

## Climate Change, Environment and Rural Affairs Committee

**Title: Evidence paper – Draft Budget 2018-19  
Cabinet Secretary for Environment and Rural Affairs**

### Purpose

1. This paper provides information to the Climate Change, Environment and Rural Affairs Committee on the Environment and Rural Affairs (MEG) proposals outlined in Draft Budget 2018-19, published on 24 October. It also provides an update on specific areas of interest to the Committee.

### Background

2. The draft budget 2018-19 provides a two year plan for revenue investment and a three year plan for capital investment. The tables below provide an overview of the Environment and Rural Affairs (MEG) as published in Draft Budget 2018-19.
3. The draft budget figures are summarised as follows:

ERA MEG				£m
ERA Summary	2017-18 First Supp' Budget £m	2018-19 Draft Budget New Plans £m	2019-20 Draft Budget New Plans £m	2020-21 Draft Budget New Plans £m
Resource DEL	282.424	243.034	234.475	
Capital DEL	101.731	100.634	87.781	79.521
<b>Total DEL</b>	<b>384.155</b>	<b>343.668</b>	<b>322.256</b>	<b>79.521</b>
Resource AME	2.400	2.400	2.400	
Capital AME	0.00	0.00	0.00	
<b>Total AME</b>	<b>2.400</b>	<b>2.400</b>	<b>2.400</b>	
<b>Total – ERA MEG</b>	<b>386.555</b>	<b>346.068</b>	<b>324.656</b>	

4. To enable a like for like comparison of the 2017-18 budgets with the 2018-19 draft budgets, the attached Budget Expenditure Line (BEL) table will detail all of the movements from both MEG to MEG and Intra MEG changes.

### 2018-19 and 2019-20 Draft Budget

5. In the Draft Budget 2018-19, the Environment and Rural Affairs Resource budget (Inc. Non Cash) has decreased by £39.39m from the 2017-18 resource baseline budgets and a further £8.559m for the indicative draft budget for 2019-20. This includes decreases for the savings required as part of the budget settlement at stage 1 of the budget process, additional funding agreed with Plaid Cymru, and a recurrent transfer of £35m from the Waste budget to the Local Government MEG Budget.

6. The revenue changes by type are shown below in the table.

Revenue Changes	2017-18 £m	Change £m	2018-19 £m	Change £m	2019-20 £m
Opening Budget	282.424				
Non Protected Savings		(7.093)		(14.198)	
Specific Grant to LG MEG		(35.000)			
Reductions Specific Grants		(3.000)		(2.945)	
Innovative Flood Funding				2.400	
Protected Waste Funding		0.403		4.684	
Invest to Save Adjustment		1.300			
Land Disposals Tax (LDT)		1.500			
Plaid Cymru – Farm Entrants		2.000		2.000	
Plaid Cymru – Deposit Scheme		0.500		(0.500)	
<b>Closing Baseline Budget</b>	<b>282.424</b>	<b>(39.390)</b>	<b>243.034</b>	<b>(8.559)</b>	<b>234.475</b>

7. The Revenue savings returned to Reserves have been apportioned to the following programme budgets shown in the table below.

Non Protected Savings	BEL	2018/19 Savings £m	2019/20 Savings £m
Sustainable Development	2810	(0.250)	
Energy Efficiency (REW Service)	3771	(1.000)	(0.400)
Waste	2190	(1.516)	(3.111)
Natural Resources Wales	2451	(3.136)	(2.980)
National Parks	2490	(0.498)	(0.473)
Rural Development Plan	2885	(0.222)	(6.105)
Community Parish Holdings	2861	(0.471)	(0.429)
Planning	2250		(0.200)
Fuel Poverty	1270		(0.500)
<b>Total Savings to Reserves</b>		<b>(7.093)</b>	<b>(14.198)</b>

8. As part of my budgetary review, I have re-allocated and prioritised a number of budgets to ensure that I have the right balance of investment across my portfolio to support the National Strategy “*Prosperity for All*” priorities. These are detailed below. This includes allocating additional funding to Marine and Fisheries, and Decarbonisation.

Realignment of REVENUE budgets within MEG (By BEL)	£m
BEL 2816 Climate Change Action	-1.289
BEL 2885 RDP Technical Assistance	-0.500
BEL 2824 Environmental Mngt Support Funding	-0.500

<b>Realignment of REVENUE budgets within MEG (By BEL)</b>	<b>£m</b>
BEL 3770 Decarbonisation and Clean Energy	1.058
BEL 2838 Innovative Delivery	0.731
BEL 2870 Marine and Fisheries	0.500

<b>Realignment of CAPITAL budgets within MEG (By BEL)</b>	<b>£m</b>
BEL 1270 Fuel Poverty (Financial Transactions)	-1.180
BEL 2809 Green Growth (Financial Transactions)	1.180

### **Budget Agreement**

9. The budget agreement reached with Plaid Cymru includes a number of specific measures.
  - £0.5m feasibility study of a can and glass deposit scheme in 2018-19;
  - £6m over two years to establish a young farmers' grant scheme.
10. The £0.5m pilot will be developed following the completion of a study currently underway that is researching options to reduce, recycle and reduce the littering of key food and drink packaging waste, including beverage containers. The pilot will help inform an appraisal of the mechanisms, feasibility, costs and benefits of introducing a deposit return scheme in Wales alongside the existing household collection system for recyclable packaging waste.
11. Officials are working to establish a young Farmers start-up grant scheme for £6m over two years which will support the development of young and new farmers into the sector.

### **Specific Grants**

12. The National Strategy *Prosperity for All* highlights the importance of focusing on how our resources are provided to focus energy in areas we can have the greatest impact; improve outcomes and ensure services are delivered effectively and seamlessly. As part of our planning process, we have examined the range of specific grants provided across Welsh Government to local government and how these can be combined to increase their impact, thereby reducing bureaucracy and providing greater value for money and improving outcomes for citizens.
13. This builds on work undertaken in previous budget rounds to streamline funding – for example, our single environment revenue grant consolidated a number of environmental funding streams, including the sustainable waste management grant.
14. By consolidating more grants into the local government revenue support grant and amalgamating some smaller grants, supported by outcome

frameworks, we are increasing the flexibility for local authorities and helping to reduce the administrative burden associated with grant funding.

15. In line with this, I have agreed a recurrent MEG to MEG transfer of £35m from the Waste budget in respect of transferring funding from the Environment Specific Revenue Grant (local authority) to the Revenue Support Grant (RSG) within the Local Government MEG. This was approved by the Waste Ministerial Programme Board which includes representatives from local government.

16. In addition to the recurrent revenue savings and the specific grant movements, it was also agreed that 10% of Specific Grants to local authorities be re-allocated to mitigate reductions to core funding for social services and education. The transfer would be to reserves and 5% to be released during 2018-19 increasing to 10% by 2019-20. The reallocation of approximately £6m from the Environment Specific Revenue Grant in addition to the £35m to be transferred to the RSG, has resulted in the environment grant reducing to £19m as detailed below.

- Environment Single Revenue Grant 2017-18     £ 60m
- Reallocate 5% in 2018-19                     £ -3m
- Reallocate further 5% in 2019-20         £ -3m
- Transfer to RSG                                 £-35m
- Balance of Specific Revenue Grant         £ 19m

### Capital Allocations

17. The Welsh Government allocated the majority of capital budgets at the outset of the planning period during 2017-18, providing long term certainty and flexibility to manage the Government’s investment in line with priorities.

18. During the current budget planning round, additional Capital funding for 2018-19 to 2020-21 were allocated from Reserves. The additional capital was £14.5m for 2018-19, £6m for 2019-20 and £1.6m for 2020-21 and covered Rural Development Plan £5.4m, Flood and Coastal Risk Management £7.5m, Bont Evans Tree works £2.6m, and ICT development for the Single Multi Species Database £1.6m and the Rural Payments Post Brexit Systems £5m, over the three years.

