steve might want to comment on this—because a significant element is provided by the independent sector. I think that there are about 1,800 different organisations, so our relationship with the sector is somewhat different and less direct than it is with the NHS.

[261] **Mr Milson:** Social care is a significant issue in this agenda. We are talking about 150,000 service users and 70,000 workers; £1.4 billion was spent on social services last year, so it is not to be minimised in this debate.

2.40 p.m.

[262] Dr Gibbons's colleagues will have covered the local government context in which social care sits. Our focus, therefore, in relation to the provision of services and how sustainability is taken into account, is on commissioning. Over 80 per cent of the services within social care are commissioned by local government in the independent sector. So, there is no longer a direct delivery situation in local government. We very much want to influence the agenda through the commissioning process. There is an ongoing development group that is looking at the commissioning guidance for local authorities, and it will look at a range of aspects and describe the whole commissioning process: needs analysis, strategic planning, procurement, and review. It hopes to improve standards and to use toolkits and good practice examples. So, that is the main driver on the social care side.

[263] **Mick Bates:** Chris, did you want to come in?

[264] **Mr Riley:** I just want to respond to the first question, which, in a sense, brings out the fact that we are learning on the job, as it were. We have a steering committee, which Bob chairs, and which pulls together the various interests. Eric, for example, is in the health service and we are not, so it brings the interests together; we have a representative from one of the trusts, we have the Sustainable Development Commission, and we have a group that considers these issues, which helped us to produce the toolkit. When we discovered that the carbon footprint study had been done in England, and that it had shown that 60 per cent of the

carbon emissions related to procurement, we got someone from the organisation undertaking procurement for the NHS onto the group. So, as we are going along, we are trying to make sure that we are covering the bases.

[265] **Lorraine Barrett:** What mechanisms are in place to achieve the annual reduction target for greenhouse gas emissions by 2011?

[266] **Mick Bates:** That is in 'One Wales'.

[267] **Lorraine Barrett:** Yes, the 3 per cent that Jane Davidson announced.

[268] **Mr Hudson:** We have an annual performance management system, which is managed by Eric and his team, which reviews the performance of all NHS organisations in relation to energy consumption, energy efficiency, emissions, targets, and so on. There is a formal performance management system that monitors that on a regular basis.

[269] **Mr Thomas:** Could I come back on that point? You said something very significant, namely that the new system—or the 3 per cent year-on-year target—relates to greenhouse gas emissions. When I examined the climate change strategy—the high-level policy statement—the baseline for that, and the actual measure for it, is something called the greenhouse gas inventory'. We have asked questions about that and how we will be measured, because, at the present time, we are measuring our direct emissions. The greenhouse gas inventory is completely different. I would question that and how all this is going to come together, because you have got us measuring our energy consumption in the real world and you have got us measuring all sorts of things to do with travel planning. We can pull those together in carbon terms, but I would like some feedback as to how we are actually going to do that with regard to the greenhouse gas inventory, which is a completely different way of doing it.

[270] **Mick Bates:** Do I take it, therefore, that you, within your portfolio area, are in communication with the Minister for Environment, Sustainability and Housing about those issues?

[271] **Mr Thomas:** Yes, we are.

[272] **Mr Hudson:** They are members of our steering group as well.

[273] **Mr Thomas:** So, we are also asking those questions.

[274] **Mick Bates:** I just wanted to clarify that. Rhodri will ask a question first, and then Andrew.

[275] **Rhodri Glyn Thomas:** Buaswn innau'n gwerthfawrogi adborth, ac yr ydym wedi bod yn edrych amdano. Nid ydym wedi cael llawer o adborth, a bod yn onest. Credaf mai Steve a gyfeiriodd yn gynharach at y ffaith bod mwy a mwy o'r gwasanaethau bellach yn mynd i'r sector annibynnol. Y gwir yw: unwaith mae gofal yn y gymuned yn mynd i'r sector annibynnol, nid oes gennych reolaeth drosto o gwbl.

