



**Cynulliad Cenedlaethol Cymru  
The National Assembly for Wales**

**Y Pwyllgor Cynaliadwyedd  
The Sustainability Committee**

**Dydd Iau, 24 Ionawr 2008  
Thursday, 24 January 2008**

**Cynnwys**  
**Contents**

- 4 Cyflwyniad, Ymddiheuriadau a Dirprwyon  
Introduction, Apologies and Substitutions
- 4 Ymchwiliad i Ostwng Carbon yng Nghymru: Sesiwn Dystiolaeth ar Ostwng Carbon gan Drafnidiaeth  
Inquiry into Carbon Reduction in Wales: Evidence Session on Carbon Reduction by Transport
- 21 Ymchwiliad i Ostwng Carbon yng Nghymru: Sesiwn Dystiolaeth ar Ostwng Carbon yn ein Cartrefi (Deddf Arbed Ynni yn y Cartref 1995)  
Inquiry into Carbon Reduction in Wales: Evidence Session on Residential Carbon Reduction (Home Energy Conservation Act 1995)
- 33 Mesur Cynllunio'r DU: Goblygiadau i Gymru  
UK Planning Bill: Implications for Wales
- 44 Mesur Newid yn yr Hinsawdd y DU: Goblygiadau i Gymru  
UK Climate Change Bill: Implications for Wales

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee. In addition, an English translation of Welsh speeches is included.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Mick Bates	Democratiaid Rhyddfrydol Cymru (Cadeirydd y Pwyllgor) Welsh Liberal Democrats (Committee Chair)
Lorraine Barrett	Llafur Labour
Alun Davies	Llafur Labour
Lesley Griffiths	Llafur Labour
Alun Ffred Jones	Plaid Cymru The Party of Wales
Darren Millar	Ceidwadwyr Cymreig Welsh Conservatives
Brynle Williams	Ceidwadwyr Cymreig Welsh Conservatives
Leanne Wood	Plaid Cymru The Party of Wales

**Eraill yn bresennol**  
**Others in attendance**

Claire Bennett	Pennaeth Is-adran Newid yn yr Hinsawdd a Dŵr Head of Climate Change and Water Division
Jane Davidson	Y Gweinidog dros yr Amgylchedd, Cynaliadwyedd a Thai The Minister for Environment, Sustainability and Housing
Teresa Davies	Pennaeth Penderfyniadau Cynllunio Head of Planning Decisions
John Flack	Adran Gwasanaethau Cyfreithiol Legal Services Department
Ron Loveland	Cyfarwyddwr, Ynni Cynaliadwy a Diwydiant Cymru Director, Sustainable Energy and Industry Wales
Elaine Osbourne	Adran Gwasanaethau Cyfreithiol Legal Services Department
Ieuan Wyn Jones	Y Dirprwy Brif Weinidog a'r Gweinidog dros yr Economi a Thrafnidiaeth The Deputy First Minister and Minister for the Economy and Transport
Robin Shaw	Cyfarwyddwr, Trafnidiaeth Cymru Director, Transport Wales
Rachel Solomon-Williams	Swyddog Polisi, Mesur Newid yn yr Hinsawdd y DU Policy Officer, UK Climate Change Bill
Martin Stevenson	Prif Ddadansoddwr Polisi, Trafnidiaeth Principal Policy Analyst, Transport
Julia Williams	Is-adran Newid yn yr Hinsawdd a Dŵr Climate Change and Water Division

**Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol**  
**Assembly Parliamentary Service officials in attendance**

Claire Morris	Dirprwy Glerc Deputy Clerk
---------------	-------------------------------

Joanne Clinton	Clerc Clerc
Joanest Jackson	Cynghorydd Cyfreithiol y Pwyllgor Legal Adviser to the Committee

*Dechreuodd y cyfarfod am 9.02 a.m.  
The meeting began at 9.02 a.m.*

### **Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions**

[1] **Mick Bates:** Good morning, everyone. Thank you for your attendance this morning. As usual, I need to make a few housekeeping announcements. In the event of a fire alarm, you should leave the room via the marked fire exits and follow the instructions given by the ushers and staff. There is no test forecast for today. All mobile phones, pagers and BlackBerrys should be switched off as they interfere with the broadcasting equipment. The National Assembly for Wales operates through the media of Welsh and English. Headphones are provided, through which instantaneous translation may be received. For those who are hard of hearing, they may also be used to amplify the sound. The translation is available on channel 1, and channel 0 will provide amplification. Please do not touch any of the buttons on the microphones as that can disable the system, and please ensure that the red light is showing before you speak.

[2] Karen Sinclair has sent her apologies. You will also have noticed that Virginia Hawkins, the committee clerk, is not here today. She is away on a training course and so we are in the capable hands of Joanne Clinton, who has come from the Scottish Parliament and has been with us for around four months now.

[3] I have received a letter from the Chair of the Petitions Committee, which asks the Sustainability Committee to take forward the petition on introducing a ban on plastic bags. If members are willing, I propose that we ask the Members' research service to prepare a scoping paper on the evidence that has already been gathered on the issue and that we consider the paper at a future meeting. We may also wish to invite the petitioners to present their case at a later date. Do I have the agreement of members that we go ahead with the scoping paper, consider it and possibly invite the petitioners to come in? I see that I do.

[4] The committee intends to scrutinise the Deputy First Minister and Minister for Economy and Transport, Ieuan Wyn Jones, on the evidence that we have gathered during our inquiry into carbon reduction by transport. We will then have evidence sessions on the Home Energy Conservation Act 1995, the UK Planning Bill and the UK Climate Change Bill with the Minister for Environment, Sustainability and Housing. A Westminster official will join the Minister for Environment, Sustainability and Housing for the evidence session on the UK Climate Change Bill. If Members are content with that, we will move on.

9.05 a.m.

### **Ymchwiliad i Ostwng Carbon yng Nghymru: Sesiwn Dystiolaeth ar Ostwng Carbon gan Drafnidiaeth Inquiry into Carbon Reduction in Wales: Evidence Session on Carbon Reduction by Transport**

[5] **Mick Bates:** As part of our first scrutiny, we have been scrutinising how we in Wales can reduce carbon. This morning, it is my great pleasure to welcome the Deputy First Minister and the Minister for the Economy and Transport, Ieuan Wyn Jones, along with

Robin Shaw, the director of transport, and Martin Stevenson. Welcome to the three of you. You will, of course, be aware of our inquiry. Thank you for the paper that you have presented. I invite the Deputy First Minister to outline the paper briefly before we move to questions.

[6] **Y Dirprwy Brif Weinidog a'r Gweinidog dros yr Economi a Thrafnidiaeth (Ieuan Wyn Jones):** Yr wyf yn hynod falch o fod gerbron y pwyllgor. Dyma'r tro cyntaf imi ymddangos ger eich bron, Mr Bates a'r pwyllgor. Yr ydym yn edrych ymlaen at y sesiwn sydd i ddod. Yr wyf, yn naturiol, yn falch o gael y cyfle i drafod â chi safbwynt Llywodraeth y Cynulliad ar drafnidiaeth a sut mae hynny'n cyd-fynd â'r agenda garbon.

**The Deputy First Minister and Minister for Economy and Transport (Ieuan Wyn Jones):** I am particularly pleased to attend this committee meeting. This is my first time before you, Mr Bates and committee. We look forward to the session that is to come. I am, naturally, pleased to have this opportunity to discuss with you the Assembly Government's position on transport and how that fits the carbon agenda.

[7] Fel yr awgrymwyd gennych, yr wyf wedi paratoi memorandwm manwl sy'n amlinellu'n safbwynt. Yr wyf yn awr am dynnu eich sylw at rai o'r prif bwyntiau.

As you suggested, I have prepared a detailed memorandum outlining our position. I will now draw your attention to some of the main points.

[8] **Mick Bates:** Sorry about this. We appear to be experiencing technical difficulties with the translation equipment. We will wait a moment while they are being dealt with.

[9] A ydyw'n iawn yn awr? Gwelaf ei fod. Ddirprwy Brif Weinidog, ewch yn eich blaen.

Is it all right now? I see that it is. Deputy First Minister, please continue.

[10] **Y Dirprwy Brif Weinidog:** Yr wyf wedi manylu safbwynt fy adran. Tynnaf sylw at rai o'r prif bwyntiau ar y dechrau.

**The Deputy First Minister:** I have detailed my department's position. I draw your attention to some main points at the outset.

[11] Dechreuaf drwy ailadrodd bod mynd i'r afael â newid yn yr hinsawdd yn fater allweddol, ac mae'n flaenoriaeth i Lywodraeth y Cynulliad. Yr wyf yn siŵr eich bod oll yn gwybod am y targedau a osodwyd yn 'Cymru'n Un'. Rhaid i bob maes polisi y mae gennym gyfrifoldeb drosto gyfrannu at gyflawni'r agenda hon, gan gynnwys trafnidiaeth.

I will start by repeating the statement that tackling climate change is a critical issue, and is a priority of the Assembly Government. I am sure that you are all aware of the targets that we have set in 'One Wales'. Every policy area for which we have responsibility, including transport, is obliged to make a contribution to meeting that agenda.

[12] Mae sawl her o ran gostwng lefelau carbon ym maes trafnidiaeth, a rhaid inni dderbyn hynny. Y peth cyntaf yw'r cynnydd yn y galw am deithio a welwyd dros yr 50 mlynedd diwethaf. Hefyd, mae'n eithaf drud i ostwng lefelau'r allyriadau yn y maes hwn. Mae hynny'n adlewyrchu'r ffaith bod technolegau cerbydau rhad ar garbon yn ddud ar hyn o bryd o'u cymharu â mesurau i ostwng lefelau carbon mewn sectorau eraill. Wedi dweud hynny, yr ydym yn benderfynol o wynebu'r her o'n blaenau, ac mae'n ymrwymiad yn 'Cymru'n Un'. Rhaid i

There are several challenges to reducing carbon levels in the field of transport, and we must accept that fact. The first thing is the increase in demand for travel seen over the past 50 years. In addition, reductions in the level of emissions are fairly costly to achieve in this area. That reflects the fact that low-carbon vehicular technologies are expensive at the moment when compared with carbon level reduction measures in other sectors. Having said that, we are determined to face the challenge before us, and it is a commitment in 'One Wales'. Transport must

drafnidiaeth chwarae rhan lawn yn y gwaith o fynd i'r afael â'r newid hwn.

play a full part in the drive to get to grips this change.

[13] Mae angen inni greu rhwydwaith trafndiaeth fydd yn cynnal economi sy'n ffynnu a helpu cynhwysiant cymdeithasol, ac eto, rhaid i'r rhwydwaith ein helpu i fyw o fewn ein targedau ar gyfer lleihau allyriadau carbon.

We must try to create a transport network that will support a thriving economy and assist with social cohesion, and yet, the network will have to help us to live within our targets for reducing carbon emissions.

[14] Byddwn yn cyhoeddi'r ddogfen ar strategaeth trafndiaeth Cymru yn ystod y gwanwyn, gobeithio, a gosodir yn honno sut yr ydym am fynd ati i gyrraedd y nod.

We will be publishing the Welsh transport strategy some time during the spring, hopefully, and in it, we will set out our approach to reaching that goal.

[15] **Mick Bates:** I am sorry to interrupt, but it appears as though the translation facility is not working in the public gallery. I am sorry for this delay, Minister; it seems as if it is one of those mornings. We will just wait a minute to see if we can get some sound to the public gallery because there are lots of people there this morning. There is very little movement up there at the moment. I think that we will just have to continue because the questioning, after the paper, is the most important part, and they will have copies of the paper.

9.10 a.m.

[16] **Y Dirprwy Brif Weinidog:** Yr wyf am awgrymu y bydd y strategaeth yn dod â chyfres o bolisiau at ei gilydd i wneud trafndiaeth gyhoeddus yn fwy deniadol ac i annog pobl i wneud llai o ddefnydd o geir preifat. Yr ydym hefyd yn mynd ati gydag agenda 'Dewisiadau Doethach'. Mae hyn yn golygu mwy o gynllunio teithio, mwy o rannu ceir, a gwell darpariaeth ar gyfer cerdded a beicio. Hefyd, ac fe gredaf fod hyn yn eithaf pwysig, mae'r adnoddau sydd ar gael ar gyfer trafndiaeth yn y rhaglen cydgyfeirio newydd wedi dyblu er mwyn sicrhau atebion cynaliadwy ym maes trafndiaeth. Nid yw hynny bob amser yn amlwg o edrych ar y ffigurau moel yn ein cyllideb ni.

**The Deputy First Minister:** I wish to suggest that the strategy will bring together a series of policies to make public transport more attractive and to encourage people to make less use of private cars. We are also moving forward the 'Smarter Choices' agenda. That means more transport planning, more car sharing, and better provision for walking and cycling. Also, and I think that this is quite important, the resources made available for transport in the new convergence programme have been doubled in order to secure sustainable transport solutions. That is not always obvious from just looking at the bare figures in our budget.

