

## Environment and Sustainability Committee

**Date:** 21 January 2016

**Time:** 09.30 – 11.30

**Title:** Evidence paper – Draft Budget 2016-17  
Minister for Natural Resources;  
Deputy Minister for Farming and Food

### Purpose

1. This paper provides background financial information to the Committee as the Minister of Natural Resources and Deputy Minister for Farming and Food, regarding spending plans in respect of the budgets within my portfolio as outlined within the draft budget, published on 8 December 2015.

### Background

2. The draft budget for 2016/17 gives a one year investment plan for the provision of Natural Resources in Wales.
3. The draft budget figures may be summarised as follows:

Natural Resources MEG	Supp 1 Budget 2015-16 £m	Revised Baseline 2015-16 £m	Changes 2016-17 £m	Indicative Draft Budget 2016-17 £m
Revenue DEL	288.558	294.083	-16.323	277.760
Capital DEL	115.680	63.180	25.635	88.815
<b>Total DEL Budget</b>	<b>404.238</b>	<b>357.263</b>	<b>9.312</b>	<b>366.575</b>
<b>Annually Managed Expenditure</b>	<b>2.900</b>	<b>2.900</b>	<b>0.0</b>	<b>2.900</b>
<b>Total MEG Budget</b>	<b>407.138</b>	<b>360.163</b>	<b>9.312</b>	<b>369.475</b>

4. The baseline budget figures (Supp 1) for 2015-16 have been revised, taking out any one off allocations as part of the first supplementary budget or UK allocations to enable a like for like comparison of the Revised 2015-16 budgets with the 2016-17 draft budget.

5. The following table details reconciliation from the published First Supplementary budget 2015-16 to the revised 2015-16 baseline budget.

<b>Revenue DEL</b>	<b>£m</b>
Published First Supplementary Budget 2015-16	288.558
Natural Resources Wales – Invest to Save repayment complete	4.013
Livestock ID – Funding from UK for BCMS into Baseline budget	1.512
<b>Revised 2015-16 Revenue baseline</b>	<b>294.083</b>
<b>Capital DEL</b>	<b>£m</b>
Published First Supplementary Budget 2015-16	<b>115.680</b>
Fuel Poverty – Final Year of WIIP allocated in 2014-15	(35.000)
Green Growth - Non Recurrent WIIP allocated in 2014-15	(5.000)
Flood Risk – Final Year of WIIP allocated in 2014-15	(12.500)
<b>Revised 2015-16 Capital baseline</b>	<b>63.180</b>
<b>Revised 2015-16 Total DEL baseline</b>	<b>357.263</b>

### 2016-17 Draft Budget

6. In the Draft Budget 2016-17, the Natural Resources Revenue budget decreases by £16.323m (5.5%) compared to the 2015/16 revised baseline. This includes an increase in funding for the Heads of the Valley Residual Waste programme of £5.386 and revenue savings required of £19.926m (6.8%). The remainder of changes are intra Meg transfers and reconfiguring a number of BEL's and Actions and re-prioritisations which are detailed in the Annex.

<b>Revenue DEL</b>	<b>£m</b>
Revised Baseline Budget 2015-16	294.083
Funding for Tomorrow's Valley Residual Waste Programme	5.386
Invest to Save Repayment NRW to Reserves	(1.783)
Required Revenue Budget reductions to Reserves	(19.926)
<b>Draft Revenue Budget DEL 2016-17</b>	<b>277.760</b>

7. I have approached the budget preparations in line with five key ways of working established by the Well-Being of Future Generations Act to ensure that there is full implementation of the Act next April, and in securing sustainable public services. This involved focussing on key service areas in the face of reducing budgets to ensure that we plan for the long term.

8. The approach taken has been in line with priorities as a Government in order to deliver better outcomes for Wales. However, difficult decisions have to be made, and within my portfolio I have protected front line services where possible and ensured that budget cuts will have minimal impact on the very people of Wales we are aiming to protect.
9. The table below details where I have allocated the revenue budget reductions.

<b>Revenue reductions</b>	<b>£m</b>
Welsh Government Rural Communities: Delivering the programmes within the RDP 2014-20	3.269
Evidence based development for Rural affairs	0.086
Developing and marketing Welsh Food and drink	0.318
Protecting & Improving Animal Health & Welfare	0.765
Develop & implement climate change policy, energy efficiency, Green Growth and Environmental Protection	2.435
Develop & implement flood & coastal risk, water & sewage policy and legislation	2.410
Manage & implement the Waste Strategy & waste procurement	2.934
Deliver nature conservation and forestry policies and local environmental improvement	1.309
Sponsor & manage delivery bodies	5.097
Developing an appropriate evidence base	0.100
Promote & support protected landscapes	0.561
Planning and regulation	0.642
<b>Total reductions</b>	<b>19.926</b>

10. There has been a £5.4m investment in the “Tomorrows Valley” Residual Waste Procurement Project, which is a joint partnership between 4 local authorities, Merthyr Tydfil, Torfaen, Blaenau Gwent and Rhondda Cynon Taf. The programme with external partners will help the authorities deliver on their waste recycling targets and potentially divert over 95% of residual waste from landfill.

<b>Revenue additions</b>	<b>£m</b>
Tomorrow’s Valley Residual Waste Programme	5.386

11. As part of my review of the budgets, I have also re-allocated some budgets within my portfolio to ensure that I have the right balance of investment and there are also a number of presentational changes which are detailed below.

<b>Realignment of revenue budgets within MEG</b>	<b>£m</b>
Develop and deliver overarching policy and programmes on Agriculture, Food & Marine: additional funding for CPH and EIDCymru	0.108
CAP Administration and making payments in accordance with EU and WG rules: additional funding for CAP Audit Legality and Regularity	0.095
Welsh Government Rural Communities: Delivering the programmes within the RDP 2014-20: Budget reprioritised to other pressures	(0.131)
Developing and managing Welsh Marine, fisheries and aquaculture including the enforcement of Welsh Fisheries: additional funding for marine enforcement	0.110
Developing and marketing Welsh Food and drink Budget reprioritised to other pressures	(0.182)
Develop and deliver overarching policy and programmes on sustainable development and natural resource management: additional funding for the Well-being of Future Generations Commissioner (FGC)	0.934
Develop & implement climate change policy, energy efficiency, Green Growth and Environmental Protection: reprioritised to other pressures.	(0.108)
Develop & implement climate change policy, energy efficiency, Green Growth and Environmental Protection: Budget transfer as a result of merging the two actions	0.718
Facilitate clean and secure energy: Budget transferred as a result of merging actions.	(0.718)
Manage & implement the Waste Strategy & waste procurement: realignment	(0.826)
Deliver nature conservation and forestry policies and local environmental improvement: Budget transfer as a result of merging actions.	5.136
Manage and implement environmental improvement: Budget transfer as a result of merging actions	(5.136)

### **Additional Capital Allocations**

12. In the Draft Budget 2016-17, the Natural Resources Capital budget increases by £25.635m (40.5%) compared to the 2015/16 revised baseline. This includes additional WIIP Capital funding of £16.0m and additional general capital of £9.635m. The remainder of changes are presentational through reconfiguring a number of BEL's and Actions and re-prioritisations which are detailed in the Annex.

<b>Capital DEL</b>	<b>£m</b>
Revised Baseline Budget 2015-16	63.180
WIIP Funding to Flood – St Asaph	3.000
WIIP Funding to Coastal Risk Management Programme	3.000
WIIP Funding to Warm Homes Energy Efficiency	5.000
WIIP Funding to Green Growth Development	5.000
General Capital allocations to Flood (Boverton and Porthcawl)	4.210
General Capital allocations to Waste Collaborative Change	2.000
General Capital allocations to Green Growth development	3.425
<b>Draft Capital Budget DEL 2016-17</b>	<b>88.815</b>

#### WIIP Funding St Asaph £3m

13. The flood risk management scheme in St Asaph is a priority commitment for the Welsh Government. This scheme will reduce risk along the River Elwy in the heart of the city, benefitting those residents who suffered severe flooding in 2012 and a further near-miss earlier this winter. It has all consents in place and is ready for construction. Protection will improve from a 1 in 50 probability to at least 1 in 200 and benefit 414 properties.

#### WIIP The Coastal Risk Management Programme £3m

14. I announced the Coastal Risk Management Programme in 2014, which will use innovative finance to fund £150m of capital projects for coastal adaptation and resilience to climate change.

15. We are providing an additional £3 million of funding for this important preparatory work. It is critical to the success of the wider programme as it sets out each scheme in detail, including how risk will be addressed as well as the additional wellbeing, economic and environmental benefits.

#### Warm Homes: £5m

16. Funding of £5m has been allocated to Welsh Government Warm Homes Nest Programme. Welsh Government Warm Homes Nest is tackling fuel poverty by ensuring that all low income households in Wales have access to advice and support to help them reduce their fuel bills. For householders who are most in need, but cannot afford to make their homes more energy efficient, the scheme can provide a package of free home energy improvements. Doing everything that we reasonably can to tackle fuel poverty is a priority for this Government.

### Green Growth: £5m

17. The £5m allocated for Green Growth Wales will be used for investments in energy efficiency and renewables within the public sector. It will be delivered as interest free loans via a new 'Green Growth' element of our invest to save programme and will support our wider programme to invest in green infrastructure which reduces both emissions and revenue costs.

### Flood – Boverton & Porthcawl flood defence schemes: £4.21m

18. Boverton is a £1.96 million scheme in an area that has suffered frequent flooding in recent years. It will reduce risk to around 25 homes and businesses and also provide amenity improvements. The scheme will complement an existing project nearby in Llanmaes reducing risk to the wider catchment.

19. The project at Porthcawl Town Beach would fund £2.25 million of improvements to replace the deteriorating coastal defences along the Esplanade Road seafront. The existing defences are nearing the end of their residual life, with any failure here putting over 260 properties at risk along the seafront and main town. The project will not only build resilience to coastal flooding and climate change but also provide better access to the foreshore and aesthetic improvements to this popular tourist destination.

### Waste – CCP: £2m

20. The additional £2m will be invested in infrastructure to support increased levels of high quality recycling. The investments will support the prioritisation of target achievement, reduced carbon impacts and supporting green jobs through the circular economy.

### Green Growth support: £3.425m

21. This additional funding will support the implementation of wider landscape interventions as envisaged by the Environment Bill.

