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Gweinidog yr Amgylchedd a Datblygu Cynaliadwy
Minister for Environment and Sustainable Development



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref SF/JG/2466/12
Dafydd Elis Thomas

Chair of the Environment and
Sustainability Committee
National Assembly for Wales
Cardiff Bay
Cardiff
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23 July 2012

Dear *Dafydd,*

Thank you for your letter of the 3 July following my attendance at the Environment and Sustainability Committee - Financial Scrutiny on 27 June. You have requested further information arising from this session and I hope the following will be helpful to the Committee.

Linking of funding to specific Programme for Government commitments

Officials are giving detailed consideration on how we can strengthen our focus on delivery and performance management. This will include reviewing progress against key delivery objectives and the Programme for Government. I am pleased that officials from across the Welsh Government are engaging in this important piece of work. The continued development of better ways of supporting the work of Ministers and the Government and drawing together better our evidence based delivery information and our financial allocations will improve transparency around the work of the Government and improve advice to Ministers. The aim is to support the delivery of the outcomes in the Programme for Government.

As we know the current Budget Action level of reporting was in place before Programme for Government was introduced, and it is these actions that are the most appropriate level to link budgets and performance. Initial work on aligning budgets to Programme for Government commitments is well underway, and a series of mapping exercises have been undertaken to map the current budget actions to Programme for Government sub outcomes. This process is still being refined and during 2012/13 officials across the Welsh Government will continue this work through a Planning and Reporting Group on which my finance officials are representing my portfolio. An extract as an example of this mapping is currently shown in **Annex A** which I hope will give the Committee assurance that this important piece of work is being developed.

Details of Wildlife Improvement Projects

At the Wales Biodiversity Partnership (WBP) conference on 14 September 2011, I announced £1million funding for Ecosystem resilience, diversity and compliance projects. Following this announcement, the WBP Ecosystem chairs agreed to act as the grant assessment panel for determining applications, based on criteria developed by Welsh Government officials and Countryside Council for Wales (CCW).

Expressions of interest from 140 projects with a funding requirement in excess of £22million were received. With the assistance of CCW those projects were reduced to a shortlist worth approximately £7million. The WBP ecosystem group chairs were given the shortlist and asked to score and recommend the most suitable projects for funding.

The panel of ecosystem chairs met at Ladywell House, Newtown on 21 October 2011 to consider the scored projects. The projects were assessed against a number of essential and desirable criteria. The essential criteria consisted of:

- Projects must deliver positive outcomes for ecosystems health, diversity and resilience
- Projects should address the ecological coherence of the Natura 2000 network by:
 - Restoring, expanding or connecting landscape features important for the migration, dispersal and genetic exchange of wild species,
 - Mitigating or reversing the underlying causes of ecosystem degradation.
- Projects must include details of continuation arrangements or longer term sustainability of the outcomes where applicable

The projects on the attached list at **Annex B** details the schemes which were funded and delivered.

£1m transfer from Flood Risk and Water BEL to the Single Environment Body BEL 12/13 as part of First Supplementary

As we discussed during the scrutiny committee, during 2011/12 officials within my department identified a £6m forecast underspend in the TB Eradication budget, predominantly due to the TB Scientific review being undertaken during that year.

I subsequently approved that funding from within the TB Eradication budget be reallocated to support other priorities and pressures from within my portfolio. Part of this reallocation was for revenue to capital transfer in order to fund capital pressures and to bring forward flood and risk management schemes planned during 2012/13 into 2011/12. This essentially released some of the commitments within the Flood capital programme in 2012/13 to allow for a £1m capital transfer to the Single Environment Body infrastructure budget.

As part of the development programme for the Single Environment Body, there is an ICT implementation project to enable the new body to operate effectively on vesting date and to meet its statutory and legal responsibilities.

The cost of devolution of building regulations to the Welsh Government

We anticipate increasing demands as a consequence of the new responsibilities for Building Regulations. These arise out of the need to respond to EU directives and increased external expectations from disability and home safety interests and local authorities in relation to the building control function. There are a number of technical actions proposed by England and other home nations which we may need to consider ensuring that guidance in Wales remains up to date.

The budget allocated to the Construction Unit going forward is £0.824 million for 2012/13 and £0.784 million for 2013/14, which reflects the cost saving which are required across my portfolio. I believe that these budget allocations reflect our best understanding of what might be expected as a result of the Building Regulations and the Fire Safety Measure.

