

# Agenda – Climate Change, Environment and Rural Affairs Committee

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<b>Meeting Venue:</b>	For further information contact:
Committee Room 3 – Senedd	Alun Davidson
<b>Meeting date: Wednesday, 14 September 2016</b>	Committee Clerk
	0300 200 6565
<b>Meeting time: 09.30</b>	<a href="mailto:SeneddCCERA@assembly.wales">SeneddCCERA@assembly.wales</a>

- 1 Introductions, apologies, substitutions and declarations of interest**  
(09.30)
- 2 Motion under Standing Order 17.42(vi) and 17.42(ix) to resolve to exclude the public from items 3, 4, 5 and 6 of the meeting**  
(09.30)
- 3 The Wales Bill: briefing from Legal Services**  
(09.30–10.00) (Pages 1 – 50)
- 4 Forward Work Programme: introduction to the work of the Research Service**  
(10.00 – 10.20) (Pages 51 – 52)
- 5 Forward Work Programme: preparations for site visits in Ceredigion**  
(10.20 – 10.30) (Pages 53 – 54)
- 6 Forward Work Programme: preparations for the autumn term**  
(10.30 – 10.45) (Pages 55 – 58)

**Break (10.45 – 11.00)**



## **7 Scrutiny of the Cabinet Secretary for Environment and Rural Affairs: priorities for the Fifth Assembly**

(11.00–12.30)

(Pages 59 – 83)

Lesley Griffiths AM – Cabinet Secretary for Environment and Rural Affairs

Dr Christianne Glossop – Chief Veterinary Officer

Neil Hemington – Chief Planner

Matthew Quinn – Director, Environment & Sustainable Development

Andrew Slade – Director, Agriculture, Food & Marine

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**Cabinet Secretary for Environment and Rural Affairs**  
**Climate Change, Environment and Rural Affairs Committee**

1. This paper sets out some of my activities and initial priorities for the Environment and Rural Affairs portfolio in advance of my meeting with the Committee on 14 September. The headings provided are all inter-linked and the programmes and activity referenced have been designed on a cross portfolio basis to maximise impact.

***European Union (EU)***

2. The result of the EU referendum has a very significant impact on my portfolio. Agriculture, fisheries, animal health and welfare, the natural environment and biodiversity are fundamentally wired into the European policy, legislation and funding framework. Agricultural and Environmental policy is devolved to Wales and under the devolution settlement powers repatriated from the EU in devolved areas will come to Wales, however we will work with the UK Government to look at the emerging UK context and agree shared arrangements where it is in Wales' best interest.
3. I want to reassure the industry of my commitment to safeguarding our rural and environmental interests. Working together we can explore every opportunity to benefit our farming, land management and food sectors. Our focus remains on continuing to deliver key economic, social and environmental benefits to Wales.
4. Although there are challenges ahead, as a Government we are committed to working together to make the most of the opportunity to form future programmes, policies and regulations which are tailor made for Wales' unique needs.
5. I held two round table meetings on 4 and 18 July with stakeholders across my portfolio to discuss the implications arising from the referendum vote. The meetings held to date have been extremely positive and there is a real commitment from stakeholders to work together to support the negotiations and develop the new policy framework for these sectors. There is an opportunity to set out the new policy framework through the statutory National Natural Resources Policy. The Welsh Government and stakeholders have agreed a joint communique which has been developed and proposed to the group as a basis for collaborating on the way forward.
6. To build on this commitment to collaboration, my officials have held a series of workshops over the last few weeks with a wide range of stakeholders to consider the key risks and opportunities as well as the way forward for Wales.
7. I value the work emerging from these discussions as it is important we build a common understanding and shared position with respect to the key opportunities, challenges, risks and threats posed as a result of the vote to leave the EU. To take this forward I will chair a third round table meeting in the coming weeks.

***Legislative Framework***

8. It is essential post EU membership for Wales to have the full suite of powers to enable it to deliver in devolved areas, for example to deliver a low carbon future, manage future water and sewerage policy and manage the marine environment across the whole Welsh Zone.