22. A number of Capital Budgets have been re-aligned and re-prioritised as below:

<b>Realignment of capital budgets within MEG</b>	<b>£m</b>
Develop and deliver overarching policy and programmes on Agriculture, Food & Marine: reprioritised to fund marine enforcement	(0.330)
Developing and managing Welsh Marine, fisheries and aquaculture including the enforcement of Welsh Fisheries: additional funding for marine enforcement	0.330
Delivering the programmes within the RDP 2007-13: RDP finished Dec 2015, budget transferred to new RDP	(7.242)
Welsh Government Rural Communities: Delivering the programmes within the RDP 2014-20	7.242
Promote and support protected landscapes, wider access to green space: budget transfer to NRW to deliver access work.	(0.900)
Sponsor and manage delivery bodies (NRW)	0.900

### **Programme for Government**

23. In preparing for future financial restraints, we have sought to target investment to maintain the focus of our spending plans on our main priorities of: health and health services; growth and jobs; educational attainment; and supporting children, families and deprived communities.
24. Despite the challenges presented by the late timing of the UK Spending Review, we have used planning for the Draft Budget 2016-17 as an opportunity to look ahead to target investment in sustainable outcomes and adopt the five key ways of working established by the Well-being of Future Generations Act.
25. The Act provides public bodies with a shared purpose through the establishment of seven well-being goals for Wales, and the five key ways of working ensure that public bodies take a long-term perspective when making decisions; that they consider what actions are required to prevent problems arising in future, or to prevent current problems from getting worse; that they take an integrated and collaborative approach to decision making; and that they involve users in the planning and delivery of services.
26. The Department plays a part in contributing to these goals primarily through its responsibilities for the way in which we use the land, water and air and the natural and physical assets that depend upon them. We do this through exercising the Welsh Ministers' powers in respect of land use planning, agricultural support, environmental protection, animal health and welfare, nature and natural resources, energy and resource efficiency and waste management all in the context of a changing climate.

27. Our work plays a role in contributing to all the well-being goals because our responsibilities underpin almost all of life and work in Wales. We are especially committed to ensuring that our work makes a significant difference to the lives of those who have greatest need and that our programmes address issues of poverty and discrimination.

### **Impacts of the Department for Environment, Food and Rural Affairs (DEFRA) Cuts**

28. As a result of in-year savings and the recent Comprehensive Spending Review, Defra are now facing a 15% cut for 2016/17 but with cuts amounting to 30% cuts over the next 4 years.

29. In readiness for the review, Defra carried out an in-house prioritisation of programmes and projects funded via the shared budget. My officials were invited to comment and flag any risks for to Wales for stopping or reducing funding.

30. Defra has a number of executive laboratory agencies and Non-Departmental Government Bodies which undertake evidence functions on behalf of Defra and Devolved Administrations. As a result of the Spending Review, Defra have commissioned reviews of these agencies and bodies to assess their role and functions with the aim of reporting in the next 6 months. My officials have sought early engagement in the review process.

31. Against the backdrop of declining resources, my officials are working with Defra to maximise influence and strengthen partnerships with other research providers such as research councils and academia. For example, a Statement of Intent has been developed with the Natural Environment Research Council (NERC) to further improve our ability to generate and translate high-quality research to inform the development and implementation of robust environmental policy and delivery. (At a Wales level, your officials are working with Natural Resources Wales, to identify and build on our networks with the research community to inform and support our evidence base.)

32. It is too early to make a full assessment of the direct impact of the proposed cuts at this stage. However, it is essential that there is full co-operation and transparency around the proposed cuts on an ongoing basis to enable officials to fully appraise any risk and assess the impact for Wales.



## Legislation

### ***Well-being of Future Generations (Wales) Act***

33. We are committed to using the Well-being of Future Generations Act to improve how we make decisions about the social, economic, environmental and cultural well-being of Wales. Our budget proposals have been shaped against the new duties from the Act, reflecting our commitment to its full and successful implementation.
34. At the core of the Act are five ways of working which have informed our overall approach to setting budget allocation in the following ways:
- we have taken account of the **long term** impacts and balanced this against our short-term needs:
  - the approach of **prevention** in acting to prevent problems from occurring or getting worse has underpinned our decision making:
  - taking an **integrated** approach we have developed a wider understanding of the cross-cutting pressures that exist across our priority areas:
  - through continued **collaboration** and engagement we gain a valuable contribution to our evidence base in understanding the impacts of our decisions:
  - We have remained committed to engaging with and **involving** people in the decisions that affect them, through for example the invaluable input of the Budget Advisory Group on Equality (BAGE) and the Finance Minister's Budget Tour.
  - We have had to make difficult decisions about how to spend our budget next year but our decisions have been guided by our principles and values of fairness, equality and social justice and investing in health, the economy and our communities for the long-term.
35. The Well-being of the Future Generations (Wales) Act has helped us to make our decisions and we have reflected the sustainable development principle in our decisions our spending plans.
36. I have chosen to approach the budget preparations by looking at the evidence of needs and pressures in our priority areas - Health and Health Services, Growth and Jobs, Educational Attainment and Supporting Children Families and Deprived Communities.
37. This approach is reflected in our decisions to invest in and protect our public services and preventative programmes and to balance short-term and long-term needs.
38. Our Draft Budget material shows how we have sought to reflect the framework of the Act in setting our spending priorities. We reviewed current trends and future projections and their potential impacts in the short, medium and longer term. We did this to ensure, as far as possible, that short term responses do not have longer term detrimental impacts.

39. The Welsh Government will provide a budget of approximately £1.4 million contained within BEL 2810 based on the estimates in the Regulatory Impact Assessments. These costs include the cost of the Commissioner, associated staff, advisory panel and accommodation. It is a requirement that the Commissioner set the budget for the Commission on an annual basis in agreement with the sponsoring department.

### ***Planning (Wales) Act***

40. The Regulatory Impact Assessment for the Planning (Wales) Act sets out the financial impacts of the Developments of National Significance (DNS) process generally. I have also published an Explanatory Memorandum and Regulatory Impact Assessment to accompany five statutory instruments that prescribe the detail of the DNS process, the first tranche of which were laid on 4 December.

41. The Regulatory Impact Assessment states that the DNS fee structure is based on a full cost recovery model and is therefore intended to be cost neutral.

42. There will be a modest initial set up cost of around £14,000 and, given that many of the applications would have been likely to have been decided by the Welsh Ministers as a call-in or on appeal under the current system, it is likely that there will be an annual operational cost saving for the Welsh Government of around £24,000.

### ***Environment (Wales) Act***

43. The costs and benefits of the Bill have been assessed and indicate that the benefits outweigh the costs, over the long term.

44. The overall costs of the Bill have been estimated as £291 million and the benefits have been estimated as £359 million (both measured in present value over 10 years). Therefore the Bill will result in an estimated net benefit of £68 million (PV over 10 years).

45. Implementing through policy would result in similar costs but wouldn't realise the same benefits. The emphasis is on reducing burdens, improving cost-effectiveness and streamlining processes while helping to deliver lasting economic, social and environmental benefit.

46. Although the Bill will introduce different ways of working to Natural Resources Wales and other public bodies, which may incur initial additional costs, these will be in parallel with and complement work to embed the requirements of the Well-being of Future Generations (Wales) Act 2015.

47. However, there is also significant potential for efficiency savings in the short and medium term, by taking advantage of the opportunity to use the framework in the Bill to integrate and rationalise planning and delivery functions put in place through other legislation.
48. These impacts are mainly in relation to Sustainable Management of Natural Resources (Part 1), Climate Change (Part 2), Carrier Bags (Part 3) and Waste (Part 4).
49. The main costs of Part 1 of the Act relate to NRW and will be approximately £3.41m to £4.51m over 10 years (PV). These costs are mainly for NRW to produce State of Natural Resources Report (SoNaRR) and area statements.
50. Part 2 of the Act will ensure that Wales is able to reduce its emissions and undergo the transition to low carbon in line with international, EU and national obligations and avoid the higher economic costs associated with delayed action.
51. The implementation of legislative targets and a carbon budget framework in itself does not introduce additional costs to any bodies external to Welsh Government.
52. Part 3 replaces the existing carrier bag charging regime in the UK Climate Change Act 2008 with new provisions which are now in the Environment (Wales) Bill.
53. The new provisions are generally the same as those in the UK Climate Change Act except that the Welsh Ministers will be able to set a minimum charge for any type of carrier bag, such as “bags for life”, not just for single use carrier bags. There is also a duty now on the face of the Bill that will require retailers to apply the net proceeds of the charge to good causes
54. The only costs to Welsh Government arising from Part 3 of the Bill will be staff costs. Costs of monitoring and enforcing the regime will fall to Local authorities and will be in the region of £0.39m (PV over 10 years).
55. Part 4 of the Bill gives greater certainty for investment in recycling, waste collection and treatment infrastructure, which will provide benefits to the economy, jobs and the environment. Without the Bill there will be no framework to drive “Green Growth” in the waste recycling sector and deliver the jobs, investment and resource security that the sector can provide.
56. The Bill puts in place new powers, aimed at businesses and other non-domestic waste producers such as the public sector, to increase the amount of materials available for recycling, to improve the quality of materials available for recycling through separate collection, and to ensure that materials that can be recycled aren’t wasted.

57. Modelling predicts there will be a net financial benefit to Wales of £69.5 million, an additional 2.5 million tonnes of recycled materials and a CO<sub>2</sub> equivalent abatement of 2.1 million tonnes over a ten year period – making an important contribution to Wales CO<sub>2</sub> emission targets.
58. In present value terms, the estimated costs for the waste provisions of the Bill are £159 million over 10 years with benefits of £218 million.
59. There will be administrative costs to Welsh Government of £0.09m (PV over 10 years) arising from Part 4 of the Bill. Further there will be administrative costs of £0.03m (PV over 10 years) and on going costs of £0.43m (PV over 10 years) which will both fall on NRW.
60. Part 4 of the Bill provides the Welsh Ministers with the powers to make regulations. Costs arising in 2016/17 will be around the development of these regulations and will be met from the Waste Strategy BEL.

### **Agricultural Sector Wales Act**

61. This Act makes provision for—
- (a) the establishment of the Agricultural Advisory Panel for Wales,
  - (b) the making of orders which set the terms and conditions for persons employed in agriculture in Wales (“agricultural workers”), and
  - (c) the enforcement of such terms and conditions.
62. The costs associated with this are contained within the Budget BEL 2865 at £183k.