[17] Fel y dywedais yn fy natganiad yn y Cyfarfod Llawn ar 2 Hydref, yr ydym yn datblygu'r fenter Trefi Teithio Cynaliadwy. Pwrpas y fenter hon yw sicrhau bod nifer o drefi yn arwain y ffordd o ran teithio cynaliadwy. Gall y gwaith hwn wneud gwahaniaeth mawr drwy wella'r dulliau o gynllunio a hybu teithio, hyrwyddo rhagor o rannu ceir, a gwella'r ddarpariaeth o ran cerdded, beicio a thrafnidiaeth gyhoeddus. Yn gyntaf, byddwn yn canolbwyntio ar un dref ym mhob un o'r pedair ardal yn y consortia trafndiaeth rhanbarthol. Wedyn,

As I said in my statement to Plenary on 2 October, we are developing the Sustainable Travel Towns initiative. The purpose of that initiative is to ensure that a number of towns become exemplars of sustainable travel. That work could make a big difference by improving the methods of planning and promoting travel, facilitating more car sharing, and improving the provision for walkers, cyclists and those who use public transport. First, we will concentrate on one town in each of the four regional transport consortia areas. We will then consider how to

byddwn yn ystyried sut i gyflwyno hyn drwy roll it out across Wales.  
Gymru gyfan.

[18] Yr ydym wedi ymrwymo i We are committed to using less carbon for ddefnyddio llai o garbon ym maes transport and we will therefore be seeking to trafnidiaeth a byddwn felly yn ceisio co-operate with our partners to look at all cydweithio â'n partneriaid i edrych ar yr holl available options. Naturally, we will have to opsiynau sydd ar gael. Yn naturiol, bydd yn see how technology relating to low-carbon rhaid i ni weld sut y bydd y dechnoleg o vehicles develop. We also have to realise that safbwynt cerbydau rhad ar garbon yn many policy options are currently not open to datblygu. Mae'n rhaid i ni hefyd sylweddoli us because we have to co-operate with the nad yw nifer o'r dewisiadau polisi gennym ar Government of the United Kingdom and the hyn o bryd oherwydd mae'n rhaid i ni European Commission as many of the gydweithio â Llywodraeth y Deyrnas policies that could prove to be beneficial in Gyfunol a'r Comisiwn Ewropeaidd, gan mai this field fall within their remits. hwy sy'n rheoli nifer o'r polisiau a allai fod o gymorth yn y maes hwn.

[19] I grynhoi, mae Llywodraeth y To summarise, the Assembly Government Cynulliad yn credu bod yn rhaid i believes that transport must play a full part in drafnidiaeth chwarae rhan lawn yn y gwaith o the work of tackling climate change. What fynd i'r afael â newid yn yr hinsawdd. Yr hyn we are trying to do in the strategy is to strike yr ydym yn ceisio ei wneud yn y strategaeth the right balance between accepting that we yw cael y cydbwysedd cywir rhwng derbyn have that commitment and ensuring that we fod gennym yr ymrwymiad hwnnw a sicrhau can develop the transport network to support y gallwn ddatblygu'r rhwydwaith the growth in the economy and promote drafnidiaeth i gefnogi'r twf yn yr economi a social inclusion. hyrwyddo cynhwysiant cymdeithasol.

[20] **Mick Bates:** Thank you. We still have problems with the sound. I will give them another few minutes to sort it out, otherwise I believe that members of the public will have to move to the other gallery. It is quite disconcerting when we have such a good audience.

[21] Thank you very much for the evidence, Minister. I think that it is worth reminding everyone that the Stern report said that

[22] 'Transport is one of the more expensive sectors to cut emissions from because the low carbon technologies tend to be expensive and the welfare costs of reducing demand for travel are high...Transport will be among the last sectors to bring its emissions down below current levels'.

[23] As a committee, we have taken evidence and seen the considerable barriers that are in the way. Members have a series of questions to ask this morning that are based on the scrutiny of other organisations that has already taken place. I invite Brynle Williams to start the questioning.

[24] **Brynle Williams:** Croeso i'r **Brynle Williams:** Welcome to the meeting, cyfarfod, Ddirprwy Brif Weinidog. Deputy First Minister.

[25] The 'One Wales' document includes a commitment to develop a specific target for reducing carbon emissions from transport, as part of a reduction target of 3 per cent per annum. What contribution do you believe the Welsh Assembly Government can make to reducing emissions from transport, given that it has limited control over the sector? What is a realistic target for transport in Wales? If I may follow on from that, what role will the proposed UK climate change committee and the Welsh climate change commission play in

the setting and monitoring of this target?

[26] **The Deputy First Minister:** In the ‘One Wales’ agreement, we said that the Government’s aim is

[27] ‘to achieve annual carbon reduction-equivalent emissions reductions of 3% per year by 2011 in areas of devolved competence’.

[28] That includes transport. Clearly, it is the Government’s intention to meet that target. We understand that there are challenges in the transport area, but we said in the ‘One Wales’ agreement that there will also be sectoral targets. In other words, there will be a specific target for transport. We have not started that work in relation to transport yet, but knowing that we have this aim in the document, fairly soon, my officials and I will look at how we can achieve that particular sectoral target. We are awaiting the publication of the transport strategy. Once it is in place, it will be easier for us to work out precisely how we would meet that sectoral target, bearing in mind the constraints that you have mentioned, Chair.

[29] On the monitoring of that, I must confess that I regarded it as my department’s responsibility to monitor how my department meets that target. I was not aware that the Climate Change Commission for Wales would be undertaking that monitoring role, because my understanding was that the commission’s role was to develop new policies and try to achieve a broad-based consensus in favour of taking action on climate change. However, if the committee feels that the commission needs a monitoring role, I would have no problem with that.

[30] **Darren Millar:** You seemed to give the impression that you already have a sectoral target for transport. Have you identified a baseline with regard to the current emissions? Brynle’s question was basically how you are going to identify this baseline and what proportion of the 3 per cent will be the responsibility of transport. I do not think that you have satisfactorily answered that, Minister.

[31] **The Deputy First Minister:** No, because I said that we have not yet set our sectoral target. I think that I made that position clear to Brynle. First, we must publish our transport strategy, which will give the direction of travel. With my officials, I then need to work out exactly how we will meet our sectoral target. I am saying that the work on that has not yet begun.

[32] **Darren Millar:** In that case, you will be drawing up a strategy without reflecting what the aspiration might be in order to hit a target. Should the target setting not be part of drawing up your transport strategy?

[33] **The Deputy First Minister:** No, the strategy is the overall direction of travel of the Government. The detail then follows. You must remember that, in the ‘One Wales’ agreement, there is the aspiration and then how you meet that. It says that we will aim to achieve an annual reduction of 3 per cent; then it sets out how to meet that target. Therefore, as a Minister, I ensure that the strategy contains the need to meet a target, and I then work with my officials to work out how that target is to be met within my sector.

[34] **Darren Millar:** So, the strategy will include a target for your department to meet?

[35] **The Deputy First Minister:** Yes. It will be what is in the ‘One Wales’ agreement.

[36] **Mick Bates:** Lorraine, I think that you have a question on the strategy.

[37] **Lorraine Barrett:** What priority does the consultation draft of the transport strategy



give to reducing carbon emissions, given that it tries to balance economic, social and environmental priorities? What is the timescale for the production of the final strategy and the national and regional transport plans?

[38] **The Deputy First Minister:** The original draft strategy was produced in 2006, since when we have had a new Government, policy changes and the announcement of the aim to achieve these reductions in carbon emissions. Therefore, the transport strategy must now reflect those changes. I am not in a position to disclose the contents of the strategy; we must wait until its publication in the spring. However, I can make it clear that the new strategy will reflect the change in policy. That gives you a clear indication. As I said, we hope to publish our strategy in the spring. Following on from that, we expect the final national transport plan to be published in 2009 and we expect the regional transport plans to be published alongside the plan. So, we are expecting that, by 2009, all the documents will be in place.

9.20 p.m.

[39] **Lorraine Barrett:** I am not sure how much detail you can go into at this stage. We are obviously looking to reduce carbon emissions. There is that difficult balance, as I said, between the economic, social and environmental aspects. Can you say any more about how you are going to manage that balance? The pressures on the environmental and social sides do not necessarily coincide with the pressure on the economic side.

[40] **The Deputy First Minister:** In a sense, I suppose that we are saying that each application for transport funding will have to meet the targets. We will have to consider each one as we move along. We have to admit that there will be occasions when new roads are needed. We cannot say, 'This is the end of road building', as new roads will be needed, but they will have to be justified against very strict criteria. There will be other cases where the balance will be against new road building, and we have already made announcements about that. So, it will have to depend on each individual case, when there is an investment case, but it will now be informed by the fact that the Government is committed to this strategy.

[41] **Alun Davies:** Thank you, Deputy First Minister. I enjoyed your presentation. In answering questions on it, you have been using curious language, and I would like to explore some of that. When I voted for the 'One Wales' agreement, I felt that I was voting for very strict, 3 per cent targets that were binding on the Government. You have introduced a word this morning that I thought I had heard the last of: 'aspiration'. It is no longer a target; it is an aspiration. Can you clarify the status of that 3 per cent?

[42] **The Deputy First Minister:** It is a policy. It says that we will aim to achieve an annual carbon reduction-equivalent emissions reductions of 3 per cent per year. That is the Government's aim.

[43] **Alun Davies:** It is a binding target.

[44] **The Deputy First Minister:** Yes, of course it is. I am not suggesting that it is anything other than that. What I am saying is that underpinning that is how you deliver on it and, therefore, you need targets for each sector. I am awaiting the publication of the transport strategy, and I have started work with my officials on how transport delivers the target contained in the document. So, there is no question about this just being something that is nice to do; it is a Government policy that we intend to keep to.

[45] **Alun Davies:** Thank you for that clarification. At the same time, you have said—

[46] **The Deputy First Minister:** I apologise for the use of loose language.

[47] **Mick Bates:** We will have no more of that, please. [*Laughter.*]

[48] **Alun Davies:** As a lawyer, you understand about the use of language.

[49] **Alun Davies:** You have also said that you are waiting for the strategy to be published in the spring and then for further strategies in 2009. The year 2009 is halfway to the next election, so you will be able to reassure us that the Government is not waiting for these strategies to be put in place but that, in drawing up its policies today and tomorrow, it will use the 3 per cent target as a criterion and as a point of guidance in taking individual policy decisions.

[50] **The Deputy First Minister:** What I am, hopefully, saying is that our strategy will be published in 2008, in the next few months. I cannot see any reason why we cannot work on building up the details of the sectoral targets once that has been published. We do not have to wait until 2009 before work starts on that.

[51] **Alun Davies:** In terms of decision making, you identified two clear objectives of transport policy in your introduction: social inclusion and economic growth. You said that climate change was a ‘blaenoriaeth allweddol’, a key priority. Is it an equal priority or is it an overriding priority?

[52] **The Deputy First Minister:** It is the priority that we have accorded it in the ‘One Wales’ agreement, so there is no getting away from that; we have to achieve it. Alongside setting this particular target, we must accept that people’s behaviour has to change, and I hope that we can come to that a little later. You can have a Government target, but it is not possible to achieve unless it carries common and public consent. One way, or the principal way, of achieving the target is by moving more people away from using their cars towards using buses and trains, and cycling, walking and all the other options. That in itself will require a monumental effort. So, we could be setting all these targets, but they must carry common consent: people must be prepared to change their behaviour. That has to go alongside what we are saying.

[53] **Alun Davies:** So, carbon reduction is a policy goal, is it?

[54] **The Deputy First Minister:** Yes.

[55] **Alun Davies:** Thank you. I do agree with your remarks about public behaviour, personal responsibility and so on, and I think that you are absolutely right on that. However, Government has different roles to play in achieving that. During our inquiry, witnesses have told us that the transport plans that you indicated you wanted published in 2009 have been held back because of the funding reductions for the regional transport consortia. That process could have been undermined by Government actions in reducing funding. Do you accept that?

[56] **The Deputy First Minister:** No, I do not accept that as absolutely necessary. The funding for the regional transport consortia does come partly from us, but you must remember that local authorities should also be making a contribution to that. You accept, as do I, that the budget settlement is very tight, so it will be difficult for me to make any promises to you today that there will be increased funding. However, I repeat that, if the case is put to me, I will look at it, but I cannot make any promises this morning.

[57] **Alun Davies:** Do you believe that the regional transport consortia have sufficient funding to deliver these plans on time?

[58] **The Deputy First Minister:** I have no evidence that it is otherwise.

[59] **Alun Davies:** Okay. Do you have any proposals to change the funding of projects and programmes that are included, or are expected to be included, in these regional transport consortia plans?

[60] **The Deputy First Minister:** To be blunt, it is difficult for me to fund programmes that are not yet in the programme, because they are all being worked up. We are asking regional transport consortia to draw up a list of priorities for their particular regions, and that is a strategic approach. When the plans have been finalised, my department and I will evaluate the bids.

[61] **Alun Davies:** Let us move on, then. On the integration of transport policy with other policy areas, namely planning, can you outline to us what the Assembly Government is doing to ensure that land use and transport planning are integrated at the local and the regional level? You have already discussed this partly in your introduction, but can you outline to us how you see local government working with the Assembly to ensure integration at the local and regional levels?

[62] **The Deputy First Minister:** I must make it clear that, if we are to meet our targets successfully, it is essential that we have a greater understanding of the need for integration in relation to transport modes. It has to be easier for people to use, convenient, friendly and reliable.

9.30 a.m.

[63] To give people proper choices, we need good integration between modes of transport. I believe that the Government's policies in relation to integrated transport need to go alongside land-use planning—and I take that as a given. It wants to ensure that, where developments are being agreed, they tie in with access to public transport to make it easier for people, and also that not all developments are driven by the need to travel by car. I think that that is important. The Government's approach is reflected in a suite of strategic and planning documents, which include our strategy and 'Planning Policy Wales'. It may be necessary for us to review some of these areas, although planning is outside my portfolio. I am pretty sure that, across Government, we need to review whether we have the balance right between the two, from time to time. I am happy to say that, if necessary, we could look at some of these documents to see whether they can be improved. Clearly, integration is one of the main instruments that we should be using to give people the choices that will enable them to leave their cars at home.

