



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

Y Pwyllgor Amgylchedd a Chynaliadwyedd **The Environment and Sustainability Committee**

Dydd Mercher, 4 Mawrth 2015
Wednesday, 4 March 2015

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal,
cynhwysir trawsgrifiad o'r cyfieithu ar y pryd.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mick Antoniw	Llafur Labour
Jeff Cuthbert	Llafur Labour
Andrew R.T. Davies	Ceidwadwyr Cymreig (yn dirprwyo ar ran Russell George) Welsh Conservatives (substitute for Russell George)
Llyr Gruffydd	Plaid Cymru The Party of Wales
Alun Ffred Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Julie Morgan	Llafur Labour
William Powell	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Jenny Rathbone	Llafur Labour
Antoinette Sandbach	Ceidwadwyr Cymreig Welsh Conservatives
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Rebecca Evans	Aelod Cynulliad, Llafur (y Dirprwy Weinidog Ffermio a Bwyd) Assembly Member, Labour (Deputy Minister for Farming and Food)
Yr Athro / Professor Christianne Glossop	Prif Swyddog Milfeddygol Cymru Chief Veterinary Officer for Wales
Neil Hemington	Pennaeth Cynllunio, Llywodraeth Cymru Head of Planning, Welsh Government
Matthew Quinn	Cyfarwyddwr yr Amgylchedd a Datblygu Cynaliadwy, Llywodraeth Cymru Director, Environment and Sustainable Development, Welsh Government
Carl Sargeant	Aelod Cynulliad, Llafur (y Gweinidog Cyfoeth Naturiol) Assembly Member, Labour (Minister for Natural Resources)
Andrew Slade	Cyfarwyddwr Amaeth, Bwyd a'r Môr, Llywodraeth Cymru Director, Agriculture, Food and Marine, Welsh Government

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Alun Davidson	Clerc Clerk
Peter Hill	Dirprwy Glerc Deputy Clerk
Martin Jennings	Y Gwasanaeth Ymchwil Research Service
Nia Seaton	Y Gwasanaeth Ymchwil Research Service

Dechreuodd y cyfarfod am 09:32.

The meeting began at 09:32.

Cyflwyniadau, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] **Alun Ffred Jones:** Fe wnawn ni ddechrau'r pwyllgor. Rwy'n eich croesawu chi i gyd yma. Rydych chi'n gwybod y rheolau: os bydd yna larwm tân, rhaid ichi ddilyn yr ystlyswyr allan; pawb i ddiffodd eu ffonau symudol; mae'r Cynulliad Cenedlaethol yn sefydliad dwyieithog, felly, croeso i bawb gyfrannu yn Gymraeg neu yn Saesneg, ac rydych yn gwybod y rheolau ynglŷn â'r botymau— peidiwch â'u pwyso nhw. A oes unrhyw ddatgan buddiannau o dan Reol Sefydlog 2.6?

Alun Ffred Jones: We will start this meeting of the committee. I welcome you all here. You know the rules: if there should be a fire alarm, please do follow the ushers out; please do switch off your mobile phones; the National Assembly is a bilingual institution, so you are welcome to contribute in Welsh or English, and you know the rules about the buttons—please don't press them. Are there any interests to declare under Standing Order 2.6?

[2] **Jenny Rathbone:** I'd like to declare that I'm the chair of the European programme monitoring committee, if you could just note that.

[3] **Alun Ffred Jones:** Diolch yn fawr. **Alun Ffred Jones:** Thank you very much.

[4] **Antoinette Sandbach:** And to note my register of interests.

[5] **Alun Ffred Jones:** A gaf i groesawu hefyd, Andrew R.T. Davies, sydd yma yn lle Russell George? Diolch yn fawr iawn.

Alun Ffred Jones: May I also welcome Andrew R.T. Davies, who is substituting for Russell George? Thank you very much to you.

Craffu ar waith y Gweinidog Cyfoeth Naturiol Scrutiny of the Minister for Natural Resources

[6] **Alun Ffred Jones:** Y sesiwn gyntaf—yr ail eitem—ydy craffu ar waith y Gweinidog Cyfoeth Naturiol, ac fe fyddwn ni'n dymuno craffu ar faterion polisi i ddechrau ac wedyn, yn ddiweddarach, droi at faterion sy'n ymwneud â chyllid, os ydy hynny'n iawn gennych chi. A gaf i groesawu'r Gweinidog atom, a'i swyddogion? Efallai y bydd y Gweinidog yn cyflwyno'i hun a'i swyddogion, er mwyn y cofnod.

Alun Ffred Jones: The first session—the second item—is to scrutinise the work of the Minister for Natural Resources, and we wish to scrutinise policy matters to begin with and later on, we'll turn to financial matters, if that is okay with you. May I welcome the Minister to us, and his officials? Perhaps the Minister would introduce himself and his officials for the record.

[7] **The Minister for Natural Resources (Carl Sargeant):** Bore da, good morning, Chair. Carl Sargeant, Minister for Natural Resources.

[8] **Mr Slade:** Andrew Slade, director of agriculture, food and marine.

[9] **Mr Quinn:** Matthew Quinn, director of environment and sustainable development.

[10] **Mr Hemington:** Neil Hemington, chief planning officer.

[11] **Alun Ffred Jones:** Diolch yn fawr iawn i chi i gyd a chroeso atom ni. Fe ddechreuwn ni'r sesiwn yma trwy edrych ar effeithlonrwydd ynni a thlodi tanwydd, ac rwy'n credu mai Jenny Rathbone sydd yn arwain ar y rhan yma.

Alun Ffred Jones: Thank you very much to you all and welcome. We'll start this session by looking at energy efficiency and fuel poverty, and I believe that Jenny Rathbone is leading on this part.

[12] **Jenny Rathbone:** Minister, energy efficiency and fuel poverty is quite a confusing picture for my constituents, because we've got several different initiatives—ECO, Arbed and then the UK Government's Green Deals. The second round of Green Deals was announced on 10 December and it closed within 30 hours—all the money distributed—leaving a lot of very angry people in my constituency. I wondered if you could just give me an idea of how we have an overarching strategy, so that people are clear about how they get their houses made more energy efficient.

[13] **Carl Sargeant:** Good morning, Jenny, and thank you for the question. I think it is fair to say that the whole energy market and the whole energy process is quite complex. What we're trying to do here in Wales is have a very successful programme of Nest and Arbed. They are certainly making a difference to many households here in Wales. They're very clear programmes that we run with partners. We've just established an energy advice unit, Resource Efficient Wales, which is a Freephone number for constituents of Wales to engage and to understand better what a safe method of switching is, or to receive energy advice, rather than the cold-calling environment that people would be familiar with.

[14] You may have seen the news today, in fact, that we've issued letters to the big six energy corporations for an urgent meeting in order for us to clarify the deal on ECO and how we can match that better with Welsh Government financing. I do believe that we have to rely on these programmes better in order to establish a clearer pathway for customers.

[15] Can I just say that I am actually really proud of the performance in Wales in terms of finances for investment in energy efficiency programmes for low-income households? Without ECO, in England the investment per domestic electricity consumer per pound is £3.52; in Wales, that figure is £31.31—a very significant difference in terms of our action against tackling energy efficiency, compared with what's happening in England currently.

[16] **Jenny Rathbone:** I think many of the things you say are obviously welcome and the Freephone energy advice unit is absolutely crucial for enabling people to get unfettered advice on what's the best deal, and whether it is really a big deal. But, I suppose one of the core concerns is that when people are approached by companies saying, 'We can refurbish your home for x', how do they know whether this is really a good deal you or whether it's just the company trousering the incentive?

[17] **Carl Sargeant:** That's a very valid question. That's why we've invested heavily in Resource Efficient Wales, in order to give people a trusted model of where they can go to for advice on energy and consuming energy. It's early days yet for that organisation, but we are convinced that it's the right thing to do on the basis—. I expect all of you will have received cold calls from organisations saying that they are Government-incentivised companies—to lag your roof et cetera—over the phone. There is no assurance around that, but what we can give you is quality assurances. Going through Resource Efficient Wales, you will get good, sound advice and we are looking to a marketing campaign around that very shortly, in terms of making sure people understand and know where and how they can access that information.

[18] **Jenny Rathbone:** So, it's having centralised quality advice. What are the targets going to be for actually upgrading the very large number of homes that have very poor energy efficiency?

[19] **Carl Sargeant:** We've got some large numbers already delivering on Arbed and Nest. The Nest scheme is specifically designed to tackle poverty across Wales more efficiently and effectively, as I know the Member is keen to do. The level of grant funding for an off-gas home is £4,000 higher than for an on-gas home, so we are already investing more on the ones that are in more need or more difficult to achieve. Nest improved nearly 5,000 homes—4,900-odd homes—with over 45% of these homes located predominantly in rural areas as well. So, we are looking at the hard to reach and the ones that are tackling fuel poverty issues. These are significant targets for my team.

[20] **Jenny Rathbone:** So, are the ones that don't have access to the gas grid being offered renewable sources of heat in their homes?

[21] **Carl Sargeant:** They are assessed on individual households to see how that would operate and that would, potentially, be one of the options.

[22] **Alun Ffred Jones:** Julie Morgan, on this point.

[23] **Julie Morgan:** Thank you, Chair; it's about the Nest and Arbed programmes. I chair the cross-party group on Gypsies and Travellers, as you know, Minister, and one of the issues is the very high prices that Gypsies and Travellers pay for energy. Obviously, I wondered if there was any way that a scheme could be geared so that they could have some of the advantages that, you know, Arbed brings in particular, because there is a big issue about loss of heating in the caravans.

[24] **Carl Sargeant:** That's a very fair question. I've not given that much consideration, if I'm perfectly honest, Chair, but it will be something that I'll ask my team to look into and perhaps write to the committee with some more details on.

[25] **Julie Morgan:** Would you write to us?

[26] **Carl Sargeant:** I certainly will.

[27] **Julie Morgan:** Thank you very much.

[28] **Alun Ffred Jones:** Mick Antoniwi, on this point.

[29] **Mick Antoniwi:** Minister, you mentioned cold calling and insulation programmes and so on. Do you agree with me that there is growing evidence of an emerging scandal of abuse of cavity wall insulation touting, to the extent that there are potentially thousands of houses in Wales that may have had it done that didn't need it and where it has possibly caused damage, and that there are now outstanding legacy issues that need to be considered? Is your department looking at this particular issue?

[30] **Carl Sargeant:** I've heard anecdotal evidence of what the Member suggests. I've got no personal knowledge of that actually happening, but I am aware of people suggesting that there are cowboy firms delivering some packages, and that's why I think it's really important for us to give people a safe place to understand where they can get good-quality product and a safe way of making that investment. We believe that the companies that are engaged in our programmes work effectively, and this is something that we would encourage people to be very careful about when people are cold calling over the phone or just knocking on the door. It is something they need to be very careful about—handing over money for work that's probably not well done.

[31] **Mick Antoniwi:** I'll pursue that matter with you privately, Minister.

[32] **Alun Ffred Jones:** Andrew R.T. Davies, on this point.

[33] **Andrew R.T. Davies:** Going on from what Mick has just talked about, and you touched on it, Minister, in your response to Jenny about cold calling and, in particular, scams, for want of a better word, I've had numerous constituents point out to me where the promises made and then what's actually delivered are completely different. You talked about creating a safe environment for the schemes to operate, and, obviously, there are UK Government schemes and your own schemes. For the average punter in the street, they do not discriminate between which is which. Can you give us some examples of how you believe you are rooting out some of these bad practices and protecting the consumer against some of the scams we've highlighted?

[34] **Carl Sargeant:** Indeed. The Member raises a very fair question. I think that what we are trying to establish here in Wales is a safe place to do business. That's why we're establishing the helpline that will give signposting for a variety of different energy solutions, from switching providers to cavity wall insulation or renewables even. How can people be assured of a safe place to do business? That will be tested by my team and third-party teams we work with. The issue of cold calling is a much more difficult one. It's not devolved, that process. I am aware of the UK Government looking at how the mechanisms used by some of these companies for cold calling can be made unlawful. That would be, I believe, quite challenging, but I think that what we have to do here, working within the powers we do have, is to give people the signposting activity—. I suppose it's a Government-branded kitemark, effectively, to say, 'If you do it this way, you can—

[35] **Andrew R.T. Davies:** Can I just take you up on that point, with your permission, Chairman, about putting a kitemark on it? With my agricultural hat on, obviously, if I'm producing goods, they are farm-assured. The consumer can look at the little red tractor logo, for example, and get an element of assurance. Shouldn't you, as a Government, be promoting some sort of kitemark that is instantly recognisable so the scheme has the endorsement, because, frankly, you can talk all you want about phone lines and you can talk all you want about signposting, but the average punter in the street doesn't know anything about that. But, if there is a kitemark on the schemes, the people know they are trusted and assured and then they can engage with confidence.

[36] **Carl Sargeant:** Well, the companies that we engage with and which are publicly funded are quality assured in the work that they do, and that's something that we would be ensuring. I wouldn't want to do business with a cowboy developer. The point being that we shouldn't underestimate the power of people in making those choices. I think that what we have to do is give people access to a safe place to do business, and that's what we believe we will be doing. We're working with lots of agencies in how we push this Resource Efficient Wales programme out through CABs, through doctors' surgeries and leaflets et cetera, where people will pick up this information. It's about making sure that we can give people confidence in the market. I can't legislate for people making choices, but what we've got to do is try and give people a place to make safe choices. That's what we believe we're doing.

[37] **Alun Ffred Jones:** Jeff Cuthbert, on this.

09:45

[38] **Jeff Cuthbert:** Can I ask you about smart metering? Are you working with energy companies to encourage the roll-out of smart metering? I have a smart meter myself. In and of itself it doesn't save me any money, but I'm far more conscious now about what are the expensive things to run, and the stand-by switches and all that, as a result of having it. So, I am saving money. Is that something that the Government is working with the energy

companies on?

[39] **Carl Sargeant:** Well, as I say, I've asked for a meeting with the energy companies and I'm awaiting the responses from them. The whole issue of energy, climate change and effect is a conversation that we need to engage people more on. The fact is that people don't do switching on a regular basis—one, because they perceive it to be complicated and, two, they just don't do it, actually, when they could save money. I don't think that's really very—. I think people should be helped in that process, but actually I think there's a duty on the operators as well to say to people why they're charging tariffs at this level when Mr X or Mrs X clearly aren't using that amount of electricity. What the deal is between the consumer and the delivery unit? I don't think we've got that right yet.

[40] **Alun Ffred Jones:** Briefly, Antoinette, and then William.