### **Equality**

63. Integrated impact assessments have been undertaken this year for the budget lines showing the most significant budget changes within the Natural Resources portfolio. After reviewing the key changes above, a number of key programmes were subject to Integrated Impact Assessments covering equality, Welsh language and Children’s Rights. Integrated impact assessments are mainstreamed into policy setting as well as budgetary decisions.
64. The results from the impact assessments show that there are no disproportionate impacts on the identified groups due to these budgetary decisions. For example, evidence suggests that the reduction in the waste budget can be managed by local authorities through improvement in efficiency / changes of practice and hence the impact on protected groups will be negligible.

## **Welsh Language**

65. *Iaith Fyw: Iaith Byw*, (A Living Language: A Language for Living) is the Welsh Government's strategy for the promotion and facilitation of the use of the Welsh language. Both this strategy and the Well Being of Future Generations (Wales) Act, state that the Welsh language is a strategic priority for Welsh Government. Our vision is to see the Welsh language thrive, with an increase in the number of people who both speak and use the language in their daily lives.

66. The Welsh Language (Wales) Measure 2011 and proposed Standards require us to do the following three things:

1. Consider the effects or impacts of our policy decisions on the Welsh language (both positive and negative)
2. Consider how to increase positive effects, mitigate or reduce adverse effects and take all opportunities to promote the use of Welsh
3. Seek views on the effects on the Welsh language when engaging or consulting and to seek the view of Welsh speakers and users of the language.

67. As part of the Integrated Impact Assessment process, we have considered the impact of our budget decisions on the Welsh Language, and have identified no significant impacts on the provision of Welsh language services/

## **Children's Rights**

68. Wales is the first country in the UK, and one of only a few countries in the world, to enshrine the United Nations Convention on the Rights of the Child (UNCRC) into domestic law with the Rights of Children and Young Persons (Wales) Measure 2011.

69. The duties within the Measure are implemented in two stages and place duties on Welsh Ministers to:

- give balanced consideration to the rights in the UNCRC and its optional protocols when formulating or reviewing policy and legislation;
- give balanced consideration to the rights in the UNCRC when they use all their legal powers or duties.

70. Across Natural Resources, each member of staff is required to consider how their work affects children's rights, and this process has informed the Integrated Impact Assessment. No significant impacts on children's rights have been identified.

## **EU Competitive spend/grants/loans**

71. The “CAP Administration and making payments according to EU and WG rules” Action and the “Delivering the programmes within the Rural Development Plan” Actions are responsible for administering all aspects of the European Union's (EU's) Common Agricultural Policy (CAP) in Wales. This involves paying The European Agricultural Guarantee Fund (EAGF) Direct Aid to farmers – The Single Payment Scheme, and The European Agricultural Fund Rural Development (EAFRD) – Welsh Government Rural Communities – Rural Development Programme (WGRC-RDP) support.
72. The total funding package for the new WGRC - RDP 2014-20 will require some £400m of domestic co-financing over the programme period. This brings the total investment for the new RDP, after including the transfer from Pillar 1 and the EU contribution, to over £950m. It is important that the domestic co-financing budget is able to fund the Welsh Government's commitments, not only in 2016/17, but sustainably over the programme period.
73. The RDP is a multi year demand led programme which inevitably means that I have to continually review the budget in line with the projected demand and priorities in each year. Although there has been no cut to the overall commitment of the RDP, I have reviewed the demands and priorities for 2016/17 and profiled the budget accordingly. I will continue to review the requirements of the RDP each financial year as I do with all my programmes.
74. I am applying for funding from the 2014-2020 Structural Funds programme to support Welsh Government Warm Homes as a successor to the Arbed programme. I have not yet agreed the total project cost with WEFO or the amount of funding that I will need to fund the project with over its lifetime.
75. The revenue that I have allocated will be matched in order to support the development of a pipeline of capital projects. I have maintained it at a similar level as historically, but we have adopted a number of efficiencies that mean it delivers more effectively.
76. ERDF funding for small scale energy will principally be capital, and we anticipate that the principal match funding will be through private sector investment.
77. We are in discussion with WEFO about establishing a new jointly funded programme to support local energy generation and smart energy projects, which will require match funding from Welsh Government. The funding currently allocated to delivery will be used as match funding for the future scheme, and will focus on the development of a pipeline of projects. The majority of the European fund will support capital construction, which will be matched by private sector investment.

78. We have already integrated this service effectively with Resource Efficient Wales and other external delivery such as local authority programmes, Renew Wales and CEW. The service now focuses on specialist support, which has enabled us to continue delivery with the reduced funding following closure of the ERDF programme. There is a greater need for support going forward in the fields of storage and grid management, and we are looking to meet this through further integration with other programmes supporting innovation and infrastructure development, such as Ofgem's innovation funding.
79. We have secured £1.5 million of EIB ELENA grant funding to underpin administrative aspects of our new REFIT programme, supporting public sector energy efficiency. Officials are also in discussions with EIB (and other potential investors such as GIB) about options for investment in an arm's length vehicle to support both private and public project promoters in the energy sector. I have issued a consultation seeking views on this approach. However, it should be clearly understood that at this time the Welsh Government is not seeking to borrow directly from the EIB, or indeed other lenders, as we do not assume direct capital borrowing powers until 2018.

### **Flooding and coastal protection**

<b>Flood allocations</b>	<b>2015-16 £m</b>	<b>2016-17 £m</b>
Revenue	24.858	22.448
Capital*	13.372	23.582

\* Revised baseline after completion of previous WIIP Funding

80. The flood revenue budget will reduce by £2.41m; however a £10.21m injection of capital funding will ensure the flood budget is able to deliver a full programme of risk management work in 2016/17.
81. We are already working with local authorities to prepare for an additional £150m in the Coastal Risk Management Programme from 2018. This will provide unprecedented levels of investment to ensure our coastal communities can remain resilient to climate change as well as funding innovative coastal adaptation projects. This year's budget includes £3 million to help preparatory project appraisal and design work.
82. The overall £2.41m (9.7%) reduction in the revenue budget will have some impact on NRW's allocation within this budget. However, NRW's flood revenue reduction will be capped at 5% to ensure that essential services are not disrupted. NRW are in discussion with Welsh Government on how savings can be made in non-essential services.
83. The flood programme has invested almost £290 million over the life of this Government including European funding.

84. Not only have more than 12,000 properties benefitted from increased protection, the investment has supported over 930 jobs and helped bring regeneration and environmental improvements to communities across Wales.
85. Just this winter 3800 properties will see their flood risk significantly reduced through schemes being completed in Dolgellau, Risca, Cardiff, Borth, Beaumaris and along the Severn Estuary.
86. We use a risk management approach to direct investment to the most at-risk areas as well as raising awareness of flood risk across Wales and assisting those places suffering from minor, but frequent, flooding. If the capital allocation does not allow investment to all areas seeking grant funding in 2016/17 then they will be programmed into the following year – again, on a priority basis.

### **Marine and Fisheries Strategic Action Plan**

87. As I explained in my 1 April written statement, we are building on the aims set out in the Wales Marine and Fisheries Strategic Action Plan from November 2013.
88. We have made significant progress on the main initiatives, many being delivered in partnership with stakeholders through the Marine Transition Programme.

### **Additional areas of committee interest**

#### **Bovine TB Eradication Plan**

89. This autumn, we launched the TB Dashboard which is a new way of displaying the statistics that support the bovine TB eradication programme. The dashboard provides a clear representation of the bovine TB picture in Wales. Most importantly current statistics show that over 94% Welsh farms are TB free. Cymorth TB, which provides additional support for farms in particular those undergoing a new TB breakdown, was also rolled out across Wales following a successful pilot.
90. Now into its 10th month the Veterinary Delivery Partnership is well underway with two partners delivering TB testing across Wales through private veterinary practices. The contract is closely monitored and early indications from Animal Plant Health Agency (APHA) Quality Assurance visits are already showing improved compliance with the TB testing rules.



## **Establishment of the Agricultural Advisory Panel**

91. A budget has been allocated to provide for the enforcement of the provisions of the Act and for costs associated with the establishment of the Agricultural Advisory Panel for Wales, as provided for in the Act. The allocated budget accounts for panel members' fees, travel and subsistence, secretariat support, costs of legal advice, printing and distribution of orders and guidance, advice and research and any other costs associated with the running of the Panel.

## **Funding for NRW**

92. Building on the strengths of the bodies that preceded NRW, they have already achieved a great deal and are in a strong position to respond to the changing legislative landscape.

93. NRW have made significant progress in a number of areas to establish their foundations and in particular have begun developing Natural Resource Management as our core approach to the delivery of all their responsibilities. Natural resource management means looking at a geographical area in a holistic way to deliver the best overall benefits for the environment, people and the economy in that area, and for Wales.

94. As published in their recent Business Plan. NRW have so far established savings to reduce costs and improved productivity in ways that will deliver more than £90m of benefits. There are many more opportunities to improve productivity and reduce costs as part of their Transformation Portfolio being launched this year.

95. I have carefully considered the budget and priorities regarding NRW and I have asked for savings of £5.097m through a budget reduction.

96. The savings required of NRW reflect the savings agreed as part of their original business case along with repayments of previous Invest to Save Funding which has helped the organisation restructure and streamline services.

97. NRW has had significant additional investment since establishment with additional specific revenue funding and over £22m Capital allocations in order to support its business change and to meet unexpected pressures such as P Ramorum, and I anticipate that we will continue to support such one off pressures and opportunities going forward.

98. NRW will make these savings through a combination of restructuring their workforce, a transition programme focussed on reducing ex-parent body service costs and rationalisation of accommodation.

## **EID Cymru**

99. The electronic reporting of sheep movements by livestock markets, abattoirs and collection centres will be compulsory from 18 January 2016. Sheep farmers are not mandated to report their sheep movements electronically but many may find that EIDCymru offers an easier and more efficient way of reporting.
100. EIDCymru Ltd (HCC) will operate the system on behalf of Welsh Government using their expertise and established links with the industry to ensure that key messages and guidance are communicated effectively and at the appropriate time.
101. EIDCymru is a free to use web portal that will allow farmers and businesses to report movements electronically.
102. The funding for EIDCymru and specifically the technology to support a new system to record sheep movements in Wales represents a significant investment by Government on behalf of the farming industry.
103. The budget for EIDCymru is shown in BEL 2862 £0.602m revenue.