Capital DEL allocations	BEL	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m
Fuel Poverty (Arbed and NEST)	1270	27.000	27.000	27.000	23.000
Green Infrastructure	New	3.612	3.205	3.289	7.975
Green Growth	2809	9.000	8.180	2.000	4.000
Flood Risk management	2230	32.000	34.500	27.000	28.000
Waste	2190	4.000	4.000	10.500	4.000

<b>Capital DEL allocations</b>	<b>BEL</b>	<b>2017-18 £m</b>	<b>2018-19 £m</b>	<b>2019-20 £m</b>	<b>2020-21 £m</b>
Natural Resources Wales (NRW)	2451	3.654	3.254	2.654	1.695
Landscape & Outdoor recreation	2490	1.000	0	0	0
CPH	2861	0.570	0	0	0
EID Cymru	2862	0.320	0.995	1.067	0
Commons Act	2866	1.100	0.500	0.300	0.300
CAP Reform	2789	1.574	3.000	2.000	0
Rural Development Programme	2949	8.166	9.809	6.521	5.318
Farm Business Grant	2886	5.000	5.000	5.000	5.000
European & Maritime Fisheries	2830	0.235	0.391	0.450	0.233
Marine Enforcement	2870	4.500	0.800	0	0
<b>2017-18 Draft Capital Budget</b>		<b>101.731</b>	<b>100.634</b>	<b>87.781</b>	<b>79.521</b>

19. The capital budgets have been profiled to ensure:

- NEST has been supported at £15m p.a. to ensure sustainability and value for money in this essential Fuel Poverty Scheme.
- The EU funded Arbed 3 has been allocated at £12m domestic match funding at £4m p.a. to ensure a total scheme value of £34m over the term of the Government.
- A £8m investment in Green Growth Funds with further Financial Transaction Support of £5m in 2018-19.
- A £4m Waste capital baseline over the four years to fund the Collaborative Change Programme and Waste Procurement Programme. There is an additional £6.5m in 2019-20 for a Circular Economy Capital Investment Fund, a long term waste strategy.
- Flood Capital budgets have been profiled to ensure enough capital funding to fund the current programme commitments and capital for design and development costs for schemes which will be funded under the £150m innovative Coastal Risk Management Programme (CRMP), and reducing only when there the CRMP becomes online in 2019-20 onwards.
- Green Infrastructure will also include a new Grant programme as well as funding for Coastal Path and the “LIFE” EU programme.
- Capital Funding for the Rural Development Programme (RDP) and European Maritime Fisheries Fund (EMFF) in line with current forecasts.
- Additional £5m p.a. for the Farm Business Grant (within the RDP budget) to help Farmers improve the economic and environmental performance of their holdings.
- Further developing the Common Land Register.

- Continued funding for three Marine Enforcement Vessels,.

## **Preventative Budgets**

20. Investment in flood risk management is, in its nature, preventative. Spending revenue money on maintenance work reduces the risk of failure of assets and therefore the need for emergency preventative spend on repairs, the cost of replacement of an asset, or the costs associated with a flood, including damage to property and business, and potential loss of life.
21. Flood and Coastal Erosion Risk Management (FCERM) Schemes are rigorously appraised according to the Treasury Green Book principles. Welsh Government expects Risk Management Authorities to use Treasury approved Appraisal Guidance when developing flood schemes. This ensures that public funds are spent on activities which provide the greatest benefit to the society in the most efficient manner.
22. Officials monitor progress on flood schemes through quarterly reports and scheme visits on major schemes. NRW are responsible for monitoring their own schemes, although regular monitoring meetings between NRW and Welsh Government also take place. Final claims confirm information on scheme completion including the number of properties benefitting.
23. There is a duty on local authorities to maintain a register of assets. NRW now collate all asset registers with their own into the National Asset Database which, in turn, updates flood risk maps and informs planning decisions. This also helps to realise the benefits provided through grant-funded schemes.
24. The most effective way in which we can tackle fuel poverty in the long term is to improve the energy efficiency of homes. By investing into tackling fuel poverty, we make a contribution to tackling a range of negative impacts including cold related health conditions, excess winter deaths, educational attainment of children and time off school and work due to sickness.
25. Tackling the legacy of poor health outcomes clearly requires individuals to take greater responsibility for their lifestyles. Among other Government levers, providing corridors for walking and cycling is a proven action that can be taken to directly address respiratory conditions, obesity and mental health problems. Provision of green infrastructure has been highlighted by Public Health Wales as one of the most cost effective measures that can be taken by Government in improving health outcomes.
26. Ongoing evaluation of the Warm Homes Nest programme includes formal monthly performance monitoring meetings with the service provider which cover the performance of the contract against all KPIs and objectives of the scheme. Strategic quarterly meetings are also held. The service provider is required to produce an annual report that includes an assessment of the scheme in reducing the number of households in Wales

living in fuel poverty and the impact on reducing household fuel bills and carbon emissions.

27. In addition to this, my officials are jointly funding the Fuel Poverty Data Linking project which anonymously links health data with data from the Nest scheme to evaluate health outcomes. Latest findings have shown a clear positive impact on the health of those households who have benefitted from the installation of free energy efficiency measures through the Nest scheme, with a knock on reduction in the use of our National Health Service. The research will now look at longer term health impacts, potential impacts on educational attainment and comparisons with the Arbed scheme.
28. Evaluation is also undertaken for Warm Homes Arbed schemes, which includes an assessment of benefits and value for money. It is also a requirement of all Warm Homes schemes that only the most cost effective and appropriate energy efficiency measures are installed.
29. The Welsh Government TB Eradication Programme should be seen as a programme which will ultimately boost the Welsh economy. The ultimate outcome is the successful eradication of bovine TB, this will bring with it a reduction to Welsh Government in TB Eradication spend and TB Compensation spend and associated costs, as well as a reduction to the consequential losses faced by the industry, thereby boosting the Welsh economy.
30. The Environment Grant programmes have all been designed to reflect the requirements of the Wellbeing of Future Generations Act and more latterly the principles of Sustainable Management of Natural Resources. All applications for funding received are required to set out how the activity being proposed will contribute to prevention in clear terms and how they have been applied in the design of the project and will be applied in delivery.
31. My officials have set in place monitoring arrangements for each grant recipients requiring them to report periodically on the progress made with the grant including expenditure, outputs, results and multiple benefits. These are monitored and assessed by both the Grants Team and relevant Policy Teams prior to any payment for a period being made.

### **Evidence Based Policy Making**

32. The Welsh environment and natural resources underpin significant economic sectors including agriculture, fisheries, tourism and forestry and are of importance to other policy areas including health and well-being, energy and infrastructure.
33. In order to develop policies that build social, economic and environmental resilience and to evaluate policy impact, the Welsh Government is

procuring the Environment & Rural Affairs Monitoring and Modelling Programme.

34. The Environment & Rural Affairs Monitoring and Modelling Programme will build upon the success of the Glastir Monitoring and Evaluation Programme. It will establish a key evidence base informing Well-being of Future Generations indicators, the State of Natural Resources Report (SoNaRR), the Natural Resources Policy and the Decarbonisation Programme.
35. It will better quantify the relationship between the sustainable management of natural resources and public health and well being informing the decision making process across the Welsh Government.
36. The National Strategy for Flood and Coastal Erosion Risk Management sets out the objectives for the management of flood and coastal erosion. There is a good level of evidence from existing flood risk maps (for river, coastal and surface water flood risk), Flood Risk Management Plans, local strategies, the National Flood Risk Assessment and the Communities at Risk Register. The evidence and their updates themselves are supported by revenue funding to NRW and the joint research programme.
37. In addition, stand-alone studies such as the Future Flooding in Wales report and the Wales Coastal Review help to clearly set out the need for sustained investment and the increasing risks associated with flooding and climate change.
38. To develop the focus of the Green Infrastructure Capital Grant, my officials are working with NRW through the Strategic Natural Resource Management Evidence Group, to develop an evidence base to inform the targeting of investment. This includes a mapping exercise across Wales using existing data and building on SoNaRR to focus on areas of potential for investment where a number of issues exist, including for example:
  - poor air quality;
  - a lack of urban trees;
  - poor levels of green and blue space;
  - poor access to green infrastructure;
  - high level of road traffic noise;
  - biodiversity needs, including pollinators;
  - flood risk; and
  - deprivation (using the WIMD).
39. The aim is to complete the initial mapping exercise during year one of the programme. This work will be used to inform the more effective targeting of investment at projects where multiple issues exist and will help to develop an increasingly well evidenced programme from year 2 (2018-19) onwards. Links will then need to be made to the evidence set out in Local Well-being Assessments and Plans and Area Statements.