[41] **Antoinette Sandbach:** Minister, Arbed has a self-reporting element from recipients of the scheme on whether or not their fuel bills have fallen after the Arbed intervention. Why is it, then, that you or your officials believe that to apply the same criteria to Nest would lack the assurance and be unpredictable? The criteria apply in Arbed; why won't you also apply it in Nest?

[42] **Carl Sargeant:** Maybe the letter, perhaps, wasn't clear. We do apply a self-reporting process; it just depends what you mean by self-reporting. What we understand by that and what you understand by that may be slightly different. We have a mechanism to test the system around Arbed and Nest, but what is it that you're actually seeking we do?

[43] **Antoinette Sandbach:** Well, it's quite clear that people should be able to say whether or not the intervention that they've had has actually impacted on their ability to pay their bills and whether or not they've actually seen a reduction in their bills.

[44] **Carl Sargeant:** We do that, Chair.

[45] **Alun Ffred Jones:** With Nest as well?

[46] **Carl Sargeant:** Yes.

[47] **Antoinette Sandbach:** Is that a recent—

[48] **Carl Sargeant:** I'm not aware that that's a recent review. It's a fact that—

[49] **Alun Ffred Jones:** Can you give us a note on the scheme that allows you to do that, so that you can show—

[50] **Carl Sargeant:** I think that the word 'self-reporting' is very broad in terms of what that could mean. We'll clarify what we think we mean by 'self-reporting' around both schemes.

[51] **Antoinette Sandbach:** Could I just pursue one other matter, which is the fuel poverty advisory group? All the stakeholders and the energy companies have said that they would see real value in that group being re-established. That evidence has been crystal clear to us as a committee. I know that you say that it has limited added value but given, for example, issues around data sharing, targeting premises, identifying hard-to-treat homes, why is it that you think that it has limited added value?

[52] **Carl Sargeant:** For the reasons that I've articulated to you in correspondence. I think the group, as an advisory group, provided some, but little, supporting evidence to that. It

doesn't prohibit those groups still working together to give me advice outside of that forum, but I don't see at this point in time that we need to introduce particularly around fuel poverty. I think the issue for me is that poverty is a cross-cutting theme for all of Government. It sits currently within my department on fuel, but actually the Minister responsible for the overarching issues around poverty is Lesley Griffiths. She manages this whole process very well. It's okay shaking your head—we may disagree, but you asked me for a response.

[53] **Alun Ffred Jones:** No, it's just that, in many other areas, the Government uses advisory committees by the legion. I just wondered what the thinking is behind your decision not to have it.

[54] **Carl Sargeant:** Of course. I always welcome advice, and I welcome advice from groups. It's what the quality of that advice is. I think the process of the committee wasn't structured very well in that it was more of a scrutiny process than an advisory group. I think, actually, we can gain value from advice from a plethora of organisations across Wales, which we would welcome. I just don't think that forum worked very well.

[55] **Alun Ffred Jones:** Diolch yn fawr. **Alun Ffred Jones:** Thank you very much. I Rwyf am symud ymlaen at ffracio. Pwy sydd want to move on to fracking. Who wishes to am arwain ar hwn? lead on this section?

[56] Mick to begin.

[57] **Mick Antoniw:** Minister you recently issued a statement on—[*Inaudible.*] Can you outline the exact position of the Government on this issue?

[58] **Carl Sargeant:** There is a slight complication, Chair. The policy advice on fracking rests with the Minister for Economy, Science and Transport. So, there are things that you may wish to ask the EST Minister. You're absolutely right in terms of planning, if you're referring to the planning process, but the policy objective rests with another Minister.

[59] **Mick Antoniw:** Okay, if I focus on the planning issue, then, in terms of the current strategy of the Government with regard to planning applications.

[60] **Carl Sargeant:** The moratorium announced by us about three weeks ago was a directive sent out to local planning authorities, whereby they have to inform me of any planning application that comes into their department for the operation to frack gas, for exploration. On that basis, then, we would be the determining body.

[61] **Mick Antoniw:** Is there any reason why this hasn't been applied also to drilling for that potential purpose?

[62] **Carl Sargeant:** Yes, there is. The reason behind that is the borehole exploration process. We believe that it's not unique just to the fracking process; it's used in many other instances as well, for land exploration, and therefore we don't believe that it's appropriate to include borehole exploration as well.

[63] **Mick Antoniw:** Minister, you've seen the announcements from various directions, and there's almost unanimity now that the issue of licensing should be devolved to Wales. Do you think it would be appropriate to approach the UK Government in order to suspend any further licences until that process has been completed?

[64] **Carl Sargeant:** I think there's a key marker coming up in the next few weeks, I would suggest, where there is a clear difference in policy objectives in Governments, and they will make their choices through their manifesto commitments. I'm not here to be overtly

political, Chair, but it does remain that there are different policy objectives for the different parties. You will fully understand the Labour Party's position: they will devolve the licensing process to Wales, subject to a successful election for themselves. But, I think that, whichever Government is in power post May, there should be a process that should continue. Either way, I believe the licensing process should be devolved to Wales, for completeness.

[65] **Mick Antoniw:** The issue of shale gas and, as a fossil fuel, its contribution, you say is obviously in another ministerial portfolio, but can I just ask around that, as far as the moratorium is concerned for the moment, what is the longer term position of the Government on that? How long is it likely to be sustained for and what are the parameters of that moratorium?

[66] **Carl Sargeant:** Well, again, there is some overlap on the policy objectives, which is for the EST Minister, but in terms of the planning proposals, we will consider each and every one of them as they are applied for, without predetermination. Therefore, we'll have to wait and see what applications come forward, if any.

[67] **Mick Antoniw:** Can I focus on one other area—which, coincidentally, arose and was a recommendation from this committee, I think, two years ago in its energy report—as to whether there would be clarification needed in respect of the planning process? Is this something that will be given consideration, or is there a fixed view of the Government on this?

[68] **Carl Sargeant:** Just for clarity, is the Member referring to a technical advice note, or something?

[69] **Mick Antoniw:** Yes, guidance, and also the guidance issued in respect of how to deal with any specific applications that do come in due course.

[70] **Carl Sargeant:** Well, I think I've been pretty clear in terms of my directive to local authorities. In determining the application, they will have to inform us of any application that comes through. On that basis, it is highly unlikely that any local authority will be determining an application that is made to them in that process, and therefore guidance for them is little required.

[71] **Mick Antoniw:** So, presumably, guidance will also be tied in, I suppose, with the development of the policy position on fossil fuels. So that's obviously a debate for another time. Okay, thank you, Chair.

[72] **Alun Ffred Jones:** A oes unrhyw un arall eisiau dod i mewn? Llyr. **Alun Ffred Jones:** Does anyone else want to come in? Llyr.

[73] **Llyr Gruffydd:** You used the word 'moratorium', Minister, in your answer. Are you saying that you've now introduced a moratorium, because previously you've been telling us that you didn't have the power to do so?

[74] **Carl Sargeant:** I thought the Member would welcome my announcement three weeks ago that there would be a moratorium in Wales.

[75] **Llyr Gruffydd:** Indeed, but could you answer my question?

[76] **Carl Sargeant:** Yes. I think I did. I said that I thought the Member would welcome my announcement of a moratorium in Wales.

[77] **Llyr Gruffydd:** I certainly welcomed the announcement of a notification direction.

You have just described that as a moratorium, in your answer previously. Could you confirm, therefore, that you have the powers to introduce a moratorium?

[78] **Carl Sargeant:** The moratorium is on the basis of a direction that has been issued to local authorities in order for them not to be able to determine an application.

[79] **Llyr Gruffydd:** So, is that a 'yes'?

[80] **Carl Sargeant:** I thought my answer was clear.

[81] **Llyr Gruffydd:** Well, it wasn't I'm afraid. Could we please have a straight answer, Minister?

[82] **Carl Sargeant:** Which bit wasn't clear?

[83] **Llyr Gruffydd:** Whether you believe that you, as a Government, have the powers to introduce a moratorium. 'Yes' or 'no' will suffice.

[84] **Carl Sargeant:** We have the powers to issue a direction to local authorities in order for them not to make a determination.

[85] **Llyr Gruffydd:** Are you describing that as a moratorium, then?

[86] **Carl Sargeant:** Yes, I am.

[87] **Llyr Gruffydd:** So you do believe that you have the powers to introduce a moratorium.

[88] **Carl Sargeant:** If that is your view on—

[89] **Llyr Gruffydd:** I'm asking for your view, Minister.

[90] **Carl Sargeant:** I think that's very clear in what I've said.

[91] **Llyr Gruffydd:** Well, I don't think it is, I'm afraid, Minister, and many other people are unclear as well. The level of correspondence I've had with people wondering whether your description of a moratorium actually tallies with other people's description of a moratorium is creating a great deal of confusion. You have previously told us that you do not have the power to introduce a moratorium. Are you now saying that something has changed?

[92] **Carl Sargeant:** Our policy objective—

[93] **Llyr Gruffydd:** I know your policy objective.

[94] **Carl Sargeant:** If you'd like me to answer the question—

[95] **Llyr Gruffydd:** I would most desperately, yes; I've asked about seven times.

[96] **Carl Sargeant:** May I answer the question, Chair, without being interrupted? That would be really helpful.

[97] **Alun Ffred Jones:** Yes.

[98] **Carl Sargeant:** I have been very clear in terms of issuing directions to local authorities. I believe that you have a copy of that direction. If you haven't, I'm more than

happy to prepare that for you. They are now in a position where they have to inform me of any application that is presented to them in order for me to determine whether they make the application process valid or not. It is my intention for them to be considered by my department and not by the local authority, therefore, local authorities do not have the process whereby they can pass an application for fracking. In my view, that is a moratorium.

[99] **Alun Ffred Jones:** So that I can be clear in my own mind: that would allow you to make a decision to allow it.

[100] **Carl Sargeant:** Yes, that could be the case, without prejudging any application, which you do understand.

[101] **Alun Ffred Jones:** Of course. Is that a moratorium? Sorry, I'm just wondering aloud.

[102] **Llyr Gruffydd:** I just want to ask then, if we're not using the term 'moratorium', or if we are, do you believe that—if you do call the decision in or if you do deliberate and a decision is made either to approve or decline—that could be the subject of legal challenge, if a decision is taken to refuse an application that isn't based on existing planning policies?

[103] **Carl Sargeant:** All decisions are open to legal challenge, irrespective of fracking or otherwise.

[104] **Alun Ffred Jones:** Andrew R.T. Davies.

[105] **Andrew R.T. Davies:** I'm more baffled now than when I came into the room.

[106] **Carl Sargeant:** I'm not surprised.

[107] **Andrew R.T. Davies:** It's a serious point. In my own electoral region, this is a huge issue—in the Llantrisant area and in the Vale of Glamorgan. I have been imploring the Government to issue guidance to local authorities that would strengthen their position. The Vale of Glamorgan Council turned an application down and lost £30,000 at appeal based on the technical advice notes that you say will still be used to determine these applications, because you've clearly indicated in your evidence this morning that you're not going to change that advice. The only decision you've taken is that these applications need to be referred to you for determination, but they will be determined on the existing technical advice notes, which have been upheld at inspectorate appeals. So, I'm not quite sure how you can say that's a moratorium. I hope you can confirm that it is a moratorium, but if I were a developer, I would say that you're open to challenge.

10:00

[108] **Carl Sargeant:** I'm glad the Member's asked me to clarify these questions. They are really important to constituents whom he represents and many across Wales. Let me be very clear: there is a process here, and the Member will be fully aware of this. The ideal situation would be for his Government in the UK to passport the licensing regime to Wales. That's the ideal situation, where no licences will be issued. Under the current regime, where they are issued in England by the UK Government, we have to then comply with that process. However, I have been very clear and I issued a directive three weeks ago to planning authorities on where they will not be able to determine an application. I believe that is very clearly a moratorium, despite the interpretation made by others. I am very clear that, on that basis, an application will then be presented to my department for determination. Without prejudice, I cannot go into any particular potential sites, as that may pre-judge the application.

[109] **Andrew R.T. Davies:** But, Minister, the large part of south Wales is already

licensed. It was licensed in 2008 by the previous Labour Government. Those licences already exist. So, are you saying that the Welsh Government, if it gains the power over licensing, will rescind those licences and ultimately open itself up to compensation?

[110] **Carl Sargeant:** We cannot rescind the licences, Chair, just for clarity.

[111] **Andrew R.T. Davies:** So, you can't do that. So, we accept the licences that exist cannot be rescinded. Therefore, huge areas of south Wales have those licences in place. Therefore, they are open to have applications, i.e. planning applications, made to local authorities based on the technical advice notes that you have put out as a Government, which have been successfully challenged at appeal and have lost local authorities considerable sums in costs. The only change I can see that you have put forward is to say that local authorities have to refer to you the application. But you then—because you're saying you're not predetermining these applications—will determine the applications based on the technical advice notes that they historically have used. If you use any other mechanism, you will find yourself open to challenge and cost. Am I correct in saying that?

[112] **Carl Sargeant:** You're wrong. You're incorrect. *[Interruption.]*

[113] **Alun Ffred Jones:** Hold on.

[114] **Carl Sargeant:** You're incorrect because we have had no applications for fracking in Wales at all. The application the Member refers to is a borehole process, which is completely different from a fracking application.

[115] **Andrew R.T. Davies:** But it's the precursor to fracking: you need to do the test drill first.

[116] **Carl Sargeant:** Absolutely not. As I said to you earlier, there may be an indication by a company that may be keen to exploit the fracking potential, and that may be their interest, but the borehole procedure can cover many things, from land exploration, water, gas and many other activities surrounding that. We have had no application for fracking in Wales. So, you're incorrect in what you said before.

[117] **William Powell:** Morning. I was very heartened to read the tweet that you posted on Friday, 13 February on these very matters, just in the run-up to the Labour conference. My initial reaction, as I said, was extremely positive, but there are concerns out there regarding some of the detail here, with regard to how this is possible without you prejudicing your quasi-judicial role, which obviously is always a matter of concern. One other issue that I'd like to raise with you, however, relates to the issues that Mick Antoniw and Andrew R.T. Davies have raised with regard to the technical advice notes and the need, as seen by many in the sector, for Welsh-specific guidance. It is supported by the Labour-led WLGA. It's the subject of a live petition to the Petitions Committee, as Joyce and I are very aware of, brought forward by Friends of the Earth Cymru. Underlying that, is there a problem currently with the level of expertise available to Welsh Government within the planning directorate, given the very specific technical issues here and the lack of expertise or previous experience we have in this field? I'd welcome any reassurance that you or your officials could give in that regard.

