

Environment and Sustainability Committee

E&S(4)-07-11 paper 2

Draft Budget 2012-13: Department for Environment & Sustainable Development

Introduction

1. This paper provides background financial information to the Committee regarding the Department for Environment & Sustainable Development spending plans as outlined within the draft budget, published on 04 October 2011.
2. Annex A gives a breakdown of the Draft Budget, by Action, and by BEL within each Action.
3. With Sustainable Development at the heart of all that we do in Government our focus is on the social, economic and environmental well-being for people and communities in Wales.
4. We remain committed to tackling fuel poverty through our successful energy efficiency schemes such as Arbed and NEST, reducing fuel bills for the most vulnerable and providing a significant boost to the green economy. We will also continue to invest in ensuring we have the environmental infrastructure Wales needs in the 21st Century, with major programmes delivering flood protection; improved waste management and recycling.

Background and Summary

5. The draft budget figures may be summarised as follows:

	Baseline 2011-12 £'000	Draft Budget 2012-13 £'000	Indicative Plans 2013-14 £'000	Indicative Plans 2014-15 £'000
Revenue	269,067	265,183	265,755	269,201
Capital	60,642	61,629	54,238	54,238
Total	329,709	326,812	319,993	323,439

6. Compared to indicative plans for 2012-13 published in the Final Budget 2011-12 (as restated based on the new structure in the First Supplementary Budget 2011-12), the total MEG allocation for Environment and Sustainable Development has increased by

£17.5m in 2012-13 and £17.7m in 2013-14. The indicative plan for 2014-15, which is published for the first time, is £323.4m (£3.4m higher than in 2013-14).

7. The additional resource funding is associated with the following expenditure programmes:

- Waste Management – We have allocated an additional £0.5m in 2012-13 rising to £5.6m in 2014-15 to support the treatment of municipal food waste in order to continue the progress in diversion of biodegradable waste from landfill sites in accordance with the waste strategy and to meet our EU obligations; and

- Animal Health – We have allocated an additional £17.2m in 2012-13, £16.6m in 2013-14 and £15.8m in 2014-15. This is in respect of transfers from DEFRA for the funding of the Animal Health Veterinary Laboratories Agency activities in Wales who are the main delivery agent for implementing Welsh Government's animal health and welfare policy.

8. There are no other significant changes to the budget from last year's Final Budget. Major changes were made then to the allocations in the light of the UK settlement and individual budgets will be continued at those levels through to 2014-15. Our interventions will continue to focus on protecting the most vulnerable in our society, promoting sustainable development and ensuring our international obligations are met. .

9. This budget settlement will enable the Welsh Government to continue vital work to eradicate fuel poverty, manage flood risk, tackle climate change, and stimulate Wales' green economy and complete work on the All Wales Coast Path.

10. Managing flood risk management remains a priority and we will continue to invest revenue funding in this area over the next three years so that we can keep building and maintaining flood defences in areas in Wales that are most vulnerable to flooding.

11. We have developed a significant flood and coastal erosion risk management programme worth just over £100m, which is supported by £49.85m from the European Regional Development Fund (ERDF). The programme began in 2008 and is scheduled to complete in 2015 and covers both Convergence and Competitiveness areas. It's three main aims are:

- To construct flood or coastal defences in some of Wales most vulnerable communities;

- To raise awareness of the risk of flooding;
 - To encourage resilience to flooding.
12. We remain committed to tackling fuel poverty through schemes such as Arbed and our Home Energy Efficiency Schemes, both of which are helping to make Welsh homes more energy efficient and reduce fuel bills for the most vulnerable people in Wales. That is why we protected both capital and revenue budgets for fuel poverty and energy efficiency in last year's comprehensive spending review.
 13. Arbed Phase II will invest in improving the energy performance of homes in Wales, helping to improve the quality of housing stock, reduce green house gas emissions, reduce fuel poverty and create business and job opportunities. The programme began this year, supported by over £29m of convergence funding and is scheduled to complete in 2015.
 14. We will continue our efforts to tackle climate change with our funding for this area focussing on supporting people, communities and businesses in Wales to take action themselves to help reduce emissions. We are also continuing to protect the energy efficiency budget which supports the Carbon Trust and Energy Saving Trust in their efforts to reduce emissions and help stimulate Wales' low carbon economy.
 15. An example of this is the Ynni'r Fro programme, which is intended to fund the development of community scale renewable energy projects by providing expert advice and support through a network of development officers. It also supports pre-application works and provides funding for capital works. The programme has been in place since November 2009 and is due to complete in 2015. It is part funded by the European Regional Development Fund (ERDF) in the amount of £7m and covers both the Convergence and Competitiveness areas of Wales.
 16. Waste management is a crucial part of the Welsh Government's agenda and we have committed to £260m to waste over the next 3 years. This will help us to develop to most cost effective and sustainable solutions to waste management and to reach our ambitions of becoming a zero waste nation.
 17. We are continuing to commit funding for the three Welsh National Park Authorities as well as the Countryside Council for Wales and the Environment Agency. This will increase access to Wales' countryside and enable the completion of the Wales Coast Path
 18. We remain committed to the eradication of bovine TB in Wales. That is why we have committed £10m to the eradication

