

Welsh Assembly Government Response to National Assembly for Wales Sustainability Committee Report: Inquiry into Carbon Reduction in Wales

The Assembly Government is committed to tackling the causes and consequences of climate change. Through our *One Wales* agenda for Government we are committed to achieving a 3% year on year reduction in greenhouse gas emissions in areas of devolved competence against a baseline of emissions between 2006 to 2010. *One Wales* also commits us to set specific emission reduction targets in relation to residential, public and transport sectors.

Since the Committee completed its inquiry, the Assembly Government's Climate Change Strategy was published. The Strategy, and its supporting Delivery Plans on Emission Reduction and Adaptation, confirm the Assembly Government's commitments on climate change, and set out the specific measures that we are taking to reduce greenhouse gas emissions and to adapt to the changes in our climate that we cannot avoid.

The Strategy emphasises the Assembly Government's firm commitment to demonstrate leadership in tackling climate change, but also stresses the critical contribution everyone in Wales needs to play.

We are already supporting people and communities across Wales in taking action and working with the public, business and third sector to deliver emission reductions and effective adaptation measures and to do so in a way that helps achieve our wider aspirations for sustainable future for Wales.

We have focused our action on where we can make the greatest difference, and we will regularly review our actions and report progress to the National Assembly for Wales.

I welcome the Sustainability Committee's report; its findings will add to the work already being taken forward by the Assembly Government and its partners.

Given that the report has been published towards the end of this Assembly, I have had to consider the deliverability of each recommendation very carefully. Where possible I have accepted recommendations in full or in part or in principle so that progress can be made towards them.

I have set out below my response to the report's individual recommendations.

Responses to recommendations

Headline recommendation 1

The Welsh Government should review its responses to the Committee's reports in the light of a full cost benefit analysis of our headline recommendations.

Response: Accept in principle

We have reviewed the headline recommendations in previous reports and provided an update. The results of this review process are at Annex A to this response.

Cost Benefit Analysis (CBA) is an important tool used by the Assembly Government in informing decision-making and policy development. A CBA can be undertaken either as stand alone assessment or through the Regulatory Impact Assessment process which is embedded in the Assembly Government's standard policy appraisal process.

In taking forward the recommendations that we have accepted from previous reports by the Committee, the Assembly Government has already undertaken CBA as part of the Impact Assessment process where this was appropriate.

Where possible proposals included in the Emission Reduction Delivery Plan were subject to a CBA. It was not possible to test all of the behaviour change interventions using that method as there is not always appropriate data available to support such an analysis, but we are working with the UK Government, other Devolved Administrations and the UK Committee on Climate Change to address this.

Financial Implications: The financial implications largely relate to staff time to produce the analysis but this work is a core part of the ongoing monitoring plans for the Strategy.

Headline recommendation 2

The Welsh Government should produce a full costing, both in terms of amounts of carbon saved and financial implications of the measures it intends to implement through its Carbon Reduction Strategy.

Response: Accept in principle

The Climate Change Strategy for Wales and associated Delivery Plan for Emission reduction (published in October 2010) confirm the Assembly Government's commitments and the areas in which we will act, and where we will work with our partners, to reduce greenhouse gas emissions and enable effective adaptation in Wales.

The Delivery Plan for Emission Reduction that accompanies the Strategy sets out the specific policies and programmes that we will implement to help meet Wales' target to reduce greenhouse gas emissions by 3% per year from 2011 in areas of devolved competence.

The Delivery Plan sets out the emission reduction contributions from the actions that the Assembly Government has planned and for those that are already being delivered. The Plan also highlights the key UK and EU and wider sectoral contributions, which will underpin our efforts to deliver our greenhouse gas emission reduction target.

The quantification method that we have used in assessing the contribution of each measure has relied on Welsh-specific studies estimating likely levels of emission reduction wherever possible. Where data relating specifically to Wales has not been available, we have used UK Government figures and reviewed as appropriate, and apportioned to the Welsh context using population statistics or, in the case of the transport sector measures, vehicle kilometres. In some instances, our analysis has drawn on data from the reports of the UK Committee on Climate Change.

The assessment presented in the Emission Reduction Delivery Plan represents our best estimates of the potential levels of carbon dioxide reductions for the measures. Annex A of the Climate Change Strategy explains the methodology used in assessing the emission reduction measures. There are limitations to that analysis, in particular because the UK data is the starting point for most of our estimates, rather than a bottom-up calculation owing to scarcity of reliable data. This means that the emission reductions expected from policies being implemented by the UK Government also include some activity delivered by action in Wales. Therefore, specific measures being implemented by the Assembly Government have only been quantified separately where these demonstrably add to emission reduction assumed within the complete package.

In addition to assessment of the emission abatement potential for each measure, the Assembly Government carefully assessed the costs of each option when considering which measures to include in the final Delivery Plan. This has ensured that the selected measures offer the best value for money in reducing greenhouse gas emissions and delivering other benefits in Wales.

Table 1 sets out the programmes and investment assumptions that underpin the estimate of emission reductions in the Climate Change Strategy Emission Reduction Delivery Plan. These estimates will be updated each year as part of the progress report to the National Assembly for Wales.

Table 1

<i>Delivery Plan Action</i>	<i>Summary</i>	<i>Estimated Co2e saving in 2020</i>	<i>Estimated cost</i>	<i>Covering period</i>
Transport				
WT1	Sustainable Travel Centres	0.22 Mt Co2e	£20m	Over two years (2010-11, 2011-12)
WT2	Smarter Choices	Due to the potential for double counting, we did not include an additional saving for WT2		
WT3	Travel planning and provision of personalised travel information	Due to the potential for double counting, we did not include an additional saving for WT2		
WT4	Developing a series of strategic modal interchanges	Due to the potential for double counting, we did not include an additional saving for WT2		
WT5	Promotion of eco-driving	0.03 Mt Co2e	£300k	Over two years (2010-11, 2011-12)
WT6	Promotion and	0.0005 Mt	£18m	Over two

	support for walking and cycling	Co2e		years (2010-11, 2011-12)
WT7	Investment in rail services	0.004 Mt Co2e	£410m	Over two years (2010-11, 2011-12)
WT8	Investment in buses	0.001 Mt Co2e	£75m	Over two years (2010-11, 2011-12)
WT9	Improving traffic management on the strategic road network	0.02 Mt Co2e	£90m	Over two years (2010-11, 2011-12)
WT10	Supporting the freight industry to reduce emissions	0.01 Mt Co2e	£3m	Over two years (2010-11, 2011-12)
Business				
WB2	Carbon Trust	0.31 Mt Co2e	£4.8m	2010-11
WB3	Enabling more resource efficient business	0.17 Mt Co2e	£0.4m	Pa (for three years) 2009- 2012 (although this also covered in behaviour change activity too).
WB5	More efficient use of and regulation of waste heat and energy	0.14 Mt Co2e	No cost	N/A
Residential				
WR1	Area based domestic energy efficiency programmes	0.03 Mt Co2e	£15m	For financial year 2010-2011 SCIF funding
WR2	Demand-led energy efficiency programmes focused on those at risk of fuel poverty (HEES)	0.19 Mt Co2e	£19.9m £2.5m	HEES 2010-11 Boiler Scrappage Scheme 2010-11 only
WR3	Supporting	0.03 Mt Co2e		

	community scale energy generation		£15m	Ynni'r Fro
Agriculture and Land Use				
WA1	Tree Planting			
Agriculture and Land Use Sector	Glastir, woodland creation, management of woodland sink, behavioural change in farming practice and dairy and red meat road maps	0.6 Mt Co2e	WA3 (Glastir): £91.8m	PA (primarily RDP Glastir funding)
Resource Efficiency and Waste				
Resource Efficiency and Waste	Programme to comply with the EU Framework Directive on Waste, diversion of biodegradable municipal waste from landfill to recycling, composting and AD and programme to reduce existing GHG at landfills	0.66 Mt Co2e		

Financial Implications: There are no additional financial implications from this recommendation which asks the Assembly Government to set out the costings underpinning the Climate Change Emission Reduction Strategy Delivery Plan.

Headline Recommendation 3

The Welsh Government publishes, along with its Carbon Reduction Strategy, a comprehensive list of the data which are and are not available and a timeline for the collection and publication of the unavailable data.

Response: Accept in principle

The Assembly Government has and will continue to use the disaggregated UK Greenhouse Gas inventory, which reports Wales-specific emissions, as the main emissions data source, against which the emissions baseline and the effectiveness of our policies to fulfil the 3% target and sector targets are measured. The disaggregated inventory is published 21 months after the end of the emissions year. The emissions figures for 2008 were published in September 2010, for instance.