Rhodri Glyn Thomas: I would also appreciate some feedback, and we have been looking for it. We have not had much feedback, to be honest. I believe it was Steve who referred earlier to the fact that more and more of the services by now are going to the independent sector. The truth is that, once care in the community goes to the independent sector, you no longer have any control over it at all.

[276] **Mick Bates:** Is the headset working?

[277] **Mr Hudson:** It is fine.

[278] **Rhodri Glyn Thomas:** I will switch to English; it is okay.

[279] **Mr Hudson:** It is working.

[280] **Rhodri Glyn Thomas:** Bu i Steve godi'r pwynt bod mwy o wasanaethau yn cael eu darparu gan y sector annibynnol. Yr wyf yn ymwybodol, yn Sir Gaerfyrddin, bod y gwasanaethau cymunedol sy'n cael eu cyflwyno gan y sector annibynnol wedi dyblu yn ystod y blynyddoedd diwethaf. Unwaith mae hynny'n digwydd, nid oes gennych unrhyw reolaeth o gwbl. Ni fedrwch wneud unrhyw beth o gwbl, oherwydd yr unig beth sydd o ddiddordeb i'r sector annibynnol yw faint o elw mae'n ei wneud o'r gwasanaethau hynny.

Rhodri Glyn Thomas: Steve raised the point that more services are being provided by the independent sector. I am aware that the level of community services in Carmarthenshire being provided by the independent sector has doubled over recent years. Once that happens, you have absolutely no control at all. You can do nothing at all, because the only thing that interests the independent sector is the amount of profit that it makes from those services.

[281] Ym mharagraff 26—[*Torri ar draws.*] Yr wyf yn siŵr y byddai Andrew, fel Ceidwadwr da adain dde, yn credu bod y sector annibynnol yn gallu cyflwyno'r gwasanaethau hyn llawer yn well. Fodd bynnag, mae rhai ohonom o berswâd gwleidyddol gwahanol. [*Torri ar draws.*] Y gwir yw nad oes gennych unrhyw reolaeth o gwbl. Yr ydych yn sôn ym mharagraff 26 am y math o arbedion y gellid eu gwneud yn y sector gofal yn y gymuned. Os yw'r ddarpariaeth honno yn mynd allan i'r sector annibynnol, nid oes gennych unrhyw fath o ddylanwad ar hynny. Dyna'r gwir.

In paragraph 26—[*Interruption.*] I am sure that Andrew, as a good, right-wing Conservative, believes that the independent sector can deliver much better services in this area. However, some of us are of a different political persuasion. [*Interruption.*] The truth is that you have no control at all. You mention in paragraph 26 the savings that can be made in the community care sector. If that provision is outsourced to the independent sector, you have no influence over that. That is the truth.

[282] **Mr Milsom:** Local authorities have a statutory responsibility to make the most effective use of their resources.

[283] **Rhodri Glyn Thomas:** They cannot control it, Steve. Once it goes out to the private sector, they cannot control it.

[284] **Mick Bates:** Could you let him answer, please?

[285] **Mr Milsom:** This is where the commissioning approach comes in. Commissioning is a wider concept than contracting. Through the contracting arrangement, local authorities can have control over the services that they are paying for.

[286] **Rhodri Glyn Thomas:** So, are you placing a responsibility on local authorities to do that as part of the contracting process?

[287] **Mr Milsom:** That is up to each individual authority.

[288] **Rhodri Glyn Thomas:** So you do not have control.

[289] **Mr Milsom:** We are producing all-Wales guidance that will get more consistency in

this approach in Wales. In law, it is a matter for local authorities rather than the Assembly to be looking at. However, the dialogue that we have with the care sector suggests that they are very much about quality. At an organisational and representational level, they are very keen to promote the agenda that quality in care counts. They have recently, for example, promoted a care academy to place far more emphasis on the training and development of care workers.

[290] **Rhodri Glyn Thomas:** Yes, but you cannot control it, Steve. Once you give the contract out to the independent sector, you cannot control the terms of employment or the way in which they are equipped to carry out their processes.