As an indication of the additional costs as a result of the devolution of the Building Regulations, the current Part L review has had a cost of £2.326 million including staff costs since 2010 and was as follows:

2010/11 £0.484m
2011/12 £1.257m
2012/13 £0.585m

The costs in 2011/12 were higher than in the other two years of the development period due to the cost of technical support for the detailed modelling work and the development of new technical standards to achieve the required energy efficiency savings in domestic and non domestic properties in Wales. The Construction Unit budget also covers the sponsorship of Constructing Excellence in Wales, which includes the Wales Low/Zero Carbon Hub

Likely costs relating to implementation of the Fire Safety Measure

Work is commencing on the development of regulations and technical requirements relating to sprinkler systems with the intention of introducing regulations in the second half of 2013.

Development work in 2012/13 has been estimated in the region of £80,000, which includes additional staff resources. The Welsh Government has made budget provision to meet the requirements of implementing the Fire Safety Measure within the existing Construction Unit budget, but I have asked that officials inform me if potential additional resources may be required.

Yours sincerely



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ANNEX A

Extract from the Draft mapping exercise which aims to link the budgets to Programme for Government Sub Outcomes via the Budget Actions.

PfG Sub Outcome	Current Budget Action	MEG	Budget £000
Living within environmental limits and acting on climate change	Deliver nature conservation and marine policies	ESD	2,410
	Develop appropriate evidence base	ESD	
	Develop and deliver overarching policy and programmes on sustainable development and environment	ESD	13,510
	Develop and implement climate change, emission prevention, and fuel poverty policy, communications, legislation and regulation	ESD	31,287
	Manage and Implement the Waste Strategy and waste procurement	ESD	90,204
	Planning Policy Development, Planning Inspectorate and regulation	ESD	7,403

Please note, this mapping exercise is currently in development and may be liable to change as the processes are being refined during the summer.

ANNEX B

Ecosystem resilience, diversity and compliance funding

Outline of CCW role in projects approved by the ecosystem chair panel

Project Title	Organisation	£ Funding Agreed to 2012	Location	CCW Role (Administer / Deliver)
Llanmynech Hill - Limestone Habitat restoration and sustainable management	Llanmynech Butterfly Project	27,500	Powys	Deliver (via existing s15 agreement)
Supporting the recovery of Spreading Bellflower (<i>Campanula patula</i>) and Bastard Balm (<i>Melittis melissophyllum</i>)	Plantlife Cymru	26,620	Powys & Ceredigion	Admin
Eradication of invasive marine species <i>Didendum vexillum</i>	CCW	262,000	Anglesey	Deliver
Restoration of degraded blanket bog on Berwyn Migneint SAC	National Trust	190,321	Conwy & Gwynedd	Admin
A Woollen Line - Pen Trumau – Peat Restoration	Brecon Beacon National Park	6,300	Powys	Admin
Removal of <i>Rhododendron</i> from Cwm Dulais	Pori Natur a Threftadaeth Ltd (PONT)	49,500	Swansea	Admin
Conserving <i>Luronium natans</i> on the Montgomeryshire canal.	British Waterways	60,000	Powys	Admin
Ynys hir nature reserve, ecosystem function restoration	RSPB	49,000	Ceredigion	Admin
North East Wales Orchard Recovery Project	North Wales Wildlife Trust/ Flintshire County Council	42,500	Flintshire	Admin
Delivery of Ecosystem Services within the Pumlumon Area	Wildlife Trusts Wales	65,000	Ceredigion & Powys	Admin

Conservation grazing of grassland and heath	Pembrokeshire Coast National Park	21,500	Pembrokeshire	Admin
Million Ponds Project Continuation Funding in Wales	Million Ponds Project	9,430	Caerphilly Gwynedd Conwy	Admin
Fenn's, Whixall & Bettisfield Mosses NNR - cross border sustainable management and restoration of heathland and mire	Natural England & CCW	79,375	Wrexham	Deliver (NNR budget)
Gwendraeth Grasslands	Wildlife Trusts Wales on behalf of wider partnership	12,124	Carmarthenshire	Admin
Geomorphological work on sanddune rejuvenation	CCW	50,000	Welsh Coast	Deliver
Working Woods for Wildlife Project	Wildlife Trusts Wales on behalf of wider partnership	48,830	Newport, Monmouth, Powys	Admin
	Total	£1,000,000		