[118] **Carl Sargeant:** Certainly. As you'll be aware, the planning Bill is moving forward. They are linked. This is about ensuring a planning system that's fit for purpose for the future, resilience of service, quality of service and expertise. That's something that we're pursuing through the planning system. With regard to this particular issue, I'm confident that we do have the skills within my department and within the Planning Inspectorate on a UK basis that will give us the necessary skills to determine any application subject to that coming forward. As I've said, we haven't any live fracking applications here in Wales. With regard to the

WLGA and further advice that's required for them, I don't see that necessary at this current position, because they will not be determining any applications in that process.

[119] **William Powell:** I'm grateful, thank you.

[120] **Alun Ffred Jones:** Jeff, did you want to come in on this?

[121] **Jeff Cuthbert:** Yes, if I could. Shale gas is not unconventional gas; it's a naturally occurring gas. What is unconventional, of course, is fracking, which is the method of extraction. So, has consideration been given to, or are you aware of scientific evidence of, other methods of extraction that may be safer, because I don't think we can rule out the value of shale gas in terms of the economy as such? It's the method of extraction that causes the problems. Once the Well-being of Future Generations (Wales) Bill is in force, that, of course, looks for balance and the greater good in terms of the economy, the impact on communities and the environment. Is there likely to be any change that you envisage in terms of the consideration process for any future applications that may come in to extract shale gas?

[122] **Carl Sargeant:** I think there are always advancing technologies in terms of exploitation of gas and minerals and I can't pre-determine anything longer term about what that may or may not mean. I think what I can do on the current position of our Welsh Labour Government policy is be very clear in the direction of the letter I've sent out, in that any determinations should be fully considered by myself.

[123] **Alun Ffred Jones:** I'm looking at the clock, and we're not proceeding very quickly, but there is a reason for that, so I'm going to allow two other very brief questions. Andrew R.T. Davies and then Mick Antoni.

[124] **Andrew R.T. Davies:** I hear what you said to me in response, Minister. I know for a fact that, in the Vale of Glamorgan, there are four planning permission approvals given for the test drilling for unconventional extraction techniques, such as fracking and shale gas extraction. They have been approved by the Vale of Glamorgan, they have. That is a fact. Given that they're approved now and there has been, accepting your words today, a shift in Government policy, another organisation that you have direction over, which is Natural Resources Wales, once the application is approved obviously will have a considerable role in the licensing of those test boreholes. Will you be issuing guidance to Natural Resources Wales that will try and move the situation to the ground that you have for new applications, which is to prevent this type of exploration for gas at the moment here in Wales? On the current guidance, with those planning permissions in place, then those wells will go ahead.

[125] **Carl Sargeant:** That's not correct either, Chair. The Member is incorrect. The applications that I believe the Member is talking about are about exploratory boreholes. There is a separate procedure completely for the process to move to the next stage of fracking, in terms of that process. The Member is right with regard to NRW and the permitting processes. They are very keen to ensure they work on a precautionary approach to any application. The Member must be clear that they are two separate processes.

[126] **Andrew R.T. Davies:** No, and I take that point, but if that—

[127] **Alun Ffred Jones:** *[Inaudible.]*

[128] **Andrew R.T. Davies:** This is important, chairman, if I may, please. If those wells were to come in to full-time use, yes, I accept they would have to have another planning application. But what I am saying is that, to exercise the planning permission they have for the test drilling, they require certain licences from NRW—to undertake the test drilling. Now, will you as a Minister be directing NRW the same way as you've directed planning

authorities to take a different view to what they've historically taken?

[129] **Carl Sargeant:** No. As I said earlier, I thought—and I'm sorry if I wasn't clear enough—with regard to the separate element, the direction letter applies to the process of fracking applications, not to the process of borehole exploration, which could be used for any number of uses in terms of exploration.

[130] **Alun Ffred Jones:** And for clarification, only if the local planning authority is minded to approve that, that is what your direction is about, isn't it?

[131] **Carl Sargeant:** The direction is—can I just ask Neil for clarification on the wording of that?

[132] **Mr Hemington:** On clarification of the wording, as you know, the direction came into force on 16 February. It is a direction that requires local planning authorities to notify us where they are minded to approve the application.

[133] **Alun Ffred Jones:** When they are minded to approve the application. Okay. Mick, very briefly.

[134] **Mick Antoniw:** Part of the confusion seems to come from the fact that there are splits in, I suppose, ministerial responsibility: one on the policy side with regard to energy, and secondly with regard to the technical aspects of planning. Do you have any views as to how that needs to be resolved? Because what we do need is a consistent link between both policy and the actual operational side.

[135] **Carl Sargeant:** I don't accept that it's not clear within the departments, between Edwina Hart's and mine. We know exactly where the demarcation lines are. I work purely on the basis of the policy given to me and the policy instruction, and we will act on that in terms of planning. There may be a view in committee as regards where that policy should lie, but it is very clear within the department.

[136] **Alun Ffred Jones:** Thank you. It's perfectly obvious that this is not a debate that is finished here, but, for this morning, I think there are other areas we need to explore. We're already shot, really, in terms of trying to go through the programme. [*Laughter.*] So, can I appeal for questions to be brief and succinct—and the Minister also, but questions, please? So, I'm moving on to marine matters. Antoinette.

[137] **Antoinette Sandbach:** Minister, in June 2014, Welsh Government said that they would publish an update of the marine and fisheries strategic action plan within six months. That plan hasn't been published. When is it going to be published?

[138] **Carl Sargeant:** I'm hoping to publish it towards the end of this month/early next month.

[139] **Antoinette Sandbach:** You accept that there's then a three-month delay. Okay. Well, I'm grateful for that. In relation to the joint statutory instrument to implement common fisheries policy, you were going to work with DEFRA to develop that, and I understand that a draft Order was submitted to the European Commission on 25 June 2014. When is that Order going to come into force? It was due to come into force in November 2014, but we still don't have it, and I believe there's a three-month standstill.

[140] **Carl Sargeant:** Could the Member be more specific in terms of which directive the Member's talking about? I'm afraid I'm not—

[141] **Antoinette Sandbach:** The marine and fisheries strategic action plan states that the Welsh Government will work with DEFRA to develop and publish a joint statutory instrument to implement the common fisheries policy.

[142] **Carl Sargeant:** Okay, I will ask my senior fisheries director to talk you through that process.

[143] **Mr Slade:** Is this in relation to historic rights, and small boats coming into the 0 to 6—

[144] **Antoinette Sandbach:** Yes.

[145] **Mr Slade:** Okay. That's now part of the technical standards directive standstill that you referred to, but at the same time the Commission have just published some draft proposals for management of bass fisheries. We now need to take account of those in how we move forward with the historic rights issue. We hope that the Minister will be in a position to say something more about that in the next few weeks, but right at this point in time, we're still in discussion with UK colleagues and the Commission about that.

[146] **Antoinette Sandbach:** So, is that going to mean that there's another three-month standstill, and you're going to have to put forward a new statutory instrument, then?

[147] **Carl Sargeant:** Quite possibly. We are unclear on that process.

[148] **Antoinette Sandbach:** Can't you proceed on the basis of the one that you've already submitted, which has passed the technical detail, and then update it as required?

[149] **Carl Sargeant:** I will write to the committee on that. I'm not sure on the legal advice around that, Chair.

[150] **Antoinette Sandbach:** Stakeholders have described your plan for a national marine plan by the end of 2015 as 'ambitious'. When are you anticipating that the Wales national marine plan will be adopted?

[151] **Carl Sargeant:** The marine plan? We're looking towards November, is it?

[152] **Mr Slade:** Yes, Minister. We will be in a position to publish a framework plan for consultation at the end of the year. As the committee will be aware, some of the issues to be covered by the national plan are actually matters of UK competence, at least at the moment. They relate to matters such as defence, large-scale energy projects, and offshore marine conservation. So, whatever we come up with is going to have to be part of a consultation process with the UK as well as here within Wales. But that's the timetable.

10:15

[153] **Alun Ffred Jones:** Joyce, did you want to come in?

[154] **Joyce Watson:** I wanted to come in on the back of asking the Minister whether—. There's been an announcement on the devolution of responsibility for marine conservation in Wales. We know that that was held up pre-Silk agreement. Have you any idea, Minister, when you are going to be able to make a decision on whether you're going to proceed with the sites that have been proposed by DEFRA for the Welsh offshore waters?

[155] **Carl Sargeant:** Of course. You'll be aware certainly of our keen interest in marine conservation and the recent announcement of the added value around Skomer island, which

is, again, welcomed. I think what we've got to do is look at when the powers are devolved and give that further consideration around the DEFRA map, effectively. The key element to this is having the licensing devolved to us, and, when that happens, I'll be in a better position to confirm or otherwise which areas we will be preserving.

[156] **Joyce Watson:** Can I just follow up? Has the UK Government given you any indication at all of when that's likely to happen? I think that people are confused here. There are two players in this, and you can only do what you're empowered to do, and I think that's causing some of the confusion in other questions.

[157] **Carl Sargeant:** Effectively, it links back to what Antoinette was saying about the pause in regards to where these powers lie and when they are going to be devolved. But the issue around—. We do currently have a review of protected areas around Wales, which we believe is again adding value to that discussion. We just have to wait until the pause effectively comes off and we have the powers devolved and then I'll be in a better position to answer the question the Member asked.

[158] **Joyce Watson:** Thank you.

[159] **Alun Ffred Jones:** Antoinette.

[160] **Antoinette Sandbach:** Is the environment Bill going to deal with the marine planning process, or is that going to be dealt with in the Planning (Wales) Bill? It seems that the planning Bill is mainly terrestrial rather than marine. And given that the offshore area, in terms of planning, is as large as the terrestrial area, where's that going to be dealt with?

[161] **Carl Sargeant:** Yes, there is an interface between the Planning (Wales) Bill and the environment Bill in terms of terrestrial to the low or high-water mark—the low-water mark.

[162] **Mr Hemington:** The planning regime at the moment extends to the high-water mark and marine planning is already covered in UK Government legislation, which applies for Wales, I believe.

[163] **Antoinette Sandbach:** So, you're not planning to deal with marine planning in a Welsh Bill?

[164] **Carl Sargeant:** Not in isolation, no.

[165] **Antoinette Sandbach:** When is the UK operational programme for the European maritime and fisheries fund likely to be approved?

[166] **Carl Sargeant:** We're looking towards the end of the year, but maybe, if we can get that before then, then that will be, again, another statement that we will make.

[167] **Antoinette Sandbach:** Have you had an indication of what Wales's allocation will be out of the UK allocation?

[168] **Carl Sargeant:** Around 8.5%.

[169] **Antoinette Sandbach:** And are you happy with that?

[170] **Carl Sargeant:** We think we've done fairly well.

[171] **Antoinette Sandbach:** Okay.

[172] **Alun Ffred Jones:** In last week's sessions with NRW and stakeholders, the impression we got was that there was an area of confusion around the whole marine issue, and that there was a need to prioritise the work programme. This came out very, very clearly and I could say that NRW and the stakeholders were in agreement on this. Do you agree with that, and, if so, when are you going to prioritise the programmes—the work that needs to be done?

[173] **Carl Sargeant:** I think it is fair to say, when I came into post around six months ago, the marine element of the department was challenged in terms of the activity that they were being asked to do, because of EU legislation and transfers of licensing and work ongoing. I have discussed that with my team and how we're going to manage to deliver on all the aspects of that; I'm confident we can. But it is about working with partners and we are also setting up a group working with NRW to see how we can bring expertise together from my department and NRW, so that we're not duplicating work, to build on some of the marine planning activity around there. It is challenging, but I'm confident that we can manage that.

[174] **Alun Ffred Jones:** Could you produce some sort of timetable, and even a map, for us to understand what's happening when and where?

[175] **Carl Sargeant:** Of course. We will be making reference to the marine action plan in terms of the detail, but I'm happy to write to committee in terms of further detail.

[176] **Alun Ffred Jones:** Diolch yn fawr iawn. A gaf symud ymlaen, felly, o ran y cynnydd o ran newid yn yr hinsawdd? Llyr Gruffydd sy'n arwain ar hwn.

Alun Ffred Jones: Thank you very much. We'll move on, then, in terms of progress on climate change. Llyr Gruffydd is leading on this section.

[177] **Llyr Gruffydd:** Thank you. Minister, I was just wondering if you can give us an overview, really, or an update on the progress that you're making in identifying particular areas within devolved competence where you believe we can seriously accelerate and improve our actions to tackle climate change.

[178] **Carl Sargeant:** Yes. Thank you. I will be making a policy statement tomorrow on that, following my previous statement that I made in December. This is a huge challenge to not only Welsh Government, but, I think, Governments across the globe, and I know the Member is a huge advocate of pushing this agenda as hard as he possibly can.

[179] I think what we've—. What I'm trying to do now is ensure that my colleagues recognise this as a Government response to climate change, as opposed to a Minister responsible for the issues around climate change, pushing that out into the broader public sector, again, to see what the footprints are and how they can be reduced in terms of the negative footprints around the public sector at large. Then, again, using the tools that we have, such as the sustainable development charter, et cetera, to work with private organisations to see how we can encourage them more—without legislation, currently—to develop positive actions that will benefit the effects on climate change.

[180] Longer term, we have the environment Bill moving forward, as the Member is currently aware of, too. So, we are, I believe, quite busy in terms of trying to turn this ship to ensure that we're going in the right direction.

[181] **Llyr Gruffydd:** Thank you for your answer. It sounds to me as though the policy statement that you intend to make tomorrow seems quite significant. Could you explain to us—. I understand that you were initially intending to make a statement to the Assembly today. Do you believe that maybe such a statement would be more appropriate made to the Assembly, as opposed to an external organisation?

[182] **Carl Sargeant:** Of course, with the greatest respect to colleagues of the Assembly, it's just the timing of the statement; it just wasn't ready for today to make, but it will be ready by tomorrow.

[183] **Alun Ffred Jones:** It won't be ready for today, but it'll be ready for tomorrow.

[184] **Carl Sargeant:** That's correct, Chair. That is correct; you heard me right.

[185] **Antoinette Sandbach:** So, is that what you told the Presiding Officer, or what was informed to the Presiding Officer, as to why the statement wasn't being presented to the Assembly today?