While the UK emissions inventory has underpinned the appraisal of policy options in development of the Climate Change Strategy, there are some limitations to it. The inventory data cannot be used to report against the performance of the individual policies set out in the Delivery Plan as the data is not disaggregated to a sufficiently detailed level to enable the assessment of specific policies.

Consequently, the Assembly Government is currently developing a suite of indicators which will enable an assessment of the individual policies and their contribution to the sectoral and 3% targets. Data used in the estimation of the greenhouse gas reductions from each of the quantified policies will be published, as will the data that will be needed to create the indicators. A review of data currently not available will be undertaken.

These indicators will form a key part of progress reports to the National Assembly for Wales and are being developed through engagement with the Climate Change Commission in order to assist in them in making an independent assessment of progress.

Financial Implications: The financial implications largely relate to staff time to produce the analysis but this work is a core part of the ongoing monitoring plans for the Strategy.

Headline Recommendation 4

The Welsh Government includes a detailed outline of the data that will need to be collected and reported by each sector as the reporting requirements for the Carbon Reduction Strategy.

Response: Accept in principle

The Welsh Assembly Government will use the disaggregated greenhouse gas inventory, which reports Wales-specific emissions, as the main data source to report against its sector targets.

Financial Implications: None.

Headline Recommendation 5

The Welsh Government should bring together all the research and good practice that currently exists about effective ways of changing behaviour to inform a published programme for behavioural change in Wales. The programme should include key targets, milestones and evaluation points.

Response: Accept

Behaviour change initiatives have a crucial role to play in ensuring that we achieve the expected level of emission reduction from other policies and programmes. We have calculated that behavioural changes within the domestic setting should directly contribute 0.12% of the 3% greenhouse gas emissions reduction target.

We therefore need to support behaviour change and enable people to take action: engaging people about why climate change matters and what they can do; providing information, advice and tools that help people see how their actions can make a difference and removing barriers, incentivising action and making it easier to make better choices. Behaviour change in the context of climate change is particularly complex, because of the number of interconnected behaviours that need to be addressed.

It is also important to recognise that behaviour change is important not only in delivering direct emission reduction but also in ensuring that other interventions and infrastructure investments are effective, for example ensuring that people know how to make the best use of a new, more efficient boiler.

The Climate Change Strategy provides the framework for the delivery of low carbon behaviour change in Wales, based on the '4E' model. We have developed a draft Climate Change Engagement Strategy which builds on this framework.

The draft Engagement Strategy, which was discussed at the Climate Change Commission meeting on 14 December, adopts an enabling approach which seeks to build capacity at the local level, and support nationally informed, locally led action. It sets out:

- The need for a national vision and coordination which a national movement requires;
- An overview of how capacity for action will be developed at all levels and in all sectors;
- The evidence base to support action.

We will develop a delivery plan for the Engagement Strategy which contains key targets, milestones and evaluation points. Particular emphasis is placed on evaluation: developing effective approaches to changing behaviour in this field is an emerging discipline, and therefore we must ensure that

interventions are effectively evaluated in order to provide an evidence base for future work.

We have begun to bring together research and good practice in relation to behaviour change and to develop a network to use it. We will set out the research and good practice which we have identified on the Welsh Assembly Government's website, as we develop an increasing database of tools and resources to support action. We also expect that new arrangements to support sustainable development will provide a key point of reference.

The Assembly Government coordinates a network on Communications and Engagement on Sustainable Development and Climate Change, engaging key internal and external stakeholders. This network has begun to focus on behaviour change and it is envisaged that it will provide a key forum for the development of expertise in effective ways to change.

Financial Implications: The financial implications largely relate to staff time to bring together the evidence and publish it but this work is a core part of the role of the relevant team.

Headline Recommendation 6

The Welsh Government should allocate specific funding to the behavioural change programme and should have sufficient funds allocated to incentivise key measures in the programme if voluntary and other methods of implementation are not shown to be effective.

Response: Accept

We accept that, in order to achieve the behaviour needed to deliver on the Assembly Government's emissions targets, proper consideration must be given to resourcing programmes of delivery. However, just as the approach to behaviour change is integral to the Climate Change Strategy, much of the behaviour change work will need to be delivered through existing and future initiatives rather than creating specific behaviour change programmes.

For example, engagement with the people and communities which they are intended to support is integral to design of programmes such as the new All-Wales Fuel Poverty Programme and Sustainable Travel Towns. Similarly our business support, delivered through the Carbon Trust, is fundamentally about engagement and providing expert, targeting advice and programmes. In fact a significant proportion of the interventions that are described in the Delivery Plan involve engagement and an intention to enable behavioural change.

The focus of our specific behavioural change activity, as distinct from activity built into programmes, is on providing the evidence base of research and good practice, and promoting and enabling the development of capacity to design and deliver effective interventions. The provision of a specialist range of information, support and services will be needed in order to support the development of capacity to help the move to a more sustainable and lower carbon lifestyle. That support will be available to practitioners in all areas of national and local government, business and the third sector.

Our aim is to establish effective models for intervention to address a specific behaviour or group of behaviours, and to make these models available across Wales for regions, organisations or communities to implement. We will do this by developing and piloting programmes, in collaboration with existing initiatives.

We will also provide access to support to enable this delivery through provision of advice, access to resources and some funding.

We have procured a framework contract for services to support such programmes. The contract provides support to design, deliver and evaluate interventions designed to promote behaviour change. As it has the widest definition of the principles of sustainability as its basis, the framework will be open to use for a wide variety of other areas such as health, transport and community development, and can be used to develop cross cutting programmes that deliver on a number of policy aims such as enhancing

health and wellbeing or promoting social justice, as well as emission reduction and adaptation.

The contract will be available in early 2011, and will be open to all Welsh Assembly Government Departments, Assembly Government sponsored bodies, other public service organisations and some third and voluntary sector groups.

We are also developing a grant scheme which will provide match funding for behaviour change interventions, and will be supported by a development officer with expertise in this field. Following a procurement exercise, this will be delivered through the Environment Wales programme, which minimises the administrative cost, and allows the techniques and learning to be shared across the Environment Wales programme also.

Financial Implications: Planned investment in behaviour change is £4.96m over three years (2010/11 – 2012/13) and is provided for in current budget plans.

Headline Recommendation 7

The Welsh Government should establish a true one stop shop for all information and advice about carbon reduction from all sectors. The new organisation should be the only point of contact for inquiries and advice on and help with accessing grants and contractors, and should take a pro active role in engaging all areas of and sectors in Wales in carbon reduction.

Response: Reject

The Assembly Government supports the principle underlying this recommendation that we should ensure that different groups or audiences have access to effective, high quality advice and support that is tailored to their needs. We are rejecting this recommendation because a 'one stop shop' is not the most effective mechanism to deliver that objective and, given the current split of responsibilities for funding key bodies in Wales, it would lead to significant duplication with services that are core-funded by the UK Government, which cannot be justified as a cost-effective use of funding. In addition, our focus is not simply on providing information and advice, but providing the support and resources required to enable effective engagement and to promote behaviour change.

The Assembly Government supports a number of organisations or programmes to provide advice and, much more importantly, active support to help organisations and individuals in Wales reduce their carbon footprint. Key organisations include:

- The Energy Saving Trust provides information on carbon reduction to individuals and households, including personalised information. The core funding for this service is provided by the UK Government. The Assembly Government funds a number of specific programmes to enhance the support available in Wales in priority areas: this includes consumer transport advice and support to local authorities and Housing Associations.
- The Energy Saving Trust won the contract to manage the Ynni'r Fro community scale renewable energy programme. Development officer support is a key component of the programme and this was procured via regionally-based contracts, which has delivered an expert network based in a range of delivery partners including community groups.
- The Carbon Trust provides information and support on carbon reduction for business and the public sector. The Assembly Government core funds key activity in Wales and that support is augmented by UK technology programmes.
- Salix, which is an offshoot of the Carbon Trust, offers invest-to-save loans to the public sector, funded by the Assembly Government and return on loan payments.
- Cynnal Cymru – Sustain Wales provides information about carbon reduction in the context of wider sustainable development to individuals, organisations and communities through its website,

newsletter, events and other initiatives. This includes: work with specific sectors for example recent highly oversubscribed events with the social enterprise sector; training events which brought international expertise on effective behaviour change approaches to people in Wales; and the Green List, which celebrates leaders on wider sustainable development from all walks of life.

