

ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE**Date:** Wednesday 15 November 2000**Time:** 2:00 pm to 5:00 pm**Venue:** Committee Room 3, National Assembly for Wales**Attendance:*****Members:***

Richard Edwards, Chair

Preseli Pembrokeshire

Mick Bates

Montgomeryshire

David Davies

Monmouth

Geraint Davies

Rhondda

Sue Essex, Minister for Environment

Cardiff North

John Griffiths

Newport East

Helen Mary Jones

Llanelli

Tom Middlehurst

Alyn and Deeside

Karen Sinclair

Clwyd South

Rhodri Glyn Thomas

Carmarthen East and Dinefwr

Other Members:

Delyth Evans

Mid and West Wales

In attendance:

Bill Emery (item 6)

Director of Costs and Performance and Chief Engineer
OFWAT

Keith Mason (item 6)

Head of Regulatory Accounts and Business Affairs, OFWAT

Officials:

Keith Bush	Office of the Counsel General
Martin Evans	Director of Transport, Planning and Environment Group
Tom Cassidy (items 3 and 4)	Chief Executive, Cadw
Jean Booker (item 3)	Head of Administration, Cadw
Andrew Hood (item 3)	Head of Presentation, Cadw
Richard Avent (item 3)	Head of Inspectorate, Cadw
Bob Macey (items 5 and 6)	Head of Environment Division
Robert Williams (item 5)	Environment Division
Andy Rees (item 5)	Head of Waste Policy Support Unit
Phil Bishop (item 6)	Environment Division

Secretariat:

Siwan Davies	Committee Clerk
Vaughan Watkin	Deputy Committee Clerk

Opening Remarks from Chair

0.1 The Chair welcomed members, particularly the new members Mick Bates, Tom Middlehurst and Karen Sinclair, officials, and the public to the meeting. He reminded members that the meeting would be followed by a joint session with the Economic Development Committee to hear from Glas Cymru and others on the proposed acquisition of Dwr Cymru.

Item 1: Apologies and substitutions, and declaration of interests

1.1 The Chair said that he had invited Delyth Evans to attend this meeting.

1.2 Members were invited to declare any interests under Standing Order 4.5 which were as follows:

- Mick Bates - partner in a farming business
- Geraint Davies - member of Rhondda Cynon Taf County Borough Council
- Delyth Evans - sister in law of an Executive Director of Glas Cymru

Item 2: Report from the Minister for the Environment - EPT-12-00 (p 1)

2.1 Sue Essex drew the committee's attention to the items in her written report and updated members on the latest position regarding the National Track Recovery programme. She had met with the Deputy Prime Minister, the Chief Executive of Railtrack, the Rail Regulator and representatives of the train operating companies on 2 November.

2.2 The following issues were raised:

- Timetable for completion of emergency works on the track in Wales. Concern was also raised about investment in the North Wales line, and safety at crossing points. The Minister explained that she would be meeting with Tom Windsor, the Rail Regulator, again early next week, and with Railtrack shortly, and would raise these issues. Most of the sections of track at risk of breakage had now been repaired and all emergency work should be completed early in the New Year;
- Concern about the impact of regulations restricting the use of lead gunshot in Wales, and whether any impact assessment of the effect on diversified rural business had been conducted. The Minister explained that a wide range of bodies had been consulted, and that there was consensus that this was a reasonable compromise. Lead shot would only be prohibited in certain sites, e.g. SSSIs and in areas below the high watermark. The regulations proposed were similar to those produced in England and would take effect on 1 September 2001. The draft regulations would go out to consultation shortly;
- Flooding across Wales, in particular confusion about the roles and responsibilities of the agencies involved in flood prevention. The Minister confirmed that all issues raised would be addressed as part of the review of flood arrangements. The committee noted that the UK Government had made £3 million available to Wales, but felt that further funding was required for flood protection and defence work. The Minister would discuss additional funding requirement with the Finance Minister when further information on work to be done was available.