## **Equality**

40. After reviewing the key changes above, a number of key programmes were subject to Integrated Impact Assessments covering equality, Welsh language and Children's Rights. Integrated impact assessments are mainstreamed into policy setting as well as budgetary decisions.
41. The results from the impact assessments show that there are no disproportionate impacts on the identified groups due to these budgetary decisions.

## **Welsh Language**

42. The Welsh Language (Wales) Measure 2011 and proposed Standards require us to do the following three things:
1. Consider the effects or impacts of our policy decisions on the Welsh language (both positive and negative)
  2. Consider how to increase positive effects, mitigate or reduce adverse effects and take all opportunities to promote the use of Welsh
  3. Seek views on the effects on the Welsh language when engaging or consulting and to seek the view of Welsh speakers and users of the language.
43. As part of the Integrated Impact Assessment process, we have considered the impact of our budget decisions on the Welsh Language, and have identified no significant impacts on the provision of Welsh language services.

## **Children's Rights**

44. Wales is the first country in the UK, and one of only a few countries in the world, to enshrine the United Nations Convention on the Rights of the Child (UNCRC) into domestic law with the Rights of Children and Young Persons (Wales) Measure 2011.
45. The duties within the Measure are implemented in two stages and place duties on Welsh Ministers to:
- give balanced consideration to the rights in the UNCRC and its optional protocols when formulating or reviewing policy and legislation;
  - give balanced consideration to the rights in the UNCRC when they use all their legal powers or duties.
46. Across my portfolio, each member of staff is required to consider how their work affects children's rights, and this process has informed the Integrated

Impact Assessment. No significant impacts on children's rights have been identified in the setting of this budget.

### **Withdrawal from the European Union**

47. The challenges associated with Brexit fall heavily on my portfolio, with a plethora of European level regulation covering complex areas such as chemicals, fisheries, waste, animal & plant health, and major EU-driven funding programmes including the Common Agriculture Policy (CAP) (on which we are answerable directly to the European Commission). Over 90% of our business is EU-related. We have done well since the Referendum to marshal internal resource, mobilise stakeholders, and work closely with Defra and other devolved Administrations.
48. Wales is a net beneficiary of EU Structural Funds with £650m of EU funding coming into Wales each year. This is funding which plays a vital role in supporting growth and jobs across Wales, helping people into work and training, supporting businesses, driving innovation and helping to regenerate communities.
49. The outcome of the Brexit negotiations is unclear. What can be said with some certainty is that a consequence of the European Union (Withdrawal) Bill (if it is passed into law) will be the embedding into UK law of current EU regulations on CAP. Given that the UK Government has confirmed availability of CAP funding at the present level only to 2022, it is almost inevitable that the UK as a whole will continue with the current Pillar 1 and Pillar 2 schemes to that endpoint.
50. The Welsh Government has to ensure it maintains its commitments and obligations to its various Programmes and funding streams as agreed with the European Commission. Until we actually leave the EU, funds such as the CAP (Pillar 1) payments and the RDP (Pillar 2) will come to Wales as normal which means that we can be reasonably sure of funding up to 2020 and can approve projects that are committed during that period.
51. RDP investment scheme windows that open are for projects that will commit spend before 2019 so will operate normally with the payments operating until 2022. The same arrangement applies to the Structural Funds, the European Territorial Co-operation and the European Maritime and Fisheries Fund.
52. The Wales Rural Development Plan (RDP) is a multi year demand led budget and can vary and is determined by the number of schemes opening in any given period along with the estimated demand. Our co-financing domestic budgets need to be flexible and we have to ensure that we maximise spend and lever in the EU contributions over the programme period 2014-2020.
53. In March I committed the final tranche, totalling £223 million, of the 2014-2020 Rural Development Programme to make full use of the Treasury

guarantee on funding to 2020. Since the launch of the RDP programme, we have made £787 million of investment available for the benefit of communities, farmers, foresters and food businesses in Wales through the RDP 2014 - 2020. That is over 82% of the Programme.

54. Since the modification was approved, the allocation for the Programme has been amended to £774.35 million of which £519.62 million is EU funding. Taking the revised future Programme allocation into account gives a commitment value of just over 100%. I recently agreed an indicative plan of future expression of interest windows to commit the remaining programme. An indicative list of the remaining windows to be opened is on the RDP part of the Welsh Government website.
55. It is not possible to forecast with certainty the profile of the demand for the remaining duration of the Programme. The RDP revenue budget has been re-profiled and revenue savings of £0.2m in 2018-19 and £6m in 2019-20 has been achieved based on current forecasts. Additional capital budget of £5.4m has been allocated over the three year period to match the expected RDP capital profile and ensure full drawdown of European funding. I can confirm I have already committed the full amount of the RDP EU funds awarded to Wales, through a combination of approved projects and ring-fencing of funds for activities such as the Agriculture Strategic Initiative and future application rounds.
56. In terms of resources, the longer term implications of leaving the EU do not escape me and the need to take preparatory action remains a top priority. I have established a team of officials who are engaging with policy teams across my portfolio as well as with external stakeholders.
57. We are working collaboratively to identify the key issues for Wales that need to be accounted for in any discussions with the UK Government as well as identifying risks and opportunities associated with withdrawal from the EU. These actions will help identify and focus on transitional measures we will need to take.
58. Currently the work we are doing is currently funded from existing programme and running costs budgets across the department. It will be necessary for me to make further decisions on resources as we get more clarity on the structure of the settlement between the UK and the EU as we approach 2019, during the transition period and beyond.

### **Well Being of Future Generations**

59. The Well-being of Future Generations Act has shaped our Budget preparations and decisions.
60. I have had to make difficult decisions about how to spend my budget next year and beyond. I have approached the budget preparations by looking at the evidence of needs and pressures in our priority areas in our National Strategy – Prosperity for All. This approach is reflected in my decision to

invest in and protect our public services and preventative programmes and to balance short-term and long-term needs.

61. My draft budget preparations shows how we have sought to reflect the framework of the Act in setting our spending priorities. We reviewed current trends and future projections and their potential impacts in the short, medium and longer term. We did this to ensure, as far as possible, that short term responses do not have longer term detrimental impacts.
62. For example, we have a strong record in driving up recycling rates across Wales, putting us first in the UK, second in Europe and third in the world. Additionally, the capital budget for waste for 2019-20 includes an investment in the Circular Economy Capital Investment Fund of £6.5m. A key policy priority in order to maximise the contribution towards the well-being goals is to increase the reuse and recycling elements of the circular economy approach for Wales.
63. Our continued investment into Green Growth Wales shows how our innovative thinking is making budgets go further across Welsh Government. We are making investments which not only reduce emissions, but enable cash savings by public bodies spending less on their energy bills. It focuses in infrastructure projects which will reduce carbon emissions, including renewable energy generation, resource efficiency, and energy from waste projects.
64. Our Warm Homes Programme makes significant contributions across many of Welsh Government's wellbeing objectives under our National Strategy "prosperity for all" including promoting good health and wellbeing. This is achieved through the creation of jobs and business opportunities, long term improvement of the housing stock, reducing carbon emissions and tackling fuel poverty and its range of associated negative impacts on health, wellbeing and educational attainment.
65. The Green Infrastructure Fund has been designed to reflect the requirements of the Well-being of Future Generations Act. Organisations are required to produce their grant applications with clear reference to how they will deliver against the Well-being of Future Generations Act goals and principles and in doing so, demonstrate the delivery of multiple benefits.
66. Devolution has allowed Wales to develop a distinctive legislative base through the Environment Act, which sets out the legislative framework for the management of Wales' natural resources, and the Well-being of Future Generations Act, which puts sustainable development at the heart of policy decisions in Wales. Both of these pieces of legislation enable us to do things differently to the rest of the UK, reflecting Wales' distinctive characteristics.
67. This has provided the flexibility to develop our own bespoke policies and delivery mechanisms for agri-food and forestry sectors, within the context

of a European framework. The intention is to build on our successes and further develop and implement a bespoke legislative framework. However, the introduction of the UK Government's European Union (Withdrawal) Bill represents a significant challenge to our ability to achieve this. The Bill, as drafted, would restrict our ability to plan and act to prepare our sectors for the impacts of Brexit and beyond.

