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Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth
Minister for Economy and Transport



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

Mike Hedges AM
Chair
Climate Change, Environment and Rural Affairs Committee

SeneddCCERA@assembly.wales

16 January 2019

Dear Mike

Thank you for your letter of 30 November 2018 enclosing a copy of the Climate Change, Environment and Rural Affairs Committee's report on the Welsh Government Draft Budget 2019-2020.

Please find attached my formal response to each recommendation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken', written in a cursive style.

Ken Skates AC/AM
Ysgrifennydd y Cabinet dros yr Economi a Thrafnidiaeth
Minister for Economy and Transport

Written Response by the Welsh Government to the report of the Climate Change, Environment and Rural Affairs Committee on the Welsh Government Draft Budget 2019-2020

There are thirteen recommendations in the report. These recommendations can be grouped into six categories: Decarbonisation, air quality, highway investment, M4 Relief Road, the National Infrastructure Commission for Wales and Transport for Wales (TfW). Detailed responses to the report's recommendations are set out below.

Recommendation 1

The Committee recommends that the Cabinet Secretary should clarify how businesses seeking investment as part of the economic contract are required to demonstrate their commitment to reducing their carbon footprint.

Response: Accept

I am enclosing a document at Annex 1 which sets out definitions against each of the Economic Contract criteria and an illustrative example of the sort of examples we seek from business as evidence of their commitment.

Recommendation 2

The Committee recommends that the Cabinet Secretary should provide further information about the awards that have been made under the decarbonisation Call for Action. This should include information about whether the primary purpose of the awards fall under the decarbonisation Call to Action, or whether these are awards made under other Calls to Action but also relate to decarbonisation.

Response: Accept

Any awards made under the decarbonisation Call to Action will by definition have decarbonisation as its primary purpose. We have awarded funding to two projects under the decarbonisation Call to Action to date.

Recommendation 3

The Committee recommends that the Cabinet Secretary should report back to this Committee within the next six months on the uptake of funding under the decarbonisation Call to Action. This should include information on any steps that have been taken to encourage uptake.

Response: Accept

I will provide Committee with updates summarising the overall numbers of projects supported and funding awarded under each of the Calls to Action. I will provide

those updates at six monthly intervals at the end and mid-year point of each financial year.

Recommendation 4

The Committee recommends that the Welsh Government should report back to this Committee within the next six months on progress of the development of an electric vehicle charging point network and its plans for further development in this area.

Response: Accept

The Minister for Economy and Transport's Written Statement of 11 October 2018 referred to the aim that Transport for Wales would go out to procurement in Spring 2019, when Assembly Members would be updated further.

Recommendation 5

The Committee reiterates their 2018 recommendation that the updated Wales Transport Strategy should include targets and mechanisms to monitor air quality in Wales, with specific reference to locations such as schools and hospitals. We believe this should also include public parks.

Response: Reject

The Wales Transport Strategy is a policy document. The Welsh Government will be publishing a Clean Air Plan for Wales during 2019 which will identify key pollutants, their effects on public health and the natural environment in Wales and what actions needs to be taken to improve air quality. The Transport Strategy will highlight where measures being taken will support air quality improvements in Wales. Details of transport policy measures to support reductions in air pollution will be set out in the Clean Air Plan for Wales. Transport and Air quality officials are working closely together in the development of both documents.

Recommendation 6

The Committee recommends that the Welsh Government should report back to this Committee within 6 months on progress in addressing Roadside Nitrogen Dioxide Concentrations. This should include an assessment of the impact of 50mph limits in specified locations.

Response: Accept in Principle

Whilst data is being collected on a monthly basis, the full effects of the 50mph speed limits will not be known until full 12-months worth of data has been obtained and analysed. This will not be available until September 2019 at the earliest. However, updates in respect of progress on the 'Action Plan' and 'Precautionary Retained Measures' as outlined in the supplemental plan to the UK plan for tackling roadside nitrogen dioxide concentrations will be available when required.

Recommendation 7

The Committee recommends that the Welsh Government should report back to this Committee within the next 6 months on its plans in relation to 20mph limits.