Action points:

- Sue Essex to raise with Railtrack the need for repairs to the rail network in Wales to address safety at crossing points

Item 3: Cadw Mid Term Report - EPT-12-00 (p 2)

3.1 The Chair welcomed the Cadw management team to the meeting.

3.2 Tom Cassidy explained that the paper set out Cadw's performance against targets at the half way point of 2000-01. Cadw had met twelve of thirteen targets in 1999-2000 and it was likely that these targets would be equalled or improved upon in the current year. Pricing policy for admissions to monuments needed to be set for 2001-2002, and it was proposed that an increase in admission charges be made in line with inflation.

3.3 In response to questions from members the following points were clarified:

- 17 weeks (target 75%) was given to resolve ad hoc listing cases to allow sufficient time for consultation. However, if a building was at risk, action was taken quickly. The 18 week timescale (target 80%) for historic building grant applications enabled Cadw to consult the Historic Buildings Council, which only met five times a year;
- The re-survey would be completed in Wales by 2005. Six businesses currently operated as

contractors for Cadw according to set guidelines;

- Seven local authorities had completed buildings at risk registers, five were in progress, and Cadw were in discussions with a number of other local authorities. Key elements of the new arrangements for historic buildings grant were in place with properties being divided according to type of ownership. In the case of large grants it was hoped to make a land charge against the property to ensure that Cadw was notified in case of sale (which could retrigger reclamation of grant), but this would involve transferring an obligation from the applicant to the property itself and legal advice on whether this was permitted under the legislation was awaited;
- Cadw had offered to underwrite 50% of the costs of local authorities if they were unable to recover funds after serving repairs notices. Listing did require administrative effort of owners through the listed building consent process, but historic repair was not necessarily more expensive than alteration;
- Cadw held most properties in guardianship and did not own the freehold. This limited the scope for undertaking commercial activities;
- Cadw had an excellent relationship with the Wales Tourist Board and the new WTB Chair is a member of Cadw's Advisory Committee.

3.4 The Chair thanked Tom Cassidy and his team and said that the committee supported the proposed increase in admission prices for 2001-02.

Item 4: Consideration of the Draft Budget 2001-04 - EPT-11-00 (p 3)

4.1 Introducing the paper, Sue Essex explained that the draft budget for 2001-04 responded to the committee's priorities (annex 2). The Minister would also seek additional funding in years 2 and 3 as the Transport Framework developed, and would look to maximise external sources of finance, such as Objective 1.

4.2 The Chair invited comments on the draft budget and the following points were made:

- Welcome for much of the draft budget, but a need to promote sustainable development. Whilst there was recognition for the allocation of £0.1m in both years 2 and 3 for development of the Sustainable Development Scheme, the committee asked that adequate provision be identified across the National Assembly's portfolios - particularly Economic Development - to ensure that Sustainable Development is mainstreamed in all policies and programmes;
- Concern that funding to the Countryside Council for Wales was not getting through to local organisations. Members asked that this be considered as part of the current quinquennial review of CCW, and asked the Minister to report back on flexibility for any adjustments to budget allocations to CCW in light of recommendations of the review;
- Concerns about the resourcing of the Waste Strategy, particular in the longer term;
- Need for flexibility to ensure that the developing Transport Framework, particularly public transport elements, received the requisite funding;
- Welcome for the increase in provision for road safety, but concern about implementation of schemes in some areas;
- Request for clarification of the differences between figures in Annexes 1 and 4, particularly for Sustainable Development. It was noted that Annex 1 did not include underspends from 2000-01.

4.3 In response to questions from members, the Minister clarified the following points:

- The percentage increases in the Countryside Council for Wales and Environment Agency's budgets reflected the scale of additional responsibilities falling to either body;

- It was noted that whilst the Minister had taken receipt of the Babbie Study into North-South transport links, no decision had been made;
- Provision for concessionary fares was based on estimated demand, drawn from experience of the scheme in Cardiff.

4.4 Summarising the discussion, the Chair said that there was a general welcome for the draft budget - the committee was pleased with increased provision for its main priorities, but had some concerns. He would write to the Minister formally setting out the committee's response to the draft budget.