9. We will work constructively with the UK Government over the coming months to iron out the Wales Bill detail, while recognising we are unlikely to reach agreement on some important issues where we continue to hold differing views.
10. Policies and legislation in recent years have been fundamentally reformed and aligned to deliver sustainable growth and jobs, increase the resilience of our communities and improve the long term health and wellbeing of our future generations.
11. The statutory framework established through the Environment (Wales) Act 2016 provides a strong foundation for informing future options and the Wellbeing of Future Generations Act (Wales) 2015 provides us with the long term context. However, significant technical analysis and policy development, informed by negotiations on withdrawal, will be required. As approximately two-thirds of the current environmental legal framework in Wales derives from EU legislation, the task ahead is a significant one.
12. Some provisions of the Environment (Wales) Act 2016 came into force on 21 May 2016, two months after Royal Assent. These relate to Part 1 (sustainable management of natural resources), Part 2 (climate change), Part 5 (fisheries for shellfish) and some aspects of Part 7 (land drainage). The other parts and sections of the Act will require commencement orders for them to come into force.
13. The Act provides a number of mechanisms to deliver the sustainable management of natural resources. Key elements include a duty on Natural Resources Wales (NRW) to report on the state of natural resources (SoNaRR) every five years. Welsh Ministers have a duty to have regard to this evidence when producing the statutory National Natural Resource Policy (NNRP), which will identify the policies, priorities and opportunities for managing Wales' natural resources. Area Statements, produced by NRW, will be used to facilitate the implementation of the national policy at a local level.
14. SoNaRR will be published by NRW in September and the NNRP in March 2017. NRW will produce Area Statements from 2017, with the first iteration of area statements to be completed by 2019. We intend to issue guidance in relation to the duties in Part 1, including core guidance to NRW, guidance to public bodies on their role in Area Statements and also guidance to wider public authorities on the biodiversity duty.
15. Sustainable development has also been at the heart of the planning system for many years. National planning policy requires decisions to be taken in accordance with the principles of sustainable development. Excellent progress has been made to implement the Planning Act, with three quarters of its provisions now fully or partially in force.
16. Having delivered the necessary legislation to implement many of the improvements resulting from the Act, it is now for Local Planning Authorities, the development industry, statutory consultees and other parties to positively embrace the improvements made in order to fully realise their benefits.

17. There will be a continued focus to implement the remaining provisions of the Act. The timescales for delivery are set out in the Positive Planning Implementation Plan, which was published in December last year, and the draft Statement of Public Participation on the National Development Framework, issued in February this year.

### ***Prosperous and secure***

18. One of my main priorities is the promotion of Green Growth to create decent, low carbon jobs for the future, including investment in the skills required for the green economy. Through our Green Growth Wales programme we have enhanced the capital available through two investment vehicles to support a pipeline of energy efficiency and renewable energy projects. A public sector pipeline of nearly 200 projects has been identified, with an estimated Capital Expenditure (Capex) value in excess of £450 million. Approximately £20 million has already been invested, which recycles to enable further investment. This level of investment has been increased in 2016/17 to approximately £35 million to meet the demands from the project pipeline.

19. We are on track to meet our food and drink sector growth target (£7 billion by the year 2020), with the recent food and farming priority sector statistics recording £6.1 billion turnover in 2015. A central part of this action plan is building on what is already an efficient system of business support for our food and drink industry, based on specific producer needs and supporting their development and business growth.

20. We are currently working on a food green growth proposition to underpin the Welsh Government's Green Growth Prospectus. This document will outline the support available for food and drink companies in Wales, in order to create a business environment which supports sustainable jobs in a globally competitive environment.

21. Within Wales we have led the way in successfully delivering a vision for energy efficiency which focuses not only on reducing energy use and carbon emissions but also gives equal importance to job creation and tackling poverty. Since 2012, we have invested over £200 million to improve the energy efficiency of over 36,500 homes of households on low incomes or living in the most deprived areas of Wales. Investment in *Welsh Government Warm Homes* schemes is continuing through the Nest scheme and through grant funding to Local Authorities for area-based schemes. I am also looking to deliver a new area-based scheme to succeed Arbed 2.

22. I recently agreed with the Cabinet Secretary for Communities and Children to fund jointly a programme of investment over the next three years, securing data and analysis needed to inform present and future policy and financial decisions concerning domestic housing and energy efficiency and fuel poverty measures.

23. The future direction of energy in Wales will be founded upon a flexible and diverse energy mix at all scales. There will therefore be an important and increasing role for local generation and supply, based on renewable sources, smart storage and local grid management.

