

Environment & Sustainability Committee

E&S(4)-19-12 paper 1

Scrutiny of the Minister for Environment and Sustainable Development

Environment & Sustainable Development

Portfolio

1. My portfolio has cross-cutting responsibility for sustainable development and brings together policy on the environment and animal health and welfare.
2. It is clear that these three areas of policy have a significant contribution to make to two key themes - improving sustainability and wellbeing - which lie at the heart of our Programme for Government.

Programme for Government

3. The Programme for Government (PfG) sets out the specific actions we are taking. It also makes clear how we'll judge whether these are on track and how we assess progress in tackling the long-term challenges facing Wales.
4. I have particular accountability for ensuring delivery is on track in a number of areas within the programme – most notably in the chapters covering Growth and Sustainable Jobs (1), Welsh Homes (6), Tackling Poverty (9), Rural Communities (10) and Environment and Sustainability (11).
5. I attach at **Annex 1** a progress update on the key PfG actions that I have lead responsibility for.
6. However, it is a programme for co-operation across Government departments and one where we look to all those across the public, private and third sector to recognise this agenda and take it forward in partnership with us.

Budget

7. My budget can be summarised as follows:

	Baseline 2011-12* £'000	Final Budget 2012-13 £'000	Indicative Plans 2013-14 £'000	Indicative Plans 2014-15 £'000
Revenue**	262,326	265,183	265,755	269,201
Capital	73,811	61,629	54,238	54,238
Total	336,137	326,812	319,993	323,439

* Based on the 2nd Supplementary Budget February 2012.

** This budget covers non cash revenue budgets including asset depreciation costs in respect of the Countryside Council for Wales, Environment Agency and Pwllpeiran Farm.

8. **Annex 2** gives a breakdown of the budget, by action and by Budget Expenditure Line (BEL) within each action, along with the details of the two supplementary budget changes during 2011/12. This table can also be used to determine the level of investment per published Action, upon which many of the PfG commitments are referenced.
9. **Annex 3** provides narrative explanations of the supplementary budget changes stated above in Annex 2. This provides a transparent explanation of all the budgetary changes actioned within my portfolio from the final budget through to the supplementary changes. Due to the timing of the current draft accounts process for 2011/12, it is not possible to provide an audited outturn for the year at this stage.

Environment bodies

10. With regards to environment bodies, final outturn in 2010-11 and the 2011-12 2nd supplementary budget was as follows:

	2010-11 (Final Outturn) £'000	2011-12 (as per 2nd supplementary budget) £'000
Environment Agency	21,619	22,770
Countryside Council for Wales	37,175	38,994
Forestry Commission	23,007	20,495

This includes provisions from within the budgets for environmental protection activities and flood risk management activities.

Flood and coastal risk management

11. Elsewhere, comparable figures for Welsh Government spend on flood and coastal risk management show an increase from £32m in 2007-08 to almost £53m in 2011-12:

Financial Year	Capital (£m)	Revenue (£m)	ERDF (£m)	TOTAL (£m)
2007-08	15.5	16.7	0	32.2
2008-09	22.8	12.8	0	35.6
2009-10	22.9	18.6	3.3	44.8
2010-11	30.3	20.1	17.1	67.5

2011-12	23.7	19.7	9.5	52.9
2012-13	20.7	21.0	6.0	47.7
2013-14	9.8	27.3	6.1	43.2
2014-15	9.8	27.3	-	37.1

*These figures are: final outturn to 2010/11; as per 2nd supplementary budget for 2011/12; and final budgets for 2012-13 onwards.

**All figures represent the total Welsh Government funding, including both capital and revenue funding.

12. While we have previously been in a position where budgets were increasing annually, this is now no longer the case. The last UK Spending Review (October 2010) resulted in a reduced budget for the Welsh Government. As a result, capital programmes such as that for flood and coastal erosion risk management have been significantly affected.

13. I do not envisage significant alterations in the indicative budgets for future years and we will continue to explore opportunities to maximise investment on flood and coastal risk management.

European Regional Development Fund

14. It is also important to note that whilst many of the capital budgets within my portfolio have been subject to significant cuts over this current budget period, we have been successful in attracting significant EU funding through the European Regional Fund (ERDF). Some of our larger schemes are:

- Arbed (our area based energy efficiency scheme) - will improve the energy efficiency of a minimum of 4,790 homes in Wales by the end of 2015. Phase 2 of arbed will see an investment of approximately £45m over four years with ERDF funding being some £34m of this.
- Ynni'r Fro - is a programme that aims to promote community scale, renewable energy generation. Total investment of £15m over four years is matched with £7m from ERDF funding.
- Flood risk management - our budgets are being used to match fund the contribution from the ERDF of £42m over five years. This is delivering a programme of 29 flood and coastal defence schemes that will reduce risk for over 3,000 homes and businesses.

Marine Act 2009

15. To meet new duties under the Marine Act 2009 I have established a cross-cutting Welsh Government group to work on a marine planning project, made up of officials from key policy areas - working on a detailed programme to take this forward. The resources required to deliver the

project will be reviewed once the detailed programme has been considered. The main costs incurred to date have been staff costs.