[64] **Alun Davies:** Do you think that the balance is right at the moment?

[65] **The Deputy First Minister:** I cannot say, hand on heart, that it is absolutely right, no. So, perhaps we need to look at some aspects of it again. Perhaps I need to stress that if we are to persuade people to use public transport and to walk and cycle more, we must make it easier for them to do so. We have to accept that, hitherto, a lot of policy has been driven by the need to get the car from A to B and not to walk, or get the bus or train from A to B. So, we need to see whether the balance is right in that regard, and perhaps we need to review it.

[66] **Alun Ffred Jones:** Hoffwn wneud sylw am y pwynt hwn a'r hyn yr oedd Lorraine Barrett yn ei ddweud. Yr ydych yn sôn yn fynych am dargedau, strategaethau a chynlluniau trafndiaeth. O ran adroddiad Stern, nododd y Cadeirydd dri pheth y gellid eu gwneud i ostwng lefelau allyriant carbon deuocsid. Un yw defnyddio biodanwyddau, **Alun Ffred Jones:** I wish to comment on this point and on what Lorraine Barrett talked about. You refer frequently to transport targets, strategies and plans. On the Stern report, the Chair noted three things that could be done to reduce carbon dioxide emission levels. One is to use biofuels, which is a dubious strategy according to recent reports,

sy'n strategaeth amheus iawn yn ôl yr adroddiadau diweddar oherwydd yr effaith ar gynhyrchu bwyd. Yr ail yw dyfeisio cerbydau sy'n llosgi tanwydd yn fwy effeithiol, sydd y tu allan i gyraeddiadau a grym y Cynulliad. Yr unig ddewis sydd ar ôl, felly, yw newid ymddygiad pobl, drwy eu hannog i ddefnyddio bysiau a threnau yn hytrach na'u ceir. Nid oes dim arall, mewn gwirionedd, y gall y Cynulliad ei wneud o fewn ei bwerau. A fydddech yn derbyn bod hynny'n wir ac a fydddech am ganolbwyntio eich egnion ar y dewis hwnnw?

[67] **Y Dirprwy Brif Weinidog:** Credaf ei fod yn hynod bwysig newid sut mae pobl yn meddwl am deithio. Yn fy atebion blaenorol, yr oeddwn yn awgrymu ei fod hefyd yn hynod bwysig fod nifer o bobl yn teimlo nad oes ganddynt ddewisiadau teithio cywir wrth inni symud tuag at integreiddio'r system deithio yn well.

[68] Mae arferion da i'w cael. Mae gwasanaeth bysiau o'r enw BWCABUS sy'n rhedeg rhwng cymunedau yng Ngheredigion a Chaerfyrddin. Mae'r gwasanaeth yn un da, mae'n rhedeg ar amser, ac mae'n cysylltu lle mae pobl yn byw gyda lle maent yn gweithio. O ganlyniad, mae cynnydd yn y defnydd o drafnidiaeth gyhoeddus. Lle nad oes gwasanaeth da na bysiau sy'n rhedeg ar amser, ac mae bwlch enfawr rhwng un bus a'r un nesaf, mae'r patrwm yn dangos bod y defnydd yn isel. Felly, mae arferion da i'w cael, ac yr wyf eisiau edrych arnynt ac ar ble y gallwn integreiddio'n well. Pe baem yn rhoi dewis i bobl, pwy ar wyneb y ddaear fyddai eisiau eistedd yn ei gar am oriau wrth ddisgwyl i fynd i mewn i ganol dinas Caerdydd ar yr A470 pe bai trafndiaeth gyhoeddus ddefnyddiol ar gael? Credaf fod gwneud y dewisiadau hynny'n bwysig.

[69] safbwynt newid sut mae pobl yn gweithredu, ochr yn ochr â'r hyn y bu ichi gyfeirio ato o ran tanwydd, credaf fod cynlluniau y gallwn eu gweithredu o ran gwella sut mae pobl yn gyrru, er enghraifft. Os nad ydych yn goryrru—

[70] **Alun Ffred Jones:** Peidiwch ag ateb y cwestiwn hwnnw eto. [*Chwerthin.*]

[71] **Y Dirprwy Brif Weinidog:** Arhosaf

because of its effects on food production. The second is to design cars that burn fuel more efficiently, which is beyond the reach and powers of the Assembly. The only option left to us, therefore, is to change people's attitudes, by encouraging them to use buses and trains rather than their cars. In reality, there is nothing else that the Assembly can do that is within its powers. Would you accept that that is true, and would you wish to concentrate your energies on that option?

**The Deputy First Minister:** I think that it is very important to change how people perceive transport. In my previous answers, I also suggested that it is critical that many people feel as though they do not have the right transport choices as we move towards integrating the transport system more.

There is good practice to be found. There is a bus service called BWCABUS, which runs between communities in Ceredigion and Carmarthen. It is a good service, it runs on time, and it links where people live with where they work. As a result, there is an increase in the use of public transport. Where there is no such service, or buses do not run on time, and where there is a huge gap between one bus and the next, the pattern reveals that the level of take-up is low. Therefore, there is good practice to be found, and I want to look at that and at where we can improve integration. If you gave people a choice, who on earth would want to sit in a car for hours while waiting to go into the centre of the city of Cardiff on the A470 if a useful public transport service were available? I believe that making those choices is important.

In relation to changing people's actions, alongside what you referred to about fuel, I think that there are plans that we could implement to improve how people drive, for example. If you do not speed—

**Alun Ffred Jones:** Do not answer that question yet. [*Laughter.*]

**The Deputy First Minister:** I will wait until

nes y deawn at y cwestiwn hwnnw.

we reach that question.

[72] **Mick Bates:** Thank you, Alun. Brynle, you may come in briefly before we move on to Darren.

[73] **Brynle Williams:** Yn fyr iawn, Weinidog, mae un peth eithaf syml nad yw'n gwneud synnwyr i mi—ac efallai mai fi sy'n rhy syml i'w ddeall. Yr ydych yn sôn am gynllunio, defnyddio tir a thrafnidiaeth, ond pam ydym yn parhau i roi caniatâd cynllunio i adeiladu siopau ar gyrion trefi? Beth mae hynny'n ei wneud? Yr ydym, fel cynghorwyr, yn gadael i hyn fynd ymlaen a chawn siopau newydd ar gyrion ein trefi, ond yr ydym yn gwthio pobl i mewn i'w moduron er mwyn iddynt gyrraedd y lleoedd hyn, pan fod gennym siopau eisoes yng nghanol ein trefi. Yr ydym yn rhwygo'r galon allan o'n trefi, ac nid yw'n gwneud synnwyr i mi o gwbl.

**Brynle Williams:** Briefly, Minister, there is one quite simple matter that does not make sense to me—and perhaps I am just too simple to understand it. You talk about planning, land use and transport, and yet why do we continue to grant planning permission for out-of-town shopping centres to be built? What does that achieve? As councillors, we allow this to continue and we have new shops on the outskirts of our towns, but we are pushing people into vehicles so that they can reach these places, when we already have shops in our town centres. We are ripping the heart out of our towns, and it does not make any sense at all to me.

[74] **Y Dirprwy Brif Weinidog:** Dyma ddechweyd at rai o'r pwyntiau a drafodwyd gennym yn gynharach, sef bod rhaid ystyried a yw'r cydbwysedd cywir gennym rhwng y polisi cynllunio presennol a'r angen i leihau ein defnydd o geir. Yr wyf wedi dweud efallai bod angen ailedrych ar hynny. Yn y pen draw, mater i awdurdodau lleol yw dehongli polisiâu'r Llywodraeth a geir yn y nodiadau canllawiau cynllunio. Os ydym am gyrraedd rhai o'r targedau hyn, mae angen ailedrych ar y cysylltiad. A bod yn berffaith blaen, os oes gan y pwyllgor awgrymiadau o ran sut y gellid gwneud hynny, byddai'r Llywodraeth yn naturiol am gael edrych arnynt.

**The Deputy First Minister:** Here we are returning to some of the points that we discussed earlier, namely the need for us to consider whether we have struck the right balance between current planning policy and the need to reduce our use of the car. I have said that we may need to revisit that. At the end of the day, it is a matter for local authorities to interpret the Government policies that are issued in planning guidance notes. If we are to achieve some of these targets, we need to reconsider that connection. To be perfectly frank, if the committee has any suggestions about how that could be achieved, the Government would naturally want to look at them.

[75] **Darren Millar:** Deputy First Minister, you have made lots of references this morning to the need to change people's behaviour and to create a modal shift so that we can get people from behind the wheel of their car onto buses, trains or other modes of public transport. You even made reference to BWCABUS, which is not a Welsh Assembly Government initiative but has come from elsewhere. There are, of course, options in some areas that allow people to travel by reasonable-quality public transport, but what is the Government doing to make sure that these services are properly marketed? We have initiatives like Traveline Cymru and PLUSBUS, but the vast majority of people in Wales are not aware of those schemes, and very little is being done to communicate to the masses that those schemes are available to use.

[76] **The Deputy First Minister:** They are publicised, but the question is whether they are being publicised enough, which I think is the point that you are making. It is right that we make absolutely sure that people are given the right information, and so on. We may be able to review some of that. It is not only about marketing; it is also about the travelling experience. If you get information about a particular service, but your experience of using that service means that you would not want to repeat it, all that marketing has been wasted. I want to make sure that the marketing is effective, and that the passenger experience matches

expectations. So, I think that you have to drive up standards in relation to those expectations. There are excellent examples out there, as I indicated earlier, but I want to see how we could extend that best practice, within the funding restraints that I have, to see how best we can achieve them.

[77] **Darren Millar:** Are you satisfied that sufficient emphasis is placed on publicising your department's initiatives, because, frankly, we just do not see any?

[78] **The Deputy First Minister:** I again invite the committee to contribute. If you have real evidence that there is a lack of information about our initiatives, I want to look at it. What I am saying is that those two things have to be taken forward together.

9.40 a.m.

[79] **Darren Millar:** I would certainly agree with you on that. In rural areas particularly, the transport options are not there and, when they are, it is usually quite a poor experience. We also received evidence from Sustrans about schemes that it had run successfully in areas such as Peterborough. For a very small cost, it had managed to achieve significant behavioural change through the TravelSmart programme. It believes that, for a very small investment of around £15 million—a fraction of your budget, as I am sure you are aware, and roughly the cost of half a mile of motorway—it would be possible to roll out this programme across all major towns in Wales, and that it would probably be able to achieve a 1 per cent reduction in carbon emissions per annum from all transport. What do you think about that, and is it the sort of scheme that you are hoping to pursue? Will it be included in the transport strategies that are being drawn up?

[80] **The Deputy First Minister:** No. There are no current plans to do that, although I am obviously very interested in Sustrans' proposal. I think that it has discussed it with us has it not, Robin?

[81] **Mr Shaw:** Yes.

[82] **The Deputy First Minister:** We have not yet fully evaluated it. Robin, would you like to say something on that?

[83] **Mr Shaw:** I am familiar with the Sustrans initiatives, and we have been working closely with it for several years. We are funding what we call travel plan co-ordinators throughout Wales, and some of this behavioural change is not just about getting people to move from cars to buses; some of it is about ensuring that people make the right choice in the first place, with regard to whether they need to travel. We talked about land-use planning, but there are also options such as car sharing and strategic park-and-ride facilities, all of which can contribute to the agenda of reducing people's carbon emissions without restricting their ability to travel because, as we know, that would have disbenefits too.

[84] It is an issue of whole-behavioural change. At the moment, most people's first thought is to get into their cars and drive to where they want to go, and it is that attitude that we are trying to tackle with a whole range of initiatives, including this one. I agree that Sustrans has done some very good work. We are very supportive; we support and finance its office in Wales, and we are doing a great deal of work with businesses on trying to develop, through the travel plan co-ordinators, smarter ways of travelling and smarter choices with regard to people's journeys, particularly commuter journeys.

[85] **Mick Bates:** Can you clarify this point? Sustrans stated that it could achieve a 1 per cent reduction in carbon emissions from transport with an investment of £15 million. Do you accept that figure?

[86] **Mr Shaw:** I have not seen that figure in that sense.

[87] **Mick Bates:** I am sorry; I thought you said that you have spoken to Sustrans about this.

[88] **Mr Shaw:** We speak to Sustrans all the time, but I have not seen its specific proposal of that ilk. I would be interested to look at it. I am sure that you could do a calculation that would show that you could achieve that by rolling it out. In considering the scale of the achievement, you must remember that some of this has been done in predominantly urban areas. Whether we could achieve the same in Wales for that level of investment, I cannot say; we would need to look at that.

[89] **Mick Bates:** Further to that point, on the whole issue of carbon reduction in transport, are you telling me that you do not have any information that would correlate expenditure with carbon reduction, such as that suggested by Sustrans?

[90] **Mr Shaw:** We do not have the specific information to which you have just referred. We are developing a database on carbon usage and carbon emissions. We now assess the carbon implications of any transport investment; it is part of the appraisal process that we now use.

[91] **Mick Bates:** Sorry, I am still confused. Are you saying that you have figures on transport expenditure and its carbon impact?

[92] **Mr Shaw:** Now, if we are assessing a specific transport infrastructure scheme, one of the criteria that we will assess is the carbon implications of that investment.