- The Assembly Government Community Action on Climate Change Network enables community groups to network and has provided specific support including training, action planning and inspirational speakers and case studies, designed to meet the local priorities. Connections made at these events have led to the development of a number of new projects and initiatives as well as strengthening existing activity.
- The new Pathfinder Project, which will test six different models for community action to reduce their carbon footprint, is currently being established following a procurement exercise. The projects will be supported by a network of development workers embedded in local authorities.
- Business in the Community provides information and support on carbon reduction for businesses with a focus on networking and peer-to-peer support.
- The Assembly Government site www.walescarbonfootprint.com provides a range of information related to reducing individual, business and organisational carbon footprints.

As well as supporting core provision for each audience, built on existing channels where those exist, the Assembly Government is also encouraging private sector and community based provision through opening up opportunities via procurement. We are also supporting grassroots sources of advice and support through better networking and enabling access to support that enables those organisations to enhance their reach and the quality of the service that they offer.

We recognise it is important to improve links between these different mechanisms and we are developing an online database of tools and support as part of the delivery of the Climate Change Strategy, and this will include signposting to all the resources and support currently available.

We have also promoted increased collaboration and co-ordination between the organisations sponsored by Government. For example, the Carbon Trust and Energy Saving Trust are working together to deliver support to business and public sector organisations, with the Carbon Trust leading on the estate and infrastructure, and the Energy Saving Trust leading on the advice and support to staff, as employees and in the domestic arena and we are looking to both organisations to go further in working together and finding efficiencies and synergies as part of business planning for next year.

Financial Implications: None – the recommendation is being rejected.

Headline Recommendation 8

The Welsh Government should commit to funding the one stop shop for at least five years whilst exploring other funding streams and sponsorship opportunities for it.

Response: Reject

The Assembly Government supports the principle underlying this recommendation that we should continue to invest in ensuring that different groups or audiences have access to effective, high quality advice and support that it is tailored to their needs. We are rejecting this recommendation because, as outlined in our response to recommendation 7, we do not believe that a 'one stop shop' is the most effective mechanism to deliver that objective.

The draft budget will enable us to continue investing in the programmes outlined in the response to recommendation 7 throughout the period that the budget covers and continued investment in this area is assumed in the provisions in the Climate Change Strategy Delivery Plan.

Financial Implications: None from implementing the recommendation, which is being rejected.

Headline Recommendation 9

Each Welsh Government Minister should make explicit their role in carbon reduction and how they are going to achieve the targets set within their portfolios.

Response: Accept in part

The Climate Change Strategy for Wales and associated Delivery Plan for Emission Reduction is a whole Government plan.

In developing the Strategy, each Assembly Government Minister has agreed the targets and associated action for delivery within their portfolios. Our emission reduction targets will be reviewed and amended annually and will require agreement from all relevant Ministers.

The Cabinet Committee on Sustainable Futures will oversee the delivery of Strategy and the contribution that all policies and programme can make to delivering it. All Ministers are required to provide updates to the Committee on progress made in embedding sustainable development and climate change into corporate work and policy delivery. Ministers have provided updates to the Committee in the last 12 months.

Financial Implications: None – reporting on progress is part of the core work of delivering the Strategy and costs largely relate to staff time.

Headline Recommendation 10

All new policies and plans issued by the Welsh Government should contain an explicit statement about how they address carbon reduction issues.

Response: Accept in principle

I accept the principles behind this recommendation that we should be considering the climate change impact of policies in their development.

Currently, the Policy Gateway process is used to test whether our developing policies and strategies are underpinned by sustainable development and includes specific questions that address greenhouse gas emission reduction issues.

Work is underway to develop a toolkit that will enable departments to carry out a Carbon Appraisal in order to consider the implications of their policies and proposals for greenhouse gas emissions. This will be built into the improved processes to support effective policy development.

The type of assessment and level of detail that is appropriate will vary according to the significance of the policy or programme for emissions. We want to concentrate effort where it will make a difference.

Financial Implications: The financial implications largely relate to staff time to develop the toolkit but this work is a core part of the role of the team.

Headline Recommendation 11

All public bodies in Wales should be required to issue annual reports setting out how carbon reduction has been mainstreamed throughout their policy development and service delivery mechanisms.

Response: Accept in part

The Assembly Government encourages organisations to report how they are taking action to reduce emissions and adapt to the impacts of climate change. We recognise that when organisations publicly report their emissions this can encourage improvement and that such reporting is also necessary, in certain cases, for compliance with regulatory obligations. However, we do not consider that making it a mandatory requirement to produce standalone emissions reports is necessarily effective and therefore cannot support that part of the recommendation.

The contribution an organisation is making to emission reduction should be picked up in existing reporting arrangements and taking that approach will help to embed action on climate change as part of core work rather than an add-on.

In addition, many public sector organisations already report on their performance on emissions and the Carbon Reduction Commitment Energy Efficiency Scheme introduces mandatory reporting requirements as part of compliance with the scheme.

The Assembly Government is also working to develop a more robust carbon footprint for the public sector. This work will use the detailed data which will be collected as part of the participation of public sector organisations in the Carbon Reduction Commitment Energy Efficiency Scheme and will be supplemented in areas where more detail is required. It is also hoped that a review and consultation on Local Authority performance indicators can be used to improve the data available on local authority emissions.

Financial Implications: The financial implications largely relate to staff time to develop public sector footprint data but this work is a core part of the role of the team.

**Response to National Assembly for Wales Sustainability Committee
Report: Inquiry into Carbon Reduction in Wales – Update on Headline
Recommendations from previous Committee Reports**

**Report on Residential Carbon Reduction in Wales (published March
2008)**

**Responded to by the Minister for Environment Sustainability and
Housing**

Headline Recommendation	Response	Update
<p>1. Through a Ministerial Interim Planning Policy Statement (MIPPS), the Welsh Assembly Government require developments of over 5 dwellings and all commercial developments to produce at least 10 per cent of their energy requirements through on site renewable energy of local decentralised sources.</p>	<p>Accept in principle subject to a thorough analysis of the costs and benefits.</p> <p>The review of the planning policy and guidance following our consultation exercise on planning for climate change is ongoing. This includes the consideration of whether we should require a minimum production of renewable energy (including low carbon energy sources) and/or a minimum reduction in carbon emissions for new buildings/developments via the planning system.</p>	<p>The Planning for Sustainable Buildings policy (Section 4.11, Planning Policy Wales) expects those buildings subject to the policy improve their carbon emissions by 31% over 2006 standards (Building Regulations). From 1st September 2010 this applies to all new homes in Wales.</p>
<p>2. Through a MIPPS, the Welsh Assembly Government require developments of less than 5 dwellings to reduce their predicted CO2 emissions by at least 25 per cent based on current building regulations through improvements to the energy performance of buildings and/or the efficient supply of heat, cooling and</p>	<p>I can assure the Committee that the arguments for supporting at least a 'Merton type Rule' in Wales, and aspiring to something even more effective than Merton by, for example, requiring a minimum reduction in carbon emissions or improvement in energy efficiency performance, are being considered. These</p>	<p>We continue support a staged approach to reducing the carbon emissions of new homes by applying the principles of the energy hierarchy. The incorporation of renewable energy technologies should only follow after a concerted approach to reduce energy demand and increase energy efficiency in the design of new buildings. Our policy published in may 2009 reinforces this</p>