### **Landfill Disposals Tax Communities Scheme**

68. The operating budget of £1.5m for the Landfill Disposals Tax Communities Scheme (LDTCS) has been added to our budgets from 2018-19. The LDTCS is a grant scheme which will support community and environmental projects in areas affected by the disposal of waste to landfill. The budget will be allocated to a third party, appointed via a procurement exercise, who will distribute the money directly to projects.

### **Environment Act and Natural Resources Policy**

69. The Environment (Wales) Act sets out the purpose – the 'sustainable management of natural resources (SMNR)' - through legislation that will enable Wales' natural resources to be managed in a more proactive, sustainable and joined-up way to tackle the systemic issues for our natural resources and to optimise the benefits we receive from them for our well-being.

70. In August of this year I published our new Natural Resources Policy, the second major milestone in the implementation of the ground-breaking Environment (Wales) Act.

71. The policy sets out three national priorities for the management of our natural resources which will drive delivery across all our wellbeing goals to benefit communities and our economy, as well as improving the environment.

- the delivery of nature-based solutions
- increasing renewable energy and resource efficiency; and
- taking a place-based approach

72. The Natural Resource Policy (NRP) is part of a suite of delivery mechanisms. The legislation requires is sets out the Welsh Ministers' priorities, opportunities and risks for SMNR including what should be done in relation to climate change and biodiversity, and policies for contributing towards SMNR.

73. The Natural Resources policy's purpose is to set out how the collective impact of the relevant policies will address the challenges and opportunities associated with Wales' Natural Resources. This is in line with the long term policy direction that underpinned the Environment Act and as such any costs will be met from work already underway within the

individual policy areas and can be managed within the reduced MEG envelope going forwards.

### **The Wales Act**

74. The Wales Act is scheduled for full implementation on 1 April 2018. This will transfer responsibility for marine nature conservation, marine licensing and the Environmental Liabilities Directive in the off-shore area to Welsh Ministers.
75. The nature conservation work (which includes species licensing) will include the identification and designation of 5 new Marine Protected Areas (to complete the network of sites), the management, enforcement and monitoring of the sites and species licensing. I have ensured that I have bolstered the Marine and Fisheries budget by a further £0.5m to manage these costs.
76. Marine licensing work in the offshore area is likely to be minimal and should be cost recoverable and under the Environmental Liabilities Directive, the polluter or those who cause the damage should pay. I would not expect any significant additional resources to be required under these new responsibilities.
77. Natural Resources Wales, acting as the licensing authority on behalf of the Welsh Ministers, in the inshore area currently can recoup costs associated with determining marine licence applications and associated services.
78. The Wales Act proposes to devolve additional powers in relation to energy consenting in Wales. Our work in negotiating with the UK Government on these provisions and their implementation will be met through existing Departmental Running Costs and Programme budgets. The current policy intention is that future Welsh Government costs relating to the operation of the consenting arrangements to be introduced are to be recovered by an application fee.

### **Natural Resources Wales (NRW) Allocations**

79. NRW have made significant progress in a number of areas to establish their foundations and in particular have begun developing Natural Resource Management as our core approach to the delivery of all their responsibilities.
80. Additionally, their legislative responsibilities has also seen them working to implement the requirements of new legislation, particularly the Well-being of Future Generations Act (Wales) 2015, Environment Act (Wales) 2016, Planning Act (Wales) 2015 and the Historic Environment Act (Wales) 2016.
81. NRW are undergoing a major programme of Business Area Reviews to consider how they are structured to deliver their priorities. As published in

their recent Business Plan, NRW have so far established savings to reduce costs and improved productivity in ways that will deliver more than £90m of benefits. There are many more opportunities to improve productivity and reduce costs as part of their Transformation plans.

82. Regarding Marine Protected Areas (MPA's), Natural Resources Wales (NRW) will continue to fulfil its statutory duties from within its funding allocation. I meet with the Chair and Chief Executive of NRW regularly and I will discuss any concerns or issues NRW might have in meeting its obligations.

83. I have carefully considered the budget and priorities regarding NRW and given the transformational changes, the Invest to Save funding to support the changes, and the expected savings, I am unable to protect NRW from our revenue reductions. I have reduced the NRW Grant in Aid by 5% for 2018-19 and a further 5% in 2019-20. I will ensure that my officials will continue to work with NRW to help realise these savings.

### **Flood and Coastal Risk Management**

84. Over the lifetime of this Government we will invest over £140 million capital investment in flood and coastal erosion risk management around Wales. This is in addition to the Coastal Risk Management Programme which is working with local authorities towards an investment of £150 million capital over three years from 2019.

85. Flood Revenue budgets have been protected and Capital budgets have been profiled to fund the current Programme commitments and capital for the innovative Coastal Risk Management Programme (CRMP). The additional revenue funding of £2.4m in 2019-20 is the start of a long term revenue stream to finance local authorities' capital investment in the programme through a Local Government Borrowing Initiative.

86. In 2019-20, the new flood and coastal risk management programme will begin; raising £150m over a three-year period for schemes to manage current and future risks from climate change and sea level rise to coastal communities across Wales. Local authorities have identified 41 potential projects. The business cases are being reviewed and a third has so far been identified for progression to detailed design this year for example, a scheme in East Rhyl which has a history of recent flooding. Welsh Government is working with the local authority providing just over £1m to support detailed design work and to further develop the business case for the scheme to protect residents against present and future flood risk.

### **Climate Change and carbon budgeting**

87. Climate change is fundamentally linked to growth and jobs as it has an impact on our economic prosperity and crucially provides significant opportunities for the future and in particular around green growth.

88. Part of my Climate Change budget is set aside for the central coordination of climate activity around the Welsh Government. This central resource includes the development, monitoring and reporting of the national policy context on both decarbonisation and building climate resilience.
89. There has also been a re-alignment of the Climate Change BEL 2816, with a transfer of responsibilities with £0.558m being transferred to the Decarbonisation and Energy BEL 3770 and for the transfer of £0.731m to the Innovative Delivery BEL 2838 in respect of ECO Schools and Size of Wales programmes.
90. The Environment Act sets out a clear Decarbonisation pathway for Wales within the context of our existing UK and international obligations with a reduction in emissions of at least an 80% by 2050.
91. Until the carbon budgets have been set, we can not assess the exact financial budget allocation towards the actions that will help reduce the emissions. However as climate change is the collective impact of all of our actions this would be spread across all of my portfolio's activities.
92. We are developing the regulations to set the emissions targets and carbon budgets, which will allow us to guide delivery, better evaluate progress and provide certainty and clarity for investment and business. Our focus now is on implementing our long-term delivery framework, as set by the Environment Act. We are on track to deliver our legislative commitments of laying our first two carbon budgets in regulation by 2018.
93. The additional £0.5m for the Decarbonisation and Clean Energy BEL 3770 will enable the Decarbonisation team will be able to deliver work which is part of the Welsh Government's statutory obligations under the Environment Act. The budget will help improve the engagement and knowledge transfer of information as a result of the programme to the public, stakeholders and other Welsh Government staff.
94. The budget will cover Public Sector Decarbonisation – A project subsequent to NRW's carbon positive project is envisaged, to look at the long term pathway for complete decarbonisation, with demonstration projects on how to fully decarbonise taking into consideration the 2030 ambition. The findings from the project will provide the next stage of a supporting mechanism for the public sector.
95. There will also be stakeholder engagement - As we develop the programme further, particularly regarding the Delivery Plan we will need to undertake a programme of external communications to involve others (as part of our WFG requirements), to raise awareness and help others to take action.
96. The budget will also fund events to promote the Decarbonisation programme and for stakeholder to provide advice on their preferred



approach. Stakeholders have given positive feedback already on the events we have held to date highlighting the need for further engagement.