[93] **Mick Bates:** You said 'will' assess. Do you have any figures now?

[94] **Mr Shaw:** For individual schemes that are currently going through the development process, that is part of the appraisal.

[95] **Darren Millar:** You mentioned travel co-ordinators, who presumably counsel individuals about their travel options in order to reduce their carbon footprints. How many travel co-ordinators does Wales have?

[96] **Mr Shaw:** That is a good question; I do not know the answer.

[97] **Mr Stevenson:** I believe that there are five. I think that there is one for each consortia area, but two in the south-east area.

[98] **Darren Millar:** That is pretty pathetic, given the number of people in Wales who would need to take up this advice. If you are really serious about this modal shift—getting people from behind the wheels of their cars and taking up alternatives, whether walking, cycling or using public transport—is five not a bit pathetic? Do you not realise that you are going to have to invest seriously in this in order to see some results? Is £15 million not a very small sum, frankly, given the fact that this is a proven way of ensuring that that modal shift and change in behaviour takes place as we have seen examples of this taking place in Peterborough?

[99] **The Deputy First Minister:** I have heard the invitation given by individuals in the committee, but we will wait to see what the final report says. If you want to include that as one of your recommendations—as you are perfectly entitled to do—then we will consider it. However, we have not made a decision on that yet. It is not just about transport co-ordinators;

this is about the very significant shift needed to change people's behaviour, which will take a lot more effort on the department's behalf—we accept that. However, you cannot simply say that that will be the role of just these transport co-ordinators; it will have to be on a much more significant level than that.

[100] **Alun Davies:** Mr Shaw said something quite significant, which I had not heard before, in answer to an earlier question, namely that the carbon impact is already being assessed as part of the criteria for any scheme that is being progressed by, or comes to, the department. Could you outline the priority or weighting given to carbon in decision making? Can you give us examples of where the carbon impact assessment has changed a decision or led to a specific decision being made?

[101] **The Deputy First Minister:** I do not think that that was part of our evidence, so it may be useful for us to give you a paper on that instead of trying to give you an answer now.

[102] **Mick Bates:** It is a critical point.

[103] **The Deputy First Minister:** Yes, it is a significant matter.

[104] **Alun Davies:** Can you give us examples of where that has led to changes in terms of policy or decisions?

[105] **Mr Shaw:** I will answer that question, because it is quite simple. There will not, at this stage, be such decisions because, what I am talking about is the transport appraisal and planning guidance, which is only now being utilised to assess schemes. Carbon dioxide emissions are a key indicator within that assessment process, but we have not reached the stage yet where we would be able to give you a list of the occasions when the level of carbon emissions has definitively influenced a decision on a scheme. In fact, I doubt whether, on its own, that would have been a deciding factor in terms of any scheme. It is one of the key indicators that are taken into account. Clearly, as the Minister said earlier, in terms of all our interventions going forward, we would be striving, at the worst, for a zero carbon outcome. That will not always be possible as some transport schemes will have a carbon impact. We then have to take into account, in the overall strategies and plans, that we have to achieve the overall reduction that is in the target.

[106] **Mick Bates:** I think that you have explained that point.

[107] **Leanne Wood:** In the paper that you will produce for us, could you also look at any estimates that are available for the carbon savings from the measures outlined in the paper that you have provided, such as the Sustainable Travel Towns and Smarter Choices, and compare those with the level of carbon emissions that is estimated as a result of the predicted traffic growth? Can you address that question in the paper?

[108] **Mr Shaw:** We can try. I am not sure whether all the data that you have asked for are readily available, but we will do our best.

[109] **Leanne Wood:** Thank you. I wish to ask you about the Local Transport Bill, which gives further powers to Welsh Ministers and local authorities. Does the Welsh Assembly Government think that these powers are sufficient to achieve the modal shift from cars to buses that we have been talking about?

[110] **The Deputy First Minister:** It is difficult to know whether they will do so on their own, but I think that they will give us a very significant advantage. Perhaps I could ask Robin or Martin to come in on the detail. As I see the Bill, it actually gives us, within a particular locality, the opportunity to have a much more strategic and coherent approach to the



development of services so that we do not have lots of services in some areas and no services in others. It gives us an opportunity to plan services a lot better and to develop best practice much more readily. It gives us those tools. Whether that is sufficient in itself is questionable, because then it becomes a matter of the necessary resources and of working with bus operators to deliver the service. So, there are several other elements as well. Another one, which I have to stress, and which I keep stressing, is that of how well we integrate the services.

9.50 a.m.

[111] I think that the measures will give us a powerful tool to address these concerns, but I doubt that, on their own, they would be sufficient. Robin, would you like to explain the detail of how the Bill itself gives us that greater flexibility?

[112] **Mr Shaw:** It is really a case of just reiterating what you described. The reality is that the present legislative structure under which local authorities and bus operators work has not delivered the benefits that we originally envisaged it would. It has not, in fact, led to the take-up of many measures, including one called ‘quality bus partnerships and contracts’, and you may well have heard of this in some of the evidence to you. We believe that the Bill, as it is now structured, will make it much easier for local authorities to implement these contracts. That will lead to a better bus service being made available to the customer. That does not automatically lead to the buses being used and to people giving up their cars, of course. The Bill alone will not deliver behavioural change, but it will ensure that it is possible to deliver better bus services to people and that the options are therefore genuinely available to them. As the Minister said, we then have to achieve a behavioural change in people so that they choose to travel using another mode of transport other than travelling on their own in a car. I suspect that that is the larger challenge of the two.

[113] **Mr Stevenson:** I do not think that I can add to that.

[114] **Leanne Wood:** What role will the road pricing schemes have in reducing carbon emissions? What can be done to ensure that people on the lowest incomes do not lose out because of road pricing schemes?

[115] **The Deputy First Minister:** I think that the Bill, in its current form as it proceeds through the House of Lords, allows Welsh Ministers and local authorities to introduce road pricing and road charging schemes. There is a general point to make in that we need to make sure that there is a coherent approach. Therefore, we have been working with the Department of Transport in England to ensure coherence, so that you do not simply have different charging regimes and different payment methods in different parts of the country, which would make it difficult for the public to accept such schemes. We have to recognise that, with the powers that will be given to the Welsh Ministers, no decisions have been made on the precise use of road pricing—as I think I made clear—but, as I see it, it would happen in the context of new road developments in Wales.

[116] The other point to make is that it is often forgotten that some of these powers will be at the local authority level. As I understand it, Robin, the only local authority in Wales currently looking at such a scheme is Cardiff. I understand the point that you make, but we have to recognise that if you were to have three different charging schemes using three different payment methods in a particular area, it would make it difficult to operate, so we must have a coherent approach across the piece to ensure that it works properly and that people are not being overcharged.

[117] **Mr Shaw:** You asked how pricing might work. We are into the theoretical now, rather than the practical, because we do not have a pricing regime of this ilk anywhere in the

UK other than the London congestion charge. In essence, it depends on the pricing structure that you apply. You could set up a pricing structure that focuses on reducing congestion. That would therefore be focused primarily on reducing peak demand. That would have some environmental benefits, clearly, because congestion itself is an inefficient way of burning fuel. Therefore, if you were able to reduce congestion, you would reduce emissions. However, that would not primarily be focused on emission reduction, as it would be about reducing congestion.

[118] **The Deputy First Minister:** It would have a benefit, though.

[119] **Mr Shaw:** It would have a benefit, but it would be a relatively modest benefit compared with the overall aim of the scheme. Equally, with a different pricing regime, you could target journeys generally and seek to manage demand. That would be a different regime.

[120] On your question about disadvantaged groups, if you introduced a pricing scheme, it would be possible to introduce some form of exceptions or concessions. The experience gleaned from London is that the more you do that, the more complicated the process becomes, and the more expensive it is to run the system. In other words, the back-office costs become considerably greater. All of those sorts of issues would need to be part of any consideration before introducing a charging or pricing scheme, not just in Wales, but anywhere in the United Kingdom.

[121] **Leanne Wood:** If you were to introduce a road pricing scheme with the aim of reducing the number of cars on the road, SEWTA has said to us that reasonable alternatives need to be available. Are you considering that, alongside any new powers under this Bill?

[122] **The Deputy First Minister:** My understanding of the Bill is that any scheme introduced by a local authority would have to be approved by us. Is that right, Martin?

[123] **Mr Stevenson:** Yes, and that will continue to be the position.

[124] **The Deputy First Minister:** So, any local scheme would have to be approved by us, and we would want to be satisfied that a number of matters had been taken into account. As Robin said, the reality is that if there is to be a reduction at any time in the number of cars on the road, there has to be an alternative for people to use. One method is simply to make it clear that people should car share, for example. An easy way of addressing some of the issues would be to include car sharing, park and ride, and other examples. Road charging on its own will not solve the problem, because the demand would have to be met from other sources. One would be looking at a package to see how a local authority was addressing the need for alternative modes of transport for people to use. I know, for example, that local authorities are also looking at making it easier for pedestrians to walk, for people to cycle, and for buses to have priority on the roads. You have to look at a whole package of measures.

[125] **Mr Shaw:** The tenet of the current legislation, and it is not changing with the transport Bill, is that investment in alternative modes of transport would be a precursor to the introduction of any charging regime. There would be investment, and any resources raised by such a process would be reinvested in transport services. That is enshrined in the legislation.

[126] **Mick Bates:** Thank you very much. May I say, to the witnesses and committee members, that we have only a few minutes left? I know that Leanne has another question about WelTAG and motorways, Lesley wants to ask about the evaluation of the Smarter Towns project and Alun Ffred has a question on eco-driving. Could we please move first to Leanne on WelTAG, then to Lesley on Smarter Towns, and finally to Alun? We have approximately five minutes left because we have a very tight timetable today.

[127] **Leanne Wood:** Some of the witnesses have expressed the view that the Assembly Government's transport appraisal system, WelTAG, fails to take account of the carbon impact of transport schemes. What plans are there, if any, to review the transport appraisal system?

[128] **The Deputy First Minister:** My understanding is that the document has not been published yet. It will not be published until after the publication of the Wales transport strategy. My assumption is that WelTAG will have to be amended to take account of any changes in the transport strategy. That is all that I can say at this point.

[129] **Mr Shaw:** I will just reiterate that it is a key indicator. Carbon dioxide emission levels are a key indicator in the WelTAG appraisal process, so I am a little surprised by that view. We said earlier that we would give you a paper on what is contained in the assessment process and I think that that is the answer to the question.

[130] **Leanne Wood:** What proportion of the Assembly Government's transport budget over the next three years is for investment in public transport and promoting 'Smarter Choices'?

[131] **The Deputy First Minister:** Our calculation is that the current proportion is 50:50 between public transport and roads. As things stand, that is likely to be the proportion for the three years of spend.

10.00 a.m.

[132] **Mr Shaw:** I reiterate that the investment in the road network also benefits transport modes other than cars. This is not just about car usage.

[133] **The Deputy First Minister:** Very often, with a new road scheme, you must also ensure that there are proper cycling facilities.

[134] **Lesley Griffiths:** I wish to ask you about the Sustainable Travel Towns initiative that has been developed in Wales. Witnesses have said that we must learn from the experiences of the demonstration towns in England. When will we get further details of the plans for the Welsh towns? How will that initiative build on the experience of the English towns? Is the money that will be made available new money, or is it already allocated to schemes for promoting walking and cycling?

[135] **The Deputy First Minister:** I shall have to ask for advice on the precise funding line for that, which is an important question. We will want to consider the evidence from the English towns, because these schemes have been successful. I have already seen some impressive figures. We will also work with the regional transport consortia, on the basis of their requests, looking at the evidence from England to ensure that this scheme operates as well as it can. Therefore, yes, we will be looking at the evidence from England. I may have to write to you on the question about the precise budget line.

[136] **Mr Stevenson:** I can cover that. The money for that will come out of the spending area that we call 'improved integration and delivery of local transport'. That budget line has been published. There is not a specific allocation within it at this point for the Sustainable Travel Towns initiative. However, all of that resource is not yet committed over the three-year period. So, when the proposals have been developed and we are looking at the costs, those will bid, if you like, for the resources within that budget line.

[137] **Lesley Griffiths:** When will we get further details on that?

[138] **The Deputy First Minister:** Where are we on that, Robin?

[139] **Mr Shaw:** We are unlikely to see any announcements in the near future. We will be developing this with the consortia. It will be one of the things that will flow from the work that they are doing on regional transport plans. I would not expect to see any significant investment in the new financial year; as things stand, it will happen beyond that.

[140] **Mick Bates:** Thank you, Deputy First Minister. Robin Shaw and Martin Stevenson, I thank you both for your attendance and your answers. We look forward to the other information that you will provide. It has been very helpful to us in our conclusion to our inquiry into carbon reduction from transport. I am sure that we all have a sense of urgency about meeting the demands of climate change and reducing carbon emissions. We look forward to your target for transport. Our recommendations will be helped by this morning's discussions, particularly those on carbon appraisal, specifically through WelTAG. It may be that we need to look at road schemes as a whole. I am looking at Leanne as I say that, because we have discussed the impact of such schemes. It may be that there is a further point to be made on that. Leanne, do you wish to comment on that?

[141] **Leanne Wood:** It might be useful to see the paper that we have asked for and we can go from there.

[142] **Mick Bates:** Thank you, Leanne.