Building Regulations

16. The devolution of building regulations is not currently placing any additional costs on other bodies in Wales. However, if going forward we make specific changes which only apply to Wales, then there is a possibility that additional costs may arise. This will be taken into account in considering any changes to building regulations in Wales and I can assure you that this will happen as a part of robust evidence based policy making.
17. There is additional legislation and policy requirements as a result of the devolved building regulations which have resource implications for the Welsh Government. Some of these additional requirements have been met by existing staff. There has also been some additional staff resources committed as a result of the powers coming to Wales. These additional resources were identified and additional costs have been factored into the budget.

Animal Health and Welfare

18. As queried by the Committee, £366k was estimated to be spent on animal welfare activity in 2011-12. This provisional outturn figure is subject to Welsh Audit Office scrutiny and until this has been completed must be viewed as such.
19. The £20.8m devolved budget for Animal Health and Welfare from Defra in 2011-12 included £2.120m for the British Cattle Movement Service (BCMS). Responsibility for BCMS rests with the Deputy Minister for Agriculture, Fisheries, Food and European Programmes. The total devolved to the Welsh Government is £18.7m. The estimated outturn is £18.4m - subject to Welsh Audit Office scrutiny and until this has been completed must be viewed as such.
20. £17.6m of the devolved animal health and welfare budget was to fund the services delivered to Wales by the Animal Health Laboratories Agency (AHVLA) and the forecast outturn for AHVLA against this budget is £17.1m – again, this provisional outturn figure is subject to Welsh Audit Office scrutiny and until this has been completed must be viewed as such.
21. The remaining budget supports a range of activities involving surveillance, sampling, testing and enforcement as required by TSE Regulations and includes compensation of £134k for scrapie infected flocks. There is also payment to the Food Standards Agency in respect to animal health and welfare checks and surveillance.
22. As well as the devolved funding there was an existing Animal Health & Welfare Budget Expenditure Line (BEL), which also included support to

welfare activity. Of the £600k budget allocated, an estimated £367k is in support of the Bee Health Programme in 2011-12. These provisional outturn figures are subject to Welsh Audit Office scrutiny and until this has been completed must be viewed as such.

Bovine TB

23. The budget for BEL 2272 (TB Slaughter Payments, costs and receipts) for 2010-11 was £11.66m (this includes compensation). Compensation amounted to £12.17m. This was partially offset by income from salvage receipts. The final outturn was £11.41m.
24. The budget for BEL 2272 (TB Slaughter Payments, costs and receipts) for 2011-12 was £11.66m (this includes compensation). Estimated compensation is £13.28m. This is partially offset by income from salvage receipts. The estimated outturn is £11.94m. These provisional outturn figures are subject to Welsh Audit Office scrutiny and until this has been completed must be viewed as such.
25. For 2011-12 the estimated expenditure against the TB Eradication Programme budget is £3.51m. This provisional outturn figure is subject to Welsh Audit Office scrutiny and until this has been completed must be viewed as such.
26. In relation to research on Bovine TB, there is a substantial on-going national (GB) research programme which is managed by Defra on behalf of all administrations.
27. Although no formal research projects have been managed by the Welsh Government, one project undertaken by the Roslin Institute in Edinburgh was funded by the Welsh Government, but managed through Defra's Research and Development process. The final payment of £24k in relation to this work was made in 2011/12. Information on this project, '*a preliminary analysis of existing data to provide evidence of a genetic basis of cattle to infection with Mycobacterium bovis and for reactivity to currently used immunological diagnostic tests*' can be found on the Defra website.
28. Other investigative work into certain aspects of the TB Eradication Programme has been funded by the Welsh Government in order to inform Ministerial decisions on the TB Eradication Programme and forms part of the ongoing analysis of the Programme. In 2011/12 such expenditure is estimated to amount to £2.6m - subject to Welsh Audit Office scrutiny and until this has been completed must be viewed as such.

Priorities

29. Whilst it is not possible to address my entire portfolio in this paper, I have outlined below further details on some of my priorities, giving consideration

to the specific areas the Committee has identified as of particular interest to it.

Sustainable Development

30. We are committed to the Sustainable Development Scheme - One Wales One Planet - that sets out how we will use our devolved powers - from health, transport to education - to make all our public services sustainable and reduce Wales' environmental impact on the world.
31. I launched a consultation last month (May 2012) on legislative proposals for sustainable development, to strengthen our statutory duty to ensure that it is central to our thinking and to that of the broader public sector in Wales. A White Paper consultation is planned for autumn 2012 with the Bill scheduled for introduction in 2013.
<http://wales.gov.uk/consultations/sustainabledevelopment/sdbill/?lang=en>
32. I have been very clear that I want the Bill improve the quality of life of the people in Wales, especially those who live in our least well-off communities. We want to become a one planet nation in a way that makes us a fairer and more just society, building on our approach to reducing poverty. These two central themes of social justice and reducing our resource use are reflected in the consultation and I welcome your feedback on how you think these proposals can help deliver public services that will help us to become a more sustainable nation.

The Living Wales Programme

33. Elsewhere, I announced last month that we intend to create a single body for Wales which will have a key role in protecting and managing our natural resources - helping us to simplify the regulatory processes.
34. The proposed vesting of the new body will be 1 April 2013. This will, in effect, abolish the Countryside Council for Wales. Both the Environment Agency and the Forestry Commission will continue as bodies on an England or England and Scotland basis.
35. In addition, the management of natural resources has been the subject of a consultation 'A Living Wales', which we have now followed with a green paper 'Sustaining a Living Wales' – this consultation closed on 31 May.
<http://wales.gov.uk/consultations/environmentandcountryside/sustainingwales/?lang=en&status=open>
36. The consultation responses on the Green Paper are now being considered, with a view to publishing proposals as an Environment Bill White Paper in 2013.
37. It is crucial for people and businesses across Wales to get involved in the consultation process so that the Environment Bill delivers strong and

simplified environmental legislation that allows every community in Wales to prosper.