97. Finally, the budget will further assess trading and offsetting specifically to assess the options around a Welsh trading scheme.

## **Marine and Fisheries**

98. An additional allocation of £0.5m has been made to Marine & Fisheries to meet additional budget pressures such as:

- Preparation for EU Exit and marine and fisheries sector readiness;
- Implementation of the Wales Act 2017;
- Final phase of development and the implementation of Wales' first Marine Plan; and
- Build on our current programme of work to help ensure our Marine Protected Areas achieve and remain in favourable condition.

99. A number of the items above include enhancing Welsh Government's operational enforcement, bringing forward plans to improve marine monitoring, science and data management initiatives to ensure we continue to the sustainable management of marine resources. Officials will continue to work closely with stakeholders to further develop a joint approach to the development and implementation of Welsh Marine and Fisheries policy.

100. In 2018-19, the marine plan will still be undergoing implementation and preparations will be under way to review the existing plan. The costs for this work will include reviewing how well the plan is working, further cross-border evidence and interpretation and further work on evidence to support prioritisation work in the marine economy.

101. The expectation is for when EU legislation flows back for areas of devolved competence, it should flow back to Wales. It should then be for the four UK administrations to work together to agree either an equitable framework or a joint approach. This will further amplify intra UK negotiation.

102. In our on-going discussions with the UK Government and Devolved Administrations, we will continue to actively reflect the needs of Wales. I also agree it is important we collectively agree a mechanism to continue the management of cross-border marine areas, once we leave the EU.

103. Regarding the resources across my Marine and Fisheries branches, many work streams, include the Division's work on the management of marine protected areas, are spread across the Division. Teamwork across the Division and with other organisations, like Natural Resources Wales, is essential in the delivery of Welsh Government's objectives.

104. How staff are brigaded in the Divisional structure does not, therefore, give a true picture of the resources involved in delivering work streams. However, the full-time equivalent (FTE) staff attached to the following Branches are:

Marine Policy Branch (i.e. marine planning)	9.0 FTE
Marine Conservation and Biodiversity Branch,	5.8 FTE
Marine Fisheries Policy (Sea Fisheries Policy)	2.5 FTE
Operations	28 FTE

### **Bovine TB Eradication Plan**

105. We have protected the investment into TB Eradication and the Animal Health and Welfare budgets. It is fully recognised that no single approach will lead to TB eradication and we need to tackle bovine TB from all angles in order to get on top of it, which is why we have developed a comprehensive approach. Such elements include annual testing and the TB epidemiology work being undertaken which helps us to improve our understanding of the disease picture across Wales.

106. Following a consultation earlier this year a range of measures will be introduced within each of the new TB regions in Wales which are designed to improve the TB Programme and to make it more sustainable. The first suite of changes was brought in on 1 October 2017.

107. The new bespoke action plan's approach primarily involves increasing the use of the tools we already have at our disposal. The expenditure for this new initiative can be realised from within the current field work commitment budget.

108. Along with these new measures we also need to be prudent with our budgets, especially with the future loss of European funding. It is important we prevent slaughtered animals being overvalued because it increases the cost to the taxpayer and provides little incentive for farmers to prevent TB.

109. With the new measures, it is prudent to protect both the Eradication and Compensation budgets. I will keep the Compensation budget under review pending the outcome of the new measures.

110. Our Eradication Programme is reviewed on an annual basis as part of the submission of the UK TB Eradication Plan to the European Commission (EC) and has received endorsement by the EC for seven years running.

111. The 2017 UK TB Eradication Plan was approved by the EC along with €27.6m co-financing. EC funding is split between Wales, England and Northern Ireland based on actual numbers of tests undertaken and animals compensated. Wales normally receives between £2-4m annually, which is approximately 10% of our budget, for implementation of the UK TB Eradication Plan.

112. After leaving the European Union, we will not be relaxing the controls we are currently implementing. As we progress towards eradication it is highly likely that we will need to implement more stringent measures in order to further bear down on disease. We will continue to ensure Wales' reputation for the highest animal health and welfare standards remains a priority.
113. Should we need to increase resources for the enhanced Programme we will prioritise work streams to stay within budget. We continue to monitor and evaluate policies in light of the latest information this includes scrutinising all costs, ensuring value for money and identifying savings wherever possible.
114. Until the policies are rolled out and become embedded as business as usual it is anticipated that spend will be below budget. For this reason it is expected that for 2018-19 spend will increase, but will remain within budget.

### **Animal Health and Welfare Framework**

115. Each year Welsh Government and the Wales Animal Health and Welfare Framework (AHWF) Group agree and publish the annual implementation plan which sets out the key delivery milestones for the coming 12 months. The plan includes priorities of Welsh Government and those being taken forward by the Wales AHWF Group. The methodology underpinning this approach is Results Based Accountability which places a strong focus on the need for evidence of where action is required.
116. The Wales Animal Health and Welfare Framework sets out our long term vision for animal health and welfare in Wales. In August, I published the third annual implementation plan under the Framework along with a review of the 2016-17 year. The plan for 2017-18 sets out the priorities for the year and key actions for delivery as agreed by Welsh Government and the Wales Animal Health and Welfare Framework Group. These priorities contribute to agreed strategic outcomes for animal health and welfare and also to the seven well-being goals set out in the Well Being of Future Generations Act 2015.
117. These priorities include taking forward the next phase of the Bovine TB Eradication Programme as well as continuing to meet our statutory obligations to safeguard the food chain and public health. We have a number of priorities for animal welfare such as Mobile Animal Exhibits, Animal Welfare Codes of Practice and Welfare of Animals at Time of Slaughter.
118. Additionally, the work on EU Animal Health Law has now become a priority for the coming 12 months. There is agreement across the United Kingdom to utilise the next 2 years to influence emerging EU tertiary legislation. Our objective must be to ensure when we exit the EU, there is

a legislative framework in place to support trade and the need to respond to animal disease outbreaks quickly and effectively.

119. Engagement and collaborative working will be crucial over the months and years ahead. Welsh Government officials are fully engaged with the UK wide Animal and Plant Health working group and with the UK Senior Officials Group in their considerations on EU Exit.
120. The Wales AHWF Group is also representing animal health and welfare interests at the Cabinet Secretary for Environment and Rural Affairs' EU Roundtable Group and its sub-groups. The sub-groups have recently been established to allow more detailed discussions on key areas.

#### **Implementation of the Control of Horses (Wales) Act 2014**

121. I intend to publish the independent report containing the findings and recommendations on the Welsh Government Website.
122. The review, undertaken by an independent organisation on behalf of the Welsh Government, has considered all relevant documentation including the explanatory memorandum and regulatory impact assessment prepared as part of the Bill process.
123. The review is positive and recognises in the three years since the Act came into force there has been a reduction in the number of horses reported and removed as a result of fly grazing, abandonment and straying.
124. Documented cases have seen a variable involvement from the public and charitable sectors in addressing each incident, where time spent by voluntary and paid staff, along with resources utilised, is difficult to quantify and value.
125. Furthermore the charitable and voluntary sectors are unable to give specific costs that they have attributed to each incident as it could be detrimental to the support and donations they receive from members of the public.

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

126. Through the Commons Act 2006, the Welsh Government aims to safeguard the future diversity and variety of common land in Wales by simplifying the complex legislation that has previously protected it.
127. Having electronic registers for common land in Wales leverages scale and cost economies across the public sector. As well as the potential cost savings for local authorities, there are benefits to be gained for scheme payments to the agricultural sector (for both existing schemes and any schemes developed post EU Exit). Benefits include an improved legal basis for payments as well as improvements in administration. Electronic

registers would also allow for commons boundaries and key commoners to be quickly identified in any notifiable disease situation to support a rapid response.