[143] **Lorraine Barrett:** I wanted to nominate Penarth for the pilot for the sustainable—

[144] **Mick Bates:** You can lobby for that outside the committee. You are putting it on the record now. [*Laughter.*]

[145] **Darren Millar:** Chair, I do not think that it was good that we had to cut short our questioning. I appreciate the time constraints that Ministers are under, but, given the importance of the subject that we have been discussing this morning, extra time should have been devoted to it. There are many issues that we were unable to cross-examine the Deputy First Minister on.

[146] **Mick Bates:** If you have a specific question, I suggest that you tell us now so that we can write on behalf of the committee.

[147] **Darren Millar:** All of the questions that we did not reach that we were planning to ask need to be put to him. This is not the first time that this committee has had to cut short its cross-examination of a Minister. We need to ensure that we have sufficient time in which to do our job of scrutinising Ministers on these important matters.

[148] **Mick Bates:** Absolutely. I do not think that anyone would disagree with that. The point that was raised previously was about eco-driving, and we can ask for a specific response on that. The other point was about demand-responsive transport, which we can also ask about. Are there any other issues that you felt were not covered?

[149] **Brynle Williams:** Yes. I think that Alun asked about rail infrastructure and investment.

[150] **Mick Bates:** There was a full report in Plenary yesterday on that, of course.

[151] **Brynle Williams:** I agree with Darren. If we have got the Minister here—

[152] **Mick Bates:** If Members stick specifically to their questions in future, we will no

longer have any time constraints.

[153] **Darren Millar:** I do not think that that is an appropriate response.

[154] **Mick Bates:** No, okay.

[155] **Alun Davies:** We do need to look at the issue of rail when it comes to writing our report, because we need to be making very clear recommendations on the actions that the Assembly Government can take. At the moment, rail is a key part of that. I am not sure whether yesterday's report asked the sorts of questions that we are asking; it did not come up with the answers that we require.

[156] **Mick Bates:** Fine. Those are very relevant issues on which we will write to the Minister. They include rail infrastructure in particular, eco-driving and the question of demand-responsive transport.

[157] **Darren Millar:** There is also the matter of the road pricing schemes, and the potential impact on tourism of tourists going elsewhere, on short-haul flights and so on.

[158] **Lorraine Barrett:** We would have had a longer session with the Minister, but our previous meeting with him had to be cancelled because of his illness. You cannot cram everything in. We have four evidence-gathering sessions today.

[159] **Mick Bates:** I am grateful for your comments. However, let us not waste any more time on that issue.

10.07 a.m.

**Ymchwiliad i Ostwng Carbon yng Nghymru: Sesiwn Dystiolaeth ar Ostwng  
Carbon yn ein Cartrefi (Deddf Arbed Ynni yn y Cartref 1995)  
Inquiry into Carbon Reduction in Wales: Evidence Session on Residential  
Carbon Reduction (Home Energy Conservation Act 1995)**

[160] **Mick Bates:** I welcome the Minister for Environment, Sustainability and Housing, Jane Davidson, as well as Julia Williams and Claire Bennett to this next session on the Home Energy Conservation Act 1995. The Minister wishes to distribute a statement issued by the European Union yesterday. It is being passed around, so please take a copy.

[161] Thank you for your attendance this morning. As you are aware, the committee is conducting an inquiry into carbon reduction in various areas under the power of the Welsh Assembly Government. One of those areas is carbon reduction in residential areas. As part of that, we took evidence in respect of the Home Energy Conservation Act. Thank you for the paper that you presented and for attending the meeting to answer questions. I invite the Minister to outline the contents of the paper that she has already provided to the committee.

[162] **The Minister for Environment, Sustainability and Housing (Jane Davidson):** The paper that I have asked to be distributed is probably more relevant to the next item on the agenda. It is the Cabinet written statement that was issued this morning on the publication of the EU climate and energy package, which was published yesterday. Clearly, climate change is one of the biggest challenges facing the world, and we have made tackling it the top priority of this portfolio. 'One Wales' illustrates the Assembly Government's commitment to this issue as it contains: proposals to establish a Climate Change Commission for Wales; proposals to achieve an annual 3 per cent reduction in carbon dioxide emissions in areas of devolved competence by 2011; and other actions in areas such as energy, public transport, the

public sector and agriculture.

[163] In the context of residential emissions, we are already taking action in a number of areas, as we have explained in our paper. Our home energy efficiency scheme, which also addresses fuel poverty, has helped more than 74,000 households since 2000. The Carbon Trust and the Energy Saving Trust provide invaluable practical advice to businesses, the public sector and the public. The microgeneration strategy sets ambitious targets for the uptake of microgeneration and starts to map out the action needed to make it happen. The six climate change champions will act as spokespeople on climate change in communities across Wales and will provide schools with learning resources on climate change. We have a commitment to reduce greenhouse gas emissions by 3 per cent every year, and we are currently putting in place all the baseline data and other evidence that we require to develop these targets and the programme of action needed to achieve them. The climate change commission will play a key role in advising us on all this work.

10.10 a.m.

[164] However, more than a quarter of the carbon dioxide emissions in the UK come from energy used to heat and light our homes, and the way in which our homes are built and the materials used are also significant contributing factors. Therefore, driving up the energy efficiency of all homes in Wales will help deliver our commitment to tackling climate change in Wales and be central to our national energy efficiency and savings plan. I will give you just some of our emerging thinking on delivering emission savings in the residential sector, which will be developed as work on the national energy efficiency and savings plan develops. The first step in the development of that plan will be the publication in February of our renewable energy route-map for consultation. That is intended to be published on the morning of 19 February, and we will be debating it later that day. It will focus on the drive to a low-carbon energy economy through placing a much greater emphasis on energy efficiency and a wide range of renewable energy developments. We recognise, and the route-map reflects, that the transition to a low-carbon economy will require the holistic approach that I mentioned earlier. However, it will particularly require options in terms of sustainable buildings, skills and economic perspectives.

[165] We must grasp the opportunities for improving the sustainability of all new buildings now, and that lies within Julia William's responsibilities. We have made clear our aspiration that all new buildings constructed in Wales from 2011 should achieve a zero carbon standard. We recognise that this is challenging, but there are developers, builders and architects out there who are aiming to achieve these standards already, and we need to highlight good practice and build momentum so that businesses in Wales are well placed to exploit the market opportunities that will arise. I have asked the Sustainable Development Commission in Wales to lead a project, in partnership with the Design Commission for Wales, to identify the key policy interventions that will enable the built environment to contribute to the 3 per cent per annum carbon reduction target, and this will include specific advice in respect of the aspiration to ensure that all new buildings are zero carbon by 2011. The project will be driven forward by an expert panel that will oversee the review of policy options and produce recommendations for me to consider. It will also share experience and best practice, which can then be communicated more widely.

[166] We believe strongly in the need to create a level mandatory playing field for both the public and the private sectors. That is reflected in planning legislation, which is devolved, and we need it to be reflected through building regulations where, as you know, we are seeking devolution. This is a cross-cutting agenda where close working relationships with stakeholders, including developers in the construction industry, will be vital. Existing buildings are a major source of emissions that provide real scope for cost-effective emission abatement. The introduction of the Welsh housing quality standard in 2002 provided a

common target standard for the physical condition of all existing social housing to be achieved by 2012, and it provides for annual consumption of space and water heating to be estimated using the standard assessment procedure method, and specifies the minimum ratings to be achieved. The majority of new social housing is provided by housing associations, in partnership with local authorities, using social housing grants. Design standards and minimum quality requirements are set out for these houses in the Welsh Assembly Government's development quality requirements, which have a strong energy efficiency element.

[167] Energy suppliers spend around £400 million per year, GB-wide, on incentivising householders to improve the energy efficiency of their homes through the current energy efficiency commitment activity. This will be extended further this year with the introduction of the carbon emissions reduction target. We need to ensure that we get the maximum benefit from this investment in Wales, and I am talking to energy suppliers and local authorities about how to do this. There will be other ways in which we must work with partners, including the private sector. The London climate change programme has been particularly successful in securing private sector investment, and we are exploring the subject of which models could be applied to Wales. As you know, we also provide the grant funding to improve the energy efficiency of over 10,000 vulnerable households in Wales each year under the homes energy efficiency scheme, and we will be reviewing the home energy efficiency scheme as part of the national energy efficiency and savings plan. We need to ensure, particularly in view of the energy price rises that we have heard about recently, that we focus this investment on those in fuel poverty and identify ways in which we can incentivise action by those who are able to pay for energy efficiency improvements. That will be central to the plan.

[168] Our work must be based on a sustainable development approach. We must deliver carbon reductions from the residential sector; we must ensure that people are able to heat their homes affordably; and we must enable business in Wales to innovate and provide the goods and services needed to meet these new demands, and ensure that they can access staff with the necessary skills and experience. Also, and extremely importantly, we must communicate clearly to individuals and communities across Wales why tackling climate change is important and what they can do about it, particularly in relation to energy efficiency. I will close with the words of one of our climate change champions, who said during a launch in the past few days,

[169] 'We are not just talking about saving the planet; we are talking about saving money too.'

[170] **Mick Bates:** Thank you very much, Minister, for that comprehensive background to energy saving. Our questions this morning, as I said, will be specifically about the Home Energy Conservation Act 1995. I will start by noting that the Wales Audit Office noted that only a few local authorities developed specific action plans to support the delivery of the HECA objectives, even though domestic energy efficiency was one of the eight mandated policy agreement targets for each council. Some authorities even failed to meet the HECA requirements to provide annual progress reports to your Government. In fact, only one council used its performance incentive grants specifically to fund the delivery of the HECA objectives. What oversight did the Welsh Assembly Government maintain over local authority performance in achieving their stated targets?

[171] **Jane Davidson:** I will ask Claire to come in on that because the audit report looked at a period prior to my coming in as Minister. So, I will ask Claire and Julia to pick up on the oversight in that context.

[172] **Ms Bennett:** It was also prior to myself and Julia working—

[173] **Mick Bates:** You are not going to use the same excuse are you?

[174] **Ms Bennett:** No, we will answer your question.

[175] There was a process of collating annual reports from each of the local authorities by the department of social justice at the time, and those were followed up. The Home Energy Conservation Act 1995 was introduced as one of the early attempts to start tackling climate change through a legislative process, but it is acknowledged as not having been enormously effective in requiring action. That is why the planning requirement to submit plans was identified for plan rationalisation in the consultation a couple of years ago, and there were no objections whatsoever to it being removed as a planning requirement. The idea is to look for a better way to work with local authorities in order to encourage them to improve the energy efficiency of the buildings for which they are responsible, rather than require them to produce a plan that does not necessarily lead to any action. It is acknowledged, therefore, that there is a lot to do to encourage further action.

[176] **Mick Bates:** We look forward to further answers.

[177] **Darren Millar:** It would appear that there has not been sufficient emphasis from the Welsh Assembly Government in order to drive the improvements forward. It is not so much the Act that is the problem, but the enforcement of the responsibilities under the Act. Can you assure us that this is being addressed now and that the responsibilities are being taken more seriously so that local authorities meet their obligations under the Act?

[178] **Jane Davidson:** The Act itself is flawed, and Rory had evidence to suggest that. The Act is a reporting scheme; it is not an outcome-focused scheme. As Claire said, we are looking forward to the future, and we are determined to have a scheme that is based on outcomes so that there can be the appropriate controls over local authorities in terms of ensuring that we deliver outcomes. It will be very important, when we allocate sectoral targets in the context of the climate change debate, that there are outcomes—targets need to be allocated and delivered in the context of a changed legislative framework. A critical element of this is the fact that the Assembly Government has not supported the continuation of HECA in its current form, because it does not deliver the outcomes that are necessary for us all.

10.20 a.m.

[179] **Darren Millar:** I think we would all agree that because it is not outcome based, it has not delivered. However, is there still not this problem that the Welsh Assembly Government has not even required the reporting of local authorities, or tried to enforce the requirement for local authorities to report on an annual basis? The Chair made reference to this in his opening remarks. You do not even have an idea of where local authorities are at in that respect, or what action they may even be trying to take.

[180] **Ms Williams:** It is a patchy picture, but we do have that information for most authorities. On the point about it not being outcome based, how useful the information is, especially, as the Wales Audit Office report said, in terms of trying to measure energy efficiency or carbon emissions reduction, goes back to the fact that it is flawed in terms of the outcomes. We have plans, and we follow those through via updates and progress reports, but this is fundamentally flawed because of the outcomes.

[181] **Brynle Williams:** What disincentives were applied to local authorities in order to encourage their full engagement with HECA? How much of the £30 million was withheld based on failure to achieve targets?



[182] **Ms Williams:** On the performance indicators and the relationship between those indicators and releasing the money, we did not hold any back. Again, that was before the Minister's, Claire's and my time, and, because there was not a statutory duty relating to outcomes, but just to produce a report, we did not make the decision to reduce the money.

[183] **Ms Bennett:** It was one of a package of performance indicators or performance agreements with local authorities. So, a local authority might have completed a number of them. It was not just about the individual measures; the decision was taken to provide the additional funding to local authorities.

[184] **Darren Millar:** Basically, Chair, what we are being told is that the Welsh Assembly Government let local authorities off the hook and gave them the money anyway. This money was specifically provided to drive forward responsibilities under HECA. Local authorities did not report back, no penalties whatsoever were imposed and no enforcement action was taken by the Welsh Assembly Government. Is that not the real failure in this context? I appreciate that HECA has its flaws, in that it is based on reporting and not on outcomes, but some local authorities did not even report and nothing was done about it.

[185] **Ms Bennett:** It is unfair to say that no reports were being received and it is unfair to say that there was no enforcement action. Reports were received and action was taken to encourage local authorities to supply the reports that were required. Unfortunately, not all local authorities provided the information that was required every year.