38. Work on this Bill will be closely aligned with work on the Sustainable Development Bill as well as the programme of work related to the establishment of the single body for Wales.

Biodiversity

39. Biodiversity is central to maintaining healthy ecosystems. We have recognised the importance of biodiversity throughout the Wales Environment Strategy, in the development of the Natural Environment Framework and the Sustaining a Living Wales consultation.
40. I recognise that protecting and enhancing biodiversity in all its forms is essential to our ecosystems approach, which is why the Ecosystem Resilience and Diversity fund that I announced on the 8 May will provide an additional £1million of funding to deliver projects which contribute to doing so.
41. Traditional habitat and species protection work will need to evolve into larger landscape scale initiatives to help deliver the ecosystem approach.
42. Agri-environment and other schemes should enable recipients to provide ecosystem benefits to pollinators and other species, which, even if not as high profile as the vital work that's been done with Ospreys and Red Kites, could deliver a range of benefits to all sectors of the economy.

Inner Urban Environment and Environmental Justice

43. I am also concerned that our poorest communities, and especially those living in urban areas, experience the worst quality local environments with fly tipping, litter, unsafe roads, high levels of pollution and lack of access to green space.
44. Based on this evidence, my department is bringing together our programmes so that we can provide an integrated offer to communities to support wider and deeper local improvements. This will also deliver wider environmental “goods” such as skills development, jobs, volunteering opportunities and building a greater sense of community.
45. In April I convened a joint conference with the Sustainable Research Institute at Cardiff University to start exploring what integrated work means in practice. The Centre takes a multi disciplinary approach to researching place based improvements and so supported our thinking on how we move forward.
46. We need to develop a different model for working to make sure that all the offerings to communities, under our current programmes and those to be planned, are joined up and add up to more than the sum of the individual

parts. A new £500,000 grant scheme, open to local authorities across Wales will help reduce air and noise pollution and develop tranquil green spaces.

Planning

47. We also have active work in progress to reform the planning system. Since devolution, up to date national planning policies have been put in place. These policies are appropriate to the needs of Wales, reflecting our commitment to deliver sustainable development, economic renewal and affordable homes. To assist delivery at the local level a new local development plan system has been introduced. Work is also underway to improve the planning application process.
48. Our Legislative Statement 2011-16 also includes a commitment to consolidate existing planning legislation to make it more transparent and accessible. A Planning White Paper will be published during 2013 and a provisional slot has been identified to introduce a Planning Bill during the 2015/16 Assembly session.
49. The Bill provides an opportunity to introduce primary legislation which takes forward the reform agenda. In the past we have had to rely on UK Bills, secondary legislation and policy as our main levers. Being able to create our own primary legislation provides a new opportunity that should be embraced.

Construction

50. Furthermore, I am hopeful that the 'Building Regulations Part L consultation (Conservation of Fuel & Power)' for both housing and non domestic will launch shortly. There will be a number of consultation events throughout the 12 week consultation to get views from the industry.
51. I have also established a Building Regulations Advisory Committee for Wales (BRACW) and appointed Professor Phil Jones as the Chair. The advisory committee have provided advice on all aspects of the consultation.
52. We are committed to achieving a step change but recognise the difficulties of the current economic situation. We have taken a fabric first approach to ensure that the buildings here in Wales will be able to deliver significant carbon savings and real savings to home owners over the lifetime of the building.
53. Additionally, I have announced plans for all new and converted residential properties in Wales to be fitted with sprinkler systems. Work is due to begin on the development of regulations and the technical requirements necessary to introduce a Measure which will be subject to public consultation. It is envisaged that regulations for this will be introduced in September 2013.

Marine

54. I aim to develop national marine plans for the Welsh inshore (out to 12 miles) and offshore (beyond 12 miles) areas by 2015 in order to help achieve sustainable development in our seas and on land.
55. A cross-cutting Welsh Government group has been established to work on the marine planning project – made up of officials from across the key policy areas – and are working on a detailed programme. The resources required to deliver the project will be reviewed once the detailed programme has been considered.
56. I am committed to an approach that integrates marine planning with other spatial planning, including infrastructure planning, local development planning, and natural resource planning under *Sustaining a Living Wales*.
57. I am also aiming to have a small number of highly protected Marine Conservation Zones in Welsh territorial waters to support marine ecosystem recovery, enhance resilience and improve our understanding of the marine environment. The aim is to designate 3-4 sites by 2014.
58. The current consultation is the first of a three staged consultation process. This is an important element of the process in Wales to strengthen our evidence base and ensure that the site options are informed and refined by a wide range of views. We are at a very early stage in the process and no decisions have been made about which sites to designate.
- <http://wales.gov.uk/consultations/environmentandcountryside/mczpotentialsites/?jsessionid=vJvtPGpfvGJV2141N70W6vngRDdGqRmYxnfptTJy403sWrQMLpBZ!-1822353977?lang=en>

Energy

59. In March we published *Energy Wales – A Low Carbon Transition*. It describes maximising the long term benefits to Wales, working in partnership with business and communities. We are currently working with the onshore wind industry to agree minimum levels of Welsh investment, which will set expectations for economic and community benefit.
- *Energy Wales* focuses on what we as a Government will do to drive the agenda, by:
 - providing leadership, for example by improving our regulatory regime and prioritising our effort through the energy programme;
 - maximising the benefits for Wales by ensuring our economy and our communities benefit and that we focus on the projects that will deliver the greatest benefit; and
 - action for Wales' long term energy future, to position Wales at the forefront of key innovation, research and development in the areas of greatest potential, namely marine energy and smart living.