128. The 2006 Act is being implemented through a rolling programme with substantial parts having already been brought into force.
129. The priority is to implement the remainder of Part 1 of the Act including the creation of electronic registers to improve the accuracy of the records held and public access to them. The timetable for the remainder of Part 1 will be established to enable and mesh with the introduction of Electronic registers.
130. A mechanism has been introduced allowing both the Commons Registration authorities and the Planning Inspectorate Wales to charge for the determination of those applications considered to be in applicant's personal financial benefit.
131. For those provisions considered to be in the public interest, such as the registering of common land or town or village green the Welsh Government has agreed to fund the costs of determination. An annual budget of £50k has been established for the determination of public interest applications, this figure will be kept under review to account for the anticipated change in demand.
132. I am pleased to report work is now underway on the project to develop and implement electronic registers for common land and town and village greens in Wales. A project board is now established to oversee this work moving forwards.
133. Introduction of electronic registers will make managing common land and village green data more effective, enabling more accurate and secure data, labour saving in local authorities and consistent national reporting through one common land and village green management system for Wales.
134. There are significant benefits associated with having electronic registers including;
  - Provision of greater and more accessible information for calculating payments to farmers. (Approximately 20% of all farms in Wales claiming SPS payments declare common land for payment purposes);
  - Quicker identification of commons boundaries and key commoners to support a rapid response during a notifiable animal disease outbreak;

- cost savings for local authorities, to be gained through more effective and efficient working practices, aligned with wider local government reform.

135. For the above actions I have allocated £0.433m revenue budget in 2018-19 and £0.8m capital budget profiled over the next two years to commit to developing the Commons Act registers under BEL 2866. I will continue to review the capital requirements as the project develops.

### **Planning (Wales) Act 2015**

136. The majority of the Act was implemented in 2016 and early 2017 and is now embedded in the Planning Directorate budget.

137. The remaining provisions to be implemented with associated cost to the Welsh Ministers include:

- The production of a National Development Framework (NDF);
- Providing financial assistance to local planning authorities (LPAs) who have sought the approval of Welsh Ministers to produce a Strategic Development Plan (SDP); and,
- Introducing the ability for planning applications to be made directly to the Welsh Ministers where they have formally designated a local planning authority due to its poor performance – identified in the Regularity Impact Assessment (RIA) as “optional direct applications”.

138. The RIA costs only cover the implementation of the NDF and SDP provisions. The costs associated with introducing optional direct applications to the Welsh Ministers has not been included, as this is a one off cost generated when an LPA is formally designated as poorly performing. The RIA estimates this cost to be £96k per designation.

139. All funding for implementing the Planning (Wales) Act will be met through existing Planning Directorate running costs budget and under Planning and Regulation programme budget BEL 2250.

Lesley Griffiths  
Cabinet Secretary for Environment and Rural Affairs

RESOURCE BUDGET																		
Action		BEL Description	2017-18 Supplementary Budget June 2017	Baseline Adjustments	2017-18 Revised Baseline	2018-19 MEG to MEG Transfers	2018-19 Transfers Within MEG	2018-19 Allocations / Reductions	2018-19 New Plans Draft Budget	2019-20 MEG to MEG Transfers	2019-20 Transfers Within MEG	2019-20 Allocations / Reductions	2019-20 New Plans Draft Budget	2020-21 MEG to MEG Transfers	2020-21 Transfers Within MEG	2020-21 Allocations / Reductions	2020-21 New Plans Draft Budget	DESCRIPTION
Develop and deliver overarching policy and programmes on sustainable development and natural resource management	2810	Sustainable Development	250		250			-250	0				0					Budget no longer in use. Budget reduction
	2812	Environment Legislation & Governance	181		181				181				181					
	<b>Total Develop and deliver overarching policy and programmes on sustainable development and natural resource management</b>		<b>431</b>	<b>0</b>	<b>431</b>	<b>0</b>	<b>0</b>	<b>-250</b>	<b>181</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>181</b>					
Develop and implement climate change policy, energy efficiency, Green Growth and environmental protection	1270	Fuel Poverty Programme	3,412		3,412				3,412			-500	2,912					
	2809	Green Growth Wales	1,636		1,636				1,636				1,636					
	2816	Climate Change Action	1,827		1,827			-1,289	538				538					Transfer of budget - redistribution of responsibilities.
	2817	Radioactivity & Pollution Prevention	385		385				385				385					
	3770	Decarbonisation & Energy (New Name)	1,527		1,527		1,058		2,585				2,585					Transfer from BEL 2816 - £558k redistribution of responsibilities, and pressure funding of £500k from Environmental Mngt Support BEL 2824.
	3771	Energy Efficiency Programmes	1,400		1,400			-1,000	400			-400	0					Budget Reduction. Programme finishing
<b>Total Develop and implement climate change policy, energy efficiency, Green Growth and environmental protection</b>		<b>10,187</b>	<b>0</b>	<b>10,187</b>	<b>0</b>	<b>-231</b>	<b>-1,000</b>	<b>8,956</b>	<b>0</b>	<b>0</b>	<b>-900</b>	<b>8,056</b>						
Develop and implement flood and coastal risk, water and sewage policy and legislation	2230	Flood Risk Management & Water Revenue	22,448		22,448			-58	22,390			2,358	24,748					1. Revenue Support for CRMP : £2,400k (19/20), £2,600 (20/21) and 2. £58k specific grant reduction in 2018/19 and £42k in 19/20
	<b>Total Develop and implement flood and coastal risk, water and sewage policy and legislation</b>		<b>22,448</b>	<b>0</b>	<b>22,448</b>	<b>0</b>	<b>0</b>	<b>-58</b>	<b>22,390</b>	<b>0</b>	<b>0</b>	<b>2,358</b>	<b>24,748</b>					
Manage and Implement the Waste Strategy and waste procurement	2190	Waste	72,199		72,199	-35,000		-3,413	33,786			-1,727	32,059					1. £328k added back to Waste Infrastructure budget baseline; 2. additional protected funding: £403k (18/19); £4,684k (19/20) & £937k (20/21). 3. budget reduction of £1516k (18/19) and £3111k (19-20), and £2.8m specific grant reduction in both years. 4. Glass and Can Replacement scheme part of Plaid Cymru, one year only (18-19)
	New	Landfill Disposal Tax			0			1,500	1,500				1,500					1. £1.5m for landfill disposal Tax operational Costs
	<b>Total Manage and Implement the Waste Strategy and waste procurement</b>		<b>72,199</b>	<b>0</b>	<b>72,199</b>	<b>-35,000</b>	<b>0</b>	<b>-1,913</b>	<b>35,286</b>	<b>0</b>	<b>0</b>	<b>-1,727</b>	<b>33,559</b>					
Deliver nature conservation and forestry policies and local environment improvement (New name)	2191	Local Environment Quality & Keep Wales Tidy	3,835		3,835			-114	3,721			-82	3,639					Specific grant reduction of £113.5 in 18/19 and £82.3 in 19/20
	2192	Community Involvement (New Name)	350		350			-15	335			-11	324					£15.3k specific grant reduction in 18/19 and £11.1m in 19/20
	2824	Environmental Mgt Support Funding	1,192	-107	1,085		-500		585				585					£500k to fund Decarbonisation Pressure
	2825	Natural Environment	1,050		1,050			-13	1,037			-10	1,027					Reduce specific Grant by £13.2 in 18/19 and £9.6k in 19/20 to reserves
	2827	Forestry	214		214				214				214					
	<b>Total Deliver nature conservation and forestry policies and local environment improvement</b>		<b>6,641</b>	<b>-107</b>	<b>6,534</b>	<b>0</b>	<b>-500</b>	<b>-142</b>	<b>5,892</b>	<b>0</b>	<b>0</b>	<b>-103</b>	<b>5,789</b>					
Sponsor and manage delivery bodies	2451	Natural Resources Wales	70,120	2,608	72,728	-1,201		-3,136	68,391			-2,980	65,411					1. 18-19 baseline adjustment for I2S: £2.501m in, £1.201m out in new ITS repayment; 2. Budget reduction £3.136m (18-19) and £2.980m (19-20)
	<b>Total Sponsor and manage delivery bodies</b>		<b>70,120</b>	<b>2,608</b>	<b>72,728</b>	<b>-1,201</b>	<b>0</b>	<b>-3,136</b>	<b>68,391</b>	<b>0</b>	<b>0</b>	<b>-2,980</b>	<b>65,411</b>					
Developing an appropriate evidence base to support the work of the Department	2814	Environment Management (Pwllperian)	38		38				38				38					
	2818	Environmental Evidence & Support	776		776				776				776					
	<b>Total Developing an appropriate evidence base to support the work of the Department</b>		<b>814</b>	<b>0</b>	<b>814</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>814</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>814</b>					
Protecting plant health and developing GM policies	2821	Other Plant Health Services	52		52				52				52					
	<b>Total Protecting plant health and developing GM policies</b>		<b>52</b>	<b>0</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52</b>					
Promote and support protected landscapes, wider access to green space	2490	National Parks	9,966		9,966			-498	9,468			-473	8,995					Budget reduction
	<b>Total Promote and support protected landscapes, wider access to green space</b>		<b>9,966</b>	<b>0</b>	<b>9,966</b>	<b>0</b>	<b>0</b>	<b>-498</b>	<b>9,468</b>	<b>0</b>	<b>0</b>	<b>-473</b>	<b>8,995</b>					
Planning and Regulation	2250	Planning & Regulation Expenditure	5,200		5,200				5,200			-200	5,000					Budget reduction
	<b>Total Planning and Regulation</b>		<b>5,200</b>	<b>0</b>	<b>5,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,200</b>	<b>0</b>	<b>0</b>	<b>-200</b>	<b>5,000</b>					
Develop and deliver overarching policy and programmes on Agriculture, Food and Marine	2829	Agriculture Strategy	20		20				20				20					
	2831	Local Authority Framework Funding	600		600				600				600					
	2860	Agriculture Customer Engagement	400		400				400				400					
	2861	County Parish Holdings Project	1,400		1,400			-471	929			-429	500					Budget Reduction
	2862	EID Cymru	421		421				421				421					
	2863	Livestock Identification	1,647		1,647				1,647				1,647					
	2864	Technical Advice Services	1,775		1,775				1,775				1,775					GMEP
	New	New Farm Entrants	0		0			2,000	2,000			2,000	4,000					Young Farmers Grants - Plaid Cymru Budget Settlement
	2865	Legislation and Policy Implementation	183		183				183				183					
	2866	Commons Act	433		433				433				433					
	2838	Innovative Delivery	0		0		731		731				731					Transfer from BEL 2816 - redistribution of responsibilities (Eco Schools and Size of Wales)
<b>Total Develop and deliver overarching policy and programmes on Agriculture, Food and Marine</b>		<b>6,879</b>	<b>0</b>	<b>6,879</b>	<b>0</b>	<b>731</b>	<b>1,529</b>	<b>9,139</b>	<b>0</b>	<b>0</b>	<b>1,571</b>	<b>10,710</b>						
CAP administration and making Payments in accordance with EU and WAG rules	2787	Agriculture EU Pillar 1 Direct Payments	200,000		200,000	20,000			220,000				220,000					100% European funded; based on latest estimate and previous spend.
	2787	Agriculture EU Pillar 1 Direct Payments - Income	-200,000		-200,000	-20,000			-220,000				-220,000					Latest Forecast
	2790	Single Payment Scheme Administration	9,666		9,666				9,666				9,666					