[186] **Carl Sargeant:** It seems that the original question started about the effects of climate change, as opposed to the statement, Chair, but I'm more than happy to have a discussion about where and when the statement will be made. The statement wasn't at the time—. For today, we don't believe that it was ready for issuing, and we will be issuing it tomorrow. As Members will know, I'm more than happy to take questions on the statement, or, indeed, make a further statement to the Chamber, as appropriate. It's not prohibited of Members to raise questions at any time of the process. I don't believe there is a procedural issue where statements shouldn't be issued outside of the two-day spectrum of the Assembly.

[187] **Antoinette Sandbach:** Well, when—

[188] **Alun Ffred Jones:** Okay. Can we move on to policy areas?

[189] **Andrew R.T. Davies:** Can I just come in—[*Inaudible.*]—very briefly on that point, because I think this is important? Where's the statement being made?

[190] **Carl Sargeant:** It will be made to, issued to, the Assembly.

[191] **Andrew R.T. Davies:** So, it's not a press event, or anything, then?

[192] **Carl Sargeant:** There may be some press activity around there.

[193] **Andrew R.T. Davies:** So, they can do press activity, but the statement's not ready for us. I think that—

[194] **Carl Sargeant:** I will be issuing—. Chair, if I can just clarify that, it's an important process. I will not be issuing the statement as a press activity; the statement will go through the normal procedures of the Assembly, where it will be issued to the Assembly.

[195] **Andrew R.T. Davies:** After it's in the *Western Mail*.

[196] **Antoinette Sandbach:** Minister, do you think it's regrettable that you have a scrutiny session on your progress on climate change, when you have promised to do the refresh—the climate change refresh was promised on 10 December 2013, and, on 21 October, you made an oral statement announcing your policies for the climate change refresh to the Assembly, and yet, for your scrutiny session today by this committee, you claim that you couldn't get your statement ready so that we could question you on it, particularly in circumstances where Wales has made so little progress on its climate change targets? Are you saying it was impossible for your civil servants to prepare your statement today in order for us to have it in time for the scrutiny session?

[197] **Carl Sargeant:** I can't wait for the tweet, Chair, from my colleague to see what that says next. The issue for me will be about the fact, being very clear, that the statement will be

made tomorrow, Chair. We have made a statement through the Business Committee to the Presiding Officer. I do not regret the process taking place, and decisions are not made by my civil servants. They are made by me.

[198] **Alun Ffred Jones:** Does anybody else want to come in on this? Jenny Rathbone.

[199] **Jenny Rathbone:** I just want to focus on the really challenging issue, which is how we improve on our tackling climate change, because the annual report that was published in December indicated that we're not meeting the targets that were set. Peter Davies says very clearly we need to

[200] 'scale up retrofit programmes and maximise our opportunity for renewable energy.'

[201] Now, particularly on the latter, progress has not been demonstrable. The number of windfarm applications that have just gone nowhere and companies have walked away from Wales—. How are we going to actually improve on our performance at the moment?

[202] **Carl Sargeant:** I share some of the concerns the Member raises. I think our performance across the board could be better. That's why I've tasked my team on action looking at how we can work across Government better, not just in Welsh Government, but beyond in the public sector too. These are actions that we have to take very seriously, as there is huge potential to get this wrong in the long term. I think what we're trying to do, and part of the whole narrative around the Well-being of Future Generations (Wales) Bill, is about the actions that we consider and take choices on; that'll be part of this process too about making sure that we make the right choices for the right reasons. But this is a very difficult issue. I've said very publicly that I think what we have to consider is how we balance the effects of the environment and the economy, and they can be complementary as opposed to opposite each other. I think we should think very carefully about that. The Green Growth Wales fund that we've announced—a £5 million catalyst to start that off, with huge potential moving forward—should help us move further in the right direction, but progress is slow.

[203] **Jenny Rathbone:** You've called in decision making on fracking to your post. At what point might you call in decision making on wind energy, because, at the moment, it's stuck in very small but very vocal interest groups opposing something that could benefit communities.

[204] **Carl Sargeant:** The planning Bill will—. There's the potential to deal with that with the developments of national significance; that could be the answer to the question the Member poses.

[205] **Alun Ffred Jones:** A number of you are wanting to come in now. I'm not quite sure what exactly you're—. So, I'm going to just hope for the best. William Powell.

[206] **William Powell:** Diolch, Gadeirydd. Thank you for your indulgence. Minister, I am grateful for your candour in response to Jenny Rathbone's question with regard to the need for us to raise our game on this most important of issues. Can I ask whether you and your officials are familiar with the work on the Zero Carbon Britain study that has been undertaken by the Centre for Alternative Technology in Machynlleth? It was my privilege a couple of weeks ago to have a series of meetings with the new chief executive, Adrian Ramsay, and his colleagues, and I was very impressed indeed with the quality of that work. I wonder whether, at some future time, subject to diary pressure, it would be of value for you to meet with some of the authors of that report, which has been very well received, and also, potentially, to learn more about the work that that centre does in delivering the actual people who are at the front line in the fight against climate change, such as plumbers—

[207] **Alun Ffred Jones:** Brief questions please, and brief answers.

[208] **William Powell:** —and electricians and others, who are able to deliver precisely what Jenny Rathbone raised with regard to retrofit.

[209] **Carl Sargeant:** I have not met them, but I understand that my team have had interface with them, and they are part of the commission, I understand. It is something that I will take seriously—the Member’s suggestion with regard to meeting them.

[210] **Alun Ffred Jones:** Joyce Watson.

[211] **Joyce Watson:** A brief question: in terms of climate change and emissions, Minister, have you got a very keen eye on the new proposals for alternative energy, and that is, of course, wave energy—I’ve asked the question that way because you might have to make some decisions—in terms of reducing, or the potential to reduce, carbon emissions?

10:30

[212] **Carl Sargeant:** It’s a very important process for low-carbon. Zero-carbon energy creation is something that we’re keen to pursue. I’ll probably leave it at that in terms of application, but it’s something that we are very keen to embrace and welcome to Wales.

[213] **Alun Ffred Jones:** Diolch yn fawr. Julie Morgan.

[214] **Julie Morgan:** Minister, you had a very successful launch on Monday in the millennium centre. Obviously, climate change is an absolutely key issue to the public. I think that it was the issue that was most important to everybody.

[215] **Carl Sargeant:** It was.

[216] **Julie Morgan:** I think that, through the future generations Bill, you’re planning to address the future of the generations. So, it’s really: what can you do to up the feeling that the public are able to do something themselves about this issue and to get local champions, which I know you’re thinking of doing? Can you tell us what progress there’s going to be over that so that it can be a sort of burning issue in the forefront of people’s minds in Wales?

[217] **Carl Sargeant:** Indeed. Let me place on record my thanks to Peter Davies, the commissioner. The Wales We Want was an excellent event on Monday: over 7,000 people contacted and discussions around various issues, and the environment did come out at the top with regard to impact. I think I’ve said to committee before that it does concern me about Governments legislating around this and saying the things that people must do, but actually it’s really difficult to get the people to do them unless they’ve bought into that process. So, we’ve got to take people along that journey with us.

[218] I’m quite keen to engage more so in the school education programme. We’ve got eco-schools. We have the largest proportion of eco-schools around the whole of the world in terms of Wales’s proportion in that process. Again, something that we should be very proud of. They’re doing a great job, but I think that, with the environment Bill coming up very quickly now, we are doing some immediate work with schools now to promote the environment Bill, so that they understand about that, and then we’re going to be pushing out with the eco-school programme to engage young people about what that means for their community, for their country, and their impacts on the world. It is partly the responsibility of Government, but it’s actually the responsibility of all of us to make sure that we get this right. I think that we’ve got a key issue around messaging.

[219] **Alun Ffred Jones:** Llyr.

[220] **Llyr Gruffydd:** A simple question and a short answer will be sufficient. Do you believe that establishing statutory climate change targets for Wales would be a positive step in the action that we could take to tackle climate change?

[221] **Carl Sargeant:** I can't answer on a 'yes' or 'no' basis. I think that there may be some merit in doing that, understanding what they may be. It's a half 'yes'.

[222] **Llyr Gruffydd:** It's a half 'no' as well.

[223] **Alun Ffred Jones:** Right. I think, while I've allowed the questions to be fairly comprehensive—and I think we'll proceed on that basis—we're unlikely to get to the end of our programme of work this morning, so, possibly, we will ask the Minister whether he has available time at some later date. I think it's better to do that than to try to rush through the various topics because, obviously, they are vitally important and I think it's right that we devote some time to them. So, we'll move on to the next topic, which is the nature recovery programme. William Powell can kick off.

[224] **William Powell:** Sorry, the what?

[225] **Alun Ffred Jones:** Sorry, have I missed something?

[226] **William Powell:** There is the water issue that is indicated before.

[227] **Alun Ffred Jones:** Sorry. Okay, does anybody want to come in on that?

[228] **Julie Morgan:** I just wanted to—

[229] **Alun Ffred Jones:** Julie. Sorry. My fault.

[230] **Julie Morgan:** —pursue the issue again. I wanted to raise again my continued concern about the issues of water on Gypsy and Traveller sites where the occupants of the caravans pay about four times as much as the residents in buildings—houses. I know that the Minister has set up a group to look at this. I wondered if you could report any progress.

[231] **Carl Sargeant:** I haven't got any progress for the Member today, but again, Chair, I'm more than happy to write to the Member or the committee with the detail around an update on that.

[232] **Julie Morgan:** Do you think there's any hope of resolving the situation?

[233] **Carl Sargeant:** I've met the water companies recently in terms of their priorities and our priorities and how we can align them better: one is about quality; one was about cost, and driving through with them how that can be more effective. It is something that I hope the working group can give us some further advice on.

[234] **Alun Ffred Jones:** One issue around water: would you like to see further devolution on powers over water in general coming to the National Assembly? Would that be useful in terms of your portfolio?

[235] **Carl Sargeant:** It is extremely complex on the basis that there are overlapping issues around supply companies not being based in Wales and having consumers in both England and Wales, but I don't think it's prohibitive, and that's what we've said in Silk. I'd like the implementation of what we've responded to in Silk to be applied. That has not changed,

Chair.

[236] **Andrew R.T. Davies:** As well on water—and I think I'm in order in asking this question; it is this section—it's in relation to the increase in abstraction licences by NRW for water use and energy generation, and I think the proposal is taking it up from £135 to £1,500. By anyone's guess, that is a lot. That is a big chunk, that is. I know you're going to be consulted on it, I believe, Minister. I am just wondering what your views are on such a massive jump for a renewable product, if you like.

[237] **Carl Sargeant:** I've met with the customers and I've met with the consumers. I've met with NRW. I think there may be—. I've asked them to seek a solution with regard to scale versus cost, so it's proportionate. I think it isn't quite ideal at the moment, but I have asked for further work to be done on that.

[238] **Andrew R.T. Davies:** When might we have some more definitive proposals, Minister?

[239] **Carl Sargeant:** I can't give the Member an answer, date wise. I will look into that further and perhaps try and let the committee know.

[240] **Alun Ffred Jones:** We'd be very grateful. Diolch yn fawr. Right, William Powell, then.

[241] **William Powell:** Diolch, Gadeirydd. Minister, the consultation on proposals for the nature recovery plan closed, I believe, on 3 December last year. Can you give us an indication of when those responses are likely to be published by the Welsh Government?

[242] **Carl Sargeant:** We're looking towards April/May time, we think—around then. The strategy board on biodiversity have seen the draft documents and we're just waiting for some clarity. As soon as we can issue that—and it may be before then—we will do.

[243] **William Powell:** Minister, do you have any initial feedback from the Wales biodiversity strategy board as to their feelings about the consultations received? If we could just have a flavour of that.

[244] **Carl Sargeant:** The biodiversity strategy board is diverse. We have many views from them. We'll have to consider carefully the draft and their views on that. We're trying to ensure good governance processes with regard to how we best use finances to deliver on that, the RDP, et cetera, priorities for restoration of habitat, public engagement—all those things that feature within the report will be an important part of that. We'll issue that as soon as we possibly can.

[245] **William Powell:** Can we anticipate maybe a major focus at the Royal Welsh Show from the Welsh Government in terms of taking that to the next stage?

[246] **Carl Sargeant:** Quite possibly.

[247] **William Powell:** That would be appreciated. Thank you.

[248] **Alun Ffred Jones:** Are there any other questions? Antoinette.

[249] **Antoinette Sandbach:** It is on shoreline management plans.

[250] **Alun Ffred Jones:** No, we're coming to that now, aren't we? So, Joyce Watson is leading on it.

[251] **Joyce Watson:** I think I've got more shoreline than you have.

[252] **Antoinette Sandbach:** I doubt it. I have the whole of the north Wales coast. *[Laughter.]*

[253] **Alun Ffred Jones:** You are not precluded from asking questions.

[254] **Joyce Watson:** As a Member who has a real interest in shoreline management plans, Minister, as you know, covering all of that coast up to the north-west, just about, I am particularly interested in your approach to shoreline management plans and whether you have considered the coastal flooding review and the coastal delivery plan that was completed by NRW and taken account of those in forming your SMPs.

[255] **Carl Sargeant:** Yes, that's really important. I've said to the team about any documents we create, or are established, that we have to consider the data that are involved in that, and how they impact and influence other pieces of work. The shoreline management plans are really important pieces of data that identify not only solutions, but some high risks, too. They were delayed, but I think that was the right thing to do. The fact is that we needed to get them right, or NRW needs to get them right—and we believe they are. But, that gives us the route map for the future in terms of how and what we need to do on that. Moving off from that, though, of course, we will be launching the environment Bill, we think, around April. They will have a heavy influence in terms of the work that NRW do for the future as well in terms of their management processes, too.

[256] **Joyce Watson:** Can I ask you to explain how the new shoreline management plans will fit with the marine spatial planning proposals and the range of plans proposed under the planning and environment Bills?

[257] **Carl Sargeant:** Well, as I have just alluded to—

[258] **Joyce Watson:** How are they going to fit together?

[259] **Carl Sargeant:** The data have to work across all of the plans. We have to understand what the implications are and the duty of each of the plans. That will influence the decision of NRW on their land-based and sea-based assessments in terms of land management, which will feature heavily in the environment Bill, about how that's operated. But, all of those data, which are collated from the various different plans, will feed into the process of the environment Bill.

[260] **Joyce Watson:** Can I further ask, with your indulgence, Chair: when you're looking at your shoreline management plans, there's been a very heavy focus on property—I know that, and you are fully aware of it—have you also given serious consideration to some of the rail network? Have you engaged with rail operators, particularly on the stretch that I've just said that I cover, where there are serious issues, which were demonstrated very well last year—was it last year; yes, the beginning of last year—when large sections of the railway were seriously affected by climate change?

