

Julie James MS,
Minister for Climate Change

24 November 2023

Dear Julie,

Follow-up from general Minister scrutiny session on 26 October 2023

Thank you for attending the Committee's 26 October meeting to give evidence in connection with policy areas within your portfolio. Following the meeting, the Committee agreed I should write to you to seek clarification and further information on matters raised during the session and to ask you to address other matters that were not reached due to time constraints.

An environmental governance and nature recovery targets bill

In the Welsh Government's [biannual update on the implementation of recommendations arising from the Biodiversity Deep Dive](#), it set out its intention to publish a White Paper for an environmental governance and nature recovery targets bill during 2023. In giving evidence to the Committee, you told us the White Paper is now expected "at the start of next year".

As you know, the Committee is keen to see work on the bill accelerate to enable the new environmental governance body for Wales not only to be established, but to be fully operational, before the end of the Sixth Senedd. We therefore urge you to ensure that the White Paper is not subject to further delay.

During your appearance before the Committee, you told us the proposed legislative framework for setting nature recovery targets will be "very similar" to that for air quality targets provided for in the

Environment (Air Quality and Soundscapes) (Wales) Bill (the Bill). You will be aware that, in our Stage 1 report on the Bill, we expressed concerns about the target-setting framework. In particular:

- the provision of a discretionary power to enable the Welsh Ministers to set air quality targets, rather than a requirement on the Welsh Ministers to set targets for known pollutants;
- the absence of statutory timelines for setting targets; and
- the lack of provision for the Welsh Ministers to set interim targets on a trajectory towards long-term targets.

1. We expect you to reflect on the above when finalising the White Paper proposals for the nature recovery target-setting framework.

Implementation of the Environment (Wales) Act 2016

National Natural Resources Policy

The first National Natural Resources Policy ('NNRP'), required under the Environment (Wales) Act 2016 ('the 2016 Act'), was published in 2017. The 2016 Act requires the Welsh Ministers to review the NNRP "after each general election" and publish a revised NNRP if required. When asked to explain why you have yet to review the NNRP, you told us, "we've undertaken a whole series of exercises and steps to start to inform a review", citing the Biodiversity Deep Dive and the Trees and Timber Deep Dive as examples. You added, "the review has to be in each Senedd term, effectively. And I think it's really important to get the review right, rather than to do it speedily, but there absolutely will be a review before the end of the Senedd term, as is required by the law".

The purpose of the NNRP is to set out the Welsh Government's priorities and policies in relation to achieving sustainable management of natural resources. Given this, we would expect the NNRP to be reviewed towards the start of the Welsh Government's term in office rather than the end.

2.. Can you provide more exact timings for the completion of the review and for the publication of a revised NNRP?

Biodiversity lists

The 2016 Act requires the Welsh Ministers, in consultation with Natural Resources Wales ('NRW'), to publish a list of species and habitats of principal importance for maintaining and enhancing biodiversity. The Welsh Ministers must "take all reasonable steps" to maintain and enhance the species and habitats on that list and encourage others to do so.

The list was originally transposed from the Natural Environment and Rural Communities Act 2006 and has not been updated since the 2016 Act came into force.

3. What work has been undertaken to date to review the species and habitats lists with a view to updating them?

4. What timelines are you working towards for the publication of the updated lists?

Decarbonising the private housing sector

Improving energy efficiency standards

In our report, *Decarbonising the private housing sector* (February 2023), we acknowledge the role of more stringent Minimum Energy Efficiency Standards ('MEES') in accelerating retrofit in the private rented sector ('PRS'). We therefore share your frustration that the UK Government has chosen to scrap the requirement for the PRS to achieve an EPC rating of C for all new tenancies by 2025, and for all tenancies by 2028. We are concerned about the impact of this on the delivery of Wales' net zero commitments and efforts to tackle fuel poverty.

5. Since the UK Government's announcement, what discussions have you had with representatives of the PRS to discuss alternative options for increasing energy efficiency standards across the sector outside of the MEES?

6. What consideration have you given to introducing more stringent energy efficiency standards as a condition of Wales' landlord registration and licensing?

In giving evidence, you referred to several policies and proposals being taken forward to encourage the PRS to improve energy efficiency standards, for example, Leasing Scheme Wales ('LSW'). We understand that, currently, 15 out of 22 local authorities have signed up to the LSW. When asked about the number of landlords engaged with LSW, you said it was "in the hundreds, rather than the thousands".

7. What steps have you taken, or do you intend to take, to encourage the remaining seven local authorities to engage with the LSW?

8. Can you provide more exact numbers of landlords engaged with the LSW, broken down by local authority area?

Property Linked Finance

In giving evidence to us, you explained that work on financial options for the owner-occupier sector to meet the upfront cost of retrofit was ongoing.

9. Can you provide an update on work towards the development of proposals for Property Linked Finance?

Planning and Permitted Development Rights

During the evidence session, we asked you to clarify the timescales you are working towards for reviewing permitted development rights with a view to relaxing the requirement that no part of an air

source heat pump can be installed within 3 metres of a property's boundary. You told us you were undertaking research to better understand the noise impacts of reducing the 3-metre requirement.

In response to our report, *Decarbonising the private housing sector*, you said the findings from your research "will provide a contribution to a wider study of noise from air source heat pumps being undertaken by the UK Government. The conclusions of this work will be used when a comprehensive review of the PDR is undertaken".

We understand that the UK Government study was due to be completed in summer 2023. However, the findings of the study have been published.

