

Minister for Natural Resources

Environment and Sustainability Committee

Wednesday 4 March 2015

1. This paper responds to the Committee's e-mail of 21 January identifying particular topics and information it would like to receive in advance.

Energy Policy

2. The Energy Wales Delivery Plan, published in March 2014, describes our commitment to focus and prioritise our effort in three key areas: providing leadership; maximising benefit for Wales in terms of jobs and wider economic benefit; and acting now for Wales' long term energy future.
3. Marine energy is recognised as providing a significant contribution towards achieving our renewable energy aims and as such has been identified as a priority for Welsh deployment of Structural Funds for 2014-2020. Working with the Crown Estate we have identified two wave and tidal test and demonstration zones in Welsh waters. In July, the Crown Estate announced Wave Hub and Menter Môn as third party managers for the zones; they will be responsible for site management, marketing and promoting the zones, preparatory activity and subletting areas to developers.
4. This year, we will also be partnering with the Scottish Government and the Crown Estate to co-fund a UK wide research partnership. The evidence gathered will be publically available and will reduce risks and burdens on developers and regulators in Wales, enabling timely decisions on applications. We will continue to work with the Crown Estate to promote demonstration zones for marine devices and work with partners to utilise Structural Funds to support the emergent Marine Energy sector in Wales.
5. We have also worked extensively with wind developers to maximise the benefits for Welsh businesses and communities. We have developed an overall plan for mid Wales wind developments, including workforce needs analysis, which, subject to consent of the wind projects, will result in a training and development plan for local businesses.
6. I am committed to the delivery of community benefits, and in the spring of 2014 we launched a Register of Community and Economic Benefits which in its first year is focussing on onshore wind operations. The register gives information on the benefit received from consented and operational renewable energy schemes in Wales, and illustrates how the benefits are being delivered. We will be expanding the Register in order to report a wider range of economic data, and to encompass a greater range of renewable energy technologies.
7. We have also committed £5m from our Financial Transactions Allocations to set up our Green Growth Fund in 2015/16, which in future years will invest in projects that improve energy efficiency and generate renewable energy. This year, we will develop the financial offering and establish the fund, and we will identify and develop eligible projects to an investable state. On 9 February our Green Growth

Steering Group published a Green Growth Baseline Study. The main purpose of this research was to test the definition of green growth as developed by the OECD.

Energy Efficiency

8. I will continue to tackle fuel poverty through investment in our successful energy efficiency programme and I will set out the further actions to be taken forward through the development of an energy efficiency strategy. The strategy will not only set out Welsh Government actions, but will also focus on encouraging and incentivising action by others where appropriate.
9. Our Energy Efficiency programme includes both demand-led and area-based schemes and this enables us to offer some support to the poorest households across Wales whether they live in the most deprived areas or not. This year we are making a significant investment of £70 million into the programme despite wider cuts to Welsh Government budgets.
10. From April 2011 to March 2014, Nest has provided advice and support to over 56,000 households, with over 13,400 of these receiving free home energy improvements. These improvements are estimated to deliver energy bill savings averaging over £475 per household per year, making a real difference to low income households. It is being independently evaluated, and I expect to publish a report on the evaluation before the end of this financial year. The findings of this report will help inform the development of any future demand-led, fuel poverty scheme.
11. The current Arbed 2 ERDF programme runs from April 2012 to June 2015. Each home improved has received a 'whole house' energy assessment and efficiency measures such as External Wall Insulation (EWI), new boilers and heating controls. Arbed 2 has completed, or is currently delivering, 32 schemes in 19 of the 22 local authorities.
12. The Arbed 2 programme also contributes to eradicating fuel poverty by targeting the most inefficient homes in the areas with the lowest income, and by providing local economy and employment opportunities through local SMEs. We will be submitting a bid to attract funding from the next round of EU programmes to support the future delivery of area based schemes.
13. Alongside the additional ECO investment in Nest and Arbed, we have made grant funding available to local authorities to deliver their own local energy efficiency schemes. These schemes target deprived communities, leverage investment from the energy company obligation and support wider programmes of work in their area including those delivered through Vibrant and Viable Places.