	Total CAP administration and making Payments in accordance with EU and WAG rules	9,666	0	9,666	0	0	0	9,666	0	0	0	9,666					
Welsh Government Rural Communities: Delivering the programmes within the Rural Development Plan 2014-20	2880	RDP 2014-20 Human and Social Capital	6,926		6,926			6,926				6,926					
	2882	RDP 2014-20 Agri Enviro & Climate Glastir	15,806		15,806			15,806			-2,500	13,306					Budget Reduction to match Profile
	2883	RDP 2014-20 Agri Enviro & Climate Glastir	851		851			851				851					
	2885	RDP 2014-20 Technical Assistance	3,583		3,583			2,861			-538	2,323					Budget Reduction £222k and £538k, and £500k re-allocation to Marine and Fisheries
	2949	Rural Development Plan 2014-20	3,213		3,213			3,213			-3,067	146					Budget reduction
	<b>Total Welsh Government Rural Communities: Delivering the programmes within the Rural Development Plan 2014-20</b>	<b>30,379</b>	<b>0</b>	<b>30,379</b>	<b>0</b>	<b>-500</b>	<b>-222</b>	<b>29,657</b>	<b>0</b>	<b>0</b>	<b>-6,105</b>	<b>23,552</b>					<b>RDP Budget Reduction - reprofile</b>
Evidence based development for Rural Affairs	2240	Research & Evaluation	520		520			520				520					
	<b>Total Evidence based development for Rural Affairs</b>	<b>520</b>	<b>0</b>	<b>520</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>520</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>520</b>					
Developing and managing Welsh Marine, fisheries and aquaculture including the enforcement of Welsh Fisheries	2830	EU Funded Fisheries Schemes	565		565			565				565					
	2870	Marine & Fisheries	1,756		1,756		500	2,256				2,256					£500k Pressure Funding from RDP, towards Marine Plan
	<b>Total Developing and managing Welsh Marine, fisheries and aquaculture including the enforcement of Welsh Fisheries</b>	<b>2,321</b>	<b>0</b>	<b>2,321</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>2,821</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,821</b>					
Developing and Marketing Welsh Food and Drink	2970	Promoting Welsh Food and Industry Develo	4,700		4,700			4,700				4,700					
	<b>Total Developing and Marketing Welsh Food and Drink</b>	<b>4,700</b>	<b>0</b>	<b>4,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,700</b>					
Support and Delivery of the Animal Health and Welfare programme / strategy	2270	Animal Health & Welfare	550		550			550				550					
	<b>Total Support and Delivery of the Animal Health and Welfare programme/strategy</b>	<b>550</b>	<b>0</b>	<b>550</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>550</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>550</b>					
Management and delivery of TB Eradication and other Endemic Diseases	2269	TB EU Income	-2,800		-2,800			-2,800				-2,800					
	2271	Animal Health & Welfare Delivery Payment	15,281		15,281			15,281				15,281					
	2272	TB Slaughter Payments Costs & Receipts	9,360		9,360			9,360				9,360					
	2273	TB Eradication	7,510		7,510			7,510				7,510					
	<b>Total Management and delivery of TB Eradication and other Endemic Diseases</b>	<b>29,351</b>	<b>0</b>	<b>29,351</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,351</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,351</b>					
<b>ENVIRONMENT &amp; RURAL AFFAIRS - TOTAL RESOURCE BUDGET</b>		<b>282,424</b>	<b>2,501</b>	<b>284,925</b>	<b>-36,201</b>	<b>0</b>	<b>-5,690</b>	<b>243,034</b>	<b>0</b>	<b>0</b>	<b>-8,559</b>	<b>234,475</b>					