<p>power.</p>	<p>recommendations and the wider report findings will be taken into account in reaching a decision.</p> <p>I would however ask the Committee to consider whether there may not be a conflict between Recommendations 1 & 2. Recommendation 2 could represent more in the way of emissions reduction potential than Recommendation 1, as requiring at least 10% renewable energy may not automatically result in at least a 25 per cent reduction in emissions. We need to encourage a staged approach to the energy hierarchy, where the incorporation of renewable energy technologies should only follow after a concerted approach to reduce energy demand and increase energy efficiency.</p> <p>I would also ask the Committee to note that, under the Code for Sustainable Homes, the energy efficiency element is measured in terms of percentage improvements to energy efficiency against Part L of the Building Regulations, and that a 25% improvement corresponds with level 3 of the Code. Points are also available within the Code for the incorporation of low or zero carbon energy technologies.</p> <p>Financial Implications:</p>	<p>approach, and delivers greater carbon savings that may arise if only 10% of the regulated energy demand is met through the incorporation of an on site renewable energy technology.</p> <p>There is no specific power in planning legislation to make planning policy or guidance. The relevant legal power is Section 60 of the Government of Wales Act 2006. National planning policies may be material to decisions on individual applications by local planning authorities and will be taken into account by the Welsh Ministers and Planning Inspectors in the determination of called-in planning applications and appeals.</p>
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	<p>there could be additional costs for developers and planners if these recommendations were accepted and implemented through the planning system, and they will need to be taken into account before reaching a decision.</p>	
<p>3. Building Regulations should be devolved to the Welsh Assembly Government as a matter of urgency.</p>	<p>Accept</p> <p>The Welsh Assembly Government has committed in <i>One Wales</i> to pursue devolution and is hopeful that current discussions with UK Government can be brought to a satisfactory conclusion in the near future.</p> <p>Financial implications: the additional departmental costs in pursuing devolution and establishing the skills and capacity to administer devolved Building Regulations are and will be drawn from existing budgets.</p>	<p>The devolution of Building regulations will take place on the 31st December 2011.</p> <p>Engagement and dissemination work is in hand to support the move to low/zero carbon new housing and scoping work for the first changes to building regulations relating to energy has started with the intention of bringing forward consultation proposals in 2012.</p>
<p>4. The Welsh Assembly Government should adopt the Code for Sustainable Homes with immediate effect. Also, when Building Regulations are devolved, those which would enable the highest levels of the Code for Sustainable Homes to be enforced should be revised first.</p>	<p>Accept in principle (subject to Cabinet agreement)</p> <p>I have already announced the adoption of the Code in place of BREEAM EcoHomes and to apply the Code to all housing funded by or built on land disposed of by the Assembly Government.</p> <p>I have also recently confirmed that, for social housing, the Assembly Government will require a</p>	<p>Following an options appraisal the Assembly Government announced in June 2010 that the first changes to devolved Building Regulations would be aimed at achieving a 55% improvement (against the 2006 building regulations) for new housing.</p>

	<p>minimum of Code Level 3, moving to higher levels as quickly as possible. The Deputy Minister for Housing is consulting on plans to progressively strengthen development standards and mainstream innovation over the next Social Housing Grant period and is looking to earmark a proportion of the programme to low carbon building funding.</p> <p>In moving forward, we will give careful consideration to the report of the Affordable Housing Review Group, which is due the end of May/beginning of June 2008.</p> <p>The devolution of Building Regulations is being sought to raise standards of energy efficiency to achieve zero carbon. Other aspects of the Code, their relationship to our wider sustainability objectives and their implications for Building Regulations will be considered as part of a programme of further work to be developed over this Assembly term.</p> <p>Financial implications: None as a result of the adoption of the Code in place of previous policy for the sustainability rating of new homes i.e. BREEAM EcoHomes funded by or built on land disposed of by the Assembly Government. The impact of setting Code levels which exceed prevailing legal requirements and current</p>	
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	<p>Assembly Government policy may have an impact on the value of land disposals which will have to be considered as part of the business planning and budgeting process. Costs to industry and consumers of higher standards for Building Regulations will be considered as part of the appraisal process of proposed changes.</p>	
<p>5. The Welsh Assembly Government should fund a programme of retrofitting of all existing hard to heat homes so that they meet one of the agreed levels in the Code for Sustainable Homes.</p>	<p>Reject</p> <p>I support the underlying aim of the recommendation to promote improvements in the energy efficiency performance of existing stock, and particularly hard to heat homes.</p> <p>However, there is a balance to be made between helping householders who are able to pay and those that are effectively in fuel poverty. We must also acknowledge that alleviating fuel poverty is a shared responsibility between the UK Government, the Assembly Government and energy suppliers. In addition, as the Code has not been designed as a standard for existing homes, it is difficult to read across directly.</p> <p>There are two significant programmes in Wales which provide funding specifically for the retrofitting of existing properties with energy efficiency measures. The Assembly Government's</p>	<p>The Climate Change Strategy highlights the critical role that improvement of the energy performance of existing housing stock will play in meeting our climate change targets and the Fuel Poverty Strategy highlights that critical role that it will play in reducing fuel poverty.</p> <p>Both Strategies confirm that the Assembly Government will focus its funding in this area where it will make the biggest difference and where other sources of funding are not available.</p> <p>This means ensuring that our programmes can help hard to treat and off-gas grid homes which, historically, have not benefitted from the Home Energy Efficiency Scheme (HEES) because the</p>

	<p>Home Energy Efficiency Scheme (HEES) provides heating and insulation measures to qualifying households. Under the Carbon Emissions Reduction Target (previously Energy Efficiency Commitment) energy suppliers provide free of discounted carbon saving measures to their customers.</p> <p>Energy efficiency measures are also carried out in meeting the Assembly Government's Welsh Quality Housing Standard, under renewal area schemes and other programmes aimed at building refurbishments. The Assembly Government is committed under <i>One Wales</i> to developing a National Energy Efficiency Savings Plan. The plan will examine our Fuel Poverty Strategy, the role of HEES and potential partnerships with energy suppliers to deliver energy efficiency improvements in an integrated way. In terms of existing housing, the plan will be informed by the work that I have asked the sustainable development commission to take forward on how the built environment should contribute to the Assembly Government's 3% annual emissions reduction target.</p> <p>Financial implications: Significant, if this recommendation were to be accepted and</p>	<p>level of investment required per house was took it over the grant maxima.</p> <p>As set out in the Fuel Poverty Strategy the new All-Wales Fuel Poverty Programme, which will replace HEES, has been designed to enable support for hard to treat homes. Improvement packages will be based on a 'whole house assessment' and a full range of measures will be available.</p> <p>Energy efficiency measures are also carried out in meeting the Assembly Government's Welsh Quality Housing Standard (WQHS), under <i>arbed</i> and renewal area schemes and other programmes aimed at building refurbishments. <i>Arbed</i> has delivered the 'whole house assessment' model for area-based energy performance improvement and is delivering real social, environmental and economic benefits.</p>
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	<p>implemented, there would be more financial implications for the Assembly Government which could not be met from existing departmental budgets.</p>	
<p>6. The Committee recommends that the Welsh Assembly Government actively promotes the Low Carbon Building programme in Wales and provides additional grants for microgeneration schemes in existing housing.</p>	<p>Accept in part The Assembly Government already promotes the Low Carbon Building Programme, through out own information and advice vehicles, by funding the Energy Saving Wales portal website which signposts to the programme, and by supporting the Energy Saving trust which provides information and advice on domestic microgeneration technologies and links to the programme.</p> <p>We intent to fully utilise the new Convergence Funding to help tackle climate change and help develop the microgeneration industry in Wales.</p> <p>In terms of the Assembly Government providing additional grants for microgeneration schemes in existing housing, the first priority of Assembly Government grant funding must be to improve the energy efficiency of existing stock. I am however exploring the possibility of additional incentives for microgeneration in properties with low incomes which have reached their energy efficiency potential.</p>	<p>The Low Carbon Building Programme has now closed. It is being replaced by 'clean energy cashbacks' through the Feed-in Tariff (available since April 2010) and the Renewable Heat Incentive (expected to be available from June 2013). We are working with partners across Wales to actively promote the benefits renewable energy projects could get from the clean energy cashback.</p> <p>We have established the MCS Support programme which helps businesses gain accreditation under the MCS accreditation scheme and get other networking and training benefits.</p> <p>The <i>arbed</i> programme is Wales' strategic energy performance investment programme. Established in 2009 to leverage and</p>

	<p>Financial implications: There would be financial implication for the Assembly Government if we were to offer additional grants, which could not be met from existing departmental budgets.</p>	<p>coordinate investment into the energy performance of Welsh buildings, particularly homes, <i>arbed</i> is cross-cutting. It is designed to maximise the environmental, social and economic benefits of this investment, and help deliver the <i>One Wales</i> commitments to reduce greenhouse gas emissions, eradicate fuel poverty and boost economic development and regeneration in Wales.</p> <p>Phase I of <i>Arbed</i> has been predominantly funded from the Strategic Capital Investment Fund (SCIF). It is a portfolio of area-based, home energy efficiency and renewable energy schemes. <i>Arbed</i> funds schemes in areas characterised by a concentration of low-income households and hard-to-treat homes.</p> <p>It is proposed that, once the current portfolio has been delivered, EU ERDF funds are secured via WEFO will be used to fund a new portfolio of <i>arbed</i> schemes starting in April 2011.</p>
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**Report on Carbon Reduction by Transport (published March 2008)
Responded to by the Deputy First Minister**