## **Benefits**

104. EIDCymru will enable sheep movements to be traced between farms, markets, abattoirs and will provide Wales with a modern robust movement reporting and traceability system to respond quickly and effectively in any disease outbreak.
105. It will allow Welsh farmers and land managers to improve efficiency and provide the opportunity to deliver increased profitability in line with the Strategic Framework for Agriculture launched at the Wales Farming Conference on 4 June.
106. In addition to the improved ease of reporting, EIDCymru will provide the opportunity for keepers to use the increased level of traceability to develop their business processes and potentially increase profitability through improved communication and feedback between farmers and processers on individual animals.
107. EIDCymru will also deliver wider benefits to the farming industry by supporting the branding and marketing of Welsh Lamb in new, developing and established markets.

## **Implementation of the Commons Act 2006**

108. The Commons Act 2006 was introduced to remedy many of the deficiencies of the Commons Registration Act 1965. The scope for correcting errors under the 1965 Act was limited and there was little scope under the 1965 Act to update the register with new events. Therefore, the registers have not been updated and the commons registers maintained by local authorities have become significantly out of date.

109. The objectives of the Commons Act 2006 are the protection of common land and the promotion of sustainable farming, public access to the countryside, and the interests of wildlife.

110. Implementation of the Act is based around 5 themes:

- Part 1: Registration
- Part 2: management
- Part 3: Works
- Part 4: Miscellaneous
- Part 5: Procedural

111. The implementation of the commons legislation, to ensure the improved management of common land in Wales', is a Programme for Government commitment. The commitment has been progressed in a planned, staged manner, with significant progress being made. The following key areas are now in force:

- Part 1 – Registrations (sections 4,5 and 24), the Registration of town or village greens (section 15), the de-registration or exchange of land registered as common land (sections 16 and 17) and severance of rights (section 9);
- Part 3 – Works on common land (sections 38-44);
- Part 4 – Miscellaneous provisions (sections 45, 47 and 51) and powers relating to unauthorised agricultural activities (section 46); and
- Part 5 – Supplementary and general provisions (sections 54-63).

## **Implementation of the Wales Animal Health and Welfare Framework**

112. Last July, I published the first annual implementation plan under the "Wales Animal Health & Welfare Framework. The plan for 2015/16 sets out the priorities for the year and key actions for delivery as agreed by Welsh Government and the Wales Animal Health and Welfare Framework Group. These priorities contribute to agreed strategic outcomes for animal health and welfare and also to the seven well-being goals set out in the Well Being of Future Generations Act 2015.

113. The scope of the Implementation plan is wide ranging. The actions we are taking include raising awareness of biosecurity and antimicrobial resistance; developing effective channels for engagement with the welfare sector and taking forward legislation on dog welfare, tackling economic diseases such as bovine viral diarrhoea and sheep scab. It also sets out what we are doing in terms of our statutory obligations including implementation of the TB Eradication Programme, scrapie and BSE, our contingency planning arrangements in the event of a major disease outbreak, the Six Day Standstill project and our work to protect the health of bees.

### **Implications of further devolved responsibilities (e.g. energy) in the Draft Wales Bill**

114. My letter to the Committee dated 10 November included an appendix outlining my concerns about some clauses within the Draft Bill; I was, and continue to be, concerned that we may end up with a more fractured decision making framework for energy projects and for regulation of water and sewerage than we already have. Clarification from the UK Government has been requested; we are still waiting for it.

115. The cost implications of the Bill should be covered by the UK Government's Regulatory Impact Assessment which will accompany its introduction. We will read it with interest. Until we understand more about how the devolved consenting process will work in practice on and offshore, we cannot comment on the budgetary implications.

116. However, as a general rule, the more fractured a consenting regime, the more costly it is likely to be for all concerned- for applicants preparing applications, for those responding to consultations, and for the various decision making-bodies.

117. Questions on devolution in relation to energy should be addressed to the Minister for EST, who is responsible for this. My officials are working with hers to ensure that any potential impacts for my portfolio are addressed

Carl Sargeant  
Minister for Natural Resources

## Annex 1

### **Departmental Template: Integrated Impact Assessment (IIA) on the Budget 2016-17**

#### **Natural Resources**

##### OVERVIEW OF THE PORTFOLIO

The Department is responsible for the way in which we use the land, water and air and the natural and physical assets that depend upon them. We do this through exercising the Welsh Ministers' powers in respect of land use planning, agricultural support, environmental protection, animal health and welfare, nature and natural resources, energy and resource efficiency and waste management, all in the context of a changing climate.

We are working towards improving the social, economic, environmental and cultural well-being of Wales. Our work plays a role in contributing directly to all the well-being goals because our responsibilities underpin almost all of life and work in Wales. We are especially concerned to make sure that our work makes a significant difference to the lives of those who have greatest need and that our programmes directly – not indirectly- address issues of poverty and discrimination. The priorities for the period to May 2016 are:

Driving Green Growth;  
Resilience and safety;  
Working together to deliver better services and ensuring frontline delivery;  
Planning for the Future;  
A fairer Wales;  
Celebrating success.

##### SPEND PROFILE

SPA	2015-16 1 <sup>st</sup> Supplementary Budget Revised baseline £'000	Budget Changes and reprioritisation	2016-17 Draft Budget Plans £'000
Climate Change and Sustainability	112,460	-2,393	110,067
Environment	79,494	-8,189	71,305
Evidence Base	936	-100	836
Landscape & Outdoor Recreation	10,527	-561	9,966
Planning	6,421	-642	5,779
Agriculture, Food & Marine	53,589	-3,673	49,916

Protecting and Improving Animal Health and welfare	30,656	-765	29,891
Totals	294,083	-16,323	277,760

There has been an overall decrease to the Revenue DEL of £16.3m.

### **KEY CHANGES TO SPEND**

- Natural Resources Wales: decrease of £6.880m
- RDP 2014-20: decrease of £3.400m
- Flood Risk Management\* decrease of £2.410m
- Waste\*\* decrease of £3.760m

\*Flood risk revenue reduction is off-set by increased capital funding of £10.21m. it must be noted that the capital baselines budget of £12.272m has reduced from 2015/16 by £12.5m due to cessation of non recurrent WIIP Funding.

\*\* decrease of £3.760 to core budget. However, There has been an additional £5.386m for residual AD projects so is ring fenced. Overall increase of £1.626m

### **IMPACTS**

#### **Natural Resources Wales**

Natural Resources Wales (NRW) is the largest Welsh Government Sponsored Body. It formed in April 2013, largely taking over the functions of the Countryside Council for Wales, Forestry Commission Wales and the Environment Agency in Wales, as well as certain Welsh Government functions. Its main purpose is to ensure that the environment and natural resources of Wales are sustainably maintained, enhanced and used.

NRW uses five themes:

Good Knowledge;  
 Good Environment;  
 Good for People;  
 Good for Business and  
 Good Organisation

to structure its Business Plan 2014/15, performance reporting and strategic reporting. NRW's themes are integrated, demonstrating the multiple benefits NRW's work has on the Welsh environment, economy and communities. They also support the following outcomes shared with the Welsh Government i.e.:

- Enhancing our environment
- Protecting people

- Supporting enterprise and jobs
- Improving the nation's health
- Viable and vibrant places
- Delivering social justice
- Supporting skills and knowledge

Looking ahead, NRW's work will be aligned to the new set of goals within the Well-being of Future Generations (Wales) Act through a set of well-being objectives which seek to maximise our contribution to the goals.

Currently NRW contributes to well-being goals through

- its remit of being the Welsh Government's principal on the environment, enabling the sustainable development of Wales' natural resources for the benefit of people, the economy and wildlife
- the key requirement of aligning delivery to high level goals is already a central component of NRW's corporate plan and how they have approached the planning of delivery of natural resource management. NRW are therefore well placed to fulfil the Welsh Government's requirement for them to be an exemplar in sustainability
- NRW aims for Wales to be a place where air, land and water are managed sustainably, using Good Knowledge to achieve a Good Environment that will be Good for People and Good for Business. NRW will help to achieve this by ensuring that Natural Resources Wales is a Good Organisation.:

Specifically on equality issues

- NRW's work with communities takes place within a natural resource management framework, optimising social, environmental and economic benefits
- Work programmes are developed and delivered in accordance with the Equality Act 2010.
- NRW use a spatial, evidence based approach, focussing first on actions that deliver the greatest multiple benefits for people and communities – especially those in Wales' most deprived areas.

We do not envisage budget cuts in 2016/17 impacting on the delivery of equality policies and the Remit letter for 2016/17 will include this requirement.

Natural resources management led by NRW contributes to Article 24 of the United Nations Convention on the Rights of the Child (UNCRC) as it promotes the maintenance of a sustainable natural environment which children can enjoy. NRW can help children and young people connect with, and understand the importance of, our natural resources and their relevance to day to day living as well as the enjoyment and health benefits they gain from using green spaces. This supports articles 12 and 13 of the UNCRC; a child's right to participate, to have a voice and be heard and also receive good quality information Raising awareness of environmental issues will help children and young people make better informed decisions and help protect and sustain our

environment for the future. There will not be a negative impact in this area as a result of the decrease in funding.

The Welsh Government, through the 2010 Children and Families (Wales) Measure and its associated Welsh Government Child Poverty Strategy (2015), has stated its commitment to tackling child poverty in Wales, linking to article 27 of the UNCRC; a right to a standard of living good enough to meet needs. It has placed a duty on Ministers, Local Authorities and Welsh Public Bodies, including NRW, to develop their own strategies to help achieve this aim. The Welsh Government's Revised Child Poverty Strategy specifically recognises that natural resources can be a key driver of major economic growth sectors, attracting investment and skilled people and providing opportunities for innovation and technological development whilst also helping reduce the impacts of climate change and other stresses. It is especially important we support children and young people living in our most disadvantaged communities to achieve better outcomes. The work of NRW can make an important contribution to delivering on this agenda, and this work will not be impacted by the decrease in funding..

NRW has introduced a Welsh Language scheme and will need to prepare for the new as a result of statutory Welsh Language Standards under the Welsh Language (Wales) Measure 2011. NRW are committed to the following principles which are:

- *In Wales, the Welsh language should be treated no less favourably than the English language*
- *Persons in Wales should be able to live their lives through the medium of the Welsh language if they choose to do so.*

NRW will seek to implement these two principles not only in their dealings with individuals, organisations and various bodies in Wales, but also in respect of their own staff. The changes in the budget will not impact in these dealings.

We have sought to protect our natural resources from the impacts of austerity noting the important benefits to the people of Wales with particular benefits for protected groups. We are committed to protecting and valuing our natural resources to make them sustainable for future generations.