- We also want to take full advantage of the transition – to secure a wealthier, more resilient and sustainable future for Wales – by maximising the long-term economic benefits, and in particular the potential to gain more than a proportional share of the 250,000 new jobs predicted in the UK by 2020.

<http://wales.gov.uk/topics/environmentcountryside/energy/energywales/?lang=en>

Waste management

60. Our ambition - set out in *Towards Zero Waste* - is to recycle 70% of our waste by 2025 and to be a zero waste nation by 2050. We are the only country to set out exactly how we are going to achieve this.
61. Wales is also the only country in the UK to introduce statutory recycling / composting targets for local authorities. We are currently finalising the Collections, Infrastructure and Markets (CIM) Sector plan, which will address what facilities are needed in Wales to utilise our waste in the most efficient way.
62. We have made striking progress over the last decade in Wales on the proportion of waste that is recycled or composted. The latest rolling annual local authority recycling figure confirms that 47% (January – December 2011) of waste was recycled or composted.
63. Wales is out performing the other countries in the UK and as a whole is on track to meet the first statutory recycling target (52% in 2012/13).
64. We are also in the early stages of developing a Waste Prevention Programme, which is a statutory requirement of the revised Waste Framework Directive to be published by December 2013.

Climate Change

65. On climate change, we published our first progress report on delivery of the Climate Change Strategy for Wales in March. This report highlights activity across Wales to drive down our emissions, and prepare for a changing climate and contains many examples that show we are leading the way in taking action to achieve this.
66. Our strategic energy scheme, Arbed has been particularly successful. Arbed, along with our boiler scrappage scheme and the home energy efficiency programme, helped to make 25,000 Welsh homes easier and cheaper to heat, and we intend to build on that success as we move into phase two of the scheme.
67. On adaptation we have published new guidance for public bodies in Wales on adapting to climate change and a new national strategy on flood management. We also co-funded the UK Climate Change Risk Assessment which was published earlier this year and we will be using its

findings to help shape out Sectoral Adaptation Plans.

68. I have also asked the Land Use Sub-group (LUSG) of the Climate Change Commission for Wales (CCCfW) to establish a sub-group to specifically take forward the land use climate change agenda. The LUSG is chaired by Prof. Gareth Wyn Jones and its membership is drawn from academia, the farming industry, environmental organisations and partner organisations (Environment Agency, Countryside Council for Wales and Forestry Commission Wales).

Flood and Coastal Erosion Risk Management

69. I launched our first National Strategy for Flood and Coastal Erosion Risk Management in November 2011. This sets out the risks we face, provides details of the risk management authorities and the risks each authority is responsible for, and also includes information on investment.

70. We are investing over £40 million in flood and coastal erosion risk management in 2012/13. Our budget is also supplemented by £50 million in European Regional Development Funding which is available until 2015. This has allowed us to build new defence schemes, like the recently completed £12 million scheme at Borth.

71. I am also funding the preparation of strategic management plans for flooding across Wales and the refresh of existing plans for the shoreline. These strategic plans will identify sustainable risk management policies for all sections of our coastline and for all catchments and inform how we adapt to increasing flood and coastal erosion risks due to climate change.

72. Raising awareness of the risks communities face will not only mean that the individuals who live and work there are better prepared for the risks they face, but that communities are brought together and involved in the decisions on how to address those risks, fostering community cohesion. Through the Flood Awareness Wales campaign, the Environment Agency has been working with communities across Wales to raise awareness of flood risk and improve community resilience. To date over 200 community flood plans have been produced across Wales.

Water Policy

73. The Welsh Government provides the strategic direction for water policy in Wales, framed within a complex set of regulatory and operational responsibilities. My core principles are ensuring access to safe drinking water, maintaining water and sewerage services at an affordable price and compliance with statutory obligations that drive all round water quality.

74. We are currently working with stakeholders to undertake preparatory work for a Water Strategy for Wales which I intend to publish for consultation this autumn. The consultation document will:

- set out what the Welsh Government is trying to achieve in relation to water, within the context of sustainable development;
- set out the long term challenges facing us in relation to water, drawing on evidence from stakeholders in the water sector;
- identify where change is required to ensure that we can address those challenges and still achieve our objectives; and
- provide options for achieving those objectives in the short, medium and long term and identify legislative requirements.

Animal Health and Welfare

75. In support of animal health and welfare policy, my key objectives include:

- promoting higher standards of animal health and welfare and delivering animal health services that are fit for purpose;
- protecting against the incursion and spread of animal infectious diseases and maintaining a state of preparedness to deal with any outbreak of notifiable animal disease that may occur in Wales;
- working towards the Programme for Government commitment to take a science led approach to tackling bovine TB; and
- contributing to the protection of public health.