10. When will the findings from the Welsh Government's research into air source heat pump noise and permitted development rights be published?

11. Can you set out your understanding of the timescales the UK Government is working towards for completing its wider study of noise from air source heat pumps?

12. What timescales are you working towards for the completion of the comprehensive review of permitted development rights?

Since the publication of our report, the UK Climate Change Committee ('UK CCC') has recommended you "Conduct an **urgent review** [emphasis added] of planning policies (including the details of permitted development rights) which may restrict installations of low-carbon heating and energy efficiency measures, and amend regulations where appropriate".

13. What consideration have you give to undertaking such a review?

Residential GHG emissions

14. Can you clarify whether emissions estimates provided by the Welsh Government to the UK CCC to inform its latest Progress Report take account of residential electricity use? If not, why not?

Circular economy

Deposit Return Scheme

It has now been almost five years since the Welsh Government consulted jointly with DEFRA and Northern Ireland's Department of Environment on the introduction of a Deposit Return Scheme ('DRS'). Progress towards the development of a DRS since then has been slow. At the beginning of the year, you told us the DRS would be up and running in October 2025. We are disappointed to hear that the scheme could now be subject to further delay as a result of the UK Government's decision to exclude glass from the scope of the scheme in England, contrary to the initial proposal.

In your evidence, you said, “we’re continuing to meet at official level almost on a daily basis with counterparts in England, Scotland and Northern Ireland to discuss the scheme”.

15. We would like you to provide an update on progress towards reaching a resolution on the scope of the DRS before the end of spring term 2024.

16. In the event that an agreement to include glass in the scope of the scheme cannot be reached, what are your next steps in relation to the DRS in Wales?

Statutory recycling

Currently, the Welsh Government’s minimum target for the recycling of waste is 70% by 2025 for waste from households and commercial and industrial businesses. In the UK Climate Change Committee’s *Progress Report: Reducing emissions in Wales* (June 2023), it notes that recycling rates in Wales remain higher than the rest of the UK, but “improvements have stalled in recent years”. The UK CCC calls on the Welsh Government to “set ambitious recycling targets for 2030 and beyond, improving on the 70% target for 2025”.

17. What work have you undertaken to date on the development of recycling targets for 2030 and beyond? What timelines are you working towards for setting any such targets?

Water quality

Storm overflows

We welcome the recent publication of the Storm Overflow Evidence for Wales (‘SOEfW’) Report, in line with the commitment given in the Environmental regulation of overflows: action plan (‘the action plan’). According to the action plan, the intention is for the Report to inform the Better River Quality Taskforce’s (‘the Taskforce’) work in developing short, medium and long-term targets for the prevention of ecological harm of Wales’ waterways. However, the action plan does not provide an indication of the timescales the Taskforce is working towards for the development of targets.

18. Given the Welsh Government is a member of the Taskforce, can you clarify the timescale the Taskforce is working towards for the development of targets to prevent ecological harm in Wales’ waterways?

Control of agricultural pollution

The Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021 (‘the 2021 Regulations’) aim to address the causes of water pollution from agriculture. The 2021 Regulations include a 170kg/ha annual holding nitrogen limit, initially due to be implemented on 1 January 2023. The Welsh Government agreed, through its Co-operation Agreement with Plaid Cymru, to postpone

implementing the 170kg/ha limit to April 2023. It also agreed to consult on a licensing scheme allowing qualifying farms to apply the higher 250kg/ha limit.

We are aware of the Welsh Government's recent announcement to introduce an Enhanced Nutrient Management Approach rather than the licensing scheme. Under this approach, farm businesses must notify NRW where 2024 nutrient management plans show the annual rate of 170kg/ha nitrogen from livestock manures is likely to be exceeded. They must also undertake actions consistent with the proposed licence conditions consulted upon.

19. What work has the Welsh Government undertaken to assess whether/how the proposed Enhanced Nutrient Management Approach will impact the effectiveness of the 2021 Regulations in tackling the causes of water and air pollution from agricultural activities?

Sustainable Farming Scheme

We recognise the crucial role of the SFS in supporting the delivery of Wales' climate change commitments and reversing nature's decline.

In giving evidence to the Committee in February 2023, Lord Deben, the then Chair of the UK CCC, said the UK CCC had been "ready and waiting" to engage with the Welsh Government on the development of the SFS but that it had not been involved thus far.

20. Can you clarify whether and how the Welsh Government has engaged the UK CCC in the development of the proposed Sustainable Farming Scheme? If there has been no engagement, please explain why.

Before finalising the SFS, we expect the Welsh Government to consider whether and how it could best utilise the UK CCC's expertise to ensure that the scheme is capable of driving deep emissions reduction in the agriculture sector and increasing the size of the carbon sink.

Retained EU (Revocation and Reform) Act 2023

21. Can you provide an update on the intergovernmental discussions on potential replacement arrangements for the National Emissions Ceiling Regulations 2018 (the 2018 Regulations)?

22. If the replacement arrangements referred to above do not materialise, does the Welsh Government intend to use its powers under the REUL Act 2023 to replicate the duties placed on the Secretary of State by the 2018 Regulations (to prepare a national air pollution plan for the five air pollutants and consult the public when doing so) so that they apply to Welsh Ministers from the end of 2023 when the 2018 Regulations expire?

I look forward to receiving your response no later than Friday 22 December 2023.

Yours sincerely,



Llyr Gruffydd MS,
Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. / We welcome correspondence in Welsh or English.