programme as well as over £11m to cover potential payments for compensation for animals slaughtered as a result of the disease.

19. We will continue with the actions set out in March 2010 to ensure that woodlands become more sustainable through the Wales Woodland Strategy.

John Griffiths
Minister for Environment and Sustainable Development

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT MAIN EXPENDITURE GROUP (MEG)								
SPA	Actions	Budget Expenditure Line (BEL)	BEL	Division	2011-12	2012-13	2013-14	2014-15
REVENUE BUDGET - Departmental Expenditure Limit					£000's			
Climate Change and Sustainability	Develop and deliver overarching policy and programmes on sustainable development and environment	Environment Legislation and Governance	2812	CSU	199	190	181	181
		Sustainable Development	2810		956	820	776	776
		Sub Total			1,155	1,010	957	957
	Develop and implement climate change, emission prevention and fuel povert policy, communications, legislation and regulation	Fuel Poverty programme	1270	CCWD	3,450	3,450	3,450	3,450
		Climate Change Action	2816		3,292	3,136	2,986	2,986
		Energy Efficiency Programmes	3771		5,300	5,300	5,300	5,300
		Construction Unit	1261		865	824	784	784
		Sub Total			12,907	12,710	12,520	12,520
	Develop and implement flood and coastal risk, water and sewage policy and legislation	Flood Risk Management & Water	2230	CCWD	19,664	21,041	27,278	27,278
		Sub Total			19,664	21,041	27,278	27,278
	Facilitate clean and secure energy and industry investment	Radioactivity & pollution prevention	2817	SE&I	600	540	480	480
		Clean energy	3770		640	600	600	600
		Sub Total			1,240	1,140	1,080	1,080
	Manage and implement the Waste Strategy and waste procurement	Manage and implement the Waste Strategy and waste procurement	2190	Waste	82,519	79,984	79,283	83,583
		Sub Total			82,519	79,984	79,283	83,583
	Total Climate Change and Sustainability				117,485	115,885	121,118	125,418
Environment	Deliver nature conservation and marine policies	Sustainable Development Fund Grant	2823	NAMU	956	910	867	867
		Environmental Mgt support funding	2824		1,500	1,500	1,500	1,500
		Sub Total			2,456	2,410	2,367	2,367
	Develop an appropriate evidence base	Environment Research and Evaluation	2819	CSU	917	874	832	832
		Sub Total			917	874	832	832
	Manage and implement EU Waste legislation, LEQ and contaminated land	Local Environment Quality & Keep Wales Tidy	2191	Waste	4,478	2,900	2,900	2,900
		Waste regulation	2194		300	300	300	300
		Sub Total			4,778	3,200	3,200	3,200
	Promote protected landscapes and countryside access	National Parks	2490	NAMU	10,900	10,900	10,900	10,900
		Access	2494		220	83	90	90
		Sub Total			11,120	10,983	10,990	10,990
	Sponsor and manage delivery bodies	CCW Programme Expenditure	2430		16,602	16,542	16,151	16,151