76. In March, I announced that the Science Review Report, together with work led by the Office of the Chief Veterinary Officer, had informed the development of the new Strategic Framework for TB Eradication covering the next four years. I also announced, on the basis of advice which included the findings of the Science Review, that the Welsh Government will pursue badger vaccination within the Intensive Action Area.

77. With regards to exotic animal diseases, the Welsh Government Contingency Plan is updated annually, taking into account changes in organisational structures of Government departments, policy and outcomes from exercises. The next version will be published this winter. The Plans are tested regularly via exercises held by AHVLA. Welsh Government officials assist with the planning of these exercises and participate in them to help test our contingency arrangements.

78. I can also confirm that my Department undertakes joint working with Defra and other UK Administrations on all aspects of animal health and welfare policy development. Christianne Glossop, Chief Veterinary Officer (CVO) Wales represents the Welsh Government at a range of UK Groups including, the 4 Administrations meeting involving all CVOs across the UK, the Animal Disease Policy Group and the Outbreak Readiness Board. Other key fora include the Strategic Oversight Board and involvement in the governance of the Animal Health Veterinary Laboratories Agency e.g. Strategic Advisory Board and Customer Board). Negotiations with the European Commission (for instance on the UK TB Eradication Plan, Food and Veterinary Office Missions and reporting) are other areas of joint working.

Local Government Compact

79. Finally, I am determined to oversee a joint programme of reform to deliver my commitments within the compact. I want to ensure that the services for which I am responsible for across Wales are delivered more effectively through joint working and partnership. My priorities include collaboration in the delivery of planning services, including specialist services and the planning application process.
80. This will be informed by the report of the Independent Advisory Group, whom, as part of the evidence base for the Planning Bill, are considering options around how best to deliver the planning system in the future.
81. Other actions include the procurement of waste treatment services which is being delivered through seven local authority consortia for food waste treatment (anaerobic digestion) and six consortia for residual waste treatment.
82. Local authorities are also being encouraged to consider joint working to deliver improved waste management services as part of the waste 'change programme' in which the Welsh Government is supporting local authorities develop business plans to meet the higher recycling targets in the most sustainable way.
83. Ongoing discussion to date has demonstrated the commitment of the Welsh Government and local government to work together to deliver savings that can be reinvested in front-line services and improved services across Wales.

John Griffiths AM
Minister for Environment & Sustainable Development
June 2012

Annex 1

Progress update on the key Environment and Sustainable Development portfolio Programme for Government (PfG) actions the Welsh Government is undertaking to deliver improvements (from main body of PfG that do not also appear in the annex)

Chapter	Action	Update
10	Review and test contingency plans for animal disease emergencies.	The Welsh Government Contingency Plan for Exotic Animal Diseases is updated annually, taking into account changes in organisational structures of Government departments, policy and outcomes from exercises. The next version will be published in Summer 2012. The Plans are tested regularly via exercises held by AHVLA. Welsh Government officials assist with the planning of these exercises and participate in them to help test our contingency arrangements.
10	Ensure delivery against the requirement plan for animal health.	Formal monthly meetings are held between CVO Wales and AHVLA to discuss progress against objectives and targets as set out in the AHVLA requirement plan and once a quarter a more strategic discussion takes place to review governance matters, delivery problems arising and take a forward look on up and coming matters. In addition a quarterly meeting takes place between the Minister for Environment and Sustainable Development and the Chief Executive of AHVLA to provide an update on AHVLA activity and discuss any issues impacting on Wales. For 2011/12, overall all key targets set for AHVLA have been met and in areas where there was some in-year slippage, plans were agreed to catch-up before year-end. There were no significant performance issues arising over the year and expenditure has been managed within allocated budget.
11	Introduce the Environment Bill.	Work will commence in 2013.
11	Reduce greenhouse gas emissions in areas of devolved competence and support effective adaptation to the impacts of climate change through implementation of the Climate Change Strategy.	The Climate Change Strategy for Wales, published in 2010, confirms the Welsh Government's commitments and targets for tackling the causes and consequences of

Chapter	Action	Update
		climate change. It sets out our approach and how we will work with our partners to drive down greenhouse gas emissions in Wales and ensure that Wales is well-prepared to manage climate impacts. These commitments were reaffirmed in the 2011 Programme for Government. The Welsh Government's first progress report on implementation of the Climate Change Strategy was published on 29 March 2012. It confirms the progress being made to implement the Emission Reduction and Adaptation Delivery Plans and a performance indicator framework for monitoring delivery in future reports. The report also responds to recent advice from the UK Committee on Climate Change and Climate Change Commission for Wales.
11	Ensure effective implementation of European environmental legislation.	Focus on securing compliance with relevant European Directives. Key role for Environment Agency and in future, subject to the outcome of the current consultation, the Single Environment Body, in ensuring compliance with Directives. Action to reduce impact on environment required from a wide range of interests including land managers, business, transport operators and others.
11	Continuing investment and procurement support for food waste and residual waste treatment, including energy from waste.	Three food waste (AD) projects have announced their preferred bidder and are working towards Financial Close. The two residual waste projects (Prosiect Gwyrdd and North Wales) are nearing final tender submissions. The South West and Central Wales consortia are due to submit their outline businesses cases in June. The Welsh Government and Welsh Local Government Association are working together to help the Heads of the Valleys and Tomorrow's Valley authorities agree a new partnership and way forward regarding procurement.
11	Ensure local planning authorities adopt local development plans.	Welsh Government has continued to engage with local planning authorities in preparing LDPs, scrutinising plans