We have focused on protecting the environment through maximising the impacts of investment in infrastructure on the environment, energy and housing. Through these investments we are seeking to provide energy efficient sustainable housing which benefits our most vulnerable. By investing in green energy, recycling and flood prevention and coastal erosion we are seeking to improve the resilience of Wales to protect communities.

However, reducing resources will impact on the way we manage and maintain our woodlands, protect nature, develop our landscape and the support we are able to provide to those bodies that carry out these vital roles. We have sought



to focus our resources where they may have the greatest benefit and will work with delivery bodies to minimise negative impacts

It is the responsibility of NRW to make decisions on how to manage these cuts within their business and financial plans, and undertake equality impact assessments on their decisions accordingly. WG will make it clear during the process and through the annual remit letter that NRW must carry out these impact assessments on their decisions in line with the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011. It is unlikely that the savings will have a disproportionate impact on the equality strands, however, it is for NRW to decide where the cuts will impact and undertake the appropriate Impact Assessments. NRW will report to Welsh Government on a four monthly basis

### Engagement

NRW's Strategic Equality Plan (2015/19) provides an important framework and seeks to ensure that the natural resources of Wales are sustainably maintained, enhanced and used, now and in the future. The plan was developed through extensive engagement exercises and events with protected characteristic groups. The NRW Equality and Diversity Forum also provided comments and feedback on the Equality Objectives and Action Plan

### Evidence

A business case for the establishment of a Natural Resources Body for Wales sets out the rationale and evidence base for the creation of NRW and a profile of benefits and savings from its establishment:

<http://wales.gov.uk/topics/environmentcountryside/consmanagement/seb/businesscase/?lang=en>

## **Welsh Government Rural Communities: Delivering the Programmes within the Rural Development Plan (RDP) 2014-20**

The objectives of the RDP Programme are to:

- Increase the productivity, diversity and efficiency of farming and forestry businesses, improving their competitiveness and resilience, reducing their reliance on subsidies.
- Improve the environment, encouraging sustainable land management practices, the sustainable management of our natural resources and climate action.
- Promote strong, sustainable rural economic growth and encourage community-led local development.

Sustainable Development, tackling poverty, and equality are cross-cutting themes of the RDP. All spending approved through the RDP needs to take into account these themes and demonstrate how they will contribute to improving outcomes.

The Welsh Government's Tackling Poverty Plan and the 2014 and 2015 Annual Reports include actions to tackle rural poverty – and highlight the role of the RDP in this regard.

The RDP has six Priorities which are designed to deliver these objectives within the 2014-2020 Operational Programme. These are:

- **Priority 1:** Fostering knowledge transfer and innovation in agriculture, forestry and rural areas.
- **Priority 2:** Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests.
- **Priority 3:** Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture.
- **Priority 4:** Restoring, preserving and enhancing ecosystems related to agriculture and forestry.
- **Priority 5:** Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors.
- **Priority 6:** Promoting social inclusion, poverty reduction and economic development in rural areas.

There is a reduction of £3.4m to the budget, but the RDP is a multi year demand led programme and the budget will be reviewed continually in line with the projected demand and priorities in each year. Although there has been no cut to the overall commitment of the RDP, the demands and priorities for 2016/17 have been reviewed and the budget profiled accordingly.

The RDP for 2014-20 was not approved until May 2015. Invitations to apply for funding were issued in November 2015 and it is unlikely that any funding decisions will be made until the next financial year. The elements of the programme that are operational are the LEADER programme, which is delivered via local action groups and Farming Connect, which provides support for agriculture and forestry in Wales, and Glastir, through which we offer financial support to farmers and land managers.

Due to the nature of the RDP – it is a positive programme of investment, channelling funding into a range of interventions – it is not anticipated that there will be any disproportionate negative impacts on any of the characteristics protected by the Equality Act 2010, or the Welsh language (as covered by the Welsh Language Act) and children and young people under the United Nations Convention on the Rights of the Child (UNCRC) as a result of the 2014-2020 RDP Programme.

Whilst the EIA did not identify many disproportionate negative impacts for any of the equality groups, it has equally not identified many disproportionate positive impacts. However, some of the protected characteristics will be amongst the key beneficiaries of some interventions either because they are the specific intended recipients of support (for example, young people, who are

the focus of a specific sub-theme in the Plan); in other cases they are likely to benefit disproportionately due to their propensity to experience certain economic, social or accessibility barriers (for example, older people, disabled people and women).

The Programme is directed towards support for rural businesses, environmental protection, labour market participation, the promotion of social inclusion, and poverty reduction (experienced by many members of equality groups), and support for rural communities; as such there are likely to be beneficial effects overall.

Some protected characteristics are particularly likely to benefit from the Programme as they are specifically the intended recipients of support – for example, the Programme makes particular reference to supporting young people. Pro-actively targeting and engaging young people through RDP activities will be important to fully realise these positive impacts, and this work will continue.

In other cases, there are opportunities to realise benefits for some socio-economic and demographic groups, due to their propensity to experience certain economic, social or accessibility barriers (for example women, disabled people and older people). Evidence shows that people with certain protected characteristics are at a greater risk of living in low income households and initiatives to tackle poverty and promote social inclusion and economic development in particular, will therefore have a positive impact on those groups. We also know that certain ethnic minority groups, disabled people, lone parents (who are predominantly women), and younger people who are not in employment, education and training are more at risk of living in low income households. In particular, disabled people are disproportionately represented in both economically inactive and workless households. We recognise there will be significant challenges to delivering our targets for tackling poverty unless we have a strong focus on supporting disabled people into employment. We will continue to identify opportunities to “dovetail” the Welsh Government’s Strategic Equality Plan with the objectives in the Child Poverty Strategy and our Tackling Poverty Action Plan, and support those children and families with certain protected characteristics. Actions under Priority 6 which relate to the provision of ICT and transport need 2014-2020 to be delivered in a way that makes them accessible to all, particularly disabled people and older people who may experience additional barriers to engagement.

Regarding the Welsh Language, there are many opportunities to maximise some of the potential positive impacts (such as in the case of the Welsh language and Welsh speakers). For instance, the 2014-2020 RDP offers significant opportunities to explore and promote interventions that inter-link the Welsh language and the vitality of the rural Wales economy. Given the nature of the RDP in Wales – being focussed on rural areas, which tend to contain far higher proportions of Welsh speakers than the urban centres –there is considerable potential for disproportionate benefits to be delivered to people who use the language. For example, Welsh speakers may disproportionately benefit from the focus on digital infrastructure proposed within the RDP

Interventions. However, at present there are very few specific measures within the RDP that actively seek to target Welsh speakers and hence the potential to maximise positive impacts for this group might not be realised.

There are many opportunities to further maximise some of the potential positive impacts (such as in the case of Welsh speakers and the opportunity to provide support for some religious groups such as Islamic and Jewish meat processor businesses); it will be crucially important that these are not missed.

### Engagement

Findings of the EIA were presented as part of the public consultation process alongside the draft Operational Programme documents for the RDP. A series of workshops were delivered across Wales to discuss and gather stakeholder input into the EIA process including: additional impacts, opportunities, mitigations and recommendations; additional sources, evidence, data or stakeholders; and ways to increase access to the programmes by people with protected characteristics

### Evidence

Equality policy context in Wales, the UK and in Europe; Existing research and literature on subject matter covered by rural development funding; past RDP Operational Programmes in Wales, including those from 2000-2006 and 2007-2013; evaluations undertaken on the Programmes and projects, and equality impact assessment findings where available.

## **Flood and Coastal Risk Management**

We have sought to protect our natural resources from the impacts of austerity noting the important benefits to the people of Wales with particular benefits for protected groups. We are committed to protecting and valuing our natural resources to make them sustainable for future generations.

We have focused on protecting the environment through maximising the impacts of investment in infrastructure on the environment, energy and housing. Through these investments we are seeking to provide energy efficient sustainable housing which benefits our most vulnerable. By investing in green energy, recycling and flood prevention and coastal erosion we are seeking to improve the resilience of Wales to protect communities.

However, reducing resources will impact on the way we manage and maintain our woodlands, protect nature, develop our landscape and the support we are able to provide to those bodies that carry out these vital roles. We have sought to focus our resources where they may have the greatest benefit and will work with delivery bodies to minimise negative impacts

The flood revenue budget will reduce by £2.41m, however a £10.21m injection of capital budget will ensure the flood budget is able to deliver a full programme of risk management work in 2016/17. There has also been a reduction in the capital budget of £12.5m due to the cessation of non recurrent WIIP funding, therefore the face of the budget shows a reduction of capital

funding of £2m. However, due to the additional capital, a £2.41m cut in the revenue budget will not have a disproportionate impact on the equality groups. The impact assessment is carried out on the basis that the budget as a whole is protected.

The flood risk management programme of work creates opportunities to advance equality of opportunity by ensuring that some of the poorest people in society can live safely in their homes whilst being protected from the damage that can be caused by a flood event. Evaluation of potential schemes is based upon risk to life and not the value of their property. In addition it looks for multiple wellbeing benefits, for example through improving amenity recreation, water quality, biodiversity and the local economy. Flood and coastal risk schemes have benefits to individuals, to their communities and to the wider Welsh economy.

There are opportunities to advance equality of opportunity and foster good relations through working in partnership with local authorities, NRW and individuals who live in high risk flood areas.

The impact of flooding incidents affects all of the protected characteristic groups and in particular those classed as vulnerable. Some groups clearly have less capacity to manage the impact of a flood event, including children and young people, the elderly and disabled people. We are aware that certain impairments can affect an individual's ability to respond to a flood or erosion event. In addition an individual's age can affect their ability to respond to a flood or erosion event. Age related factors may also contribute to extended recovery times. Poorer communities are generally hit harder by the financial losses caused by flooding, as they may have no or limited flood insurance coverage; they are also more likely to be living in areas at risk of flooding. However, the issue of insurance costs will be helped from 2016 with the introduction of the 'Flood Re' scheme that caps the amount homeowners pay for their premiums and excess on a sliding scale, with those in lower council tax bands paying less.

Whilst the programme is not specifically aimed at young people, older people or disabled people, as vulnerable groups, overall efforts to reducing flooding events will have a positive impact on all protected characteristic groups. Lower socio-economic groups may be adversely affected by flooding which may include concentrated areas with higher numbers of ethnic minority communities. A small number of, for example, some people in minority ethnic communities may not understand or be able to access warnings because of language or cultural barriers, and who may find certain aspects of the rescue and recovery operation distressing for cultural or religious reasons.