[186] **Jane Davidson:** I believe that we need to clarify the questioning, Chair. When there is an audit report, it has always been the custom and practice of the Welsh Assembly Government to issue a formal response. That response has not been issued yet, so we are not involved, as far as I am concerned, in a discussion around elements in the audit report. It was my understanding that we would be questioned about residential carbon emissions today. We have a very exciting agenda on residential carbon emissions, and we gave you some information, because you asked for it, on the Home Energy Conservation Act 1995. We would be happy to take back a series of questions for more detailed consideration, but I have come here to answer broader questions on how to ensure that we can deliver carbon reductions for the future.

[187] **Mick Bates:** You just raised two issues, one of which was about the Audit Committee. I wrote to, and spoke with, the chair of the Audit Committee, and we agreed that we could examine the implications of the report as they relate to energy efficiency. On 17 December, the Wales Audit Office confirmed that it had no concerns over the proposed arrangements. During our evidence, people raised that as an issue, particularly with regard to the reporting system and expenditure, and the scrutiny that we have already undertaken has also highlighted HECA as a key issue. I understand from the brief, Minister, that HECA was the main issue discussed in that meeting. We have previously invited Jocelyn Davies, Deputy Minister for Housing, here and scrutinised her portfolio with regard to carbon reduction in residential areas. We have already discussed this morning the line of questioning that we wish to take, and it is based mainly on our experience of the evidence that we have gathered and the importance of HECA and whatever comes after HECA. It is perfectly valid, and, as far as I am aware, the information that you have received about our line of questioning is perfectly in order.

[188] **Jane Davidson:** The only information that I received as Minister was on contributing towards your inquiry on residential carbon emissions, and we sit here ready to do that. At this point, I am not able to answer any detailed questions about the audit report, which has been scrutinised by officials. However, I would be very happy to take questions on which we can come back to you with a response. Julia, what is the timescale for the Government's response to the audit report?

[189] **Ms Williams:** Well, there is some lack of clarity about this. We are assuming that it will still go to the Audit Committee.

[190] **Ms Bennett:** It is not going to the Audit Committee.

[191] **Mick Bates:** The report was published in September, I understand.

[192] **Ms Williams:** Yes, and the Government's response was delayed, as is normal, because the assumption was that it was going to the Audit Committee.

[193] **Mick Bates:** I understand that. However, I emphasise, as I have put on record previously, that the evidence that we took on scrutinising carbon emission levels from residential properties meant that this became an extremely important aspect of the experiences of many players and stakeholders and there was considerable criticism of that process. That is why the Minister was invited this morning. The briefing that we received—and there have been two other sessions on the climate change and planning Bills—contained a long section on HECA, which we have in front of us from the Minister. We took that as the basis for this morning's session.

[194] **Jane Davidson:** My point is that if you are asking questions about the previous performance, as it were, of HECA, it is very difficult for us to answer them as neither the Minister nor the officials responsible at the time, and we have not signed off any Assembly Government response. If you are asking me as the current Minister whether the Assembly Government should set a clear direction to local authorities to encourage further domestic energy efficiency improvements, especially with regard to the private housing sector—among the recommendations of the audit report—I am more than happy to talk in some detail, as I did in my introduction, about how we could pick up on clear recommendations and move forward to ensure that we get the outcomes that we want. I am more than happy to do it on that basis, but I am afraid that we do not have the information that you require if what you want to do is scrutinise, in a sense, the audit office's report. We do not have that information for you today.

[195] **Mick Bates:** We are not doing that, Minister. As you can see from the discussions that we have had from Members' questions this morning, it goes beyond that. I reiterate that your response to us gave an outline of the experience of HECA and your intentions as Minister as a result of it. I feel as though we may scrutinise that evidence, and our questions this morning are based on what you have written to us.

[196] **Jane Davidson:** And I will give my response on the basis of what I have written to you.

[197] **Mick Bates:** We shall then continue, having resolved those issues, which were all in accordance with protocol. Alun Ffred is first and then Alun Davies.

[198] **Alun Ffred Jones:** My question refers back to that issue, and the plan was obviously a failure and the figures are seemingly not robust. If we were to move on to question 4, perhaps the Minister would be happier to answer those questions.

[199] **Mick Bates:** Okay. Leanne is to ask question 4.

10.30 a.m.

[200] **Leanne Wood:** What steps is the Welsh Assembly Government taking to set appropriate targets for local authorities from here on in?

[201] **Ms Williams:** The policy agreements that were agreed after the introduction of HECA have been running for 10 years. Those 10 years are now up, essentially. Going back to what we just said about it not being outcome based, it is true that some authorities have gone beyond what was agreed as typically 12 per cent, having hit about 15 or 16 per cent, while others are nowhere near that 12 per cent. The idea is that the ongoing work on the national energy efficiency and savings plan will set the direction for the future of hard outcomes.

[202] **Jane Davidson:** I draw your attention to the last paragraph of my report to you. We are keen to examine the outturn data and targets for home energy efficiency as part of the national energy efficiency and savings plan. We will also take account of the Wales Audit Office recommendations, as outlined earlier in the report.

[203] **Ms Bennett:** There were some specific activities going on as part of the local service board and ‘Making the Connections’—[*Inaudible.*]

[204] **Mick Bates:** Sorry, could you speak up?

[205] **Lorraine Barrett:** The microphone light was not on.

[206] **Mick Bates:** We have had lots of problems this morning with the sound in the public gallery.

[207] **Ms Bennett:** As you know, the policy agreements were part of the previous arrangement for working with local authorities. ‘Making the Connections’ and ‘Delivering the Connections’ were published subsequently to take a new and more collaborative partnership approach between the Assembly Government and local authorities, with local service boards and local service agreements being the means of taking that forward.

[208] At the moment, we are at the pilot stage of local service boards, with different local service boards piloting collaborative, cross-cutting actions in different areas. Several authorities have identified climate change or energy efficiency-type activities for pilot projects, with Gwynedd being one, and Caerphilly also being very active. Carmarthen has a bit of a broader sustainable development pilot scheme, but it covers much of the same ground. Pilots such as those will provide us with lots of evidence and ideas for a more effective way of setting targets and shared outcomes moving forward. In February, we have what I suppose is an experience-sharing session for all the local authorities working in that area, to come together to share their experiences of what has worked, what has not worked, and what help and support they need from the Assembly Government and other partners such as the Carbon Trust to help them to take their actions further. Taking the Gwynedd pilot as an example, its headline outcome is an ambitious one to reduce the local authority area’s carbon footprint. It is building that up in a staged process, with the initial focus on improving the carbon performance of the local authority estate. So, it is very similar to the sort of energy efficiency work that HECA would have promoted. That is one way in which we are looking at working with local authorities. The model under the 1995 Act is how we used to work with local authorities; local service boards and policy agreements represent the new model. That work is in hand.

[209] A number of other local authorities have proactively decided to put the reduction of emissions at the centre of their work. You will be aware that Cardiff has set a very ambitious target for its emission reductions. Several authorities have worked with Salix, a sub-company under the Carbon Trust working specifically with the public sector. It provides interest-free loans as a sort of invest-to-save scheme to help local authorities or other public sector bodies to invest in energy efficiency improvements. We had two local authorities in the initial Salix pilots, to which Assembly Government contributed funding, and we have seen a couple more

go in since—Blaenau Gwent has just recently signed up for improvements. So, those are the sorts of initiatives that we are promoting as well to help local authorities to improve their energy efficiency.

[210] **Alun Davies:** Minister, can you assure us that you will put very clear structures in place that will enable us to understand the targets that are being set for local government and the means by which those targets will be met? I felt that one of the themes of the debate that we had this week on the budget was the performance indicators, and the way in which the Assembly Government manages the differential performance of local government in different ways. Whatever exchanges we heard earlier—and I will not go back over that ground—it is clear to me that the Assembly Government has not managed this legislation in an effective way, or provided an effective understanding of how that legislation is being implemented. Although I have heard a description of what is happening in local government, it is very different from a structure for reporting from local government and the Assembly Government setting very clear targets for local government's performance. Those are two very different things. I wonder whether you could reassure me on that.

[211] **Jane Davidson:** Yes, I can. I agree with you absolutely. In my role as Minister, I want to make sure that we have a very strong evidence base for what we do, that that becomes baseline data, and that those data then have clear year-on-year targets. That is why we have given our commitment in 'One Wales' to the delivery of 3 per cent reduction targets, which will then lead to different targets across sectors from 2011. Following its scrutiny by the new climate change commission, it is our intention that we go out to consultation in due course on the different role of different sectors in taking it forward. That is why we want to have clear outturn data and targets. It is easy for the committee to say that the Assembly Government has been at fault, but the evidence that you have received from different people—and the same evidence, in a sense, has gone to the UK Government—has revealed that the Act itself is flawed. It is a flawed piece of legislation that is not driving outcomes—it was only about a reporting mechanism, and the outcomes were not given the importance that they deserve.

[212] Two years ago, there was not a Minister for climate change in the UK, as far as I am aware, but now there is a proliferation of them—and rightly so, because it is now an incredibly important agenda. However, we need to take it forward in specific ways. In fact, in Wales, on 25 October 2006, Carwyn Jones issued a ministerial interim planning policy statement on climate change, which included a requirement that local development plans include significant developments to reduce predicted carbon dioxide emissions, using a combination of improvements to building standards, onsite renewables, and the efficient supply of heat, cooling and power, and that the percentage reduction be at least 10 per cent below that presently predicted using current building regulation standards. MIPPSs, as they are known, become effective from the moment of their introduction, so that has been the policy position in Wales since October 2006. That was the principle of the consultation that went out in December 2006, and responses came back in 2007. I am looking, for example, at whether we might take that further on the back of those responses. It is not just about the provisions in the Home Energy Conservation Act. If it were, it would take us a while because we would have to wait for new legislative opportunities. We are determined to take other opportunities to bring down levels of residential emissions, and that will also form part of the targets. It is important that HECA has a role, but there are many other ways in which the Assembly Government, through planning and other mechanisms, can influence a reduction in residential emission levels.

[213] **Mick Bates:** Absolutely. I think that we accept that. Alun, you may come back in briefly, and then I will move on to Lorraine.

[214] **Alun Davies:** May I just follow up that final statement? For my information, do you have the powers presently to amend or to introduce legislation that will remove the flaws that

you have identified in the current legislative framework, which would enable you to move forward with a different programme that you feel satisfies your policy objectives?

[215] **Jane Davidson:** As we have outlined in the paper, in paragraphs 56 to 58, the UK Government's preferred option is to repeal current legislation, and, similarly in Wales, to replace the process-based performance indicators with outcomes that focus on reducing carbon emissions. The UK Government has just finished its consultation on that. It is very likely that the outcome of that consultation will be to repeal the Home Energy Conservation Act 1995, and it then intends to use an Order under the Legislative and Regulatory Reform Act 2006 as a legislative vehicle, which itself will be subject to consultation. I will want to consider repealing the Home Energy Conservation Act 1995 in respect of Wales. If the UK Government proceeds using that Order, it may be that the best and quickest way of doing that would be for that Order to also cover Wales. Therefore, we are on the case with regard to this.

10.40 a.m.

[216] **Alun Davies:** So, you will be seeking new powers if necessary?

[217] **Jane Davidson:** The point is that we want to deliver an outcome-based set of performance indicators focused on the reduction of carbon dioxide emissions. That is our immediate aim in this context. We are ensuring that we have the legislative backing to do that.

[218] **Lorraine Barrett:** I want to request that, in future, the indicators used by the Government will make local authority performance comparable. What steps is the Government taking to improve the monitoring of domestic energy use and to incorporate that information into home energy efficiency data? Are there any plans to communicate the need for behavioural change in order to reduce residential emissions?

[219] **Ms Williams:** The plan is to look at this in terms of the national energy efficiency and savings plan work. We had a meeting last week with the Welsh HECA Forum. It generally supports the repeal of the Act, but one of its big concerns is that the emphasis that different local authorities have placed on energy efficiency varies a great deal. The Act has raised the profile of domestic energy efficiency within local authorities, and the forum does not want to lose the momentum that, to a certain extent, the Act has been successful in creating. However, the Welsh HECA Forum will be advising and supporting us in taking the work on performance indicators forward. This is the evidence-based issue again; in order for the performance indicators to deliver, they must be very challenging but realistic.

[220] **Jane Davidson:** On the second part of your question about behavioural change, I note in the evidence given to the committee so far that the majority of people are raising this issue. We see it as critical, and it was partly behind the appointment of our young champions. Because we want to achieve behavioural change across the whole population, we need behavioural change in schools, where the young champions can play a role. We also need behavioural change in communities, which is why we are running community events on climate change, to gather all of these community organisations together and encourage them to use the Cynnal Cymru website, so that there is a single point of reference that we can encourage people to use to look for good practice.

[221] We are working with National Energy Action on the way in which it encourages local authorities to do their work. Some local authorities have gone well beyond the HECA requirements. There are some very impressive campaigns in different parts of Wales supported by National Energy Action and others. The new sustainable energy network, which will be formally launched in April this year, is what the Energy Saving Trust is morphing into; it will morph again towards being a green homes network. In that way, there will be

points of reference so that the public can contact organisations with confidence. There is a major role for the Assembly Government, on this specific agenda and residential emissions, but, more widely, on the climate change agenda, both to disseminate good practice and to ensure a far greater understanding of the issues. Therefore, the committee's making recommendations on behavioural change would be important to us in the way that we take forward our work.