[261] **Carl Sargeant:** I think things have moved on considerably from where we were many years ago, when railway infrastructure and building infrastructure were created at what were deemed to be economically suitable places. I don't think we modelled very well then or, indeed, considered very well the impacts of sea breaches or just the flooding breach of an area. I think we understand that a lot better now. Unfortunately, there's a lot of controversy around that, too, because sometimes developers wish to develop in some of the most attractive places, generally overlooking the sea. There are some high risks there, and we have

to be very clear in terms of our determination and mapping.

[262] All of the developments and shoreline management plans interact with each other, and we have to be very clear about what we want for the future. I've already spoken to the Minister for finance and the Minister for Economy, Science and Transport with regard to future investments and making sure that we can futureproof the safety of them due to climate change and the impacts of flooding. The risks are just too high, and we should never underestimate that.

[263] **Joyce Watson:** Thank you.

[264] **Alun Ffred Jones:** We'll move on to building regulations. Jeff Cuthbert.

[265] **Jeff Cuthbert:** Thank you very much. We know that we've heard from developers about the additional regulatory burdens, such as the fire sprinklers—a measure that I support very much as I think they're a very important health and safety issue. What is your response to that? Do you have any plans to change building regulations in accordance with these complaints? What work are you planning to do to allow for off-site carbon abatement in Wales?

[266] **Carl Sargeant:** I thank the Member for his question; it was a very general question based upon one complaint about fire sprinklers. I've not had any complaints from the industry, other than sprinklers, regarding what would be deemed as an overly bureaucratic process of the building regs. Actually, I'm not sure if they mentioned to you the difference in the Part L recognition, where Wales didn't increase the Part L process in Wales, but they did in England.

10:45

[267] So, I don't accept there is an over-regulatory burden in the building regulations in Wales; it is a process that had cross-party support for introducing sprinkler provisions for buildings in Wales, and that will be happening in 2016. I met with house builders two weeks ago with Lesley Griffiths, the Minister for housing, to say to builders, 'Are you ready for that process?', because it's coming and it will be introduced in 2016. So, I don't accept that there is an increased burden in Wales because we have building regulations.

[268] If I may, the added value of Wales having its own building regulations gives us the flexibility to do things differently for the right reasons. It's not our intention currently to move away from the English system by far, but the fact is if we need to, we have the ability to govern ourselves.

[269] With regard to the off-site carbon abatement, of course, these are issues around the Infrastructure Act 2015 and how that interacts with us. We are committed to working within the framework that we have powers for to ensure that we get the best ability for offsetting as we possibly can, but it's something that we have to consider carefully as to the energy abatement orders and offsetting of carbon reduction as well; we have to balance that out as a whole as opposed to just individual applications. We've got to see the global impact that that may have, particularly, as we were talking about before, climate change and impact. We have to measure all of this as a whole.

[270] **Jeff Cuthbert:** Thank you for that, and I'm very reassured to hear that there's only one company that's raised the matter, so clearly it is not a matter of concern generally, and I'm very pleased that that is the case. Can I just ask you about any implications that you may have determined as a result of the announcement last week that building regulations for energy infrastructure will, in future, be the responsibility of Welsh Ministers?

[271] **Carl Sargeant:** Again, the announcements, of course, are interesting—the detail is the devil, as they say; we have to wait and see what that means. And we’ll just have to wait with interest, with the departments devolving these powers to us, about exactly what they do mean and what they don’t mean. When they’re clearer to us, we will be able to inform the committee.

[272] **Jeff Cuthbert:** Thank you.

[273] **Alun Ffred Jones:** Joyce?

[274] **Joyce Watson:** You won’t be surprised by my question, Minister. When you’re looking at planning and the effect on climate change, are you giving any further consideration to reducing surface water and preventing urban creep?

[275] **Carl Sargeant:** The Member will be aware we did make an announcement—I think it was about 18 months, maybe two years ago—regarding surface water drainage and a new directive around that. I’ve actually got a meeting with the Design Commission for Wales straight after this committee meeting. I think we have to be much more aware of our environmental impact in development. We’ve got some fantastic quality of design and build in Wales, which I think we should exploit on the basis that we’re a small country and we can do things differently. That’s why we’re saying the flexibility of the building regulations gives us the opportunity to do something different. My aspirations are for Wales to be a clever, green country. I think there’s a great opportunity for us there. This shouldn’t be seen as negativity—it actually should be seen as a really positive step forward—and I think the Member raises an important question that should be built into the design process upfront: understanding how communities work.

[276] **Joyce Watson:** Thank you.

[277] **Alun Ffred Jones:** You talk about a clever, green country, and, of course, one of the interesting and exciting developments has been the timber frame housing using Welsh timber, and there’s an excellent example in Dolwyddelan. Yet, that remains almost the only scheme of its kind in the whole of Wales. As I understand it, it was developed with expertise from Coed Cymru, Welsh universities and companies within Wales—private sector developers in Wales. So, why aren’t we seeing more of that kind of development throughout Wales?

[278] **Carl Sargeant:** My personal view, not a Government view, Chair, if I may have one of those, is the issue—

[279] **Alun Ffred Jones:** I’m sure you have many of them. [*Laughter.*]

[280] **Carl Sargeant:** My belief is that this is run by the market. The fact is that the big developers, in general, use conventional brick because it’s quicker; they’re more expensive, in general, and there’s more of a profit margin in them; and, again, consumer confidence in that process as well. When I was a housing Minister, I did look at this very carefully, about whether we should be, policy wise, instructing housing associations to only build in timber frame from Welsh manufacturers. I think there is a huge opportunity there, but I think when you look at the mass market, the majority of them continue to wish to work in brick.

[281] **Alun Ffred Jones:** Iawn, diolch yn fawr. **Alun Ffred Jones:** Right, thank you very much.

[282] Sorry, Jenny Rathbone first and then Antoinette.

[283] **Jenny Rathbone:** I think you've stated the case very clearly, but I'm afraid I want to point us back to the watering down of the regulations on carbon energy efficiency. By diluting the Part L obligations, aren't we building up problems for the future? I understand that that's because we need to get house builders to build houses because of a desperate need, but by watering down those carbon obligations, we are storing up further problems in the future. If we could, instead, promote housing built from Welsh materials, we would have cheaper housing that's more energy efficient.

[284] **Carl Sargeant:** I share that Member's view. The irony is I was the Minister at the time who introduced that piece of legislation, to reduce the issue around Part L. That was balancing the economy and the environment at that appropriate time. We believe there is a lead-in time for change. I think, on that process, while there has not been as large an increase as was proposed at the time, we will still be on track and I think there will be a catch-up period when it will just be a bigger step. When I talked to developers at the time, I said, 'This isn't going to go away; the fact that it won't be happening immediately doesn't mean that this will not have to happen; it just means that the leap will be bigger'. They were more comfortable with that because they said that they would be more solid in their financial base in order for them to get to that point of time. So, let's not underestimate the fact that Part L will change. Sprinklers will be introduced in 2016. I must, if I can, Chair, very quickly say this: Jeff said that it was only representation from one builder; I've had representations from lots of builders, but it's only been about sprinklers. So, just to clarify, there is an issue there still, with the industry saying that they are concerned about this process, but it's going to happen.

[285] **Jenny Rathbone:** Going back to this clever, green country that you want, what can we do to stimulate and develop the skills to build the housing that individuals are able to build for £6,000? How can we develop that as mass-produced housing?

[286] **Carl Sargeant:** Leadership. I think the issue for me is about ensuring—. And, as I said, when I was housing Minister, I was considering that point about how we instruct housing associations only to have a Government grant in order to develop, that is, that they would only get a Government grant if they did x, y and z. One of those would have been about timber-frame buildings. I still think there is potential to do that. It will enhance the community, enhance green growth and opportunity. We've got a green growth scheme running, which has only just started, but there is huge potential in that. And one of the solutions may be, for local authorities that are already starting to build council properties again, the timber-build solution, and the opportunity to be that clever, green council too.

[287] **Alun Ffred Jones:** Antoinette is next and then Joyce Watson.

[288] **Antoinette Sandbach:** The real issue, Minister, is about the fact that it's very difficult to get a mortgage on a timber-frame building, and I think if you were to assist companies in developing a building that complied with the appropriate standards, and it effectively has to have a guarantee that it will last longer than 60 years. What steps have you taken, or has your department taken, to look at that, and through your green growth agenda, assist companies in developing, or at least acquiring, that kitemark that allows those properties then to be mortgageable, in effect? Secondly, have you actually made any inquiries of local planning authorities? I speak—I declare an interest here—as someone who is trying to get permission for a timber-frame building, and the obstruction that I've received from the local planning authority on something that is green, local, and the constructor would be less than 10 miles away, has been unbelievable. So, have you looked at how local planning authorities are trying to encourage this kind of building?

[289] **Carl Sargeant:** Both stray into difficult areas. The first one is the question that the Member raised about kitemarks, et cetera, with the organisations. I don't think that is in my

department. That's with Lesley Griffiths in the housing division. But, I do recognise the issue that the development of the mark is an important tool. I was involved in that process at the time. It may be a question you wish to ask her.

[290] With regard to planning applications, I'm not aware of any applications that are prohibitive. It's based upon the actual development. Without prejudice, and understanding it's a personal issue, if the Member would like to write to me about a more generic issue, if she believes that to be the case, I would more than happily look into it.

[291] **Joyce Watson:** I just want to come back to the fact that England are using off-site abatement measures and they allow allowable solutions, which actually means retrofitting existing buildings. Isn't it—would you agree with me, Minister, because I think it is—somewhat bizarre to lower the regulation for the current building and have an allowable part to retrofit the existing buildings? That, to me, just seems a nonsense—and absolute nonsense. I would like to ask, Minister, whether you have a view on that.

[292] **Carl Sargeant:** It's making sure policy joins up. I may have a view similar to the Member, but what we have to do is fully understand the situation. We'll have a review on this and a full consultation for 2016 in terms of how that will operate, but it's about joining up policy. That is what's important: what's your long-term objective here and how are you going to get to that point?

[293] **Joyce Watson:** Thank you.

[294] **Alun Ffred Jones:** Finally, the regulation, or the legislation, on sprinklers, when was it passed?

[295] **Carl Sargeant:** Last year. We introduced the start of the regulations in April of last year, 2014. It was a staggered process for some buildings to be introduced—high risk at that point, like care homes. But, it will be on new builds as of 2016.

[296] **Alun Ffred Jones:** Can I thank you, Minister, for answering the questions? There are areas that we haven't covered. Certainly, we haven't touched the finance questions, the budget questions. So, we will invite you, if you have room in your diary, to come back for a briefer session if that is possible, so that we can conclude our deliberations.

[297] **Carl Sargeant:** Of course.

[298] **Alun Ffred Jones:** Diolch yn fawr [299] **Alun Ffred Jones:** Thank you very iawn ichi a'ch swyddogion am ddod i mewn. much to you and your officers for coming in.

[300] We'll have a quick break now; if we can try to get back by five past, then we can resume the committee.

*Gohiriwyd y cyfarfod rhwng 10:58 ac 11:08.
The meeting adjourned between 10:58 and 11:08.*

Craffu ar Waith y Dirprwy Weinidog Ffermio a Bwyd Scrutiny of the Deputy Minister for Farming and Food

[301] **Alun Ffred Jones:** Rwy'n ailagor y pwyllgor a'r sesiwn nesaf ydy sesiwn graffu ar y Dirprwy Weinidog Ffermio a Bwyd. Mae gennych chi bapur briffio ger eich bron. **Alun Ffred Jones:** I reopen the meeting and the next session is a scrutiny session with the Deputy Minister for Farming and Food. You have a briefing paper before you. May I

A gaf i groesawu'r Dirprwy Weinidog, Rebecca Evans, atom ni, a'i swyddogion? Diolch yn fawr i chi am ddod atom ni i'r pwyllgor am y sesiwn yma o graffu cyffredinol ar eich gwaith chi. Os caf ofyn ichi gyflwyno'ch hun a'ch swyddogion cyn inni ddechrau'r cwestiynu. Diolch.

welcome the Deputy Minister, Rebecca Evans, to the committee, and her officials? Thank you very much for coming to the committee for this session of general scrutiny on your work. If I could ask you to introduce yourself and your officials before we start the questioning. Thank you.

[302] **The Deputy Minister for Farming and Food (Rebecca Evans):** Thank you. I'm Rebecca Evans, Deputy Minister for Farming and Food. To my left is Andrew Slade, director, agriculture, food and marine, and on my right is Christianne Glossop, Chief Veterinary Officer for Wales.

[303] **Alun Ffred Jones:** Dyna ni. Rwyf am ofyn i Llyr Gruffydd ddechrau'r holi, yn bennaf ar y cynllun datblygu gwledig.

Alun Ffred Jones: There we are. I'll ask Llyr Gruffydd to start the questioning, mainly on the rural development programme.

[304] **Llyr Gruffydd:** Diolch yn fawr iawn, Gadeirydd. Bore da, Ddirprwy Weinidog. Yn amlwg, mae pawb yn awchus nawr i glywed pryd fydd y rhaglenni unigol o dan y rhaglen datblygu gwledig yn cael eu cyhoeddi a phryd fydd manylion rhaglenni penodol ar gael a'r wybodaeth yn cael ei chyfathrebu â'r diwydiant. Rydych chi wedi rhoi ychydig o ddiweddariad inni yn eich papur, ond a allech chi ddweud wrthym ni tua phryd rydych chi'n rhagweld y byddwn ni'n gweld y rhaglenni penodol yma yn dod ymlaen ac yn agor i bobl ymgeisio ar eu cyfer nhw?

Llyr Gruffydd: Thank you very much, Chair. Good morning, Deputy Minister. Obviously, everyone is eager to see when the individual programmes under the rural development plan will be announced and when the details of specific programmes will be available and information communicated to the industry. You've given us some update in your paper, but could you tell us when you foresee that we'll see these specific programmes coming forward and opening for people to apply for?

[305] **Rebecca Evans:** Yes, thank you for that question, and the opportunity to provide an update as to where we are with the RDP programmes. As you know, Glastir is already continuing into the new RDP. Applications for Glastir Advanced and Glastir Organic opened last autumn. There's currently a new round of Glastir Advanced open at the moment, so I would encourage farmers to take advantage of that. We've had 512 successful applications so far in the organics contract under the new RDP, worth over £19 million. On the Glastir Woodlands scheme, I would expect land managers to be able to put their applications in for that in late spring. As far as the LEADER work and local action groups are concerned, many of those local plans have already been approved, and we're in the final stages of approving the remainder of those. I expect to make announcements before long in terms of the remainder of the RDP programme—things such as processing and marketing grants, sustainable production grants, timber business investment and so on, which are parts of the RDP that I know are of particular interest to the farming industry in Wales. The hope, subject to approval of our RDP, is that those schemes would be starting to open the windows in July of this year, and for each of those schemes then there'll be full operational guidance and full presentation of the information to the industry in terms of when those windows will open. So, we should be able to provide, hopefully in July, a list of when the windows will open so that the industry knows what to expect and when, and can fully prepare themselves to make the applications.