As work goes on through the Flood and Coastal Risk Programme to reduce the incidence of flooding, there will be a general benefit to lower socio-economic groups.

There are a number of Gypsy and Traveller sites across Wales that are in flood risk areas. In addition, residential caravan parks are also frequently found in

areas of flood or coastal erosion risk and hence can also directly benefit from flood risk schemes, as seen with the new Swansea flood alleviation project. The NRW flood awareness programme does include outreach with traveller groups and site owners and this may be affected. This supports article 30 of the UNCRC – protecting minority groups.

There will be no impact on the Welsh Language from proposed reductions to the budget as NRW will continue to ensure awareness raising material and flood risk documents aimed at the public are bilingual.

The Welsh Government expects the Risk Management Authorities to deliver their flood and coastal erosion risk management functions in a manner that:

- embeds sustainable development as the central organising principle informing decisions and enhancing the economic, social and environmental and cultural well-being of people and communities, achieving a better quality of life for our own and future generations;
- is focused on the needs of individuals, communities and businesses and which recognises that different groups have different needs and varying capacity to deal with flood risk and that the service they receive must be tailored accordingly;
- promotes equality and does not exacerbate poverty.

Overall, there are benefits of managing flood risks effectively which will be seen by all Welsh citizens in particular for those living in the most deprived areas, which can be most badly affected by flooding events. In addition, work on managing flood risks feeds into the wider Tackling Poverty agenda as reducing the incidents of flooding, particularly affecting those in the poorest communities are going to improve the experiences of people from all lower socio-economic groups.

Flood and coastal risk management is an area that relates to each of the Well-being of Future Generations Act goals, in particular building a resilient, healthier Wales of cohesive communities. Its objectives also accord with the ways of working under the sustainable development principle of balancing the long term and prevention.

Flood risk management policy contributes to Article 24 the United Nations Convention on the Rights of the Child. The ultimate aim of the Flood and Water Management Act is to manage the environmental risk of flooding and erosion to keep people healthy and safe. The National Strategy for flood and coastal erosion risk management in Wales set out how we should take a risk based approach to prioritise areas at greatest flood risk, use a range of methods to address that risk including natural flood risk solutions, publish plans to say what the risk is and how it will be managed, raise awareness to the risks and build resilience in our communities. The strategy also supports Article 24.

The Welsh Government, through the 2010 Children and Families (Wales) Measure and the Welsh Government's 2015 Child Poverty Strategy (2011),

has stated its commitment to tackling child poverty in Wales. It has placed a duty on Ministers, Local Authorities and Welsh Public Bodies, including NRW, to develop their own strategies to help achieve this aim. The changes in the flood revenue and capital budgets will not impact on their ability to tackle child poverty through their strategy.

### Engagement

Stakeholders were fully engaged during the development of the National Strategy for Flood and Coastal Erosion Risk Management for Wales, and impacts on protected characteristic groups were fed into the development of all Welsh Government policies in this area.

### Evidence

The Joseph Rowntree Foundation (JRF) has carried out work to develop a “vulnerability mapping tool” which highlights those low income households which are disproportionately affected by the impacts of climate change. Work has also been carried out to show how low income households also have fewer “assets” (personal and financial) which enable them to cope and recover. Colleagues in WG / Natural Resources have commissioned the JRF to develop this mapping tool specifically for Wales.

## **Waste**

Towards Zero Waste (TZW) – the overarching waste strategy for Wales is a long term framework which describes the social, economic and environmental and cultural well-being outcomes that resource efficiency and waste management will achieve and contribute towards a sustainable future. It also details our high level policies, targets and principles.

Sector Plans - Sector plans are the implementation plans for the strategy. They describe the role of the sector, the Welsh Government and others in delivering the outcomes, targets and policies in TZW. By 2050, we will have reduced the impact of waste in Wales to within our environmental limits. This means that the ecological footprint of waste in Wales will be at ‘one planet’ levels (a reduction of roughly 65% in waste compared to current levels). ‘Zero waste’ will be achieved by eliminating residual waste and reusing or recycling all the waste that is produced.

The waste strategy budget has been cut previously, with the biggest impact being a reduction in Sustainable Waste Management Grant (SWMG) paid to local authorities to support additional waste prevention, reuse and recycling. The SWMG has reduced from £71 million in 2012/13 to £66 million in 2014/15 and £64m in 2015/16. Savings will continue to be achieved through reducing work to improve the environment for waste management and prevention, reducing work on eco-innovation and potentially reduced funding levels to Waste Awareness Wales, WRAP and Construction Excellence Wales. We will no longer be funding WAW, WRAP have taken over the work they were doing as part of the core funding grant.

Article 30 of the EU Waste Framework Directive requires that waste management plans and waste prevention programmes are evaluated every sixth year. Accordingly, the Welsh Government is undertaking an evaluation and refresh of TZW. This is to ensure that the strategy remains compliant with EU, UK and Welsh law, as well as the policy goals and priorities of Welsh Ministers. In particular the Wellbeing of Future Generations (Wales) Act 2015 and the forthcoming Environment Bill (Royal assent due spring 2016).

The project is in two parts with the evaluation to be completed by June 2016 and a revised strategy to be delivered by Winter 2016.

The TZW and the “Sector Plans” have been subject to full public consultation that has included people with protected characteristics and those organisations that represent them. The outcome of this consultation helped to inform the development of the final *waste*, which was published in June 2010 and the series of sector plans that have been produced in 2010-2013.

Welsh Government has ensured that local partnership arrangements have considered the needs of all of the protected characteristic groups including making sure that the views of individuals within those protected characteristics have been fed into the Strategy and ongoing work on the implementation of the strategy.

A specific event was held to engage with young persons on the development of TZW, the details of which were included in the published Welsh Government response to the consultation. There has been strong engagement with social enterprise reuse and recycling sector who provide support (jobs, training and affordable household items) to those who are disadvantaged, including individuals and communities.

Evidence suggests that the reduction in the waste budget can be managed by local authorities through improvement in efficiency / changes of practice. The impact on service provision is likely to be negligible. However, it is important that local authorities engage and carry out their own Integrated Impact Statements on any actions they take as a result of potential cuts to their funding.

### Engagement

TZW and the Sector Plans have been subject to full public consultation that has included people with protected characteristics and those organisations that represent them.

The outcome of this consultation helped to inform the development of the final *waste*, which was published in June 2010 and the series of sector plans that have been produced since

### Evidence

We consider that we have strong evidence to inform decisions on waste, especially in relation to making savings on local authority costs. This includes looking at the socio-economic factors affecting costs and performance.



The evidence tells us that there are opportunities to improve individual and community well being (including equality).

### **CONTINUOUS IMPROVEMENT**

For the 2016/17 budget we have improved the process by having a better focus on integrated and cumulative impacts. A strategic integrated impact assessment has been undertaken and these are underpinned by Departmental IIAs.

We have based our spending decisions on an analysis of demands and needs in key public service areas which are of particular importance to those who need it most. In the challenging financial climate we have sought to focus resources on priorities based on an assessment of greatest positive impact and mitigate the effects of austerity where its impact is unavoidable.

By taking an integrated approach grounded in evidence and evaluation we have developed a wider understanding of the cross-cutting pressures that exist across key service areas, in line with our key priorities, while targeting funding at those who need it most. This has enabled us to gain a broader understanding of the overall impact of spending decisions on key service provision through taking a holistic view of public service delivery in Wales.

In line with feedback from the Budget Advisory Group for Equality (BAGE) and reflecting recommendations of the Finance Committee's Inquiry into Best Practice Budget Procedures we have again taken an integrated approach to our impact assessment. Despite the challenges presented by the late timing of the UK Spending Review we have focused on making informed strategic high level decisions based on our analysis of supporting evidence, particularly in relation to people with protected characteristics. This has enabled us to give full consideration to socio-economic disadvantage, children's rights, Welsh language and sustainable development, in addition to the focus on equality and tackling poverty.

We have considered the impacts on protected groups on a wider basis than in the past, looking at delivery areas rather than Ministerial portfolios. We have considered long-term impacts, assessed opportunities for prevention, taken an integrated and collaborative approach to understanding impacts; and committed to involving people in the decisions that affect them. We are committed to ensuring that all budget decisions are made with reference to integrated impact assessment. This will be used to inform future decisions on budgets throughout the year and for the first budget of the next assembly term. We will be strengthening our internal guidance to reflect this.

Each of the IIAs conducted an assessment of the impacts on the nine protected characteristic groups, Welsh language, lower socio-economic groups and tackling poverty, Sustainable Development and the Well-being of Future Generations Act and children and young people.

The Well-being of Future Generations Act requirements and Future Trends report will be vital in demonstrating an integrated and cumulative impact on Welsh Citizens and will be reviewed post implementation.