24. In addition, Wylfa Newydd and the potential Swansea Bay Tidal Lagoon (SBTL) offer significant opportunities for Wales. We have been fully engaged with the Wylfa Newydd project over a number of years. My officials are working closely with Horizon Nuclear Power, Hitachi-GE, a newly appointed delivery team and potential key suppliers to ensure all parts of Wales benefit from the economic opportunities and the numerous legacy benefits, as well as investment more widely in the nuclear sector in Wales.
25. The SBTL project cannot be underestimated. In June, I wrote to the then Secretary of State for the Department of Energy and Climate Change to stress the importance of the UK Government engaging with Welsh stakeholders as part of the independent review. We have submitted a full response to the independent review, which is expected to report back in the autumn. I am also meeting Charles Hendry (Independent reviewer of tidal lagoons) alongside the Cabinet Secretary for Economy and Infrastructure on 15 September.
26. In recognising the importance and benefits we derive from our seas I am keen to move forwards with our first Marine Plan for Wales with a focus on supporting blue growth. I want to ensure we achieve sustainable development in our marine area, for the maximum benefit to our communities, our economy and our natural resources.
27. This will be pioneering for Wales. It is essential to take the time to get it right. I want my officials to ensure the plan can accommodate the outcome of the EU Referendum. Feedback and input from the public, stakeholders, our strategic governance board and UK Government has been positive and I want to build on this. As the Plan progresses towards formal consultation and introduction, we need to ensure the plan has taken into account the views and comments received.
28. Elsewhere, flood risk management remains a priority to this Government. Reports such as the 2016 Climate Change Risk Assessment make it clear flood events such as those witnessed this winter are only likely to become more common.
29. In the last Government term we invested over £240 million in flood and coastal risk management across Wales, supported by £47 million from Europe, reducing risk to over 12,000 properties. We have started this Government term by committing to make almost £55 million available this financial year to ensure communities remain resilient. This will make a real difference to the people of Wales.
30. We are also planning for future coastal risk by working alongside Local Authorities to develop a £150 million programme of capital investment in coastal risk management commencing in 2018/19. We have identified an initial list of potential projects for further consideration and provided grant funding for preparatory work during this financial year. A number of our recent schemes provided multiple benefits alongside flood risk management, such as tourism, regeneration and biodiversity benefits and I look forward to seeing more schemes similar to these in the future.
31. Separately, the Water Strategy for Wales (2015) sets out how we believe our water resources should be managed to support our communities, nature and

business. We are committed to a more integrated approach to the management of water in line with the Environment (Wales) Act and the Well-being of Future Generations (Wales) Act 2015.

32. We need to ensure we have the appropriate tools and powers to deliver our Strategy's objectives. We will therefore continue to pursue the devolution of all water and sewerage matters in Wales. This will, as the Silk Commission confirms, ensure the interests of the people of Wales are better served in future.
33. I am keen to build on our great advance in sustainable waste management in Wales. Wales has achieved the highest municipal recycling rate in the United Kingdom and, if it were to report separately, the fourth highest rate in Europe.
34. Waste and resource efficiency offers a gateway into the circular economy. This will be one of my key priorities and aligns with our work in response to the circular economy package being proposed by the European Commission.
35. A recent study by the Ellen MacArthur Foundation and WRAP identified potential economic benefits of more than £2 billion each year to the Welsh economy. A further study by WRAP and the Green Alliance predicts up to 30,000 new jobs can be created in Wales through development of a circular economy.
36. I will explore all necessary mechanisms, including legislation, to require a high content of recycled materials in products procured by the Welsh public sector. I will also explore the use of extended producer responsibility to ensure producers and retailers share more evenly the burdens of managing waste from households. I will work with Welsh Local Authorities and the private sector to explore how we achieve these goals. We have recently published the results of a review of the collections blueprint, which confirms the validity of this approach. A revised edition of the blueprint is currently in preparation, and we shall consult on it later this year.
37. All of this will play a part in making progress towards our goal of reducing our greenhouse gas emissions by at least 80% by 2050. We are developing the regulations to set the emissions targets and carbon budgets, which will allow us to guide delivery, better evaluate progress and provide certainty and clarity for investment and business. By setting interim targets and carbon budgets we can ensure a gradual, ongoing and progressive reduction, based on evidence and technology lead-in time. In August, I approved the procurement of analytical tools to develop robust evidence to support decisions required by Welsh Ministers on targets, budgets and the policies which will deliver decarbonisation effectively.
38. There has been a trend of declining greenhouse gas emissions from the agriculture sector since 1990. A Climate Change Industry Group, consisting of representatives from academia, industry bodies, environmental organisations and the Welsh Government, is working in close collaboration to develop a robust action plan for tackling climate change in the farming industry. The success of Glastir, our sustainable land management scheme, will be a key focus.
39. I am therefore committed to the long term strategic vision, developed with industry bodies, which aims to make the agriculture industry prosperous, resilient, more innovative and benefitting Wales' well-being now and in the future.