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT MAIN EXPENDITURE GROUP (MEG)								
SPA	Actions	Budget Expenditure Line (BEL)	BEL	Division	2011-12	2012-13	2013-14	2014-15
		CCW Depreciation	2430	CSU	1,440	1,440	1,440	1,440
		CCW Administration Costs	2432		19,652	18,718	17,910	17,910
		Natural Environment Framework: restructuring	2495		1,083	5,000	4,000	4,000
		Environment Agency	2450		21,070	20,070	19,108	19,108
		Environment Agency Depreciation	2450		1,650	1,650	1,650	1,650
		Sub Total			61,497	63,420	60,259	60,259
Total Environment					80,768	80,887	77,648	77,648
Planning	Planning policy development, Planning Inspectorate and regulation	Planning Expenditure	2250	Planning	7,772	7,403	7,090	7,090
Total Planning					7,772	7,403	7,090	7,090
Protecting and improving Animal Health and Welfare	Protecting and improving Animal Health and Welfare	Animal Health and Welfare	2270	OCVO	600	600	600	600
		Animal Health VLA	2271		18,398	17,194	16,635	15,781
		TB Slaughter payments, costs and receipts	2272		11,660	11,660	11,660	11,660
		TB eradication	2273		10,380	10,000	10,000	10,000
Total Protecting and improving Animal Health and Welfare					41,038	39,454	38,895	38,041
Evidence Base	Developing an appropriate evidence base to support the work of the Department	Pwllperian Depreciation	2808	SEED/FDD	8	8	8	8
		Research and Evaluation	2818	SEED/FDD	344	294	244	244
		Sub Total			352	302	252	252
	Protecting plant health and developing GM policies	Other Plant Health Services	2821	SEED	52	52	52	52
Total Evidence Base					404	354	304	304
Forestry	Implementing the new Woodland Strategy through Forestry Commission Wales	Forestry Commission Revenue Expenditure	2470	Ops Team	40,704	39,774	39,274	39,274
		Forestry Commission Revenue Receipts			-19,104	-18,574	-18,574	-18,574
		Forestry Commission Cost of Capital			0	0	0	0
Total Common Agricultural Policy and the Countryside					21,600	21,200	20,700	20,700
Total Revenue - Environment and Sustainable Development					269,067	265,183	265,755	269,201

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT MAIN EXPENDITURE GROUP (MEG)								
SPA	Actions	Budget Expenditure Line (BEL)	BEL	Division	2011-12	2012-13	2013-14	2014-15
SPA	Actions				2011-12	2012-13	2013-14	2014-15
CAPITAL BUDGET - Departmental Expenditure Limit					£000's			
Climate Change and Sustainability	Develop and deliver overarching policy and programmes on sustainable development and environment	Local Authority General Capital Support	2782	CSU	13,500	12,500	12,000	12,000
		Sub Total			13,500	12,500	12,000	12,000
	Develop and implement climate change, emission prevention and fuel povert policy, communications, legislation and regulation	Fuel Poverty programme	1270	CCWD	18,577	18,577	18,577	18,577
		Sub Total			18,577	18,577	18,577	18,577
	Develop and implement flood and coastal risk, water and sewage policy and legislation	Flood Risk Management & Water	2230	CCWD	17,000	14,699	9,732	9,732
		Local Government Flood & Coast Capital	2234		1,300	1,200	1,100	1,100
		Sub Total			18,300	15,899	10,832	10,832
	Manage and implement the Waste Strategy and waste procurement	Waste Capital (Waste Procurement Infrastructure programme)	2190	Waste	2,710	2,520	2,246	2,246
		Waste Capital (Anaerobic Digestion (AD) facilities)	2190		0	5,700	4,900	4,900
		Waste Capital (LA investment of facilities & equipment)	2190		3,122	2,000	2,000	2,000
		Sub Total			5,832	10,220	9,146	9,146
	Total Climate Change and Sustainability					56,209	57,196	50,555
Environment	Promote protected landscapes and countryside access	National Parks	2490	NAMU	350	350	350	350
		Access	2494		3,250	3,250	2,500	2,500
		Sub Total			3,600	3,600	2,850	2,850
	Sponsor and manage delivery bodies	CCW Programme Expenditure	2430	CSU	1,000	1,000	1,000	1,000
					1,000	1,000	1,000	1,000
Total Environment					4,600	4,600	3,850	3,850
Evidence Base	Developing an appropriate evidence base to support the work of the Department	Environment Management Capital	2814	SEED/FDD	38	38	38	38
Total Evidence Base					38	38	38	38
Forestry	Implementing the new Woodland Strategy	Forestry Commission Capital Expenditure	2470	Ops Team	195	195	195	195

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT MAIN EXPENDITURE GROUP (MEG)								
SPA	Actions	Budget Expenditure Line (BEL)	BEL	Division	2011-12	2012-13	2013-14	2014-15
Forestry	through Forestry Commission Wales	Forestry Commission Capital Receipts	2472	Ops Team	-400	-400	-400	-400
Total Common Agricultural Policy and the Countryside					-205	-205	-205	-205
Total Capital - Environment and Sustainable Development					60,642	61,629	54,238	54,238

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT MAIN EXPENDITURE GROUP SUMMARY								
					2011-12	2012-13	2013-14	2014-15
		Revenue			269,067	265,183	265,755	269,201
		Capital			60,642	61,629	54,238	54,238
Total - Environment and Sustainable Development					329,709	326,812	319,993	323,439