NATURAL RESOURCES MAIN EXPENDITURE GROUP (MEG)										
SPA	Actions	Budget Expenditure Line (BEL)	BEL	Division	2015-16 1st Supp	Baseline adjustments	2015-16 Revised	Changes	2016-17 Revised Draft Budget	Comments
<b>RESOURCE BUDGET - Departmental Expenditure Limit</b>										
Climate Change and Sustainability	<b>Change name: Develop and deliver overarching policy and programmes on sustainable development and natural resource management</b>	Environmental Management	2812	Sponsorship	181		181		181	
		Sustainable Development	2810	P&E	776		776	934	1,710	1. £576k FGCW Office; 2. £250k SD Charter; 3. £108k from BEL 2816 for FGC office
		<b>Sub Total</b>			<b>957</b>	<b>0</b>	<b>957</b>	<b>934</b>	<b>1,891</b>	
	<b>Change name: Develop and implement climate change policy, energy efficiency and Green Growth</b>	Climate Change Action	2816	CCNRM	2,135		2,135	-308	1,827	1. £108k to BEL2810; 2. £200k Budget reduction
		Fuel Poverty Programme	1270	P&E	3,350		3,350	-335	3,015	1. Budget reduction
		Energy Efficiency Programmes	3771		5,200		5,200	-3,800	1,400	1. £1,000k to BEL3770; 2. £2,800k Budget reduction
		Radioactivity & pollution prevention	2817		0		0	385	385	Transferred from action 'Facilitate clean and secure energy and industry investment'
		Clean energy	3770	EWF	0		0	1,233	1,233	Transferred from action 'Facilitate clean and secure energy and industry investment'. 1. £1,000k from BEL3771; 2. £100k Budget reduction
		Green Growth	2809		0		0	1,000	1,000	1. Green Growth funding
		<b>Sub Total</b>			<b>10,685</b>	<b>0</b>	<b>10,685</b>	<b>-1,825</b>	<b>8,860</b>	
	Develop and implement flood and coastal risk, water and sewage policy and legislation	Flood Risk Management & Water	2230	EWF	24,858		24,858	-2,410	22,448	1. Innovative Flood funding: £650k; 2. Budget reduction: £3,060k
	<b>Sub Total</b>			<b>24,858</b>	<b>0</b>	<b>24,858</b>	<b>-2,410</b>	<b>22,448</b>		
	<b>Delete action: Facilitate clean and secure energy and industry investment</b>	Radioactivity & pollution prevention	2817	P&E	385		385	-385	0	BELs transferred to action 'Develop and implement climate change, emission prevention and fuel poverty policy, communications, legislation and regulation'. Action to be deleted
		Clean energy	3770	EWF	333		333	-333	0	
		<b>Sub Total</b>			<b>718</b>	<b>0</b>	<b>718</b>	<b>-718</b>	<b>0</b>	
Manage and implement the Waste Strategy and waste procurement	Waste	2190	Waste & Resource Efficiency	74,942		74,942	1,826	76,768	1. £5,760k Budget reduction; 2. £5,386k add'l Waste funding; 3. £2,000k Waste Change programme; £200k Waste Regulation	
	Waste Regulation	2194		300		300	-200	100	Amalgamate this budget into Waste BEL 2190	
	<b>Sub Total</b>			<b>75,242</b>	<b>0</b>	<b>75,242</b>	<b>1,626</b>	<b>76,868</b>		
<b>Total Climate Change and Sustainability</b>					<b>112,460</b>	<b>0</b>	<b>112,460</b>	<b>-2,393</b>	<b>110,067</b>	
Environment	<b>Change name: Deliver nature conservation and forestry policies and local environmental improvement</b>	Environmental Mgt support funding	2824	LNFD	1,205		1,205	-120	1,085	1. Budget reduction
		Natural Environment	2825		2,000		2,000	-600	1,400	1. Budget reduction
		Forestry	2827		238		238	-24	214	1. Budget reduction
		LEQ & Keep Wales Tidy	2191	P&E	0		0	3,835	3,835	Transfer BEL from action 'Manage and implement environmental improvement' 1. Budget reduction: £565k
		<b>Change name: Cynefin/Delivery support</b>	2192		0		0	736	736	Transfer BEL from action 'Manage and implement environmental improvement'
		<b>Sub Total</b>			<b>3,443</b>	<b>0</b>	<b>3,443</b>	<b>3,827</b>	<b>7,270</b>	
	<b>Delete action: Manage and implement environmental improvement</b>	LEQ & Keep Wales Tidy	2191	P&E	4,400		4,400	-4,400	0	BELs transferred to action 'Deliver nature conservation and forestry policies'. Action to be deleted.
		Cynefin	2192		736		736	-736	0	
		<b>Sub Total</b>			<b>5,136</b>	<b>0</b>	<b>5,136</b>	<b>-5,136</b>	<b>0</b>	
		Natural Resources Wales	2451	Sponsorship	63,812	4,013	67,825	-6,880	60,945	1. Invest to Save repayments: £1,783k; 2. Budget reduction: £5,097k

NATURAL RESOURCES MAIN EXPENDITURE GROUP (MEG)										
SPA	Actions	Budget Expenditure Line (BEL)	BEL	Division	2015-16 1st Supp	Baseline adjustments	2015-16 Revised	Changes	2016-17 Revised Draft Budget	Comments
<b>RESOURCE BUDGET - Departmental Expenditure Limit</b>										
	Sponsor and manage delivery bodies	Natural Resources Wales - <b>Non cash</b>	2451	Sponsorship	3,090		3,090		3,090	Depreciation - increased budget requested from Reserves
		<b>Sub Total</b>			<b>66,902</b>	<b>4,013</b>	<b>70,915</b>	<b>-6,880</b>	<b>64,035</b>	
	<b>Total Environment</b>				<b>75,481</b>	<b>4,013</b>	<b>79,494</b>	<b>-8,189</b>	<b>71,305</b>	
<b>Evidence Base</b>	Developing an appropriate evidence base to support the work of the Department	Environment Management (Pwllpeiran) - <b>Non cash</b>	2814		8		8		8	Depreciation
		Environmental Evidence and Support	2818		876		876	-100	776	1. Budget reduction
		<b>Sub Total</b>		<b>884</b>	<b>0</b>	<b>884</b>	<b>-100</b>	<b>784</b>		
	Protecting plant health and developing GM policies	Other Plant Health Services	2821	LNFD	52		52		52	
	<b>Total Evidence Base</b>				<b>936</b>	<b>0</b>	<b>936</b>	<b>-100</b>	<b>836</b>	
<b>Landscape &amp; Outdoor Recreation</b>	Promote & support protected landscapes, wider access to green space.	<b>Change name: National Parks Landscape &amp; Outdoor Recreation</b>	2490		10,097		10,097	-131	9,966	1. GIA Budget reduction: £505k; other reduction:£56k
		Access	2494	LNFD	130		130	-130	0	1. Merge BEL into BEL 2490
		Sustainable Development Grant	2823		300		300	-300	0	1. Merge BEL into BEL 2490
	<b>Total Landscape &amp; Outdoor Recreation</b>				<b>10,527</b>	<b>0</b>	<b>10,527</b>	<b>-561</b>	<b>9,966</b>	
<b>Total: Environment &amp; Sustainable Development</b>					<b>199,404</b>	<b>4,013</b>	<b>203,417</b>	<b>-11,243</b>	<b>192,174</b>	
<b>Planning</b>	Planning & Regulation	Planning & Regulation expenditure	2250	Planning	6,421		6,421	-642	5,779	1. Budget reduction
<b>Total: Planning</b>					<b>6,421</b>	<b>0</b>	<b>6,421</b>	<b>-642</b>	<b>5,779</b>	
	Develop and deliver overarching policy and programmes on Agriculture, Food and Marine	Agri Strategy	2829		20		20		20	
		Technical Advice Services	2864		200		200		200	
		Customer Engagement	2860		500		500	-100	400	1. Budget reduction
		Livestock Identification	2863	ARAD	0	1,512	1,512	135	1,647	1. BCMS Funding: £,512k; 2. BPEX: £35k; 3. Equine ID: £100k
		Local Authority Enforcement Funding	2831		600		600	-135	465	
		CPH	2861		1,385		1,385	141	1,526	
		EID Cymru	2862		535		535	67	602	
		Legislation & Policy Implementation	2865		183		183		183	
			<b>Sub Total</b>		<b>3,423</b>	<b>1,512</b>	<b>4,935</b>	<b>108</b>	<b>5,043</b>	
	CAP Administration and making payments according to EU and WG rules	Direct Payments scheme EU	2787		300,000		300,000	-80,000	220,000	100% European funded - adjusted to reflect current forecast
		Direct Payments scheme EU Income	2787		-300,000		-300,000	80,000	-220,000	
		SP Administration	2790	RPW	6,520		6,520	174	6,694	1. CAP Audit Legality & Regularity
		SP Administration non-cash	2790		0		0		0	Depreciation - Budget requested from Reserves
		CAP Reform	2789		790		790	-79	711	1. Budget reduction (Budget not required 17/18 onwards)
			<b>Sub Total</b>		<b>7,310</b>	<b>0</b>	<b>7,310</b>	<b>95</b>	<b>7,405</b>	
	RDP Axis 1 - Farming Connect	2843		564		564	-564	0	RDP 2007-13 finished; budget moved to new action	
	RDP Axis 1 - RDP Farm Advisory Service	2844		12		12	-12	0		

NATURAL RESOURCES MAIN EXPENDITURE GROUP (MEG)										
SPA	Actions	Budget Expenditure Line (BEL)	BEL	Division	2015-16 1st Supp	Baseline adjustments	2015-16 Revised	Changes	2016-17 Revised Draft Budget	Comments
<b>RESOURCE BUDGET - Departmental Expenditure Limit</b>										
Agriculture, Food & Marine	Delivering the programmes within the Rural Development Plan 2007-13	RDP Axis 1 - PMG	2845	CAP Planning	835		835	-835	0	
		RDP Axis 1 - Supply Chain Efficiency	2846		1,673		1,673	-1,673	0	
		RDP Axis 4 - Running Costs	2849		601		601	-601	0	
		RDP Axis 2 - Improved Land Premium	2924	RPW	27		27	-27	0	
		RDP Axis 2 - Organic Farming	2926		5		5	-5	0	
		RDP Axis 2 - FWS/FWPS	2928		220		220	-220	0	
		RDP Technical Assistance	2931	CAP Planning	1,330		1,330	-1,330	0	
		RDP Axis 2 - Glastir Entry and Advanced	2871	RPW	16,897		16,897	-16,897	0	
		RDP Axis 2 - Glastir Common Land Element	2872		2,871		2,871	-2,871	0	
		RDP Axis 2 - Glastir Woodland	2874		198		198	-198	0	
		RDP Axis 3 - Skills Acquisition	2948	CAP Planning	175		175	-175	0	
		<b>Sub Total</b>			<b>25,408</b>	<b>0</b>	<b>25,408</b>	<b>-25,408</b>	<b>0</b>	
	Welsh Government Rural Communities: Delivering the programmes within the Rural Development Plan 2014-20	RDP 2014-20 Human and Social Capital	2880	CAP Planning	0		0	6,926	6,926	
		RDP 2014-20 Local Development Measures	2881		0		0	0	0	
		RDP 2014-20 Agri-enviro & Climate - Glastir	2882	RPW	0		0	15,806	15,806	
		RDP 2014-20 Agri-enviro & Climate - Glastir Woodlands	2883		0		0	851	851	
		RDP 2014-20 Investment Measures	2884		0		0	0	0	
		RDP 2014-20 Technical Assistance	2885	CAP Planning	0		0	3,583	3,583	1. Budget transfer from RDP 2007-13 action
		RDP 2014-20	2949		8,371		8,371	-5,158	3,213	1. Reallocation: £1,758k; 2. Budget reduction: £3,400k
					<b>8,371</b>	<b>0</b>	<b>8,371</b>	<b>22,008</b>	<b>30,379</b>	
	Evidence based development for Rural Affairs	Research & Evaluation	2240	CAP Planning	606		606	-86	520	1. Budget reduction
		<b>Sub Total</b>			<b>606</b>	<b>0</b>	<b>606</b>	<b>-86</b>	<b>520</b>	
	Developing, and managing Welsh marine, fisheries and aquaculture including the enforcement of Welsh Fisheries	Fisheries Schemes	2830	CAP Planning	397		397		397	
Marine & Fisheries		2870	Marine & Fisheries	1,320		1,320	110	1,430	1. Marine Enforcement vessels procurement	
Marine & Fisheries - Non cash		2870		242		242		242	Depreciation	
Marine		2826		0		0		0	Merged with BEL 2870	
<b>Sub Total</b>				<b>1,959</b>	<b>0</b>	<b>1,959</b>	<b>110</b>	<b>2,069</b>		
Developing & Marketing Welsh Food & Drink	Promoting Welsh Food	2970	Food	5,000		5,000	-500	4,500	1. Budget reduction	
	<b>Sub Total</b>			<b>5,000</b>	<b>0</b>	<b>5,000</b>	<b>-500</b>	<b>4,500</b>		
<b>Total: Agriculture, Food &amp; Marine</b>					<b>52,077</b>	<b>1,512</b>	<b>53,589</b>	<b>-3,673</b>	<b>49,916</b>	
	Support & Delivery of the Animal Health & Welfare programme/strateg	Animal Health and Welfare	2270	OCVO	600		600	-50	550	1. Budget reduction