[306] **Llyr Gruffydd:** Diolch ichi am yr ateb yna. Mi gyfeirioch chi at Glastir. A allwch chi amlinellu pryd y byddwch chi'n

Llyr Gruffydd: Thank you for that response. You referred to Glastir. Can you outline when you'll be detailing any possible

manylyu ar unrhyw newidiadau posib i Glastir, a phryd y bydd hynny'n cael ei gyfathrebu i wahanol randdeiliaid, yn enwedig, efallai, unrhyw gynnydd rydych chi wedi'i wneud yn gweithredu argymhellion Swyddfa Archwilio Cymru ar Glastir?

changes to Glastir, and when that will be communicated to different stakeholders, especially, perhaps, any progress you have made on implementing the Wales Audit Office recommendations on Glastir?

[307] **Rebecca Evans:** I was really pleased to receive the Wales Audit Office report. I think it came at a really opportune time for us in terms of setting out our future programme for Glastir. In terms of the recommendations and how we're seeking to meet them, I think that we've made some really good progress. Recommendations 1 and 2 related to improving the environmental delivery of Glastir, which I think is extremely important and a priority for us. So we've had an independent assessment of Glastir Advanced contracts commissioned, and that's being chaired by Dr Geoff Radley. He led the review of the agri-environment schemes over in England. That will report its findings in the spring, and he will make recommendations, I hope, as to how we can improve the environmental delivery of the scheme, including removing options that are, perhaps, not delivering what we would like them to deliver and being more ineffective in terms of what we would want to deliver for the environment, and promoting instead the better targeting of interventions as well.

[308] In terms of the other reviews, recommendation 3 related to reviewing the experience of online services. As you know, Glastir Organic was only open online this time, and 99.75% of those applications were made via Rural Payments Wales online very smoothly. Only 5% of applications needed the digital assistance that we're providing through our regional offices as well, so that's really positive. We've had good feedback from the industry, suggesting that they found the process simple to use and straightforward, so that was good progress. Again, we're following up on those recommendations from the Wales Audit Office reports.

[309] In terms of recommendation 4, that was about identifying and benchmarking the costs. We have a piece of work going on at the moment that is reviewing the time spent by the contract managers against the time spent in Tir Gofal and other schemes as well, so we can benchmark how things are doing there, and see what we can do in terms of reducing or making more effective our administrative costs in future.

[310] The final recommendations, 5 and 6, related to targets, and the Centre for Ecology and Hydrology at Bangor University has been commissioned to undertake a specific piece of work on that, in terms of setting realistic targets for the next round of RDP funding for Glastir.

11:15

[311] **Llyr Gruffydd:** Diolch am yr ateb cynhwysfawr yna. Rwy'n siŵr y gwnewch chi barhau i'n diweddarau ni fel mae rhai o'r adroddiadau yna yn bwydo'n ôl i chi. Un cwestiwn arall ar y pwnc yma, os caf i. Yn amlwg, mae'r drafodaeth wedi bod yn un boeth iawn weithiau ar y trosglwyddiad o 15% o biler 1 i biler 2. A ydy hi'n fwriad gennych chi, neu a fyddwch chi mewn sefyllfa o gwbl wrth gyhoeddi rhaglenni RDP, i dynnu sylw at ba raglenni'n benodol rydych chi wedi bod yn neilltuo'r arian yna ar eu cyfer nhw, fel bod modd dangos yn glir i ffermwyr Cymru bod yr arian yna sydd wedi

Llyr Gruffydd: Thank you for that comprehensive answer. I'm sure you will continue to update us as some of those reports do feed back to you. One other question on this subject, if I may. Clearly, the discussion has, at times, been a lively one on the transfer of 15% from pillar 1 to pillar 2. Is it your intention, or will you be in a situation, at all, in announcing RDP programmes, to draw attention to what specific programmes you have been allocating that funding for, so that you can show clearly to the farmers in Wales that the funding that has been transferred does find its way back to the

ei drosglwyddo yn ffeindio ei ffordd yn ôl i'r industry?
diwydiant?

[312] **Rebecca Evans:** I think it's important to remember that the 15% transfer is part of the RDP in the round, now, and it's not ring-fenced for any particular scheme or any sector of the industry in Wales, any more than the Welsh Government investment in the scheme or the European Commission's money are either. So, it's taken in the round, but, having said that, the vast majority of RDP funding goes back into farm businesses in Wales anyway, and we're talking about hundreds of millions of pounds. All RDP funding goes into rural communities in Wales as well. So, there's no suggestion that the money in the whole of the RDP, including that 15%, won't be benefiting our farms.

[313] **Llyr Gruffydd:** Rwy'n deall y pwynt rydych chi'n ei wneud. Rwy'n derbyn mai un gronfa fawr yw hi, ond, wrth gwrs, rydych chi wedi gwneud y pwynt yn flaenorol y byddwch chi'n gwneud yn siŵr bod yr arian yn dod yn ôl i'r diwydiant. Meddwl oeddwn i efallai y byddai yna ryw fodd y gallech chi fod yn amlygu enghreifftiau o le mae'r symiau yna yn dod yn ôl yn uniongyrchol i rai o'r ffermydd sydd, wrth gwrs, wedi colli'r arian o biler 1.

Llyr Gruffydd: I understand the point that you make. I accept that it's one large fund, but, of course, you have made the point previously that you will ensure that the money will come back into the industry. I thought, perhaps, there would be some way you could draw attention to examples of where those sums do come directly back to some of the farms that have, of course, lost the money from pillar 1.

[314] **Rebecca Evans:** We're going to make sure that this next round of the RDP is extremely outcome focused, so we should be able to demonstrate to our individual farm businesses in Wales what opportunities are available to them and how they have benefited from RDP funding.

[315] **Alun Ffred Jones:** Jenny Rathbone.

[316] **Jenny Rathbone:** I mean, the ridiculously low price paid by some supermarkets for milk is a clear example of why the industry and the rural communities need to diversify. I wonder if you could tell us how the RDP is going to stimulate a great deal more fruit and vegetable production, because this is the one area where people are paying a lot more for fruit and vegetables than they are in other parts of Europe. There've been, obviously, very successful local action groups doing good community foodie schemes, getting local communities to grow their own, but, in terms of feeding all our populations, it'll need a great deal more than that. So, I wonder if you could say a bit more about how we get more fruit and veg production across Wales.

[317] **Rebecca Evans:** Our farming systems here in Wales are more geared up, if you like, to the production of red meat—sheep, obviously, particularly, as well as beef—and also, then, we have a large dairy sector, and that's really because Wales is good at doing grass-based farming systems. However, I do think there is potential to increase what we do in terms of horticulture. We've got work going on at the moment on building an agriculture strategy, which will set out the way for all sectors in Wales in terms of the future direction of our farming industry in Wales. That will include a specific piece of work on horticulture as well, because I do recognise that that is one of the areas in which we do have significant progress to make. I think that we can, certainly, look at what we can do under the RDP to support that as well.

[318] **Jenny Rathbone:** Well, it's essential we do that, because we're in danger of having a supply-and-demand crisis. If we persuaded all these schools and hospitals that they want to buy local produce, and the local produce doesn't exist, guess what's going to happen? A

huge, massive increase in prices.

[319] **Rebecca Evans:** I agree that focusing extra efforts onto the production of fruit and vegetables is desirable, and we'll be looking to do that.

[320] **Jenny Rathbone:** So, when might we get the detail on that?

[321] **Rebecca Evans:** We're hoping to have the framework, if you like, for the agriculture strategy prepared by June of this year. It's currently being developed in partnership with the industry, and that's right across the board, including horticulture as well. So, it will be June for the framework, and the framework will then be underpinned by specific plans for the various sectors in Wales, including a plan for horticulture.

[322] **Alun Ffred Jones:** Andrew R.T. Davies.

[323] **Andrew R.T. Davies:** Thank you, Chair. Just one brief point before I ask the main question on the RDP from me, in relation to Llyr's point about an audit trail, almost, so that you would be able to see where that 15% of transfer money—. It is a direct top-slicing. You know, I do take the point that all the money in the round comes from one source, which is the taxpayer, in fairness, but, ultimately, there has been a move from pillar 1 to pillar 2—

[324] **Alun Ffred Jones:** Question, please.

[325] **Andrew R.T. Davies:** —that is far greater here in Wales than other parts. Now, to give the industry confidence that that money is able to be retrieved, why will you not consider creating an audit trail so that the industry can see the amount of money that is being returned to it?

[326] **Rebecca Evans:** There is an audit trail. I mean, the RDP is well audited and, as I say, it is part of the full RDP. You can pick out 15% and say, 'Well, this is your 15% that came from the top-sliced funding' if you like, but I think it's important that we have a full audit trail for the whole RDP. As I said, the RDP will be investing hundreds of millions of pounds—well beyond that 15%—in our farm businesses in Wales, and all of the RDP will be invested in rural Wales.

[327] **Andrew R.T. Davies:** The second point, if I may, is around promotion and processing. Obviously, we do have a huge milk industry here in Wales, thankfully—it's going through some troubles at the moment—but we don't have a very big processing sector; in fact, we have a negligible processing sector for liquid milk. If you buy liquid Welsh milk from most supermarket shelves, it's processed in England. Will there be, and have you identified, elements of the rural development plan that will be specifically used to help develop processing capacity here in Wales, so that as much as possible can be turned into the consumable product here in Wales, and thus retaining the money at the farm and also at the processing arm, whether that's in south Wales or north Wales?

[328] **Rebecca Evans:** As you know, we have 'Towards Sustainable Growth: An Action Plan for the Food and Drink Industry 2014-2020', which is our food and drink action plan for the industry in Wales, which will aim to grow the sector by 30% by 2020. We discussed this in oral questions just last week, actually: the fact that increasing our processing capacity here in Wales is a priority, and our food division are working hard to see what they can do, alongside our dairy taskforce, to attract processors to Wales. I don't know if Andrew would be able to provide an update on those discussions.

[329] **Mr Slade:** I think that's right, Minister. Andy Richardson will shortly present his review in relation to the dairy sector, and I'm sure that will pick up on some of the points that

Mr Davies makes around processing. It's a key part of the food and drink action plan. It's important that we do that, as the Minister has said, in partnership with the industry. The record of public investments on a standalone basis in processing across the UK and other parts of Europe is not a particularly strong one. Where you come in behind a market-driven response, that could be much more effective, and that's what we're working with the industry on at the moment.

[330] **Andrew R.T. Davies:** But the 30% increase that you're talking about, which, hopefully, will be driven by part of the rural development plan, is that by value the increase, or the amount that you hope to be processed here in Wales? There's a distinct difference in those two figures.

[331] **Mr Slade:** Yes. It's turnover of the entire food and drink sector, but within that, we're looking at what contribution individual subsectors, including dairy, would make. As you rightly pointed out, value added down the chain is going to be a key part of that turnover increase.

[332] **Andrew R.T. Davies:** So, you have no figure, though, for how much processing—or, the increase in processing—you would like to see happening here in Wales.

[333] **Mr Slade:** No, but we do have clear ideas, with the industry and working with the dairy taskforce, on where the key areas of development might be, and where there are key opportunities for the Welsh dairy industry in relation to adding value down the chain.

[334] **Alun Ffred Jones:** I'm going to go to Joyce Watson who's got a question that is related to this in terms of intensive farming.

[335] **Joyce Watson:** Intensive dairy farming and mega dairies—that's where my questions is coming from. It's whether the Minister would like to give a view on the role of mega dairy farms and extensive dairy farming, and the way that she sees that going forward.

[336] **Rebecca Evans:** I think the size of a dairy enterprise is a commercial decision for the business concerned, but it is important to remember that all dairy farms, regardless of their size, be they the largest or the smallest, have to abide by the same regulatory regime. All are subject to the same legislative framework, in which they work in terms of animal health and welfare, and subject to the same kind of inspections, as well. I might ask Christianne to give us a little bit more information on that.

[337] I've visited, over the past few months, dairy farms of all types, some more intensive than others, and I think it's important that I've learned that farmers understand—of course they do—that healthy animals are productive animals. Farmers work really hard, in my experience, to ensure that they do have healthy, productive animals. In doing so, they're taking advantage of innovation, if you like, in animal health and welfare, and I've been impressed by what I've seen.

[338] **Alun Ffred Jones:** Okay?

[339] **Joyce Watson:** No, I thought that—

[340] **Rebecca Evans:** Do you want to add something on the regulatory and inspection regime?

[341] **Professor Glossop:** Okay, fine. Yes, of course, all dairy farms are subject to the same requirements in terms of animal health and welfare, the requirement—the obligation, actually—to report any suspicion of notifiable disease, to comply with TB testing, and also to

comply with the welfare codes associated with the dairy farm—and of course, beef production, because part of the produce of a dairy farm could well end up in the beef supply chain, subject to the same range of inspections. In my own experience, I would say that these large intensive dairy farms, as you describe them, are very professional outfits. There's a lot of money invested in these operations. There's therefore an ability to employ specialist inputs in terms of nutrition, veterinary support, and other technical services. So, there's no actual reason why cattle kept in that way should experience adverse welfare conditions.

[342] **Joyce Watson:** Can I, Chair? Because we've look at, and I've heard your answers in terms of the animal welfare side, can I move over now to asking for some explanation about the environmental impact? Part of that, as you just mentioned, really, was the food source and where that comes from. So, what are we doing in Wales to track where that food source is coming from, and that it's not having a negative impact on another part of the world, somewhere else?

[343] Also, in terms of environmental impact, could I ask how closely you are working with farmers and communities to ensure that there aren't adverse environmental impacts in terms of smell, particularly, and water usage?

[344] **Rebecca Evans:** Planning decisions in terms of dairy farms aren't within my remit, so I think perhaps it might be best to ask a different Minister to write to you on that, in terms of the regulatory regime that is associated with the planning decisions for dairy.

[345] **Joyce Watson:** In terms of the food source? Have you examined it at all? My understanding is—it may be right and it may not be right—that the food source, the high-protein food that cows or cattle are fed to produce high yields of milk, is produced at the cost of other environments elsewhere. Have you looked at that at all?