[291] **Mick Bates:** You have made the point. I think that we all understand that there are contractual issues about procurement, through Value Wales, for example, which may be useful. If you have anything further, could you put it in writing, because I need to move on? We have about five minutes left for this session. Chris, I acknowledge that you wish to say something, but I will be writing to you with other questions and I ask you also to include an answer to that question.

[292] **Andrew R.T. Davies:** As time is pressing, I will move straight to the questions that I was going to ask. I was going to come back to Eric on the travel plans, but that might be a point for another time.

[293] **Mick Bates:** If you pass the questions to me, we will write to him.

[294] **Andrew R.T. Davies:** I will certainly do that.

[295] On the Welsh Assembly Government's assessment of new buildings and refurbishments—the NHS Environmental Assessment Method, NEAT, certification and the Building Research Establishment Environmental Assessment Method: Healthcare, which has superseded it—and moving buildings into that category and getting them up to the 'excellent' standard, how successful has the Welsh Assembly Government been in achieving those standards of excellence in its new buildings and its refurbishment programme?

[296] **Mr Thomas:** It is quite early to talk about BREEAM: Healthcare, as it came in only last summer.

[297] **Andrew R.T. Davies:** It has taken the place of NEAT, has it? Is it far more onerous?

2.50 p.m.

[298] **Mr Thomas:** It is far more onerous. NEAT was a self-assessment tool that was to be done in one bite at the design stage of the project. BREEAM: Healthcare is completely different—it is outside assessing, so, in other words, you have a registered assessor. It is done as an initial, design assessment and as a final certification assessment, which is after the building has been handed over. So, under a normal project situation, for example, with a straightforward 18-month project, you would be talking about 18 months from the start of that design, which was last summer. So we would not expect an output from this until at least next year or the year after.

[299] **Andrew R.T. Davies:** On the NEAT process, I appreciate it was a self-assessment process, but how many projects hit the category of 'excellent'?

[300] **Mr Thomas:** All the major projects that went into the NEAT process, according to the feedback that we received, achieved that category.

[301] **Andrew R.T. Davies:** Is that for refurbishment and new build?

[302] **Mr Thomas:** It does not apply so much to refurbishment; that is always a difficult one in any one of these situations because you inherit the building, so, it is difficult to achieve that category. Most of the buildings or the major projects that we are associated with are new build projects. For the new build projects that are over £6 million, it is there. Most of the refurbishment projects are devolved projects that the trusts themselves would work on. They are small-scale issues, so our organisation would not get feedback on those.

[303] **Mr Hudson:** Parts of our estate are probably 10 years old. However, the major new developments such as the new hospitals for Caerphilly, Porthmadog and Blaenau Gwent and so on have been designed with sustainability very much in mind, so there may well be some things on those that we could share with you in writing, if that would help.

[304] **Mick Bates:** I ask that you refer in particular to lighting, because lighting always interests me.

[305] **Andrew R.T. Davies:** I am conscious that time is pressing, Chair. There is a conflict between delivering healthcare, because ultimately people want to get better, and meeting sustainability requirements. So with sustainability and the onus that the Assembly places on your good selves, as officials, to deliver a sustainable project, how do you marry those competing demands? Most people would say that, first and foremost, they want the health service, rather than the sustainability part of this. Ideally we want both, but it is a resource issue.

[306] **Mr Hudson:** I am not sure how much in conflict they are. It is interesting that there is quite a lot of hard evidence, particularly around building design, about the nature of the environment and the benefits that flow through that to patient recovery. There is some hard evidence to demonstrate that if you move towards hospitals based on single rooms with good daylight and so on, the patients recover quickly and you save money in terms of a reduction in the length of stay and in the incidence of infection and so on. So, I am not sure that these two factors are as much in conflict as we think they are. It does not cost any more, in a sense, to design for sustainability then to design appropriate facilities that aid patient recovery.