Response: Accept

We are continuing to work with partners to explore the options offered by the devolution of powers relating to national speed limits in Wales. We will work with Public Health Wales and Cardiff Council to understand the impact of the implementation of 20mph zones across large parts of Cardiff, and if the implementation of 20mph limits, investments in active travel including the funding of on street cycle hire and strategic cycle routes together have the potential to deliver improvements in road safety, air quality and increased take up of active travel modes. Using the lessons learnt from developments in Cardiff we will also review our guidance on setting local speed limits to assess if it is still fit for purpose in light of the devolution of powers to set speed limits.

As part of the forthcoming work, the costs that would arise from changing national speed limits will be assessed.

We will update the committee on progress with this issue within the next 6 months.

Recommendation 8

The Committee recommends that the Welsh Government should report back to this Committee within the next six months on the progress of the “Green Corridors on the Welsh Trunk Road Network” initiative.

Response: Accept

Regular reporting on the progress of this initiative is already planned.

Some of the initiative’s original proposals require further investigation and more detailed planning which might require additional resources and would be subject to further Ministerial submissions and approval.

Recommendation 9

The Committee recommends that the Welsh Government should report back to this Committee within 6 months on the status of any reviews relating to WelTAG 2017.

Response: Accept

WelTAG 2017 was published in December 2017. It replaced WelTAG 2008 and should be applied to all transport interventions that require Welsh Government support. Any schemes that were being developed using WelTAG 2008 at the time were expected to move over to WelTAG 2017 at the earliest convenient point. Following its first year of use, we are reviewing the application of the guidance. This will enable us to identify any areas where further guidance and support is required.

Some of the recommendations of the review may require additional resources and would be subject to further Ministerial submissions and approval.

We will update the committee on progress within the next 6 months.

Recommendation 10

The Committee recommends that the Welsh Government should clarify the status and governance arrangements of the National Infrastructure Commission. This should include an explanation of how it can be subject to provisions in the Wellbeing of Future Generations Act, despite not being listed as a public body for the purposes of that legislation. It should also explain how the Commission is subject to the requirements of the Environment (Wales) Act.

Response: Accept

The detailed working arrangements of the National Infrastructure Commission for Wales (NICW) will be published on the NICW website once agreed between the Welsh Government and the NICW. These will clarify the status and governance arrangements of the NICW, including its status in relation to the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

Recommendation 11

The Committee recommends that the Well-being of Future Generations (Wales) Act 2015 should be amended to include the National Infrastructure Commission as a public body in Section 6 of that Act.

Response: Reject

The National Infrastructure Commission for Wales (NICW) was established as an independent, non-statutory advisory panel to Welsh Ministers. Since the NICW is not a “public authority”, does not have an independent legal status and does not exercise statutory “functions”, the most appropriate way to ensure its engagement with the Well-being of Future Generations Act is to require it to consider the requirements of the Act via the working arrangements agreed with Welsh Government.

As the role of the NICW is to provide advice to the Welsh Government (on the exercise of its functions), a decision to implement (or reject) any such advice will of course require the Welsh Government to comply with its statutory duties under the Well-being of Future Generations Act.

Recommendation 12

The Committee recommends the Welsh Government should clarify the status and governance arrangements of Transport for Wales (TfW). This should include an explanation of how it can be subject to provisions in the Wellbeing of Future Generations Act, despite not being listed as a public body for the purposes of that

legislation. It should also explain how TfW is subject to the requirements of the Environment (Wales) Act.

Response: Accept

The status and governance arrangements of TfW are published on the Welsh Government's and the Company's websites. However, the Welsh Government will undertake a review of this information and publish further detailed guidance. This will also clarify its status in relation to the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

Recommendation 13

The Committee recommends that the Well-being of Future Generations (Wales) Act 2015 should be amended to include Transport for Wales (TfW) as a public body in Section 6 of that Act.

Response: Reject

Delivery against the Wales' well-being goals is embedded in the Welsh Government's governance structures, initiatives and policy making. TfW was established under the Companies Act (2006) and is fully accountable to the Welsh Ministers as a wholly owned subsidiary company limited by guarantee. The Welsh Government retains ultimate responsibility for transport matters but is able to ask TfW to carry out activities on its behalf. In remitting TfW to deliver specific activities on its behalf the Welsh Government requires that the Company maximises its contribution to achieving the well-being goals set out in the Well-being of Future Generations (Wales) Act (2015). Through the Management Agreement governing the relationship between the Welsh Government and TfW, the Company is required to establish the well-being objectives. These will be published by TfW within their Company Business Plan.

Ken Skates AM, Cabinet Secretary for Economy and Transport