Building Regulations

14. The amendment regulations to introduce changes to Part L of the Building Regulations came into force on 31 July 2014. These changes meant that new dwellings would be 8% and non domestic buildings 20% more energy efficient when compared to the Building Regulations 2010 and also maintain our goal of reducing carbon emissions in Wales by introducing higher energy efficiency

standards for new buildings. We will review Part L again in 2016, the review is intended to be the next step in a progression towards the EU target of nearly zero energy buildings by 2019 (new public buildings) and 2021 (all new buildings).

15. Significant improvements were also made to how we regulate building work in existing buildings, with any extensions or integrated conversions to buildings required to meet improved standards of fabric efficiency, built from materials that are as thermally efficient as any new home in Wales.
16. Further amendments introduced a staged approach to the introduction of residential automatic fire sprinkler systems, initially applying to high risk properties such as care homes, new and converted student halls of residence, boarding houses and certain hostels from 30 April 2014. From January 2016 the requirements will apply to all new and converted dwellings.
17. Most executive functions in the Building Act 1984, including the power to make building regulations are devolved to Welsh Ministers but functions relating to excepted energy buildings or exercisable by the Secretary of State as a Crown authority under the Building Act are not devolved. The 2014 Silk Commission Part 2 report into devolution in Wales recommended the transfer of residual functions to Welsh Ministers. This and other recommendations in the report will be considered once the UK Government response is published.
18. It is anticipated that Wales building regulations policy and targets will diverge and in 10 years time Welsh building regulations may be significantly different to those in England. In order to support our aspirations we will continue to develop regulations in a way that recognises the range of skills and resources available across the construction industry in Wales.

Climate Change

19. Following the Oral Statement I made last October, we are now concentrating on the action we can take in order to deliver against the priorities (Driving out climate risk; Driving down emissions; Driving up Energy Efficiency; and Driving forward Low Carbon Energy).
20. However, we need to be clear that this is not about Government action alone - if we are to successfully act on climate change it will take the combined efforts of all sectors. There is however significant momentum for change across Wales and of course internationally in the run up to Paris in December 2015. On the 4 March I will make an Oral Statement, highlighting how we are taking forward actions on climate change.

Flood and Coastal Erosion

NRW Wales Coastal Review

21. On 5 January 2015 NRW published the Coastal Delivery Plan to take forward the 47 recommendations contained within the Coastal Flooding Review. This collaborative project involves all risk management authorities around Wales.
22. The Delivery Plan sets out how the recommendations can be progressed including agreed leads, outputs to be delivered and expected timescales. We are

already working hard to deliver its recommendations and to date, 7 are complete, 33 are ongoing and 7 are to commence.

Shoreline Management Plans (SMPs)

23. All four SMPs covering the Welsh coastline were signed off in 2014. SMPs are important to help direct our future investment and will influence how we prepare our coastal communities against the effects of sea level rise and climate change. Whilst non-statutory, these 'living documents' form a part of our flood and coastal strategy and play an important role in forward planning.
24. Officials wrote to all Chief Planning Officers and local authority Lead Flood Officers in January, informing them that the SMPs have been approved and that planning decisions along the coast should have regard to these plans.

Nature Recovery Plan

25. The consultation on the Nature Recovery Plan for Wales was the Welsh Government's first step to defining the direction of travel for biodiversity action in Wales, in the context of our commitment to putting in place an integrated approach to natural resource management, and fulfilling our international commitments under the Convention on Biological Diversity (CBD) and the Aichi and EU targets over the next five years.
26. The consultation closed on 3 December 2014 and I recently attended a meeting of the Wales Biodiversity Strategy Board (WBSB) to discuss the consultation responses and the next steps. As a result we are working with the WBSB to produce an action plan that will focus on developing the strategic actions identified in the consultation which will compliment the introduction of the legal framework for action through the Environment Bill.
27. This will ensure that we meet our commitment to have a biodiversity strategy and action plan in place by the end of 2015 and I will be making a written statement fully outlining the next steps shortly.

Nature Fund

28. I announced the final make up of the projects receiving support from the Nature Fund in November 2014. In total 19 innovative and collaborative projects will receive funding across the seven Nature Action Zones. These projects will provide a number of benefits through a variety of activities specified by the Fund, including; landscape scale upland management; restoring habitats and establishing mechanisms to create green growth opportunities for farmers and land owners.
29. In addition, the Nature Fund is also directly investing in the creation of 30ha of native woodland in the Llynfi Valley Bridgend. The project will create woodland on a former colliery and washery site and in doing so aims to increase the value of the land and provide a number of wider public benefits to the surrounding community.
30. Work has now commenced on all the Nature Fund projects; information on progress when it becomes available is communicated to our stakeholders through the Departmental News Bulletin and on our website. Plans are now

being finalised for the monitoring and evaluation of the Fund as a whole which will draw on the individual monitoring and evaluation undertaken by each project.

