

Sustainability Committee

SC(3)-19-09 (p1): 22 October 2009

Report on the Draft Budget Allocation 2010 - 2011.

Background

1. The Committee has considered the spending plans for sustainability priorities of the Welsh Assembly Government as set out in the Draft Budget Allocations 2010/11 and associated documents.

2. The Committee's scrutiny of the Draft Budget Allocations 2010/11 "took place on 14 October 2009, when it took evidence from Jane Davidson AM, Minister for Environment, Sustainability and Housing, Mathew Quinn, Director, Department for Environment, Sustainability and Housing; and Sian Way, Senior Finance Manager Department for Environment, Sustainability and Housing .

Scrutiny of the Minister

3. The Committee sought clarification and further details on the following points during their scrutiny session with the Minister:

- The number and value of Strategic Capital Investment Fund (SCIF) bids put in by the Minister
- The funding for Home Energy Efficiency Scheme (HEES). In particular, the methods for identifying the fuel poor and the allocation of capital investment.
- The extent to which the Minister is able to influence the budget allocations of other Ministers to achieve the overarching sustainable development objectives.
- The use of capital funding to local authorities from the DESH budget.
- The use of convergence funding for the implementation of the requirements coming from the proposed Flood and Water Bill.
- The Minister's responsibilities under the Green Jobs Strategy.
- The budget implications of the devolution of Building Regulations.
- Efficiency savings in the waste sector.

4. The Minister undertook to provide further information on the following points:

Details of the projects that are being funded through SCIF.

The Committee agreed to write to the Minister for Finance and Public Service Delivery requesting information about the operation of the SCIF.

5. Following the session, the committee expressed concern about the following points:

- The use by local authorities of the £18 million taken from the DESH capital budget. Although the Minister stated that the money was for local authorities to achieve sustainability and environmental objectives, the committee is concerned that, as the money is unhypothecated, it is difficult to tell how the money has been spent by local authorities.
- The reliance of the Minister's budget on bids for SCIF and EU funding. While the Committee welcomed the substantial bids made by the Minister, they expressed concern about what would happen to the proposed schemes they were due to fund if these bids were not successful. They were particularly concerned about the reliance on European Convergence Funding for the implementation of the proposed Flood and Water Management Bill and the effects of Convergence Funding ceasing in 2013.
- The costs associated with devolving Building Regulations in 2011. During the Counsel General's appearance at the Finance Committee on 12 October, he quoted a figure of £10 million as the cost for devolving Building Regulations to Assembly Ministers but that this figure was around three years old. The Minister for Environment, Sustainability and Housing stated during her evidence session to the Sustainability Committee that there would be no additional costs involved before 2011-2012.

Recommendations

Recommendation 1: That the Minister identifies key outcomes for Local Government from within her portfolio that could be achieved through the allocation of DESH funding and monitors actions in each authority against these targets.

Recommendation 2: That the Minister, in addition to the above action, works with the Minister for Social Justice and Local Government to ensure that sustainability and environmental objectives are fulfilled by local authorities' capital spending programmes.

Recommendation 3: That the Minister for Social Justice and Local Government provides explicit information to the Minister for Environment, Sustainability and Housing about how the sum of £18 million which is taken from her capital budget is calculated.

Recommendation 4: That the current administration works to ensure that there will be sufficient capital funding to implement the terms of the proposed Flood and Water Management Bill after the potential withdrawal of Convergence Funding in 2013.

Recommendation 5: That the true costs associated with the devolution of Building Regulations is calculated and the timescale for those costs is made explicit.