Headline Recommendation	Response	Update
<p>1. The Committee recommends that the Welsh Assembly Government takes a much stronger lead by placing carbon reduction at the heart of the Wales Transport Strategy and by increasing funding for sustainable transport from around 50 per cent to around 70 per cent of the transport budget, in line with Scotland.</p>	<p>Accept in part</p> <p>The Welsh Assembly Government fully supports the Committee's view that carbon reduction should be at the heart of the Wales Transport Strategy. This is reflected in the final version of the Wales Transport Strategy that I published earlier this month. The Strategy sets a framework for putting transport onto a carbon-reduction path whilst ensuring that the network can continue to support economic growth and promote social inclusion.</p> <p>In terms of funding, as I indicated to the Committee the transport budget is currently split equally between public transport and roads. We already spend well over 70% of the revenue budget on public transport, while for capital expenditure the split is determined by the mix of ongoing schemes.</p> <p>I am currently in the process of reviewing</p>	<p>The revised budgets for 2011/12 continue to support the Welsh Assembly Government's commitment to sustainable travel and public transport, with these activities receiving the majority of the investment. Even with the budget cuts, the proportion of the total overall expenditure on sustainable travel has risen from 50% in 2009/10 to 61% in 2011/12.</p>

	<p>the balance of spending within the transport budget in line with the priorities set out in the Wales Transport Strategy and my carbon reduction aims.</p> <p>Financial implications: None over and above the provision in existing budgets.</p>	
<p>2. The Welsh Assembly Government should ensure that the National Transport Plan and Regional Transport Plans include specific and measurable objectives to cut carbon emissions and that sufficient funding is provided to the Regional Transport Consortia to be able to deliver these objectives.</p>	<p>Accept</p> <p>The National Transport Plan and Regional Transport Plans will include a range of economic, social and environmental outcomes, based on those set out in the recent Wales Transport Strategy. One of the environmental outcomes relates to a reduction in the impact of transport on greenhouse gas emissions. A specific target is currently being developed for carbon equivalent transport emissions, in line with the commitment in One Wales. Once the target has been developed and agreed, it will be reflected in the National Transport Plan as well as the Regional Transport Plans.</p> <p>The outcomes and targets in Regional Transport Plans, including those relating</p>	<p>The Regional Transport Plans were submitted by the four Consortia in September 2009. The plans contain policies and proposals consistent with achieving the outcomes and priorities of the Wales Transport Strategy including the outcome relating to a reduction in the impact of transport on greenhouse gas emissions. The Regional Transport Plans were approved in December 2009.</p> <p>The National Transport Plan was published in March 2010. The National Transport Plan recognises that the long term aim is for a decarbonised transport system in Wales but that in the short term the need is to provide realistic more sustainable alternatives to the private car. The plan</p>

	<p>to carbon reduction, will have to be agreed by the Welsh Assembly Government as part of the process for approving each Regional Transport Plan. The consortia will have significant flexibility in terms of how they utilise the available funding to achieve the outcomes and targets in the Plan. Progress will be monitored by the Assembly Government on an annual basis.</p> <p>Financial implications: None over and above existing budgets.</p>	<p>sets out interventions to improve walking and cycling, and integration of different modes, to establish sustainable travel centres across Wales, to improve rail stations and to identify opportunities to bring disused railways back into the transport network.</p> <p>Funding of £22m has been allocated in 2010/11 for the delivery of the Regional Transport Plans, of which 68% has been allocated for integrated transport schemes and 23% for measures to improve walking and cycling. Progress will be monitored by the Assembly Government on an annual basis with the first Annual Progress Report to be submitted in summer 2011.</p> <p>The Welsh Assembly Government also recently launched its Climate Change Strategy. The Strategy sets out plans for reducing Carbon emissions from the transport sector in Wales and the contribution they will make towards achieving the annual 3% target. We will be working closely with the Regional Transport Consortia to monitor</p>
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		the delivery of the National Transport Plan at a regional level and to assess how best to utilise available funding to achieve the outcomes and targets contained both within the National Transport Plan and the Climate Change Strategy.
3. The Welsh Assembly Government should review the use of WelTAG as a matter of urgency to ensure that carbon reduction is the main objective when assessing projects.	<p>Accept in part</p> <p>The Welsh Assembly Government welcomes the Committee's recognition that the Welsh Transport Planning and Appraisal Guidance (WelTAG) provides an important mechanism by which the carbon impact of potential projects can be assessed.</p> <p>I will keep the WelTAG guidance under regular review and envisage that it will be updated and enhanced from time to time to ensure that it is consistent with the environmental and carbon targets set out in the <i>One Wales</i> agreement.</p> <p>Financial implications: None</p>	The Assembly Government is currently reviewing the WelTAG guidance. The review will include ensuring that it is consistent with the environmental and carbon targets set out in the <i>One Wales</i> agreement. The new guidance will be piloted during 2011.
4. The Welsh Assembly Government should conduct a pilot scheme in Wales based on the Sustrans TravelSmart programme to assess its impact, before	<p>Accept in part</p> <p>The Welsh Assembly Government recognises that schemes like TravelSmart which</p>	The Assembly Government currently funds a Travel Plan Coordinator in each of the four Regional Transport Consortia, who promote and

<p>considering its roll-out across Wales.</p>	<p>provide personalised travel information to households or individuals, can secure significant changes in personal travel behaviour. Working with the regional transport consortia, we have already undertaken a number of personalised travel plan pilot studies, to judge the effectiveness of different methodologies and their applicability to different target groups.</p> <p>I intent to build on this experience with personalised travel information within the framework of our Sustainable Travel Towns initiative. My intention is to enable a number of towns to become exemplars in terms of sustainable travel, with greatly enhanced opportunities for walking and cycling, improved public transport and better travel information and planning.</p> <p>Financial implications: The funding for Sustainable Travel Towns will be made available from the provision in existing budgets.</p>	<p>provide information on sustainable travel including car-sharing and work with large employers to develop and implement travel plans, including contributing to the travel plan for the Assembly Government's new offices in Llandudno Junction. To build on this work and as part of the Sustainable Travel Centres initiative, the Assembly Government has recently let a contract for Personalised, Workplace and School Travel Planning, and will be working with Local Authorities and Regional Transport Consortia on developing and implementing travel planning projects.</p>
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**Report on Carbon Reduction in Industry and the Public Sector
(published April 2009)
Responded to by the Deputy First Minister**

Headline Recommendation	Response	Update
<p>1. The Welsh Assembly Government should set targets for carbon reduction in the industrial and business sector in Wales as part of its implementation of the One Wales carbon reduction commitment. Following a five year period of voluntary action by the industrial and business sector in Wales to meet the targets imposed on them, the Welsh Assembly Government implements regulation that require the targets to be met.</p>	<p>Reject</p> <p>The Assembly Government rejects this recommendation. The EU Emissions Trading Scheme (EU ETS), Climate Change Agreements and, from 2010, the Carbon Reduction Commitment (CRC), provide market-based mechanisms to drive emission reduction in industry and business across the UK. The EU ETS cap provides an overall limit on the emissions from the installations covered by the scheme, which represent over 50% of UK carbon dioxide emissions. Similarly, once the CRC enters its capped phase in 2013 it will also introduce an overall limit on emissions.</p> <p>This approach enables emission reductions to be made at the point of least cost in a carbon market that operates across the UK (and indeed the EU).</p> <p>By setting an</p>	<p>The Climate Change Strategy for Wales sets a target for business sector emissions that fall within the 3% target in 2020.</p> <p>The Strategy sets a target of a reduction in emissions to between 10.3 and 8.3 Mt Co2e from a baseline of 11.24 Mt Co2e for business sector emissions covered by the 3% target. There is no intention to make this target statutory.</p> <p>The industrial and Business sectors are not separated out and indeed large parts of the industrial sector fall outside the Welsh Assembly Government's 3% target remit. The 3% target covers all direct greenhouse gas emissions in Wales except those from heavy industry and power generations, which are broadly defined as those installations covered by the EU ETS. Although, because we recognise the importance of reducing electricity consumption in order to reduce emissions, we also include these emissions in the 3% target by assigning them to end-use electricity use.</p>

	<p>additional target for industry and business, particularly if it were made statutory as recommended by the Committee, we would force businesses in Wales to make reductions even when it might be more cost effective for emission reduction to occur elsewhere and may put competitiveness at risk.</p> <p>Financial Implications – None</p>	<p>The Carbon Reduction Commitment Energy Efficiency Scheme (CRC) - launched in April 2010 - is designed to incentivise large public and private sector organisations to take up cost-effective energy efficiency opportunities through the application of reputational and financial drivers: allowance must be purchased to cover emissions and the performance of participants will be reflected in a Performance League Table.</p>
<p>2. The Welsh Assembly Government should carry out an assessment of the employment opportunities that could be created in Wales through reducing carbon emissions, which should include an evaluation of the skills needed within the workforce. The assessment an evaluation should inform the Welsh Assembly Government's Green Jobs Strategy.</p>	<p>Accept in principle.</p> <p>The Assembly Government accepts this recommendation in principle.</p> <p>The Green Jobs Strategy, which is currently being finalised following a public consultation earlier this year, will set the framework for assessing and capturing the employment opportunities that could be created by a move to a sustainable low carbon economy.</p> <p>The Green Jobs Strategy will be the overarching economic development strategy for the Welsh Assembly</p>	<p>The Green Jobs Strategy was launched in July 2009 following a public consultation earlier that year. It sets out the framework for assessing and capturing the employment opportunities that could be created by a move to a sustainable low carbon economy.</p> <p>Through the Green Jobs strategy we will identify how skills will be provided for the development, installation and manufacture of sustainable technologies.</p> <p>The Welsh Assembly Government will work with partners such as the Wales Employment and Skills Board and the Sector Skills Councils in developing the criteria and methodology to undertake an assessment</p>