Chapter	Action	Update
		against planning and Welsh Government policy, including direct engagement with locally elected members and officers. As of 30/03/12 there are 5 adopted LDPs across Wales out of 25 local planning authorities. There are a further 10 public examinations anticipated this financial year.
11	Develop Natural Resource Management Planning, (including national infrastructure planning for waste, energy and water) and Marine Planning.	The management of natural resources has been the subject of a consultation 'A Living Wales', which we have now followed with a green paper 'Sustaining a Living Wales' – this consultation closed on 31 May. An integrated, cross-cutting marine programme governance structure is being established to provide the framework for developing Wales' first marine plans by 21015/16.
11	Develop an integrated approach to eco-system health through implementation of A Living Wales, the Natural Environment Framework.	Sustaining a Living Wales: A Green paper on a new approach to natural resource management in Wales was subject to a four month public consultation, which closed on 31 May.
11	Deliver effective and efficient implementation of EU Environmental Directives.	Compliance with EU Directives is a key role for the Environment Agency and, subject to the outcome of the current consultation, the Single Environment Body. Action to reduce impact on the environment is required from a wide range of interests including land managers, business, transport operators and others.
11	Introduce the Sustainable Development Bill	A discussion document on our proposed Sustainable Development Bill was published in December 2011. A consultation on proposals was launched in May 2012.
11	Introduce the Planning Bill	A preliminary work programme was announced on 30 September 2011. An independent advisory group chaired by John Davies, has been set up to provide an evidence base for the planning white paper and subsequent bill. A 'call for evidence' ended on 3 February 2012 with a report expected in June. A project board for the Bill will be established imminently.
11	Complete flood and coastal risk plans, including Catchment Flood Management	Catchment Flood Management Plans agreed. Shoreline Management

Chapter	Action	Update
	Plans, Shoreline Management Plans and Local Flood Risk Management Strategies.	Plans are nearing completion and will be submitted and signed off by summer of 2012. Local authorities are preparing their Local Flood Risk Management Strategies.
11	Develop a Welsh Water Strategy.	Consultation on the Water Strategy is planned for later in 2012
11	Facilitate the development of sustainable communities, ensuring that local planning authorities adopt appropriate local development plans.	Internal scrutiny of local development plans (LDPs) is in place. Five LDPs have been adopted; Planning Inspectorate expect to receive a further nine during 2012. A review to learn lessons from plans adopted to date is underway.
11	Review resource and energy efficiency measures and the support available to individuals, communities, businesses and the public sector.	Scoping work to identify the priorities for future resource efficiency support is nearing completion. This will be followed by soft market testing and then advice to Ministers on the options for delivering these services in future. New arrangements will be in place for April 2013.