Action points:

- Sue Essex to advise on timing and flexibility for any adjustments to budget allocations to CCW in light of recommendations of quinquennial review
- Sue Essex to provide clarification of differences between figures in Annexes 1 and 4, particularly allocations for Sustainable Development
- Chair to write to Minister setting out committee's response to draft budget

Item 5: Waste Conference - report back - EPT-11-00 (p 4)

5.1 The Chair reported that he had chaired the morning session of the Challenging Waste in Wales Conference on 27 October, and suggested that copies of the executive summary of the ECOTEC Study and feedback from the working groups be circulated to committee members for information.

5.2 Introducing the paper, the Minister said the conference had been a great success and had brought together a range of interests. The momentum would be continued by the new Wales Waste Forum. The Minister welcomed the committee's views on her proposals for a Wales Waste Strategy and arrangements for meeting Wales' obligations arising from the EC Landfill Directive.

5.3 Members raised the following issues:

- Concern about adopting a system of tradable permits. The Minister agreed to give further consideration to issues of flexibility relating to implementation of the EC Landfill Directive and report back to the committee;
- Support for the Minister's efforts in calling for the full hypothecation of Landfill Tax that would enable the proceeds of the tax to directly support the development of more sustainable waste management practices;
- Need for the Waste Strategy to be stronger and more proactive. The Minister said that an action strategy for waste was being developed in partnership with local government and others. The final version of the Wales Waste Strategy would be action orientated as this would be the means of implementing the various EC Directives in Wales;
- Lack of information about implementation of Waste Strategies in other EU Member States, and details of National Assembly internal waste management practices. Officials would circulate available information to committee members;
- Requirement for recommendations of the Nantygwyddon investigation to be reflected in the final version of the Wales Waste Strategy. These could be fed in during the consultation process.

5.4 The Chair said that the committee, with the exception of David Davies, agreed to the recommendation at paragraph 2 and endorsed the principles at paragraph 3 subject to the following amendments (marked in bold):

- the Assembly should as necessary seek powers from primary legislation via the DETR to make these permits statutory for the later years leading to 2010 and beyond
- **The Wales Waste Strategy should seek to offer flexibility to local authorities in meeting the targets for diverting biodegradable municipal waste from landfill without putting at risk the attainment of all-Wales targets;**

Action points:

- Copies of the executive summary of ECOTEC Study and feedback from waste conference working groups to be circulated to EPT members
- Sue Essex to give further consideration to issues of flexibility relating to implementation of EC Landfill Directive
- Officials to provide EPT members with details of National Assembly internal waste management practices
- Available information on implementation of Waste Strategies in other EU Member States to be circulated to EPT Members

Item 6: Dwr Cymru- acquisition by Glas Cymru; OFWAT consultation - EPT-12-00 (p 5)

6.1 The Chair welcomed Bill Emery and Keith Mason of OFWAT to the meeting and explained that the committee was being invited to consider the issues raised in OFWAT's consultation paper. These issues could be followed up with representatives of Glas Cymru and other stakeholders at the joint session with the Economic Development Committee.

6.2 Bill Emery explained that OFWAT did not have a fixed view on the structure of the water company, but that Glas Cymru would need to demonstrate that they would perform at least as well as the shareholder model. The proposal was novel and innovative, and the following issues required clarification:

- Incentives for efficiency;
- View of financial markets;
- Customer benefits;
- Long term risks for customers.

6.3 Any changes to Dwr Cymru's structure required regulatory clearance by OFWAT and the consultation paper included a package of proposed licence modifications. OFWAT welcomed the committee's views on the issues raised and proposed modifications to the licence.

6.4 Members felt that assurances should be sought from Glas Cymru on the following issues:

- Continued investment in environmental improvement programmes;
- Continued efficiency;
- Protection of water supplies.

6.5 Given lack of time, the Chair suggested that further discussion continue at the joint meeting with the

Economic Development Committee.

Item 7: Minutes of the meeting 1 November - EPT-11-00 (min)

7.1 The Committee adopted the minutes of the meetings held on 1 November.

Date of Next Meeting

8.1 The next meeting of the committee would be at 12:30 pm on Wednesday 29 November at the Snowdonia National Park Study Centre, Plas Tan-y-Bwlch, Maentwrog, Blaenau Ffestiniog, Gwynedd.

Committee Secretariat November 2000