[307] **Andrew R.T. Davies:** It is good to hear that. My final question is on moving to the 2010 target to be 15 per cent more energy efficient than in 2000. How successful are you at moving towards and attaining that target given that the indices in our papers, provided by you, show that we are moving backwards and not forwards to that level of 15 per cent?

[308] **Mr Hudson:** Fifteen per cent was the energy target that we set. I said earlier that we have achieved around 6 per cent in that timeframe.

[309] **Andrew R.T. Davies:** That was down from 8 per cent in the previous year, so you have gone back 2 per cent, have you not?

[310] **Mr Hudson:** That is in the context of a sector that is getting bigger. The NHS probably employs 25 to 30 per cent more staff than it did 10 years ago. It is a growing sector. I am not saying this because it is a better looking indicator, but the indicators on energy efficiency and the amount of energy consumption, related to the volume of the estate and so on, show something like a 19 per cent improvement in the same timeframe. So, there is a point about getting the target right in the first place, I suppose, but we are making progress. We would, of course, like to make more.

[311] **Andrew R.T. Davies:** The efficiency is moving backwards as well, is it not? That is down from 20 per cent to 19 per cent; admittedly it is only marginal, but as you move towards March 2010, you are getting closer to that aspirational target that people want to hit. Will you

hit it?

[312] **Mr Thomas:** You are right that it went down from 8 per cent to 6 per cent, but there were mitigating circumstances for that. Basically, we are almost victims of our own ambition because we had a major programme in a combined heat and power refurbishment and replacement. Most of the main CHP units were out of production and out of use in that accountancy year and that had quite a remarkable effect, which highlights how important CHP is for us. It was 8 per cent, but it went down to 6 per cent. Most of those installations are either back in now with improvements, or they have been replaced by new installations, such as the 4 MW installation at the University Hospital of Wales, and that is a pretty significant lump of kit. It has just been commissioned, and it will be producing, so the figure will come back towards 8 per cent and probably higher.

[313] **Mick Bates:** Thank you, Andrew, for your questions. On the issue of refurbishment and retrofitting, how much of it features in your targets? What proportion of retrofit would contribute towards your energy-efficiency programmes, or is it mainly new build?

[314] **Mr Thomas:** Most of the main projects are new build, I think.

[315] **Mr Hudson:** They are now. Apart from Prince Charles Hospital, most of the significant refurbishment work being done on the main hospital sites will be new build, but that depends on our ability to sustain the capital programme, looking ahead.

[316] **Mick Bates:** Thank you. I see that there are no further questions. I thank the four of you for your evidence this afternoon. I particularly enjoyed the paper. Your links to the Sustainable Development Commission appear to have had a catalytic role in changing mindsets. I congratulate you on your paper and on your answers. You will be sent a copy of the transcript. If you have any further information arising from our discussions that would help us in our scrutiny of your Minister's portfolio, please forward it. Thank you very much.

2.56 p.m.

Ymchwiliad i Lifogydd: Cytuno ar y Cylch Gorchwyl Flooding Inquiry: Agreement of Terms of Reference

[317] **Mick Bates:** I wish to draw committee members' attention to the terms of reference for our flooding inquiry. The launch dates are fixed. You will see that it is very much a citizen-based inquiry, calling for evidence and looking at how the Government meets the demands of flooding. Virginia will talk to Members about how we can use our Assembly bus, when it comes on stream, to go around and collect evidence from the areas—

[318] **Rhodri Glyn Thomas:** Very environmentally friendly.

[319] **Mick Bates:** I hope that the Assembly Commission has taken care of the fuel issues, Rhodri.

[320] **Andrew R.T. Davies:** Biofuel, perhaps.

[321] **Mick Bates:** We would hope that it could be.

[322] The next meeting of the committee will be on Thursday 2 April, when we will look at the achievements and targets of the Minister for Rural Affairs, the Minister for Heritage and the Minister for Education, Lifelong Learning and Skills.

Daeth y cyfarfod i ben am 2.58 p.m.

The meeting ended at 2.58 p.m.