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT MAIN EXPENDITURE GROUP (MEG)																					
REVENUE BUDGET - Departmental Expenditure Limit			£000's																		
SPA	Actions	Budget Expenditure Line (BEL)	BEL	Division	2011-12 Final Budget (Feb 2011)	Transfer from reserves	2011-12 Portfolio changes	2011-12 Suppl Budget (June 2011)	CRC (from Reserves)	Pwllerian (Transfer from non-cash reserves))	DT (MEG to MEG)	NAMU (MEG to MEG)	FCW (transfer to reserves)	NAMU (within MEG)	SP (within MEG)	Rev-Capital Transfers (within MEG)	Transfer to UK Gov't	Transfer from UK Gov't	2011-12 Suppl Budget (Feb 2012)	2012-13 Final Budget (Feb 2012)	
Climate Change and Sustainability	Develop and deliver overarching policy and programmes on sustainable development and environment	Environment Legislation and Governance	2812	DT	199			199											199	190	
		Sustainable Development Engagement	2810	SP	956			956			-90	0		0					866	820	
		Sustainable Development Policy	2811	SECC															0	0	
		Sub Total			1,155	0	0	1,155	0	0	-90	0	0	0	0	0	0	0	1,065	1,010	
	Develop and implement climate change, emission prevention and fuel povert policy, communications, legislation and regulation	Climate Change Policy	2815	SECC															0	410	
		Fuel Poverty programme	1270	SP	3,450			3,450											3,450	3,450	
		Climate Change Action	2816		3,292			3,292					-120				3,172	2,726			
		Energy Efficiency Programmes	3771		5,300			5,300								5,300	5,300				
		Construction Unit	1261	Bldg Regs	865			865										865	824		
		Sub Total			12,907	0	0	12,907	0	0	0	0	0	0	-120	0	0	0	12,787	12,710	
	Develop and implement flood and coastal risk, water and sewage policy and legislation	Flood Risk Management & Water	2230	SP	19,664			19,664								120				19,784	21,041
		Sub Total			19,664	0	0	19,664	0	0	0	0	0	0	0	120	0	0	0	19,784	21,041
	Facilitate clean and secure energy and industry investment	Radioactivity & pollution prevention	2817	SP	600			600												600	540
		Clean energy	3770	SECC	640			640												640	600
		Sub Total			1,240	0	0	1,240	0	0	0	0	0	0	0	0	0	0	0	1,240	1,140
	Manage and implement the Waste Strategy and waste procurement	Local Authority Waste Revenue (food waste)	2190	Waste	82,519			82,519												82,519	79,984
		Sub Total			82,519	0	0	82,519	0	0	0	0	0	0	0	0	0	0	0	82,519	79,984
Total Climate Change and Sustainability					117,485	0	0	117,485	0	0	-90	0	0	0	0	0	0	0	117,395	115,885	
Environment	Deliver nature conservation and marine policies	Sustainable Development Fund Grant	2823	NAMU	956			956						-235					721	350	
		Environmental Mgt support funding	2824		1,500			1,500					110		1,000			2,610	2,060		
		Sub Total			2,456	0	0	2,456	0	0	0	0	0	-125	0	1,000	0	0	3,331	2,410	
	Develop an appropriate evidence base	Environment Research and Evaluation	2819	SEED	917			917											917	874	
		Sub Total			917	0	0	917	0	0	0	0	0	0	0	0	0	0	917	874	
	Manage and implement EU Waste legislation, LEQ and contaminated land	Local Environment Quality & Keep Wales Tidy	2191	Waste	4,478			4,478											4,478	2,900	
		Waste regulation	2194		300			300										300	300		
		Sub Total			4,778	0	0	4,778	0	0	0	0	0	0	0	0	0	0	4,778	3,200	
	Promote protected landscapes and countryside access	National Parks	2490	NAMU	10,900			10,900											10,900	10,725	
		Access	2494		350		-130	220			-130		125				215	258			
		Sub Total			11,250	0	-130	11,120	0	0	0	-130	0	125	0	0	0	0	11,115	10,983	
	Sponsor and manage delivery bodies	CCW Programme Expenditure	2430	DT	16,602			16,602												16,602	16,542
		CCW Depreciation	2430		1,440			1,440											1,440	1,440	
		CCW Administration Costs	2432		19,652			19,652											19,652	18,718	
		Natural Environment Framework: restructuring	2495		1,083			1,083											1,083	5,000	
		Environment Agency	2450		21,070			21,070											21,070	20,070	
		Environment Agency Depreciation	2450		1,650			1,650									-1,650		0	1,650	
Sub Total				61,497	0	0	61,497	0	0	0	0	0	0	0	0	-1,650	0	59,847	63,420		
Total Environment					80,898	0	-130	80,768	0	0	0	-130	0	0	0	1,000	-1,650	0	79,988	80,887	
Planning	Planning policy development, Planning Inspectorate and regulation	Planning Expenditure	2250	Planning	7,772			7,772											7,772	7,403	
Total Planning					7,772	0	0	7,772	0	0	0	0	0	0	0	0	0	0	7,772	7,403	
Protecting and improving Animal Health and Welfare	Protecting and improving Animal Health and Welfare	Animal Health and Welfare	2270	OCVO	0		600	600											600	600	
		Animal Health VLA	2271		0	18,398		18,398										18,398	17,194		
		TB Slaughter payments, costs and receipts	2272		0		11,660	11,660							1,000			12,660	11,660		
		TB eradication	2273		0		10,380	10,380							-6,000			4,380	10,000		
Total Protecting and improving Animal Health and Welfare					0	18,398	22,640	41,038	0	0	0	0	0	0	0	-5,000	0	0	36,038	39,454	

Evidence Base	Developing an appropriate evidence base to support the work of the Department	Pwlperian Depreciation	2808	SEED	0		8	8		29								37	8	
		Research and Evaluation	2818	SEED	0		344	344										344	294	
		Sub Total			0	0	352	352	0	29	0	0	0	0	0	0	0	381	302	
	Protecting plant health and developing GM policies	Other Plant Health Services	2821	SEED	0		52	52									52	52		
Total Evidence Base					0	0	404	404	0	29	0	0	0	0	0	0	0	433	354	
Common Agriculture Policy and the Countryside	Implementing the new Woodland Strategy through Forestry Commission Wales	Forestry Commission Revenue Expenditure	2470	Ops Team	0		21,600	21,600										21,600	21,200	
		Forestry Commission Revenue Receipts	2470		0		0				-900						-900	0		
Total Common Agricultural Policy and the Countryside					0	0	21,600	21,600	0	0	0	0	-900	0	0	0	0	20,700	21,200	
Total Revenue - Environment and Sustainable Development					206,155	18,398	44,514	269,067	0	29	-90	-130	-900	0	0	-4,000	-1,650	0	262,326	265,183