[222] **Mick Bates:** I am sure that we will take that into account.

[223] **Darren Millar:** One of the pieces of evidence we received, which was repeated on several occasions, is the fact that local authorities do not always feel that they have sufficient resources to take the Home Energy Conservation Act 1995 seriously. That was borne out by the fact that there are several local authorities that do not have dedicated HECA officers. In most of the poorly performing local authority areas, staff would have that role as part—perhaps up to a third—of their responsibilities. What are you going to do to ensure that local authorities have sufficient resources to meet what I hope will be quite ambitious targets for carbon reduction in the residential sector in future?

[224] **Jane Davidson:** It is important to say that we want to go far beyond what currently exists in the HECA arrangements, because we are going to need to work with local authorities to set targets on greenhouse gas emissions as a sector. What happens in the residential sector will be part of that, as will what happens in the transport sector, what happens with regard to local authorities' economic functions, and what happens in the education and social services sectors. Therefore, we will work with local authorities to ensure that senior management is managing the outcomes with regard to the sectoral contributions that we will expect local government to make across the piece. That is why we need this to be outturn and outcome-focused for the future.

[225] **Darren Millar:** Will you ensure that the Assembly Government does not just pass the buck to local authorities to deliver on targets without giving them the bucks they need to deliver?

[226] **Jane Davidson:** I was in Ceredigion recently, where the local authority has won an award for using renewable energy from biomass in a combined heat and power delivery mechanism that has also saved the authority a great deal of money. That is the critical point; there are many elements of this agenda that, when properly applied, save organisations money. That has been a thesis of the Carbon Trust, as I am sure it made clear to you in its evidence. Major savings can be achieved that can then be reinvested. We would encourage local authorities to allocate the resourcing of key individuals that make use of such savings in order to take forward this agenda, in the same way as we do with people who benefit from planning 106 agreements.

[227] **Darren Millar:** Yes, but when we are talking about home energy efficiency, we are not talking about local government achieving savings to invest in addressing problems; we are talking about an investment that will not necessarily make a return for the local authority, because it will be the domestic customer who will make financial savings from these energy efficiency measures. Therefore, what resources are you going to invest to ensure that local authorities can deliver?

[228] **Jane Davidson:** The resources for local authorities were agreed in the context of the Assembly budget this week. Local authorities have sufficient resources to ensure that they can deliver on their obligations. Furthermore, my point still stands, because, if a local authority is able to make large savings with regard to its own estate, it has more money to invest in other areas. There will be a requirement on local authorities with regard to the delivery of the reduction in residential emissions alongside their own practices.

[229] **Mick Bates:** It is interesting that you said that there will be a requirement for a reduction; have you set the level of the requirement for reduction in the carbon emissions from residential properties?

[230] **Jane Davidson:** We are working on data at the moment in order to make propositions to the Climate Change Commission for Wales, which will look at setting targets for individual sectors. We will then go out to consultation on those targets, so that those will be in place for making the reductions of 3 per cent from 2011.

[231] **Alun Ffred Jones:** Does the residential sector include the private and public sectors?

[232] **Jane Davidson:** From my perspective, it must do so.

[233] **Ms Bennett:** We must consider the extent to which local authorities can be expected to deliver for the private sector—

[234] **Alun Ffred Jones:** That is my point exactly.

10.50 a.m.

[235] **Ms Bennett:** With such an agenda, the key is that everyone has a part to play and that all can make a contribution to some degree. Local authorities can deal with the domestic properties for which they have responsibility, and they can encourage private sector landlords and others within their areas to take action. However, we would have to recognise that there will be other players and other mechanisms involved in encouraging energy performance improvement in those buildings that are not in local authorities' direct control, because it is not reasonable to say, 'You fix that private sector problem'. There are things that a local authority can do to encourage action in that area, and that is just one example, as there are so many people involved, all of whom need to be making a contribution to emission reduction. That is why the climate change commission discussions are so important, because they provide a forum for all those partners to agree what needs to be done, who needs to do it, and how they can go forward to do it together.

[236] **Jane Davidson:** The planning mechanisms will operate across the public and private sectors, and the home energy efficiency scheme money operates primarily in the private sector. That is important in ensuring that those who are the most fuel poor are taken account of fully in this. I think that your own research paper pointed out that there is a real issue with equity with regard to the contribution to carbon emissions made by those in our poorer communities and the contribution to carbon emissions made by those in our richer communities.

[237] **Darren Millar:** Given your department's previous performance in ensuring that local authorities took their responsibilities under HECA seriously, and I appreciate that that was before your tenure as Minister—

[238] **Jane Davidson:** It was not that of my department either.

[239] **Darren Millar:** Of course. What tools will you use to enforce the rigorous targets that you will set for local authorities in the future?

[240] **Jane Davidson:** When we publish the national energy efficiency and savings plan, we will be laying all this out in detail.

[241] **Darren Millar:** Can you share with us any of the tools or options that you are

considering introducing as part of that?

[242] **Jane Davidson:** I have already said that we are looking at outturn data at the moment, and we are looking at how to set the targets for energy efficiency as part of the work on the 'One Wales' commitment. Requirements will depend on the legislative backing, so we will have to make sure that we have that legislative backing in terms of moving forward in relation to requirements.

[243] **Darren Millar:** Will there be penalties for local authorities that do not reach those targets, so that there will be a decent incentive to make the savings necessary?

[244] **Jane Davidson:** We will be looking at making sure that the national energy efficiency and savings plan ensures that local authorities deliver on this agenda. You will have your chance to consider your response to that consultation in due course.

[245] **Mick Bates:** Are you happy?

[246] **Darren Millar:** Not really.

[247] **Mick Bates:** I see, but I must now turn to Alun.

[248] **Alun Davies:** The relationship with local government is interesting because, all too often, the mistake—which I myself make—is that we try to be so prescriptive and target orientated that we do not incentivise creativity of any sort, including any sense of creative administration within local government. The balance between working with local government, creating the structures within which local government operate, without actually dismissing the relevance of local democracy, is a hard one to strike.

[249] My concern is about the role of private housing. We have heard over the last few months about the different policy tools and mechanisms that we can use in the social housing sector, notwithstanding who the landlord is. There are clear, defined means by which policy objectives can be reached within that sector. However, for private housing, as has been outlined already, none of these tools exist. Can you explain to us the tools and the steer that you have given to local government on how it can incentivise private residents to take energy efficiency measures? Will you initiate a programme of, for argument's sake, council tax rebates? Can you reassure us again that the performance data that you will be seeking will include private housing?

[250] **Jane Davidson:** I can certainly reassure you that the performance data will include private housing. What is important in your initial statement about the balance between prescription, local democracy and innovation has certainly been borne out. You have had representatives of two local authorities before the committee—Merton and Woking—which have demonstrated innovation within current legislation. It is also important to say that we believe that climate change is far too urgent and important to allow any local authority to leave its own functions or its residents behind. If we believe that climate change is that important, we have to make sure that there are targets with a legislative backing that will drive down carbon and other greenhouse gas emissions in Wales.

[251] The Assembly Government has been very active in promoting the aspiration of ensuring that all new buildings are sustainable from 2011. I strongly believe that we need to do that. Although we are fully aware that it will be only a small proportion of housing stock as compared with existing housing, it is a very strong signal of how important we believe these issues are in tackling climate change. The new search arrangements are coming in in April for the energy suppliers, and we know that the London Climate Change Agency has offered loft insulation to the poorest constituents in London, for example, with money-back



guarantees. With the contribution of energy suppliers, that kind of public campaign is what we need to run in Wales.

[252] We need to get all local authorities on board, to accept that they have a major obligation as community leaders, as well as under specific reporting legislation, in driving this agenda forward. As community leaders, they can contribute dramatically towards behaviour change for the residents in their area. One mechanism that I am very keen to use—and I have already started to think about council tax rebates or other mechanisms for the future—is the delivery of information about council tax, which goes to every resident in Wales every year. That is an important vehicle for us to get out some of these messages about encouraging behaviour change and offering opportunities to incentivise.

[253] **Mick Bates:** Alun, do you have any further questions?

[254] **Alun Davies:** I am happy with that answer.

[255] **Mick Bates:** Are there any further questions from the committee? I see that there are not. Minister, I thank you very much for your answers this morning. This is the first of three sessions. We will now break for 10 minutes and, when we return, we will be looking at the UK Planning Bill and its implications for Wales.

*Gohiriwyd y cyfarfod rhwng 10.58 a.m. ac 11.16 a.m.  
The meeting adjourned between 10.58 a.m. and 11.16 a.m.*

### **Mesur Cynllunio'r DU: Goblygiadau i Gymru UK Planning Bill: Implications for Wales**

[256] **Mick Bates:** Thank you all for returning after the interesting first half of the meeting. We will now look at the implications for Wales of the UK Planning Bill, which is item 4, and the UK Climate Change Bill, which is item 5. The Planning Bill had its First Reading on 27 November 2007, and it is now at Committee Stage. There are many interesting points for us to discuss, and the Minister wrote to us in early January outlining her views of the Planning Bill. It is again my great pleasure to welcome our Minister, Jane Davidson, along with Teresa Davies, Ron Loveland and John Flack. I invite the Minister to make her opening remarks.

[257] **Jane Davidson:** I welcome the opportunity to discuss this important Bill. In addition to setting out the new processes for dealing with large infrastructure projects, which I shall come to in a moment, the Bill offers a welcome opportunity to secure further options and powers for changes to our devolved planning system in Wales. The Bill also includes some technical amendments to the town and country planning system. It is also intended that the Bill will provide legislative competence—that is, Measure-making powers—for the National Assembly for Wales in two matters that are distinct to Wales: the Wales spatial plan and local development plans. Current powers do not allow the Welsh Assembly Government to change the overall structure of local development plans, their overarching preparation requirements, or the monitoring and intervention powers allied to them, and they do not allow it to define or otherwise alter the status of the Wales spatial plan. Measure-making powers will enable the Assembly Government to take forward its policy on these matters at the appropriate time, in consultation with stakeholders in Wales.

[258] The Planning Bill also makes provision for a new community infrastructure levy aimed at ensuring that the costs incurred in providing infrastructure to support the development of an area can be met, in part or whole, by landowners who have benefited from an increase in land value. We are discussing with the UK Government how that should work in practice. A key focus of the Bill is the UK Government's desire to streamline the consent

regime for nationally significant infrastructure projects, NSIPs, which is currently contained in various pieces of legislation. Instead of UK Government Ministers determining such applications, they would be submitted to, and determined by, the proposed independent infrastructure planning commission, IPC, from April 2009, subject to the Bill securing Royal Assent in summer 2008.

11.20 a.m.

[259] The new system covers certain types of energy, transport, water, waste water and waste project, and will include power stations, overhead electric lines, pipelines and the underground storage of gas. The IPC will be obliged to decide applications in accordance with national policy statements produced by the UK Government. The regime primarily affects England. In Wales, many of the consent regimes are already devolved and it is intended, through the Bill, to give the IPC only consents that are not devolved and are currently decided by the Secretary of State. The UK Government has confirmed that the Planning Bill is not intended to alter the devolution settlement in Wales, and my officials are working closely with their counterparts in Whitehall on the detail of this. Where national policy statements affect Wales, we have been assured that there will be appropriate consultation with the Welsh Assembly Government. It is important to say, though, that the Assembly Government still considers it anomalous that the decision-making power for major electricity generating station projects located in Wales remains a function reserved by the UK Government, eventually passing to the IPC. We continue to press that point with the UK Government.

[260] **Mick Bates:** Thank you, Minister. It was remiss of me not to say earlier that Teresa Davies is from the Planning Division, that Ron Loveland is head of the Sustainable Energy and Industry Wales Division, and that John Flack is from the Legal Services Department. Our legal advisor, Joane Jackson, is also here. Andrew George is also here, at the back, from the Climate Change and Water Division. Welcome to you all. Members are now aware of the officials' roles in this discussion.

[261] I will begin. How do you think this Bill, as drafted, will streamline and improve planning decisions in Wales?

[262] **Jane Davidson:** Wales already has a devolved planning system that is development-plan led. The spatial plan is at the top of the planning hierarchy, and the relationship between the spatial plan and the local development plans needs to be clearly defined. The Bill will enable us to make the appropriate tweaks—because they are really tidying-up elements—to the system to safeguard the relationship between the spatial plan and the local development plans. Is there anything to add on that, Teresa?

[263] **Ms Davies:** I agree with what you say. The Planning Bill will also give us Measure-making powers in relation to local developments and the spatial plan, and we will be able to streamline the planning system in those respects as we wish to do in Wales, in our own time, following consultation.

[264] **Alun Ffred Jones:** To pursue that point a little further, this is mainly to do with process, if I understand it correctly. Does it affect any of the Government's powers to change 'Planning Policy Wales', for example, or do we already have all those powers?

[265] **Jane Davidson:** 'Planning Policy Wales' is fully devolved to the Assembly Government.

[266] **Alun Ffred Jones:** So, in any field to do with planning, the Government has the full powers to make any changes that it wishes to make.

[267] **Jane Davidson:** In the context of town and country planning legislation, yes.

[268] Perhaps it would be helpful if I said that when you look back and explore pieces of legislation—and this came through from the 2004 legislation—you start to see these elements. For example, we would want to see the possible revision of part of a local development plan, not the whole plan, because, in our unitary system, waste planning and all other aspects are covered by the local development plan. In the current system, as I understand it, if a court ruled against the plan, the local authority would have to go right back to the beginning. That is just nonsensical if 90 per cent of the plan complies with Government requirements. It relates to that kind of detail. It is ensuring that the withdrawal, adoption, revocation, review or revision of LDPs is all made as flexible as possible so that the Welsh Assembly Government can make the appropriate arrangements to deliver the best outcomes for a devolved system.