	<p>Government to achieve a sustainable economy for Wales. The Green Jobs Strategy provides us with an opportunity to respond to the twin challenges of climate change and the economic situation.</p> <p>Through the Green Jobs strategy we will identify how skills will be provided for the development, installation and manufacture of sustainable technologies. Specifically on the energy side, we have an Energy Sector Skills Champion and some of the Further Education Institutions are investing in new training facilities like those at Pembroke College opening in early summer.</p> <p>The Welsh Assembly Government will work with partners such as the Wales Employment and Skills Board and the Sector Skills Councils in developing the criteria and methodology to undertake an assessment of the employment opportunities that could be created in Wales through reducing carbon emission.</p>	<p>of the employment opportunities that could be created in Wales through reducing carbon emission.</p> <p>This report builds upon our Green Jobs Strategy, which delivers the commitment made in the One Wales programme of Government. It is an important component in stimulating recovery from the current economic downturn, as well as strengthening our commitment to combat the causes and impacts of climate change.</p> <p>It complements our Sustainable Development Scheme (One Planet: One Wales) and shares its vision of a resilient and sustainable economy for Wales that is able to develop whilst stabilising, then reducing, its use of natural resources and reducing its contribution to climate change. <i>Economic Renewal: a new direction</i> also fully reflects our commitment to make Wales a truly sustainable nation, with a low waste, resource efficient, low carbon economy.</p> <p>We want businesses to be equipped to face the future with confidence, by seizing opportunities for growth and increasing their competitiveness.</p> <p>We are encouraging the transition to a more sustainable economy</p>
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	<p>Financial Implications – Any costs associated with carrying out the assessment will be met from existing budgets</p>	<p>through a variety of activities all of which are key to delivering the Committee’s report, including:</p> <ul style="list-style-type: none"> • The greening of existing jobs, • Stimulating new green jobs to strengthen the low carbon energy sector in Wales, • Planning and delivering infrastructure, • Regeneration investment and • Procurement.
<p>3. The Welsh Assembly government should revise/replace economic strategies to give carbon reduction a high profile and be explicit about how it can act as one of the key principles to sustainable economic growth.</p>	<p>Accept</p> <p>The Green Jobs Strategy will deliver key elements of the Sustainable Economy Chapter of the new Sustainable Development Scheme, and will in turn be a significant driver for Assembly Government economic activity.</p> <p>The Assembly Government has made a clear commitment to reducing greenhouse gas emissions in <i>One Wales</i>. The <i>Climate Change Strategy – High Level Policy Statement consultation</i>, the <i>Green Jobs Strategy consultation</i>, the new <i>Sustainable Development Scheme</i> and the forthcoming <i>Climate Change Strategy – Programme of Action consultation</i> all make absolutely clear that Assembly Government economic</p>	<p>Generating Jobs in the Green Economy requires action across the Assembly Government and the participation of our partners in the private and public sectors and social organisations. This is recognised in the Green Jobs Strategy.</p>

	<p>development policy is intended to deliver sustainable development and acknowledges the importance of carbon reduction.</p> <p>Financial Implications – None, the development of a Green Jobs Strategy is already underway and the costs built into exiting budgets</p>	
<p>4. The Welsh Assembly Government should introduce a sliding scale rebate on Business Rates to businesses not covered by any carbon trading scheme to achieve agreed levels of carbon reduction or agreed levels of accreditation in schemes such as the Green Dragon Environmental Standard.</p>	<p>Reject</p> <p>The Assembly Government rejects this recommendation because there is not sufficient evidence that it would be a cost effective way of promoting carbon reduction.</p> <p>It is the case that, in principle, business rates can provide a vehicle incentivising certain activities but there is a significant cost implication. A 1% variation in the level of increase in business rates on a Wales-only basis would represent a cost to the Assembly Government of around £8 million.</p> <p>In the absence of any detailed analysis of the carbon savings likely to be generated for this expenditure,</p>	<p>The Assembly Government remains of the view that there is not sufficient evidence that implementing this recommendation would be a cost effective way of promoting carbon reduction.</p>

	<p>this is not something that the Assembly Government could pursue.</p> <p>Financial Implications – None because the recommendation is being rejected.</p>	
<p>5. The Welsh Assembly Government should set targets for carbon reduction across the whole of the public sector in Wales as part of its implementation of the One Wales carbon reduction commitment. The Welsh Assembly Government should consider setting those targets in excess of 3% for the public sector in Wales.</p>	<p>Accept in part</p> <p>The Assembly Government accepts this recommendation in part. We will set a target for public sector emission as stated in <i>One Wales</i>, but at this stage we are not making any final decisions on the level at which the target should be set.</p> <p>The consultation on the <i>Climate Change Strategy – High Level Policy Statement</i> outlined our proposed approach of setting a target of a 3% per year reduction for the public sector and we will consider the responses to the consultation and the Committee’s recommendation in coming to a final decision on the level of the target when we publish the final Climate Change Strategy later this year.</p>	<p>In the Climate Change Strategy, a maximum emission level for direct emissions from public sector has been set for 2020 to reflect the Assembly Government’s commitment that the public sector will lead by example. We also expect the public sector to influence emission reduction much more widely through the delivery of their services, through procurement and their community leadership role and we expect the public sector to maximise the wider contribution</p> <p>To provide challenging targets, while at the same time retaining flexibility for the public sector to identify and adopt new measures, we have decided to set a target for the minimum level of emission reduction we would expect to see and we would hope to see exceeded over the period.</p> <p>The Climate Change Strategy for Wales made explicit this target, with current and future actions</p>

	<p>We will also consider the opportunities and constraints impacting on different parts of the public sector to deliver higher levels of emission reduction. For example, in relation to increasing electricity demand in the NHS or the particular challenges of buildings belonging to public sector organisations in the Heritage portfolio.</p> <p>Financial Implications – Any additional costs will be managed from existing programme budgets and the financial implications will inform final decisions on the level of the target</p>	<p>on the reduction of emissions expected to reduce emissions from a public sector baseline of 1.13 Mt Co2e to 0.83 Mt Co2e by 2020.</p> <p>The Strategy also outlines actions to reduce emissions in the public sector, including:</p> <ul style="list-style-type: none"> • Embedding climate change in Community Strategies through guidance and by sharing good practice • Reducing the carbon footprint of the Assembly Government estate. • Reducing the carbon footprint of education and health services • Delivering public sector buildings to higher standards of energy performance. • Enabling wider contributions from others. • Supporting behaviour change across the public sector
<p>6. The Welsh Assembly Government should work closely with the WLGA and other public sector bodies to produce guidelines for local authorities and</p>	<p>Accept</p> <p>The Assembly Government accepts this recommendation. Improved data about emissions is important in assisting organisations to target</p>	<p>The Assembly Government is developing a range of tools and a framework to support local authorities in reducing emissions. A review of Local Authority performance indicators will be used to help inform the</p>

<p>public bodies on the baselining, collection and reporting of carbon reduction information to ensure a consistent and understandable approach.</p>	<p>action and measure progress; and achieving greater consistency across organisations and sharing good practice will be helpful.</p> <p>The UK Government will be publishing guidance, as required under section 83 of the Climate Change Act 2008, setting out how organisations can report emissions on a consistent basis. This guidance will inform the approach taken by the Assembly Government.</p> <p>Financial Implications – Any additional costs can be managed from within existing budgets.</p>	<p>Assembly Government and Local Authorities about their baseline energy use and Co2e. Tackling climate change has been embedded in the new Outcome Agreement Framework for local government and will enable progressive improvement.</p> <p>In addition, many local authorities will be covered by the Carbon Reduction Commitment Energy Efficiency Scheme.</p>
<p>7. The Welsh Assembly Government should consider making money available to appropriate public bodies to kick start capital programmes for achieving carbon reduction. The Welsh Assembly Government should agree a programme of offsetting the capital funding through subsequent savings in energy bill (having regard to substantial changes in fuel</p>	<p>Accept in principle</p> <p>The Assembly Government accepts this recommendation in principle. The <i>National Energy Efficiency and Saving Plan</i> set out our intention to develop a public sector invest to save loans focused on energy efficiency and carbon reduction as part of the consultation on the <i>Climate Change Strategy – Programme of Action</i>.</p>	<p>The Assembly Government invested £4.5m in a public sector invest to save programme to promote energy and carbon savings in 2009/10.</p> <p>The recent budget also confirmed an additional £2.9m for the programme in 2010/11.</p> <p>From 2011/12, the loan repayments from the first projects will start and will be used to reinvestment in new projects, providing a self-sustaining programme.</p>