NATURAL RESOURCES MAIN EXPENDITURE GROUP (MEG)										
SPA	Actions	Budget Expenditure Line (BEL)	BEL	Division	2015-16 1st Supp	Baseline adjustments	2015-16 Revised	Changes	2016-17 Revised Draft Budget	Comments
<b>RESOURCE BUDGET - Departmental Expenditure Limit</b>										
Protecting and improving Animal Health and Welfare	Management and delivery of TB Eradication and other Endemic Diseases	<b>Sub Total</b>			600	0	600	-50	550	
		TB EU Income	2269	OCVO	-3,500		-3,500	700	-2,800	1. Budget reduction
		Animal Health & Welfare Delivery & payments	2271		15,781		15,781	-500	15,281	1. Budget reduction
		TB Slaughter Payments, Costs and Receipts	2272		9,860		9,860	-500	9,360	1. Budget reduction
		TB Eradication	2273		7,915		7,915	-415	7,500	1. Budget reduction
		<b>Sub Total</b>			30,056	0	30,056	-715	29,341	
<b>Total: OCVO</b>					<b>30,656</b>	<b>0</b>	<b>30,656</b>	<b>-765</b>	<b>29,891</b>	
<b>Total Revenue - Natural Resources</b>					<b>288,558</b>	<b>5,525</b>	<b>294,083</b>	<b>-16,323</b>	<b>277,760</b>	

CAPITAL BUDGET - Departmental Expenditure Limit											
Climate Change and sustainability	Change name: Develop and deliver overarching policy and programmes on sustainable development and natural resource management	Local Authority General Support	2782	Sponsorship	12,000		12,000		12,000		
		<b>Sub Total</b>			<b>12,000</b>	<b>0</b>	<b>12,000</b>	<b>0</b>	<b>12,000</b>		
	Change name: Develop and implement climate change policy, energy efficiency and Green Growth	Fuel Poverty programme	1270	P&E	53,577	-35,000	18,577	5,000	23,577	1. WIIP funding	
		Green Growth	2809	EFW	5,000	-5,000	0	8,425	8,425	1. WIIP funding: £5,000k; Add'l funding: £3,425k	
		<b>Sub Total</b>			<b>58,577</b>	<b>-40,000</b>	<b>18,577</b>	<b>13,425</b>	<b>32,002</b>		
	Develop and implement flood and coastal risk, water and sewage policy and legislation	Flood Risk Management & Water	2230	EFW	24,772	-12,500	12,272	10,210	22,482	1. WIIP funding: £6,000k; Add'l funding: £4,210k	
		Local Government Flood & Coast Capital	2234		1,100		1,100		1,100		
		<b>Sub Total</b>			<b>25,872</b>	<b>-12,500</b>	<b>13,372</b>	<b>10,210</b>	<b>23,582</b>		
	Manage and implement the Waste Strategy and waste procurement	Waste	2190	Waste & Resource Efficiency	4,175		4,175	2,000	6,175	1. Add'l funding: £2,000k	
		<b>Sub Total</b>			<b>4,175</b>	<b>0</b>	<b>4,175</b>	<b>2,000</b>	<b>6,175</b>		
	<b>Total Climate Change and Sustainability</b>					<b>100,624</b>	<b>-52,500</b>	<b>48,124</b>	<b>25,635</b>	<b>73,759</b>	
	Environment	Sponsor and manage delivery bodies	Natural Resources Wales	2451	Sponsorship	795		795	900	1,695	1. Transfer £900k from BEL 2494 in relation to Wales Coastal Path (SF/CS/00332/15)
<b>Sub Total</b>					<b>795</b>	<b>0</b>	<b>795</b>	<b>900</b>	<b>1,695</b>		
<b>Total Environment</b>					<b>795</b>	<b>0</b>	<b>795</b>	<b>900</b>	<b>1,695</b>		
Evidence Base	Developing an appropriate evidence base to support the work of the Department	Environment Management (Pwllpeiran)	2814	LNFD	38		38		38		
<b>Total Evidence Base</b>					<b>38</b>	<b>0</b>	<b>38</b>	<b>0</b>	<b>38</b>		
Landscape & Outdoor Recreation	Promote & support protected landscapes, wider access to green space.	<b>Change name: National Parks Landscape &amp; Outdoor Recreation</b>	2490	LNFD	0		0		0		
		Access	2494		2,500		2,500	-900	1,600	1. Transfer £900k to BEL 2451 in relation to Wales Coastal Path (SF/CS/00332/15)	

NATURAL RESOURCES MAIN EXPENDITURE GROUP (MEG)										
SPA	Actions	Budget Expenditure Line (BEL)	BEL	Division	2015-16 1st Supp	Baseline adjustments	2015-16 Revised	Changes	2016-17 Revised Draft Budget	Comments
RESOURCE BUDGET - Departmental Expenditure Limit										
					2,500	0	2,500	-900	1,600	
<b>Total: Environment &amp; Sustainable Development</b>					<b>103,957</b>	<b>-52,500</b>	<b>51,457</b>	<b>25,635</b>	<b>77,092</b>	
Agriculture, Food & Marine	Develop and deliver overarching policy and programmes on Agriculture, Food and Marine	New Farm Entrants	2794	ARAD	330		330	-330	0	1. Transfer £330k to BEL 2870
		Agri Startegy	2829		0		0		0	
		EID Cymru	2862		0		0		0	
		CPH	2861		560		560		560	
					<b>890</b>	<b>0</b>	<b>890</b>	<b>-330</b>	<b>560</b>	
	CAP Administration and making payments according to EU and WG rules	CAP Reform	2789	RPW	0		0		0	
					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	Delivering the programmes within the Rural development Plan	RDP Axis 1 - PMG	2845	CAP Planning	1,163		1,163	-1,163	0	RDP 2007-13 finished; budget transferred to new RDP
		RDP Axis 2 - Glastir Entry and Advanced	2871	RPW	4,477		4,477	-4,477	0	
		RDP Axis 2 - Glastir Acres	2873		603		603	-603	0	
		RDP Axis 2 - Glastir Woodland	2874		999		999	-999	0	
					<b>7,242</b>	<b>0</b>	<b>7,242</b>	<b>-7,242</b>	<b>0</b>	
	Welsh Government Rural Communities: Delivering the programmes within the Rural Development Plan 2014-20	RDP 2014-20 Human and Social Capital	2880	CAP Planning	0		0	0	0	
		RDP 2014-20 Local Development Measures	2881		0		0	570	570	
		RDP 2014-20 Agri-enviro & Climate - Glastir	2882	RPW	0		0	0	0	
		RDP 2014-20 Agri-enviro & Climate - Glastir Woodlands	2883		0		0	570	570	
		RDP 2014-20 Investment Measures	2884		0		0	2,483	2,483	
		RDP 2014-20 Technical Assistance	2885	CAP Planning	0		0	0	0	
		RDP 2014-20	2949		3,481		3,481	3,619	7,100	
				<b>3,481</b>	<b>0</b>	<b>3,481</b>	<b>7,242</b>	<b>10,723</b>		
Developing, managing and enforcing Welsh marine, fisheries and aquaculture including the enforcement of Welsh Fisheries	Fisheries Schemes	2830	CAP Planning	110		110		110		
	Marine & Fisheries	2870	Marine & Fisheries	0		0	330	330	1. Transfer £330k from BEL 2794	
	<b>Sub Total</b>			<b>110</b>	<b>0</b>	<b>110</b>	<b>330</b>	<b>440</b>		
<b>Total: Agriculture, Food &amp; Marine</b>					<b>11,723</b>	<b>0</b>	<b>11,723</b>	<b>0</b>	<b>11,723</b>	
<b>Total Capital - Natural Resources</b>					<b>115,680</b>	<b>-52,500</b>	<b>63,180</b>	<b>25,635</b>	<b>88,815</b>	

Annually Managed Expenditure										
Environment	Sponsor & manage Delivery Bodies	Natural Resources Wales - Pensions	2452	Sponsorship	2,900		2,900		2,900	
<b>Total - Natural Resources</b>					<b>2,900</b>	<b>0</b>	<b>2,900</b>	<b>0</b>	<b>2,900</b>	

NATURAL RESOURCES MAIN EXPENDITURE GROUP (MEG)										
SPA	Actions	Budget Expenditure Line (BEL)	BEL	Division	2015-16 1st Supp	Baseline adjustments	2015-16 Revised	Changes	2016-17 Revised Draft Budget	Comments
RESOURCE BUDGET - Departmental Expenditure Limit										

NATURAL RESOURCES MAIN EXPENDITURE GROUP SUMMARY										
		Revenue			288,558	5,525	294,083	-16,323	277,760	
		Capital			115,680	-52,500	63,180	25,635	88,815	
		<b>Total DEL</b>			<b>404,238</b>	<b>-46,975</b>	<b>357,263</b>	<b>9,312</b>	<b>366,575</b>	
		Annually Managed Expenditure			2,900	0	2,900	0	2,900	
		<b>Total - Natural Resources</b>			<b>407,138</b>	<b>-46,975</b>	<b>360,163</b>	<b>9,312</b>	<b>369,475</b>	