40. The Agriculture Strategic Framework Partnership Group is currently developing a strategic Roadmap for Agriculture in Wales to deliver this vision. To be successful, the Partnership Group needs to carry the confidence of the industry and I believe it stands a better chance of achieving this if the industry is at the forefront of establishing it.
41. As mentioned earlier, the result of the EU referendum has a very significant impact on the agriculture industry. The First Minister has made clear we need a 'full guarantee' from the UK Government that funding will continue for our existing EU programmes to 2023.
42. We are in discussion with key industry stakeholders to develop a grant scheme which would target smaller on-farm investments as part of the broader strategic initiative to drive transformational change across sectors.
43. Elsewhere, over 99% of Welsh farmers have received their Basic Payment Scheme (BPS) payment. As of 11 August, we have paid farm businesses BPS totalling £188,431,796.99. Those BPS claimants remaining are the most complex cases or cross border claims. The BPS incorporates a number of new requirements and criteria over the Single Payment Scheme, which it replaced.
44. Wales has once again outperformed both England and Scotland in delivering payments to farm businesses and Wales is the only UK nation to achieve 100% online Single Application Form (SAF) submissions in 2016. Rural Payments Wales is determined to return to its past payment performance, which is to commence BPS 2016 payments in December to a large number of claimants and pay the vast majority of claims early in the payment window.
45. I want to make the most of the opportunity to form future programmes, policies and regulations which are tailor made for Wales' unique agriculture needs and are linked to environmental outcomes wherever possible.

### **Healthy and active**

46. I am committed to improving health and wellbeing through improving local environments and tackling poor air quality, as well as developing a programme of social prescribing to improve health through activity in nature.
47. I am keen to ensure there are many opportunities for people to access our great outdoors. Full consideration will be given to the range of issues raised by the recent review of access before making a decision on the way forward. Key areas for more detailed consideration include improving the way we record public rights of way, reviewing the rights associated with public paths and access areas, clarifying rights associated with access to water and considering a statutory code. Public access to quality green spaces where people live is key to improving people's mental and physical health.
48. On 13 September I will launch a 12-week public consultation on local air quality and noise management. In parallel to this consultation, my Department is working with Local Authorities and other public bodies to find ways to improve national planning policy and guidance relating to air and noise pollution.

49. For the sake of public health, there is a need to focus not only on compliance with the national air quality objectives in air pollution hotspots, but also on bringing down average levels of air and noise pollution for the population as a whole. The national indicator for air quality under the Well-being of Future Generations (Wales) Act 2015, defined as the average nitrogen dioxide concentration where people live, complements the national air quality objectives in this regard. We will publish updated noise maps for major roads in Wales in 2017.
50. The goal has been to ensure Wales has healthy productive animals, with a good quality of life; that people trust and have confidence in the way food is produced; and that public health is protected. In July, I was pleased to publish the second annual Wales Animal Health and Welfare Framework Implementation Plan which sets out priorities for the next 12 months and key actions for delivery.
51. We continue to take forward our work on the TB Eradication Programme across Wales. There are many elements to our approach including annual testing, strict biosecurity measures, comprehensive movement controls and initiatives. This Autumn I will make a statement in Plenary where I will outline a refreshed programme for TB taking us further towards eradication by using every tool available to us and tackling all sources of infection.
52. We are also working closely with stakeholders in response to feedback from the farming industry to deliver an alternative to the current project to simplify Six Day Standstill controls. The proposed new arrangements will reduce the complexity for farmers by replacing exemptions for Isolation Units and Sole Occupancy Authorities with a general exemption for Quarantine Units. This will allow greater flexibility while maintaining movement controls to help prevent the spread of disease.

### **Ambitious and learning**

53. Farming Connect continues to be a vital element of the support Welsh Government provides to the farming, food and forestry business to help them become more resilient, resource efficient and better placed to thrive in an increasingly market orientated environment.
54. The programme provides an effective knowledge transfer approach to motivate and help change behaviour and maximise uptake of new ideas. As of 1 August, 4,558 businesses and 8,831 individuals had registered for the new programme.
55. I am also looking forward to the Agricultural Advisory Panel for Wales' proposals for a new agricultural wages order which is expected later this year. Ensuring fair minimum levels of support and enhancing skills development will contribute directly to the well-being of all those working in the agriculture industry and our rural communities. The Panel is working to establishing a permanent sub-committee to deliver expert advice on Skills Development and Training in agriculture. It is expected to hold its first meeting later this year.

### **Lesley Griffiths AM**

Cabinet Secretary for Environment and Rural Affairs  
September 2016