<p>prices) at the time of providing the funding.</p>	<p>The detailed way forward will be confirmed following the consultation.</p> <p>The recently announced Invest to Save fund is designed to achieve cash releasing savings from public sector bodies.</p> <p>Financial implications: There are financial implications of providing funding to 'kick start' capital programmes. The proposed energy efficiency and carbon reduction invest to save loan programme can be met from within existing budgets.</p>	
<p>8. The Welsh Assembly Government reviews and amends where necessary all the targets set for public bodies in Wales to ensure that they are consistent with carbon reduction targets.</p>	<p>Accept in principle</p> <p>The Assembly Government accepts this recommendation in principle. The Assembly Government supports the principle behind the recommendation – that is to ensure that our processes help to drive emission reduction.</p> <p>We want to avoid a situation where the targets that we set for other policy reasons inadvertently provide an incentive to increase greenhouse</p>	<p>The Assembly Government remains of the view that a wholesale review of targets would not be effective but that these are issues that can be picked up as part of regular review.</p>

	<p>gas emissions. We will consider this risk and ways of avoiding it as part of the process of setting new targets for public bodies or review and update existing targets.</p> <p>We have not accepted this recommendation in full because we do not consider that a wholesale review of all targets would be an effective use of resources and we would also need to assess the wider implications of changing targets that a particular public sector body has been working to.</p> <p>Financial Implications – None because we propose to assess targets in relation to emission reduction as part of wider reviews of the targets for public bodies can which can be met from within existing budgets</p>	
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Report on Carbon Reduction from Energy Production (published May 2009)

Responded to by the Minister for Environment, Sustainability and Housing

Headline Recommendation	Response	Update
<p>1. Whilst we acknowledge the lack of powers of the Welsh Assembly Government over fossil fuel production in Wales, we recommend that the Welsh Assembly Government, as part of its energy strategy, produce a strategic framework for all energy production in Wales. Indicating spatially and in terms of output the preferred energy mix for Wales.</p>	<p>Accept in principle</p> <p>The overarching Energy Strategy for Wales will outline the contribution expected from a range of sources of renewable energy for the period beyond 2010 as well as large scale energy production in Wales from fossil fuel and nuclear sources.</p> <p>Financial implications: Covered by existing budget.</p>	<p>The Assembly Government's Low Carbon Revolution Policy Statement (March 2010) outlines the framework for low carbon energy production in Wales. Our new policy tool, the Marine Renewable Energy Strategic Frameworks (MRESF) - due March 2011- will identify marine energy resource around Wales. TAN 8 did something similar for onshore wind.</p>
<p>2. The Welsh Assembly Government should undertake a thorough review of the adequacy of the transport infrastructure and grid connection for the construction of both fossil fuel and renewable energy plans in the areas identified in the strategic framework recommended in HL1.</p>	<p>Accept in part</p> <p>The issues raised mainly concern on-shore wind projects. We are aware that development of on-shore wind farms, particularly in Mid Wales have implications for the management of transportation of construction materials. We are discussing the question of a</p>	<p>A report was commissioned on the Welsh grid as part of the Marine Renewable Energy Strategic Framework which will inform the final report.</p> <p>The Department for Economy and Transport has commissioned substantial work on the transportation implications of wind</p>
<p>3. The Welsh Assembly Government should continue to encourage grid and distribution companies to</p>	<p>question of a</p>	<p>implications of wind</p>

<p>work co-operatively with developers to develop and integrated approach to connection for large scale renewables.</p>	<p>strategic approach to managing these transport issues with BWEA, industry developers and other stakeholders including the Assembly Government's own transport experts. Our aim is to ensure there is collaborative minimising the impact of the activity on local communities.</p> <p>TAN 8 acknowledges that the electricity grid will require reinforcement to meet our renewable energy aspirations. The Assembly Government has been working with the National Grid and distributors to discuss the specific requirements of our infrastructure strengthening. National Grid is proposing to adopt a "strategic investment" policy, the objective of which will allow them to build certain new transmission capacity ahead of clearly signalled user demand. National Grid have discussed four possible UK areas for this with Ofgem including strategic investment into Mid Wales. National Grid is currently looking</p>	<p>farm construction.</p> <p>There is no change on the TAN 8 part of this response.</p>
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	<p>route selection and environmental impacts of new infrastructure, community engagement and addressing community concerns. The Assembly Government and National Grid welcome the findings of the Electricity Networks Strategy Group (ENSG) Study on Electricity Transmission Network.</p> <p>Financial implications: The cost of the highway improvements necessary for wins turbine components to be transported to sites by means of Abnormal Indivisible Loads is yet to be established. The safe movement of components will require a dedicated police resource. The wind farm developers will be responsible for these costs.</p> <p>Likewise, grid reinforcement costs will not be borne by the Assembly Government. The ENSG report advises that when total generation, whether wind or nuclear in Anglesey, exceeds 1.8GW it will be necessary to</p>	
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	<p>construct a new circuit from Wylfa to Pentir and a second circuit from Pentir to Trawsfynydd, together with associated works further east. The report refers to the creation of a hub substation to which all mid Wales windfarms will connect. From this a single transmission route will connect to England. The exact locations of the hub substation and the transmission connection point are being evaluated. The estimated cost is £225million.</p>	
<p>4. The Welsh Assembly Government should simplify the number and nature of targets set for carbon reduction and should ensure that there is consistency and explicit linkages between targets for renewable energy and carbon reduction.</p>	<p>Accept</p> <p>The Sustainable Development Scheme provides the overarching framework for our action on climate change and energy policy in Wales. All of our targets and actions need to be consistent with the vision set out in the Scheme and our objectives for Wales to become a one planet country.</p> <p>Our commitment to annual 3% reductions in greenhouse gas emissions in areas of devolved</p>	<p>Simplified targets are contained in the Climate Change Strategy and the Low Carbon Revolution Policy Statement.</p>

	<p>competence is the overarching target for tackling climate change. It sits within a strong framework of UK, EU and international targets for emission reduction and promoting renewable energy.</p> <p>In developing our Climate Change Strategy, we will review the range of current targets and look to simplify where possible.</p> <p>Financial implications: No additional financial implications because the recommendation proposes simplifying existing targets and ensuring that there is consistency between them.</p>	
<p>5. The Welsh Assembly Government should focus on the achievement of the targets it has set by:</p> <ul style="list-style-type: none"> • Providing sufficient incentives for the research, development and manufacture of renewable energy technologies in Wales. • Issuing guidance and advice on ways to achieve the targets • Disseminating widely examples of good practice of organisations and 	<p>Accept in principle</p> <p>The Green Jobs Strategy, which is currently being finalised, will set the framework for assessing and capturing the employment opportunities that could be created by a move to a sustainable low carbon economy including low carbon energy generation.</p> <p>Through the Green</p>	<p>The Green Jobs Strategy was launched in July 2009 and makes specific references to the provision of support for research and development through the Flexible Support for Business Fund.</p> <p>Substantial support is available through the WEFO Convergence and Competitiveness Fund programmes.</p>