correct

CAPITAL BUDGET																	
Action	BEL Description	2017-18 Supplementary	2018-19 Plans as per	2018-19 Transfers	2018-19 Allocations /	2018-19 New Plans	2019-20 Plans as per	2019-20 Transfers	2019-20 Allocations /	2019-20 New Plans	2020-21 Plans as per	2020-21 Transfers	2020-21 Allocations /	2020-21 New Plans	DESCRIPTION		
Develop and implement climate change policy, energy efficiency, Green Growth and environmental protection	1270	Fuel Poverty Programme	29,000			27,000	27,000			27,000	23,000			23,000	Financial Transaction Funding: 18-19 - £1.18m to move to Green growth;		
	2808	Green Infrastructure	3,612			3,205	3,289			3,289	7,975			7,975			
	2809	Green Growth Wales	7,000		1,180	8,180	2,000			2,000	4,000			4,000	FT: 18-19 - £5m; 20-21 - £2m, Plus £1.18m FT from Fuel Poverty		
	<b>Total Develop and implement climate change policy, energy efficiency, Green Growth and environmental protection</b>	<b>39,612</b>		<b>0</b>	<b>0</b>	<b>38,385</b>	<b>32,289</b>	<b>0</b>	<b>0</b>	<b>32,289</b>	<b>34,975</b>	<b>0</b>	<b>0</b>	<b>34,975</b>			
Develop and implement flood and coastal risk, water and sewage policy and legislation	2230	Flood Risk Management & Water Revenue	32,000		7,500	34,500	27,000			27,000	28,000			28,000	Additional capital allocation £7.5m Newport		
		<b>Total Develop and implement flood and coastal risk, water and sewage policy and legislation</b>	<b>32,000</b>		<b>7,500</b>	<b>34,500</b>	<b>27,000</b>	<b>0</b>	<b>0</b>	<b>27,000</b>	<b>28,000</b>	<b>0</b>	<b>0</b>	<b>28,000</b>			
Manage and Implement the Waste Strategy and waste procurement	2190	Waste	4,000			4,000	10,500			10,500	4,000			4,000			
	<b>Total Manage and Implement the Waste Strategy and waste procurement</b>	<b>4,000</b>		<b>0</b>	<b>0</b>	<b>4,000</b>	<b>10,500</b>	<b>0</b>	<b>0</b>	<b>10,500</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>4,000</b>			
Sponsor and manage delivery bodies	2451	Natural Resources Wales	3,654		1,559	3,254	1,695		959	2,654	1,695			1,695	2018/19 Additional capital allocation £1.6m Bont Evan, less £41k Invest to Save payback = £1.559m, 2019/20 £1.0m Bont Evan less £41k Invest to Save payback		
		<b>Sponsor and manage delivery bodies</b>	<b>3,654</b>		<b>1,559</b>	<b>3,254</b>	<b>1,695</b>	<b>0</b>	<b>959</b>	<b>2,654</b>	<b>1,695</b>	<b>0</b>	<b>0</b>	<b>1,695</b>			
Promote and support protected landscapes, wider access to green space	2490	National Parks	1,000			0	300			0	300			0	Reallocate Capital Budget to Commons Act, Not Required in National Parks		
	<b>Total Promote and support protected landscapes, wider access to green space</b>	<b>1,000</b>		<b>-500</b>	<b>0</b>	<b>0</b>	<b>300</b>	<b>-300</b>	<b>0</b>	<b>0</b>	<b>300</b>	<b>-300</b>	<b>0</b>	<b>0</b>			
Develop and deliver overarching policy and programmes on Agriculture, Food and Marine	2861	County Parish Holdings Project	570			0	0			0	0			0			
	2862	EID Cymru	320		674	995	120		947	1,067	0			0	Additional capital allocation		
	2866	Commons Act	1,100		500	500	0	300		300	0	300		300	Additional Capital to progress Programme		
	<b>Total Develop and deliver overarching policy and programmes on Agriculture, Food and Marine</b>	<b>1,990</b>		<b>674</b>	<b>1,495</b>	<b>120</b>	<b>300</b>	<b>947</b>	<b>1,367</b>	<b>0</b>	<b>300</b>	<b>0</b>	<b>300</b>	<b>300</b>			
CAP Administration and making payments according to EU and WG rules	2789	Common Agriculture Policy Reform	1,574		3,000	3,000	0		2,000	2,000	0			0	Additional capital allocation to develop ICT		
	<b>Total CAP Administration and making payments according to EU and WG rules</b>	<b>1,574</b>		<b>3,000</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			
Delivering the programmes within the Rural Development Plan 2014-20	2949	Rural Development Plan 2014-20	8,166		1,660	9,809	4,400		2,121	6,521	3,675		1,643	5,318	Additional capital allocation to match Profile of Demand		
	2886	RDP 2014-20 Farm Business Grant	5,000			5,000	5,000			5,000	5,000			5,000			
	<b>Total Delivering the programmes within the Rural Development Plan 2014-20</b>	<b>13,166</b>		<b>1,660</b>	<b>14,809</b>	<b>9,400</b>	<b>0</b>	<b>2,121</b>	<b>11,521</b>	<b>8,675</b>	<b>0</b>	<b>1,643</b>	<b>10,318</b>				



Developing and managing Welsh Marine, fisheries and aquaculture including the enforcement of Welsh Fisheries	2830	EU Funded Fisheries Schemes	235			391			391	450			450	233			233
	2870	Marine & Fisheries	4,500			800			800	0			0	0			0
<b>Total Developing and managing Welsh Marine, fisheries and aquaculture including the enforcement of Welsh Fisheries</b>			<b>4,735</b>			<b>1,191</b>	<b>0</b>	<b>0</b>	<b>1,191</b>	<b>450</b>	<b>0</b>	<b>0</b>	<b>450</b>	<b>233</b>	<b>0</b>	<b>0</b>	<b>233</b>
<b>ENVIRONMENT &amp; RURAL AFFAIRS - TOTAL CAPITAL BUDGET</b>			<b>101,731</b>			<b>86,241</b>	<b>0</b>	<b>14,393</b>	<b>100,634</b>	<b>81,754</b>	<b>0</b>	<b>6,027</b>	<b>87,781</b>	<b>77,878</b>	<b>0</b>	<b>1,643</b>	<b>79,521</b>

RESOURCE BUDGET - Annually Managed Expenditure																		
Action	BEL No.	BEL Description	2017-18 Supplementary Budget June 2017	Baseline Adjustments	2017-18 Revised Baseline	2018-19 MEG to MEG Transfers	2018-19 Transfers Within MEG	2018-19 Allocations / Reductions	2018-19 New Plans Draft Budget	2019-20 MEG to MEG Transfers	2019-20 Transfers Within MEG	2019-20 Allocations / Reductions	2019-20 New Plans Draft Budget	2020-21 MEG to MEG Transfers	2020-21 Transfers Within MEG	2020-21 Allocations / Reductions	2020-21 New Plans Draft Budget	DESCRIPTION
Sponsor and manage delivery bodies	2452	NRW Provision for Pensions - AME	2,400						2,400				2,400					Revised AME Forecast as reported to OBR in Sept 2017
<b>Total Sponsor and manage delivery bodies</b>			<b>2,400</b>					<b>0</b>	<b>2,400</b>			<b>0</b>	<b>2,400</b>					
<b>ENVIRONMENT &amp; RURAL AFFAIRS - TOTAL RESOURCE AME BUDGET</b>			<b>2,400</b>					<b>0</b>	<b>2,400</b>			<b>0</b>	<b>2,400</b>					

ENVIRONMENT & RURAL AFFAIRS - SUMMARY	2017-18 Supplementary Budget June 2017	Baseline Adjustments	2017-18 Revised Baseline	Revised Resource Baseline / 2018-19 Original Capital Plans	2018-19 Changes	2018-19 New Plans Draft Budget	Revised Resource Baseline / 2019-20 Original Capital Plans	2019-20 Changes	2019-20 New Plans Draft Budget	Revised Resource Baseline / 2020-21 Original Capital Plans	2020-21 Changes	2020-21 New Plans Draft Budget
Resource	282,424	2,501	284,925	284,925	-41,891	243,034	243,034	-8,559	234,475	0	0	0
Capital (No Capital Baseline)	101,731	0	101,731	86,241	14,393	100,634	81,754	6,027	87,781	77,878	1,643	79,521
<b>Total Resource &amp; Capital</b>	<b>384,155</b>	<b>2,501</b>	<b>386,656</b>	<b>371,166</b>	<b>-27,498</b>	<b>343,668</b>	<b>324,788</b>	<b>-2,532</b>	<b>322,256</b>	<b>77,878</b>	<b>1,643</b>	<b>79,521</b>
<b>Total AME</b>	<b>2,400</b>	<b>0</b>	<b>2,400</b>	<b>2,400</b>	<b>0</b>	<b>2,400</b>	<b>2,400</b>	<b>0</b>	<b>2,400</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ENVIRONMENT &amp; RURAL AFFAIRS - TOTAL BUDGET</b>	<b>386,555</b>	<b>2,501</b>	<b>389,056</b>	<b>373,566</b>	<b>-27,498</b>	<b>346,068</b>	<b>327,188</b>	<b>-2,532</b>	<b>324,656</b>	<b>77,878</b>	<b>1,643</b>	<b>79,521</b>