31. The projects are aiming to complete as much of the 'on the ground' activities as possible by the end of this financial year, however due to the delays in announcing the final projects receiving support at the latter end of 2014, we will be working with the projects into the next financial year to ensure the integrity of the projects can be delivered as planned.

Forestry

32. The forestry-related proposals in the Rural Development Programme (RDP) funding application (2014-2020) include a bid for financial support to enable woodland recovery from the effects of *Phytophthora ramorum*. These proposals are currently being negotiated with the European Commission.
33. My officials are currently working with NRW and the private sector on a programme for the recovery from *P. ramorum*. Following a workshop (which included wide stakeholder representation) and subsequent meetings, 24 recommendations have been made, some of which are already being worked up.
34. The recommendations cover issues such as strategic priorities, certification and regulation (i.e. looking at felling regulations and processes in respect of diseased trees), harvesting and marketing operations, social and economic impacts, restocking and species diversity and wider environmental issues (such as working with tree nurseries and the horticultural industry in order to introduce a system to provide better information about the provenance of nursery plants and saplings).
35. Many of the recommendations in the programme for recovery are dependent on financial support through RDP and once confirmation has been received in this respect a formal submission will be made to me for decision on their implementation.

Marine and Fisheries

36. My priorities are to maximise the economic and social benefit to Wales from the use of our marine resources, and to ensure that this is done sustainably so as not to jeopardise the availability of those resources for future generations.
37. The delivery of these overarching aims needs to be seen in the context of the European statutory obligations that the Welsh Government must meet. The two most important are the implementation of the Common Fisheries Policy (CFP), and Marine Strategy Framework Directive (MSFD). Both CFP and MSFD contain challenging targets that we simply must meet.
38. The delivery of the first draft National Marine Plan for Wales will support those and I remain committed to delivering a Marine Plan for Wales during this Assembly term. The plan will take a 20 year outlook initially to develop the detail, covering Welsh inshore and offshore waters. It will clarify marine objectives and priorities, providing direction towards consistent, evidence based decisions for the sustainable use of our seas.

39. The Marine and Fisheries Strategic Action Plan sets out challenging targets for the growth of the Aquaculture sector in Wales. We view the development of aquaculture as an important component of blue growth in Wales. The targets which require the industry to effectively double production from 2011 levels would keep Wales as the number one producer of farmed shellfish in the UK. I will be setting out an Aquaculture Strategy developed in collaboration with the industry and research institutions this year, to support that target and to ensure more long-term economic benefits for Wales.
40. The European Maritime and Fisheries Fund (EMFF) will provide a platform of investment into the fisheries and aquaculture sectors in Wales, securing a sustainable future for the industry. EMFF will help to implement the Common Fisheries Policy and ensure the future of fisheries management is underpinned by appropriate evidence.
41. We are committed to contributing to an ecologically coherent network of marine protected areas and to ensuring that our sites are well-managed by the end of 2016. We are working to do more to strengthen the protection for birds within the network and we continue to work to identify areas for harbour porpoise. We will be discussing this work with stakeholders in the near future.

Driftnet ban

42. We have made a major contribution to the UK response to the European Commission proposal to prohibit the use of any kind of driftnet in EU waters. This prohibition was intended to apply from 1 January 2015, subject to agreement with Member States and the European Parliament.
43. The proposal particularly described problems with cetacean, sea turtle and seabird by-catch in the use of driftnets and the inadequate enforcement of the existing EU regulations, particularly in the Mediterranean. In our contribution we have indicated that it is highly unlikely that there is an issue of a by-catch of vulnerable species in our Welsh inshore driftnet fisheries.
44. In responding to the Commission we have stated that there must be an appropriate derogation for the UK and other Member States in a similar position which specifies a smaller driftnet mesh size range than used in the large scale pelagic driftnet fisheries, coupled with a zonal element, within Member States 12 mile zone for example.
45. We are now awaiting the Commissions response to this additional information. With agreement needed between the Member States and the Commission and also subject to discussion in the European Parliament, the proposed ban will therefore not be implemented for the time being.

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Minister for Natural Resources

February 2015