[346] **Mr Slade:** If I may, Chair, it is the case that most or quite a lot of the feed that will come in for a more intensive unit or concentrate will come from parts other than just in the UK, but these days there's a very high level of assurance applied to all aspects of the food chain. I would've thought most of the big feed companies would be able to provide assurances along the lines that you've just described. It's not something I think that we particularly looked at. Whether Andy Richardson has picked up on that in his dairy review, we wait to find out.

[347] **Joyce Watson:** Could I ask, through you, Chair, that the Minister gives some evidence that there are assurances sought on the food source, and that we're not negatively impacting on third-world countries with high yield production to this side?

[348] **Rebecca Evans:** We'll write to you on this, Chair.

[349] **Joyce Watson:** Thank you.

[350] **Alun Ffred Jones:** Okay. Mick, did you want to?

[351] **Mick Antoniw:** Yes, just very shortly and it follows on. In terms of food and engagement with communities and supply, with community-supported agriculture, obviously about 200 projects have established now in England, but only six in Wales. Where do community-supported agricultural projects sit within the Government strategy?

[352] **Rebecca Evans:** There's huge opportunity, really, under our new LEADER schemes in the new RDP to increase the amount of community-supported agriculture that we do in Wales. I've been working closely with Lesley Griffiths as well in her role, to see what we can do to support that. Our LEADER projects are very much about communities coming forward

with ideas as to what the local community needs and how we can help deliver that. These kinds of projects are exactly the kind of thing that would work well under LEADER.

[353] **Mick Antoniw:** So, you might be quite keen to visit one of the projects in west Wales.

[354] **Rebecca Evans:** Absolutely.

[355] **Alun Ffred Jones:** A gaf i jest ofyn un cwestiwn? Mae'r cynllun Glastir yn ymwneud â ffermio cynaliadwy. Mae'r cynllun Pontbren yn y canolbarth wedi cael ei gydnabod fel esiampl wych o ddatblygiad cynaliadwy, ac ar raddfa Ewropeaidd wedi ennill gwobr Ewropeaidd, wrth gwrs. Pam nad ydy'r enghraifft honno o arfer da wedi cael ei lledaenu drwy Gymru?

Alun Ffred Jones: Can I just ask one question? The Glastir scheme relates to sustainable farming. The Pontbren scheme in mid Wales has been held up as a great example of sustainable development, and on a European scale has won a European award, of course. Why hasn't that example of good practice been shared throughout Wales?

11:30

[356] **Rebecca Evans:** I'd be happy to go and visit that particular example which you suggest. When I do see examples of good practice, I try to use our *Gwlad* magazine and our online communications with farmers as well to demonstrate examples of good practice—

[357] **Alun Ffred Jones:** A bod yn deg, mae'r cynllun Pontbren wedi cael ei gydnabod ers blynyddoedd lawer; nid datblygiad newydd ydy o. Mae o'n ddirgelwch i mi pam nad ydy'r enghraifft honno ddim wedi cael ei hailadrodd ar hyd a lled Cymru, achos ei llwyddiant diamheuol hi.

Alun Ffred Jones: To be fair, the Pontbren scheme has been recognised for many years; it's not a new development. It's a mystery to me why that example hasn't been repeated right across Wales, because of its undoubted success.

[358] **Mr Slade:** Chairman, as you indicated, it's one of our case studies put forward by the RDP network, which is one of the communication mechanisms that we use to explain what projects have been successful and have worked particularly well across Wales. Also, the Pontbren model is one that helped inform some of the work that went into the Nature fund, so the lessons from that very important project have been picked up elsewhere in what we're doing across the natural resources department.

[359] **Alun Ffred Jones:** A gaf i symud ymlaen i'r polisi amaeth cyffredinol? Antoinette Sandbach.

Alun Ffred Jones: May I move on to the common agriculture policy? Antoinette Sandbach.

[360] **Antoinette Sandbach:** Minister, you will know that I've written to you about concerns about parcels of land with more than 100 scattered trees. I know that you've accepted that this issue wasn't taken into account when you redesigned the Glastir woodland scheme. Obviously, the basic payment scheme is being looked at again. Because there's over 1,500 hectares, so there's probably about 4,000 acres of land which is GW1 under your coding system—grazed woodland 1, namely grazed broadleaf woodland—will you give farmers an opportunity to move those parcels of land that will be ineligible for the basic payment scheme into Glastir woodlands, or to apply for Glastir woodlands, given that, otherwise, the risk is that these trees are going to be cut down, which seems to go totally against both the climate change criteria and biodiversity criteria?

[361] **Rebecca Evans:** I'm very familiar with your concerns, and other Members have also written to me on this. I've met with the farming unions, the Country Land and Business Association, Natural Resources Wales and the Woodlands Trust, and they're all expressing the same concerns. The previous arrangements meant that we could work under established local practice, which would include grazing in these areas, but unfortunately we're not able to do that under the new scheme rules.

[362] The Commission is really serious about this, which is why we're taking it seriously. Under previous rounds of CAP, disallowance has been applied most heavily for things such as this, which is why we're taking it seriously.

[363] To put it into perspective, we've done some modelling to see what the impact will be in Wales, and based on farmer declarations made on the 2014 self-evaluation forms, the area of declared land representing scattered tree cover is around 660 hectares, so that's less than 0.05% of all of the land declared in Wales. So, perhaps it isn't the huge problem that some people had thought it might be. For individual farmers, it might be a significant problem, but in the round not necessarily so much. But we will be looking to see what opportunities there might be under Glastir woodland to support farmers who are affected by this in particular.

[364] **Antoinette Sandbach:** So, you will be looking at the opportunity to move those areas? In your letter to the committee, you identified previously 1,530 hectares of land. So, why has your modelling effectively discounted almost 1,000 hectares?

[365] **Rebecca Evans:** The modelling represents scattered tree cover; that's the most recent modelling that we have.

[366] **Antoinette Sandbach:** What I'm concerned to ask about is why you are now saying there's only 660 hectares, when previously you identified 1,500 hectares? It's a significant difference, and it would potentially impact on a significantly greater number—

[367] **Mr Slade:** If I may, Chair, the modelling work goes on all the time as more data become available; that's point one. The second point is that maybe we're talking about slightly different things—scattered trees are not necessarily the same as the broader cover of woodland that might previously have been grazed, as the Minister was saying, under established local practice. We are talking to the stakeholders about this at the moment; we're looking at opportunities, as the Minister has said, to use Glastir to try and plug some of the gaps. We're talking to the woodland stakeholders at the moment precisely about the development of the new Glastir schemes, not least with this in mind.

[368] **Antoinette Sandbach:** Glastir Woodlands, this is?

[369] **Mr Slade:** Yes, and it's worth bearing in mind that as we transit from the current arrangements under the first pillar to a more area-based process, there is time to work with farmers to get those arrangements in place—before the full impact of the area-based payment, if you like, comes into play in 2020.

[370] **Antoinette Sandbach:** Okay. And in relation to CAP implementation, particularly around the basic scheme, I'm acutely aware, as is every farmer in Wales, that your consultation document hasn't yet been published. Can you update us as to when it's going to be published?

[371] **Rebecca Evans:** Yes. The data modelling group, as I said last time I came to committee, has completed its work now, and the options were then being provided to the high-level group. The high-level group has asked us to do some final modelling and they'll be meeting again on 9 March in order to, hopefully, agree that we have done everything that we

need to do before we go out to consultation, which will be shortly thereafter this month

[372] **Antoinette Sandbach:** And in relation to the—. I'm aware that in England, they have already warned farmers that there are going to be issues over the computerised system that will be applying for the basic payment scheme there. I'm aware that Andrew Slade has considerable experience of Rural Payments Wales payment schemes and computerised problems. So, can I ask what safeguards are being put into place to ensure that this doesn't happen in Wales, bearing in mind we haven't even decided yet on what schemes and options are going to be available for farmers?

[373] **Rebecca Evans:** Well, Andrew might want to add something, but as I said last time we were here, we're able to take the data that farmers are giving us now in terms of their land parcels and that information and put it onto the system that we have, and then, where there is an option to move to an area-based system—if that was the option that was decided, as I said in the last committee—we could retrofit those maps onto the data that we have. But, did you have anything you wanted to add?

[374] **Mr Slade:** I think I said, when the Deputy Minister and I appeared before you a few weeks ago, that obviously the more complicated you make the system, the more difficulties you will bring into the implementation, whether that's in relation to IT or the sheer process involved with it. My team are pretty confident that, assuming the sort of options that we're looking at with the modelling group and the high-level group are the ones that Ministers endorse as the ones to go out to consultation on, we can deliver to the timetables originally set. But I think that point about complexity is a key one. Where we can simplify and make it more straightforward—

[375] **Alun Ffred Jones:** I think we did cover this ground last time.

[376] **Antoinette Sandbach:** I've got one final question, Chair, which is about raw milk. The Welsh Government has issued a consultation on raw milk. It's a very niche area in Wales; I believe there is one producer in north Wales and two in Pembrokeshire. The results of that consultation have not yet been published, but it did potentially expand the market for raw milk to allow that to go into supermarkets, and I wondered whether, with appropriate labelling, you have looked at that, particularly considering there is quite a fan base for raw milk. I wondered when you were going to announce the outcome of that consultation.

[377] **Rebecca Evans:** That consultation is undertaken by, I believe, the Deputy Minister for Health, being a human health issue, if you like, so I'm afraid you'll have to ask the Deputy Minister for that detail.

[378] **Alun Ffred Jones:** Ocê, diolch yn fawr. Symudwn ymlaen at ffermio organig. **Alun Ffred Jones:** Okay, thank you very much. We move on to organic farming.

[379] **Julie Morgan:** Thank you very much, Chair. The committee—[Inaudible.]—changes to the organic farming regulations and has written to Members of the European Parliament about the possible impact on organic farming in Wales. I wondered what involvement you've had, either with the Commission, or with the UK Government, or any of the devolved authorities, about these proposed changes, and what your views are.

[380] **Rebecca Evans:** As you know, DEFRA are leading on this, but my officials are consulted regularly on the progress and they provide negotiating lines to the UK as a member state—lines that are relevant really for Welsh farmers and processors here. We're monitoring developments closely. We're particularly concerned as to whether farmers would need to be organic across the whole farm under the new regulations and we understand that that would prove to be problematic for some of our farmers. So, we're pushing, in negotiations, to have

an option to withdraw penalty-free from Glastir, for example, should the whole-farm approach become a requirement under the new regulations.

[381] **Julie Morgan:** And in terms of some of the other impacts, for example, there are some animal welfare impacts, I was just wondering if you had any views on that.

[382] **Rebecca Evans:** Could you be a little bit more specific?

[383] **Julie Morgan:** Yes. The proposed animal welfare standards, such as de-horning and tail docking; I think there was some concern expressed by people who gave us evidence that the implications of that would cause problems in Wales.

[384] **Professor Glossop:** As far as those practices are concerned, it's really difficult to make a distinction between organic and non-organic farming production because the welfare requirements of animals are the same, as is, actually, the requirement for animals to be treated should they require treatments, and you'll appreciate that there are some challenges with regard to organic production on the treatment and use of multivalent vaccines, for example. So, I think that that's very much an area that we need to watch and balance against the welfare codes that we have in place here in Wales to make sure that animal welfare is not compromised.

[385] **Julie Morgan:** Right, thank you. I was just going to say: do you think there might be some impact on the willingness of farmers to apply for Glastir Organic in future if these proposals went through?

[386] **Rebecca Evans:** I think that we need to ensure that farmers aren't penalised, who are in Glastir at the moment, and that they can come out of Glastir Organic penalty-free. That's the priority at the moment. But we do need to have regulations that are sensible and attractive to farmers and that's part of our negotiating position, if you like, in terms of our discussions with DEFRA, who would then have the discussions with the European Commission.

[387] **Julie Morgan:** Are you hopeful that there will be some changes with these proposals?

[388] **Mr Slade:** We're not the only country making some of these points, I think it's fair to say.

[389] **Julie Morgan:** I know; a lot of people are making representations, aren't they?

[390] **Mr Slade:** As the Minister said, we're working very closely with DEFRA on the design of the regulations. This is a piece of legislation that has sort of puttered along in the background for some time now, and I think the Commission are getting the message from a number of us that it's got to be workable and not end up inadvertently causing a problem for the sector.

[391] **Julie Morgan:** Thank you.

[392] **Alun Ffred Jones:** Okay. We'll move on to the red meat sector. Jeff Cuthbert.

[393] **Jeff Cuthbert:** Thank you very much, Chair. Minister, we're aware, of course, that there are calls from within the European Parliament to have a mandatory country of origin label for meat in processed products. The European Commission have suggested that that could significantly add to costs, but that view is challenged within the Parliament, at least in the environment committee. I'm wondering what your views are on that matter.

[394] **Rebecca Evans:** We support in general the principle of country of origin labelling being extended to meat in processed foods. However, exactly as you said, we would have concerns about any potential knock-on costs for businesses. So, any new regulations would need to be as straightforward as possible. When we undertook our engagement with the food and drink industry in the development of our food and drink action plan, they were very, very much of the view that any administration for labelling and so on would need to be keeping costs to a minimum. I saw recently a press release from the National Farmers Union Cymru, and I think they had it just right, really, when they said that there must be better traceability along the food chain, and I think that the country of origin labelling would help with that. It could also help in terms of creating more stable relationships between meat suppliers and processors, and increased diligence when food business operators choose their processors and suppliers. So, I think, in the round, there is potential for good here and we support the principle. However, we wouldn't want to see any increased burden on businesses.

[395] **Jeff Cuthbert:** Thank you very much. Now perhaps you're not the right Minister, but in terms of processed products, can I ask you about labelling for food allergies, if that is part of your responsibility, and whether you feel there is more that we can do here?

11:45

[396] **Rebecca Evans:** Again, that would be one for the Deputy Minister for Health, because it relates to human health and food.

[397] **Jeff Cuthbert:** Right, thank you.

[398] **Alun Ffred Jones:** Andrew R.T. Davies.

[399] **Andrew R.T. Davies:** Can I just ask you—this most probably puts me at odds with some colleagues at Westminster—around the promotional levy? There's been a campaign, obviously, to try and get where the animal is finished rather than where the animal is processed as the identified point for that levy to be paid, so it can be used to promote the produce, in Wales's case, here in Wales, obviously. We've lost a huge amount of processing capacity in Wales over the last 10, 15 years, and as each year goes by, this problem is getting increasingly more acute, especially in north Wales, where Gaerwen has gone now. So, I just wonder: have you, as a Minister, had any discussions with colleagues in the devolved administrations or, indeed, Westminster to see if there's any ability to progress this issue, so that instead of it being at the point of slaughter that the levy is identified and left within the country where it's slaughtered, it is actually based on where the animal is reared and finished? Have you had any discussions around that?