CAPITAL BUDGET - Departmental Expenditure Limit			£000's																	
SPA	Actions				2011-12 Final Budget (Feb 2011)	Transfer from reserves		2011-12 Suppl Budget (June 2011)	CRC	Pwllerian	DT	NAMU	FCW	NAMU	SP	Rev-Capital Transfers	Transfer to UK Gov't	Transfer from UK Gov't	2011-12 Suppl Budget (Jan 2012)	2012-13 Final Budget (Feb 2012)
Climate Change and Sustainability	Develop and deliver overarching policy and programmes on sustainable development and environment	Local Authority General Capital Support	2782	DT	13,500			13,500											13,500	12,500
		Sub Total			13,500	0		13,500	0	0	0	0	0	0	0	0	0	0	13,500	12,500
	Develop and implement climate change, emission prevention and fuel povert policy, communications	Fuel Poverty programme	1270	SP	18,577			18,577	2,000									3,000	23,577	18,577
		Sub Total			18,577	0		18,577	2,000	0	0	0	0	0	0	0	0	3,000	23,577	18,577
	Develop and implement flood and coastal risk, water and sewage policy and legislation	Flood Risk Management & Water	2230	SP	17,000			17,000	2,169							2,000			21,169	14,699
		Local Government Flood & Coast Capital	2234		1,300			1,300										1,300	1,200	
		Sub Total			18,300	0		18,300	2,169	0	0	0	0	0	0	2,000	0	0	22,469	15,899
	Manage and implement the Waste Strategy and waste procurement	Regional Access Capital Fund	2190	Waste	5,832			5,832	2,000										7,832	10,220
		Sub Total			5,832	0		5,832	2,000	0	0	0	0	0	0	0	0	0	7,832	10,220
Total Climate Change and Sustainability					56,209	0		56,209	6,169	0	0	0	0	0	0	2,000	0	3,000	67,378	57,196
Environment	Promote protected landscapes and countryside access	National Parks	2490	NAMU	350			350											350	350
		Access	2494		3,250			3,250									3,250	3,250		
		Sub Total			3,600	0		3,600	0	0	0	0	0	0	0	0	0	0	3,600	3,600
	Sponsor and manage delivery bodies	CCW	2430	DT	1,000			1,000								300			1,300	1,000
		EA	2450												1,700			1,700	0	
Sub Total					1,000	0	0	1,000	0	0	0	0	0	0	0	2,000	0	0	3,000	1,000
Total Environment					4,600	0	0	4,600	0	0	0	0	0	0	0	2,000	0	0	6,600	4,600
Evidence Base	Developing an appropriate evidence base to support the work of the Department	Environment Management Capital	2814	SEED/FDD	0		38	38											38	38
Total Evidence Base					0	0		38	0	0	0	0	0	0	0	0	0	0	38	38
Common Agriculture Policy and the Countryside	Implementing the new Woodland Strategy through Forestry Commission Wales	Forestry Commission Capital	2470	Ops Team	0		-205	-205											-205	-205
Total Common Agricultural Policy and the Countryside					0	0		-205	0	0	0	0	0	0	0	0	0	0	-205	-205
Total Capital - Environment and Sustainable Development					60,809	0	38	60,642	6,169	0	0	0	0	0	0	4,000	0	3,000	73,811	61,629

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT MAIN EXPENDITURE GROUP SUMMARY																				
					2011-12 Final Budget (Feb 2011)	Transfer from reserves		2011-12 Suppl Budget (June 2011)	CRC	Pwllerian	DT	NAMU	FCW	NAMU	SP	Rev-Capital Transfers	Transfer to UK Gov't	Transfer from UK Gov't	2011-12 Suppl Budget (Jan 2012)	2012-13 Final Budget (Feb 2012)
		Revenue			206,155	18,398	44,514	269,067	0	29	-90	-130	-900	0	0	-4,000	-1,650	0	262,326	265,183
		Capital			60,809	0	38	60,809	6,169	0	0	0	0	0	0	4,000	0	3,000	73,811	61,629
Total - Environment and Sustainable Development					266,964	18,398	44,552	329,876	6,169	29	-90	-130	-900	0	0	0	-1,650	3,000	336,137	326,812

Environment & Sustainable Development
2011-12 Budget Changes - Final through to Second
Supplementary

First Supplementary Budget changes (June 2011):

Reason	Revenue/ Capital	Amount £m
Transfer in from Defra responsibility for AHVLA in Wales	Revenue	18.398
Transfer out to Local Government & Communities (LG&C) responsibility for Sustrans, the promotion and development of cycling as part of the change in Ministerial portfolios.	Revenue	-0.130

Second Supplementary Budget changes (Feb 2012):

Reason	Revenue/ Capital	Amount £m
Transfer from non-cash reserves to increase the depreciation budget for Pwllpeiran	Revenue	0.029
Transfer out to Central Services Meg as responsibility for Fair Trade lies with the First Minister, following the change in Ministerial portfolios.	Revenue	-0.090
Transfer out to Local Government & Communities (LG&C) responsibility for Sustrans, the promotion and development of cycling as part of the change in Ministerial portfolios.	Revenue	-0.130
Transfer to Central Reserves the Windfarm Income received from the Forestry Commission Wales	Revenue	-0.900
Realignment of NAMU budgets, all within the Environment SPA, Nil affect to ESD budgets.	Revenue	-0.235 0.110 0.125
Realignment of Sustainable Places budgets to provide a budget specifically for Water Policy. Nil affect to ESD budgets.	Revenue	-0.120 0.120

Annex 3

Transfer of non-cash to Defra in respect of depreciation for the Environment Agency Wales as part of 'Clear Line of Sight' arrangements.	Revenue	-1.650
Transfer of underspend in TB Eradication to ease pressures elsewhere within the MEG:	Revenue	-6.000
- the Wild Birds Directive, which was transposed into UK Legislation in 1981; - TB Slaughter payments and associated costs		1.000
		1.000
Transfer £4m balance (£6m - £2m above) Revenue (TB Eradication) to Capital to ease pressures elsewhere within the MEG:	Revenue - Capital	
- Flood & Coastal Risk schemes; - Environment Agency for Flood & Coastal Risk schemes; - Countryside Council for Wales to purchase two parcels of land for the Anglesey and Llyn Fens LIFE project		2.000
		1.700
		0.300
Transfer from Central Reserves for the following:	Capital	
- Arbed (Centrally Retained Capital) - Arbed (from UK Council Tax Consequential) - Waste Infrastructure Programme (CRC) - Flood & Coastal Risk schemes (CRC)		2.000
		3.000
		2.000
		2.169