<p>individuals achieving its targets.</p>	<p>Jobs Strategy we will identify how skills will be provided for the development, installation and manufacture of sustainable technologies. For example, we have an Energy Sector Skills Champion and some of the Further Education Institutions are investing in new training facilities like those at Pembroke College opening early in the summer.</p> <p>Substantial support is available through the WEFO Convergence and Competitiveness Fund Programmes. A Wales biomass energy support programme has recently been approved and we are in the final stage of developing a project for community scale, low carbon energy generation projects. A key component of the project is establishing a network of advisers who will provide expert advice and support to those developing projects.</p> <p>The creation of the Wales low carbon research institute was supported by a %3 million collaboration and re-configuration grant</p>	<p>The Forestry Commission Wales manage the Wales biomass energy support programme (WEBS). We have also secured ERDF funding for the community scale energy generation project, Ynni'r Fro. A key component of the project is the network of advisers who provide expert advice and support to those developing projects.</p> <p>£34million of funding for the Low Carbon Research Institute was announced in October 2009 (£15million of this funding is Convergence funding).</p> <p>The Low Carbon Toolkit for Planners, published in July 2010 offers a methodology which enables local authorities to develop a robust evidence base to assess the potential renewable and low carbon energy generation. The information can underpin renewable energy and low carbon energy policies in the local development plan.</p>
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	<p>from HEFCW.</p> <p>We are working to support the dissemination of good practice in all sectors.</p> <p>Incentive for the research and development of renewable energy technologies are available from WEFO programmes and the Technology and innovation group within our Department for Economy and Transport. Funding for business is available from both the Specialist Innovation Support scheme of the new Business Innovations project and from the Single Investment Fund. Support for the academic sector can be provided through the WEFO supported Academia for Business A4B project. Advice on external sources of R&D funding can be obtained from the Enterprise Europe Network Wales group. Advice and support of the manufacture of renewable energy technologies can also be obtained through the Business Innovations project.</p>	<p>The toolkit also includes examples of good practice.</p> <p>Our community engagement activity helped to link community energy projects and showcase good practice.</p>
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	<p>Financial Implications: Covered within existing budgets apart from the Community Energy Project will only go ahead if European funding is available. The administration and advice service element will be a direct cost of around £350,000 each financial year for the Assembly Government.</p>	
<p>6. The Welsh Assembly Government should explore the potential for local authorities in Wales to issue loans for the installation of domestic microgeneration technology, eg, the Kirklees scheme, or repayment based on feed in tariff revenue.</p>	<p>Accept in principle</p> <p>We will consider looking at the options around developing a loan scheme to encourage the uptake of microgeneration by householders. This consideration will address:</p> <ul style="list-style-type: none"> • The business case for such a programme and the fit with other funding sources, including from the UK Government. • Possible sources of funding to support such a programme. • The scale and detailed operation of such a programme 	<p>We are considering the options around developing a loan scheme and are considering how such a programme would fit with the Feed-in Tariffs and/or the Renewable Heat Incentive and the Green Deal.</p> <p>The <i>National Energy Efficiency and Saving Plan</i> set out our intention to develop a public sector invest to save loans focused on energy efficiency and carbon reduction. In 2009/10 we awarded £4.5m through Salix, a subsidiary of the Carbon Trust, for the public sector invest to save fund and further funding has been recently</p>

	<p>including giving full consideration of the most appropriate delivery body.</p> <p>We already fund the Carbon Trust in Wales and a key part of the programme that funding supports are loans to SMEs for the installation of low carbon technology.</p> <p><i>The National Energy Efficiency and Saving Plan</i> sets out our intention to develop a public sector invest to save loans focused on energy efficiency and carbon reduction as part of the consultation on the <i>Climate Change Strategy – Programme of Action</i>. The detailed way forward will be confirmed following the consultation.</p> <p>Financial Implications: There would be financial implication of developing a scheme for local authorities to provide loans for microgeneration technology for householders. This would vary depending on the size of the scheme, but would need to be over £1million to</p>	<p>announced for this financial year. We expect to re-invest this funding in public sector carbon reduction programmes as it is repaid into the fund.</p> <p>Financial implications: There may be State Aid implications associated with households receiving a loan as well as claiming Feed in Tariffs and/or the Renewable Heat Incentive</p>
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	have any impact. We are progressing this recommendation on the basis that we will be seeking alternative sources of funding for such a scheme, not Assembly Government budgets.	
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**Report on Carbon Reduction from Land Use (published September 2009)
Responded to by the Minister for Rural Affairs**

Recommendation *	Response	Update
<p>3. The Welsh Government should lobby the UK Government and the EU to ensure that carbon reduction is a key objective of any payment scheme covering all farms in the next review of the Common Agricultural Policy.</p>	<p>Accept</p> <p>The CAP plays a strong part in addressing and mitigating the effect of climate change and steps have already been taken to integrate climate change concerns in to the CAP through the Challenge Agenda. In addition, climate change was identified as a priority area by the Standing Committee on Agricultural Research (SCAR), and a working group of national programme managers has been set up to consider how climate change affects agriculture, and how agriculture can suitable adapt to and mitigate these effects.</p> <p>The Welsh Assembly Government will continue to work closely with both the UK Government and the European Commission to ensure that agriculture plays its part in tackling climate change by reducing its own gas emissions, enhancing the carbon sink function of agricultural soils and contributing to the production of renewable energies and bio-products.</p>	<p>No further update.</p>
<p>4. The Welsh</p>	<p>Accept</p>	<p>The Farming</p>

<p>Government should establish a dedicated carbon reduction information service for farmers and land managers.</p>	<p>The Farming Connect Development Programme for Climate Change in Wales will raise awareness of the issues (risks, responsibilities and opportunities) and work with partners to develop practical and sustainable options to help land managers to address climate change. The programme will support the industry through a range of knowledge transfer and training services, ensuring information is available to help land managers adopt new approaches, demonstrate best practice and new technologies on farm, share ideas and encourage innovation.</p> <p>Delivery will be local and relevant to the needs of the industry using proven techniques such as demonstration farms, events and discussion groups. Activity will be supported by Regional Knowledge Transfer Extension Officers, with a proven track record of technical expertise and communication skills.</p> <p>The new Climate Change Development Programme will work in collaboration with the existing Farming Connect Development Programmes (Dairy, Red Meat, Organic and Land Management). Together they will deliver support to the industry on other cross</p>	<p>Connect Development Programme for Climate Change in Wales was set up in 2009 through a collaboration of Aberystwyth and Bangor Universities and the new Climate Change Development Programme is working in collaboration with the existing Farming Connect Development Programmes.</p>
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	cutting themes of environmental management, animal health, welfare and information and communications technology.	
<p>5. The Welsh Government should support the development and roll out of a carbon footprinting tool which can be accessed and used by all farmers and land managers as soon as possible. The rollout of the tool should be accompanied by the production and provision of advice and help for using the tool which is accessible to all farmers and land managers.</p>	<p>Accept</p> <p>The Farming Connect Development Programme for Climate Change has been awarded to Bangor and Aberyswyth University who have considerable experience of calculating carbon emissions for farmers and land managers. This includes equipment to measure emissions on-farm in addition to carbon footprinting tools.</p> <p>The rollout of information on managing energy use and reducing carbon emissions will be cascaded through a range of knowledge transfer mechanisms such as discussion groups, development farms and demonstration farm events.</p> <p>This will raise awareness of the benefits of carbon footprinting to the industry. Farmers and land managers can request further subsidised advice and help on managing carbon emissions through the subsidised Farming Connect Whole Farm Plan.</p>	<p>Examples of recent work are studies on carbon footprints for lamb and beef farms within the Cambrian Mountains Initiative.</p>

<p>8. The Welsh Government support the research currently being done into the conservation of carbon in soils in Wales and uses the findings of the research to inform land use and agricultural policy as soon as it becomes available.</p>	<p>Accept</p> <p>The Welsh Assembly Government participates in the management of the shared research budget with DEFRA which holds the England and Wales R&D budget. It also funds a small amount of research itself to cover specific Welsh soil issues, particularly on soil carbon management. ECOSSE 1 was funded by Scottish Executive and WAG, and follow-up work has been funded to assess the application of the ECOSSE model in parts of Wales. Findings from these projects are being incorporated where appropriate into Glastir.</p>	<p>There is nothing further to add to this.</p>
<p>9. The Welsh Government should lobby the UK Government and the EU to ensure that soils are given high level regulatory protection.</p>	<p>Accept</p> <p>The Assembly Government is liaising with DEFRA which leads the UK negotiations on the EU Soil Framework Directive. It is agreed that soils need to be given high level regulatory protection, but the negotiations cover mainly the best methods of delivering that protection.</p>	<p>There is nothing further to add to this.</p>
<p>12. The Welsh Government should carry out research into the ways in which it could implement a carbon trading scheme wholly or</p>	<p>Reject</p> <p>DEFRA has funded a feasibility study for developing a carbon trading scheme within the agriculture sector. The</p>	<p>There is nothing further to add to this.</p>

<p>partly within the land use sector.</p>	<p>report concluded that the cost of administering a scheme in the UK would be high in comparison with the potential savings. This is because</p> <ul style="list-style-type: none"> • it is difficult to validate the carbon emissions saved or sequestered from a particular land management/use • carbon needs to be sequestered permanently and not released sometime later because of change of land use and management, • the large number of farmers and landowners makes administration expensive. 	
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***Please note that the Committee made no headline recommendations in this report but identified the recommendations outlined above as key to reducing carbon through land use.**