[400] **Rebecca Evans:** These discussions, I think it's fair to say, have been going on for years now. I know the previous Minister was involved in these discussions as well. I believe that, whatever system we have, it has to be the system that delivers the greatest good and the greatest investment back into Wales. I know Hybu Cig Cymru have met recently with the levy boards on this specific issue in terms of making a proposal to try and repatriate more money back to Wales, if you like, as a result of the levies, and I'm not sure what the result of that negotiation has been, because it was very recent, but perhaps I could update the committee on that—unless you have heard anything recently.

[401] **Mr Slade:** What I would say to add to that, Minister, is that where devolution goes next is clearly part of this discussion, as is what will happen in Westminster after the May election. We just need to be very careful when we're looking at the figures that we understand the inflows and the outflows correctly, because we do bring in, to some of our bigger plants in Wales, animals from other parts of the UK, and we slaughter them and we get the benefit of that payment. So, we just need to understand the absolute dynamics.

[402] **Andrew R.T. Davies:** But, increasingly, it is fair to say that we've seen a diminishing processing base here in Wales and, frankly, all our eggs in cattle production are very much now in one big abattoir, as such, and so we're in a very precarious situation. But, from the Minister's answer, I don't think you have directly had those discussions. Am I to deduce that, Minister? I understand, as you said, Hybu Cig Cymru have taken the discussions forward, but you, as a Minister, haven't had inter-governmental discussions on this.

[403] **Rebecca Evans:** I haven't had face-to-face discussions, but I have written to my counterparts in DEFRA on this specific issue.

[404] **Mr Slade:** And, on the Minister's behalf, we regularly raise this matter at senior official level.

[405] **Alun Ffred Jones:** Jenny, did you want to come in?

[406] **Jenny Rathbone:** Just going back to the labelling of processed food, the horse meat scandal indicated why there was a need for real, clear labelling on what is going into processed food. The meat is only one element, and not necessarily a very big element in processed food. Is it your responsibility to ensure that the labelling is accurate, both in terms of the origin of the meat but also the content of the processed food generally?

[407] **Rebecca Evans:** My responsibility in terms of labelling extends to the promotion of Welsh food and drink in terms of promoting the product, rather than giving the health information and so on, which falls outside my remit. My remit, insofar as food is concerned, is about how we produce the food and then how we market and sell the food.

[408] **Jenny Rathbone:** But clear labelling enables the consumer to decide whether they want to consume that product, and people will obviously be reassured if they can see that it's Welsh meat, and if it's not, they need to know about it, and they can then make their own judgment. Equally, all the other things that processors shove into processed food to enhance their profit, is that something that is your remit, to ensure that, it's food, we need to know what it's made up of? You know, it may look like meat, but it may not be actually very much meat.

[409] **Rebecca Evans:** No, my role extends to the promotion of Welsh food and drink.

[410] **Jenny Rathbone:** And the accurate labelling of Welsh food, as well—of food sold in Wales.

[411] **Rebecca Evans:** There are lots of European regulations and so on that relate to this as well. This is one of the reasons now that we have a food group that extends across Government, because food and drink falls under the remit of so many Ministers here, and also the UK Government as well, and then European regulations as well come on top of that. So, we've got a newly set-up group. That was one of the actions under the food and drink action plan, to bring together officials from every department, from health, education, communities, my department, and so on, in order to make sure that we have similar discussions on these areas where there are crossovers in terms of ministerial responsibilities.

[412] **Jenny Rathbone:** So, who, ultimately, is responsible then for accurate labelling of products sold in Wales?

[413] **Rebecca Evans:** The FSA would be ultimately responsible. The FSA deals most closely with Vaughan Gething in terms of food health for human consumption.

[414] **Alun Ffred Jones:** Diolch yn fawr. **Alun Ffred Jones:** Thank you. Llyr, did you Llyr, oedd gen ti gwestiwn? have a question?

[415] **Llyr Gruffydd:** Yes. I'd just like to ask a few questions around animal health and funding, given that that is part of the session today—particularly around the local authority framework funding. I'm sure you'll be aware, and you've had correspondence from local authorities expressing concern at a potential loss of funding for the next financial year. I've had representations from Conwy County Borough Council, amongst others, and they say that the ability to enforce statutory animal health legislation adequately is being compromised, and they believe the loss of experienced animal health officers and managers will make the authority and Wales much less resilient than previously experienced and unable to properly deal with any animal disease outbreaks. Do you share their concerns?

[416] **Rebecca Evans:** In terms of the funding, I think that we're either writing imminently, or we have just written, to local authorities on this. I think it's imminent in the next couple of weeks.

[417] **Mr Slade:** This is part of funding that flowed from the UK Government following the foot-and-mouth disease outbreak in 2001. That is linked to the current spending review period, which of course runs out fairly shortly. We are in dialogue with local authorities and with Ministers about what we do, because that sort of funding is effectively coming to an end, and how we move forward from there. But we're not talking about something that's going to happen overnight. This will be a process over the next year to try to work out how we move forward.

[418] **Llyr Gruffydd:** Because it was £800,000 last year, it was £600,000 this year; are we expecting another hefty cut if it's being phased out, effectively? Is that the case?

[419] **Mr Slade:** It's always been on a downward path, because of the financial provision that we've had from the UK. But the discussion we're having with local authorities, subject to ministerial agreement, is about maintaining the most recent level for the year ahead, so that we can plan into the future. Some of the work that local authorities carry out under that framework, and with that money, links to the work that we hope will, in due course, be picked up by EID and make their lives considerably easier in that regard. So, it's part of a dialogue with them for the 12 months ahead.

[420] **Llyr Gruffydd:** But, in terms of the sentiment expressed by Conwy County Borough Council and others that this constant erosion, if you like, of resources does leave Wales more vulnerable in terms of animal health and the risks around that, do you not share their concern?

[421] **Professor Glossop:** It's not just local authorities, of course, that are responsible for this.

[422] **Llyr Gruffydd:** No, no. I understand that.

[423] **Professor Glossop:** The Animal and Plant Health Agency play a very big role in all of this, and we work closely with all the local authorities to help them prioritise their activities. You're right, the funds have diminished, so the amount of man hours that can go into that activity has had to go down as well. So, we've been looking at how the APHA agency can support some of that, but also, importantly, that local authorities are very clear on where the priority areas are, which would be animal welfare, cleansing and disinfection at markets—you know, looking at the high-risk areas of animal gatherings, et cetera—and also helping us and supporting us with enforcement where necessary on things like TB testing that's overdue. Those are some examples, anyway.

[424] **Llyr Gruffydd:** But losing the feet on the ground, as you say, means that, in terms of surveillance, for example, we'd be slightly weakened, would we not?

[425] **Professor Glossop:** Well, they don't really play a role in veterinary surveillance. That's more to do with the connection between the farmer, the private vet and the Animal and Plant Health Agency. Their role is more on, as I say, these critical control points within the system and also in helping us with enforcement.

[426] **Llyr Gruffydd:** But it's fair to say that the surveillance system that we've had in recent years has effectively been dismantled without replacement being properly tested, do you not believe? That's certainly the view of John Blackwell, the president of the BVA.

[427] **Professor Glossop:** Would you like to expand on what you mean by surveillance?

[428] **Llyr Gruffydd:** Indeed. I'm sure you're as avid a reader as I am of *Veterinary Record*. Certainly, he was quoted speaking recently expressing his concern that he feels that there is a risk now that we're less responsive and maybe less able to accurately diagnose problems that are coming up and spot issues as they arise.

[429] **Professor Glossop:** I would have to disagree with that, and I meet John on a regular basis, of course. I saw him just last week at the NFU conference. In Wales, we have been doing a huge amount to supplement our surveillance network. You will be aware of the fact that the Aberystwyth lab is about to have its lights turned back on, and supported a huge amount by connections with my own team. We are also linking that lab with the lab in Carmarthen, which we are also working closely with to increase activity there, making sure those two labs—although one belongs to Government and one belongs to the private sector now—work to complement each other and also to make sure that they're connected closely with local veterinary practices across Wales. So, I actually think that, broadly, within Wales, there's a lot being done right now to enhance the veterinary surveillance network rather than to see it diminish, against a reducing budget—

[430] **Llyr Gruffydd:** That's the point, yes.

[431] **Professor Glossop:** —which is always a challenge.

[432] **Llyr Gruffydd:** Okay, thank you.

[433] **Alun Ffred Jones:** Andrew R.T. Davies on this point.

[434] **Andrew R.T. Davies:** Yes, if I may. I'm sure that you would accept that, obviously, the near-20% cut in the departmental budget, the rural affairs budget, is going to have an impact on the very measures that have been put in previous questions, and that is one of the pressures that is being faced by environmental health teams and trading standards teams in the local authorities, because your department has had the biggest cut of all the Government budgets for the 2015-16 financial year. So, it's a logical conclusion to say that that level of cut is bound to have an impact on animal health.

[435] **Rebecca Evans:** The funding that you're referring to is local authority funding. We've had decisions to make within our budgets, and not least because of the reduction in funding that we've received from the UK Government over the years, which does mean that difficult decisions have to be made in terms of aligning priorities across Government with Government priorities for the NHS, for example.

[436] **Andrew R.T. Davies:** I take the point, and, you know, we can have the debate in the Chamber, but, ultimately, your budget for this year has had far and above the biggest cuts to it

of nearly 20% in one financial year. So, I'm just posing the logical conclusion that that is bound to have an impact on your ability to put animal health measures in place.

[437] **Rebecca Evans:** In terms of the budget—you call them ‘cuts’ that we’ve had for our bovine TB programme, for example. The discussions on where the money came from for the specific lines within the budget have been very clear, and £3 million of the money that we gave back to the Finance Minister came from underspend relating to the TB income. That £3 million was from the European Union in respect of the successful audit of our programmes so far. So, that’s £3 million that went back, but that’s retrospective funding, if you like. So, that’s not a cut; that’s underspend. We also had—. Let me see where the—

[438] **Alun Ffred Jones:** I think we’d like to return to the budgets and financial aspects at a later date because we simply don’t have the time this morning. William, did you have a point to make?

[439] **William Powell:** On animal health and welfare issues more widely, Chair, if I may.

[440] **Alun Ffred Jones:** Yes.

[441] **William Powell:** Good morning, Minister—it’s still morning, just. If I could return to a couple of points that were of particular importance to you when you were a backbencher yourself—and these relate to issues around animal slaughter—you were a promoter of the cause of CCTV within slaughterhouses. Now, the main companies, as I understand it, in the field are themselves signed up to this and actually have had this in place for some time. Is there any progress at all on introducing a programme that would enable this for micro-abattoirs and those that have tighter margins, potentially making available support for the installation of CCTV if it were to be deemed beneficial, both to assure animal health and welfare safeguards but also to safeguard abattoir workers against false accusation of cruelty or malpractice?

12:00

[442] **Rebecca Evans:** Yes, you are absolutely right that, as a backbencher, I was a strong proponent of CCTV in slaughterhouses, and I remain so now for all the reasons that you’ve suggested about protecting workers as well as safeguarding animal welfare. The Farm Animal Welfare Committee has very recently provided its report. It was a report that the Welsh Government asked it to undertake, in terms of exploring specifically the role of CCTV in slaughterhouses, and the group has said that there are benefits to it. So, we’ve received that report, and we are considering it in terms of what’s possible going forward, bearing in mind the Human Rights Act 1998 and so on, in terms of what the role of CCTV can be in the workplace. So, I can just give you my assurances that I am looking at that report very closely indeed and seeing what we can possibly do within the law to support that.

[443] **William Powell:** Thank you, Minister. I’m very grateful for that. Could you also please update us very briefly as to whether there is any progress in the vexed area of non-stun slaughter—it was subject to an extensive evidence session that we had involving representations from Hybu Cig Cymru and others late last year—and whether or not there’s any progress in that area of activity?

[444] **Rebecca Evans:** The Welsh Government position remains that we have implemented the Welfare of Animals at the Time of Killing (Wales) Regulations 2014, and they provide extensive animal welfare provisions at the time of killing. But we are always looking at what more we can do in terms of CCTV and so on. But the derogations do apply in terms of religious slaughter in Wales.

[445] **William Powell:** Thank you for that update.

[446] **Alun Ffred Jones:** Just to clarify that: does the Government have a policy on non-stun slaughter in abattoirs in Wales?

[447] **Rebecca Evans:** The situation is that we've implemented the Welfare of Animals at the Time of Killing (Wales) Regulations 2014, but we have applied the derogation in terms of religious slaughter.

[448] **Alun Ffred Jones:** So, religious slaughter is permissible.

[449] **Rebecca Evans:** Yes. Well, actually much of the religious slaughter that takes place in Wales—the vast, vast majority of it—is stunned halal.

[450] **Alun Ffred Jones:** Yes, but non-stun slaughter is also permissible.

[451] **Rebecca Evans:** It is permissible.

[452] **Alun Ffred Jones:** Iawn. Diolch yn fawr. **Alun Ffred Jones:** Right. Thank you very much.

[453] Now, we haven't come to the end of our programme of work this morning, so we will write to you on the general issues around some of the subjects that haven't been touched yet. But we would like to invite you back at a later date to look at some of the budgetary and financial aspects of your work, if that is okay.

[454] **Rebecca Evans:** Of course.

[455] **Alun Ffred Jones:** We will liaise with your department on that issue.

[456] Gyda hynny, a gaf i ddiolch yn fawr i chi am eich presenoldeb y bore yma? Mae'r pwyllgor—. Mae yna un papur i'w nodi; diolch ichi am fy atgoffa i. **Alun Ffred Jones:** With that, may I thank you very much for your attendance this morning? The committee—. There is one paper to note; thank you for reminding me.

12:02

Papurau i'w Nodi Papers to Note

[457] **Alun Ffred Jones:** Papers to note: happy? Right.

[458] Y dyddiad nesaf: ddydd Iau 12 Mawrth y byddwn yn cyfarfod i drafod Deddf Rheoli Ceffylau (Cymru). Ocê. Diolch yn fawr iawn ichi, Weinidog. **Alun Ffred Jones:** The date of the next meeting is Thursday 12 March, and we'll be discussing the Control of Horses (Wales) Act 2014. Okay. Thank you, Minister.

*Daeth y cyfarfod i ben am 12:03.
The meeting ended at 12:03.*