[269] **Alun Ffred Jones:** Could you answer the question? It has been kicked around. Does it in any way alter the powers that you as Minister have over the planning process at present?

[270] **Jane Davidson:** It adds to them in that the new framework, or Measure, powers will enable all aspects of planning policy to be determined flexibly and fully in Wales, whereas, at present, policy is determined here but it has some rigid elements, as I described at the outset, and we would need legislative changes to enable us to amend them. So, it is all completely beneficial for Wales in this context.

[271] **Mick Bates:** We will move on from that point. There has already been some discussion about the infrastructure planning commission. We are aware that there are three Bills that fit together: the Energy Bill, Planning Bill and Climate Change Bill are interlinked. It appears to many people that the infrastructure planning commission takes the realm of planning out of the normal democratic process. Could the Minister tell us a little more about this proposal? Who will its members be and how would people appeal against any decisions that it made?

[272] **Jane Davidson:** I will say a little bit and then I will ask Teresa to come in. The infrastructure planning commission is a major departure, from the UK Government perspective, from the way in which decisions have been taken in the past and are taken now, because decisions are in the hands of the Secretary of State. The Government here has always supported the idea that decisions are in democratic control. This is a major change and it is not necessarily the way in which we would have moved forward in Wales. As a Government that got rid of quangos, we have always moved in the opposite direction, in the context of being a Government in a small country. In terms of the effect on Wales, it is critical that the role of the IPC is restricted to non-devolved policy areas. Not only has the Secretary of State given us an assurance in that context, but our officials are involved on a daily basis in ensuring that the devolution settlement is properly protected. So, the issues of relevance to us are going to be around the installation of above-ground electric lines, the underground storage of gas, pipeline construction and determining applications for onshore energy projects generating over 50 MW and offshore energy projects exceeding 100 MW, because those areas are not devolved. The IPC's proposition—and details are still being worked out; I am meeting the Bill Minister, John Healy, next week to have further discussions about this—from the Bill perspective is that there will be a panel of experts who will be able to determine the appropriateness of applications on areas covered by the legislation in the context of the IPC, subject to national policy statements, which will be agreed through the parliamentary process. So, the elected Member contribution will be in the contribution to national policy statements and then the IPC would be the vehicle for the delivery of decisions on specific applications related to those already agreed national policy statements.

[273] **Mick Bates:** I also asked about the appeal process in relation to the infrastructure

planning commission.

[274] **Ms Davies:** As the Minister stated, we anticipate very few projects in Wales going to the IPC for decision. Those projects are currently decided by a UK department, and the current appeal procedure, as I understand it—Ron may correct me—for those decisions is a judicial review, and the appeal procedures for the IPC will also be judicial reviews, so they will be the same procedures for appealing against those decisions.

11.30 a.m.

[275] **Brynle Williams:** You mentioned underground storage of gas, Minister. Is that gas only, and no other commodities?

[276] **Dr Loveland:** That could be natural gas or carbon dioxide, I suspect.

[277] **Brynle Williams:** I was just wondering whether underground storage for nuclear waste or anything like that was going to be considered.

[278] **Darren Millar:** Thank you for your answers, Minister. You have already mentioned that you would not necessarily move forward in relation to the IPC if this was a decision made in Wales about the planning process. Given that, do you agree with the IPC, and if you do not, what representations have you made to the UK Government about the IPC not having a function in Wales, if any?

[279] **Jane Davidson:** We have made representations to the UK Government suggesting that it might be more appropriate to use the planning inspectorate mechanisms rather than the infrastructure planning commission, but this is clearly a decision for the UK Government.

[280] In the context of the relationship with Wales, we were keen to ensure that there would be no change to the devolution settlement, and we have secured that. We are content that there is no change to the devolution settlement.

[281] **Darren Millar:** You say that you are content with the devolution settlement, but you mentioned in your opening remarks that it was anomalous for decisions in respect of the energy projects that will be determined by the IPC to be passed to this undemocratic body rather than to the Assembly. Why is it that UK Government Ministers trust undemocratically elected people more than they trust you?

[282] **Jane Davidson:** The issue from our perspective is that the Assembly Government has long called for devolving responsibility for major energy infrastructure. We are at a time in our lives, certainly in my life, when concern about energy security and supply for the future has never been greater. It is on that basis that the UK Government wants to retain control of the large energy infrastructure projects, but we continue to argue that, as the elected Government in Wales, we feel it important that we should be able to plan our energy contribution, both small and large, in this context. Therefore, we will continue to press the case, as it has been pressed many times recently.

[283] You asked me about our view, and I hope that you support the view of the Conservatives in Wales, but your shadow Secretary of State has told me that that view is not supported by your party nationally.

[284] **Mick Bates:** I do not think that you need answer for your party at this stage, Darren. Are there any more questions on this issue?

[285] **Alun Davies:** I very much welcome what you have said this morning, Minister.

When we read this legislation, many of us saw it more as an abolition-of-democracy Bill rather than a planning Bill. Many of us share your discomfort about the basis for this legislation and how it will apply to Wales in the context of IPC decision making. Many of us will agree with the position that you and your Government have taken with regard to the representations that you are making to our colleagues in Whitehall and Westminster in terms of taking this forward through the parliamentary process. May I ask you a specific question about how you foresee the IPC working? It will take decisions according to what is called 'national policy statements', and I assume that they are UK policy statements. To what extent would a policy direction or a public policy objective that is not shared by the UK Government, despite it being adopted by the Assembly Government, determine a decision by the IPC in relation to an application in Wales?

[286] **Jane Davidson:** It will be a material consideration, which is very important. In the context of this, we are likely to make sure that we have our own national policy statements in the Welsh context in areas where the IPC will make decisions, so that that material consideration can be formally put in front of the IPC. We already have an agreement on proper consultation with the Assembly Government, as already happens in terms of any proposition. We are always invited to give the Assembly Government's view and we do so, and it is taken into account in terms of the way that decisions are made, at the moment, by the Secretary of State. We are unlikely to see much material difference, other than the fact that the overarching policy will be delivered through these national policy statements, which will be available for the public to see, anywhere in the English context. If we have similar policy statements for Wales in areas that are not devolved to us, people can see the extent to which those will be taken into account.

[287] **Alun Davies:** Thank you for that, and I understand the points that you make. I find it almost an affront that the policies of the democratically accountable Assembly Government and Assembly Ministers can be rode roughshod over by a bunch of people who have no democratic accountability at all in these areas. This is a piece of legislation that is wholly inappropriate in the post-devolution context.

[288] **Jane Davidson:** That is why, in my introduction, I made it clear that we continue to press the point in terms of the devolution of large energy projects to Wales. It would actually make it a lot easier for our colleagues in Westminster if they were devolved as that would mean that they would not have to be ensuring the protection of the devolution settlement in many sub-clauses in the Bill. In the absence of that devolution, my job as Minister is to support the Assembly's commitment that we want no roll-back on devolution. Therefore, my job is to ensure that we do not have a rolling back of devolution in this context. I have to say that I am currently having positive discussions with our colleagues in Westminster on that front.

[289] **Alun Davies:** You have the wholehearted support of this committee in those discussions.

[290] **Darren Millar:** You mentioned that there is consultation with the Welsh Assembly Government on these matters and that there will be in respect of national policy statements. Of course, there is no statutory requirement or obligation on the Secretary of State to consult on these statements. Why do you think that that is, and what representations have you made to ensure that there is a statutory obligation for the Secretary of State to consult when drawing up these national policy statements, if and when the Bill receives Royal Assent?

[291] **Jane Davidson:** We have made a proposition about the Assembly Government being a statutory consultee. There are still ongoing discussions in terms of the delivery of the infrastructure planning commission arrangements, and I am meeting John Healy next week to discuss those further. The Bill, as currently seen in the public domain, is very different to the

final Bill that will come forward. It is a Bill to which the Government is going to lay amendments in terms of, for example, the Welsh town and country planning system, so we are in very close negotiation with our colleagues in Westminster. Teresa, do you want to add anything else?

[292] **Ms Davies:** We are also working to try to secure a framework for consultation with the Department for Communities and Local Government that it will adhere to when national policy statements are consulted upon.

[293] **Leanne Wood:** Minister, I would like to go back to the issue of responsibility for power generation over 50 MW. I understand that a tripartite working group was set up in 2003, following an official request made by the Government at that time for the devolution of powers over large energy generation projects. You have mentioned that you continue to put the arguments forward and press the point. Could you tell us what happened as a result of those tripartite discussions in 2003?

11.40 a.m.

[294] **Jane Davidson:** I was not party to those discussions in 2003. I know that our representations have been listened to very seriously. As I said earlier, the crucial issue for the UK Government, particularly in the context of taking through the Planning Bill, the Energy Bill and others, is to have an entirely coherent approach to energy supply and distribution. I believe that Wales can lead the way on renewable energy. When we publish our renewable energy route-map on 19 February, we will be demonstrating that we can become pretty well self-sufficient on renewable energy in a relatively short time. We continue to argue, therefore, that that would be far simpler in Wales, particularly in the context of renewable energy, enabling us to have a coherent policy agenda to take forward the consents with regard to renewable energy. So, that is what we are pursuing at the moment.

[295] **Leanne Wood:** I appreciate that you were not in post in 2003 when this tripartite working group set up, but will you write to the committee on this? The information that we have is that the group was made up of officials from the Wales Office, the former Department of Trade and Industry and the Welsh Assembly Government in consultation with industry stakeholders. Options for ministerial consideration were meant to arise from that, and it would be useful to know what happened to those recommendations.

[296] **Jane Davidson:** I am very happy to do that.

[297] **Mick Bates:** Thank you, Minister. On the devolution of these powers, as I said before, these three Bills are important to each other, and the IPC issue is a major concern, as Alun Davies outlined earlier. I am particularly concerned about the information process that will be necessary for you to be aware of the Westminster Government's intentions. As an example, compare our views here on nuclear power with what appears to be the Westminster Government's drive to increase the number of nuclear power stations on whatever timescale. For example, do you have any indication of when you would be informed of the Westminster Government's intention to introduce a policy to build a nuclear power station in Wales, and at what stage you would be involved in the discussions to put forward the view of the Assembly?

[298] **Jane Davidson:** The Assembly Government has made clear its view that, in the context of the level of renewable energy available in Wales, there is no ambition—in fact, no need—for new nuclear power in Wales. I shall ask Ron whether he has any further information with regard to the specifics of any proposition from the UK Government.

[299] **Dr Loveland:** In this regard, there are two separate processes. First, there would be a

national policy statement on nuclear power, on which we would be consulted. We would express very strong views on that, as has been discussed previously. Secondly, there is the question of the separate siting policy. We are involved in those discussions, but they are at a very early stage. They are looking simply at general issues with regard to what should be considered when deciding where to locate a nuclear power station, rather than coming up with a list of potential sites.

[300] **Mick Bates:** If I understand you correctly, discussions are currently taking place. You mentioned a siting policy. Are these discussions in the public domain?

[301] **Dr Loveland:** Yes. These discussions have been going on for a number of years. The policy report was, I believe, published along with the energy White Paper last July, and I think that it has been discussed in Plenary, or at least mentioned during questions.

[302] **Mick Bates:** Yes, I am aware of the historic discussions, but, from your remarks, I picked up the idea that there were current discussions.

[303] **Dr Loveland:** They are a continuation of those discussions.

[304] **Mick Bates:** When was the last meeting of the group? What is the group that discusses the siting policy?

[305] **Dr Loveland:** It is a Department for Business, Enterprise and Regulatory Reform-led group of officials with other interested parties. I think that the last meeting was held in spring last year, because I believe that the discussions were suspended following the Greenpeace challenge.

[306] **Mick Bates:** You are referring to Greenpeace's challenge to the Energy Bill and the consultation on nuclear power, are you?

[307] **Dr Loveland:** Yes.

[308] **Mick Bates:** I am still unclear as to who is on this siting policy group.

[309] **Dr Loveland:** I have attended for the Welsh Assembly Government in the past.

[310] **Mick Bates:** You have attended.

[311] **Dr Loveland:** Yes.

[312] **Mick Bates:** Would the role of the IPC take your work into account? If it wanted to site x number of power stations, it would accept that you had already agreed the siting policy?

[313] **Dr Loveland:** That would presumably be taken into account through the national policy statement.

[314] **Mick Bates:** Thank you. I think that we will move to the national policy statement. It is an interesting area.

[315] **Jane Davidson:** It is important to say that the IPC will do what the Secretary of State does now, which is look at individual applications. That is a separate issue from the Government policy agenda. In the context of the Planning Bill, the IPC's functions reflect the current functions, but they are passed from the Secretary of State to the new council.

[316] **Mick Bates:** However, if the Government wants to achieve its aims, I put it to you

that the group of experts that it calls to sit on its independent planning commission will almost certainly support the Government's desired outcomes. If we take the issue of increasing the number of nuclear power stations for example, because it is unlikely that the Energy Bill will allow an energy gap to occur, the experts would need advice from this siting committee to inform the IPC's decisions.

[317] **Jane Davidson:** Whoever sat on the IPC as experts in their fields—and independent of Government—would make reference to the national policy statement agreed through the democratic process. So, the national policy statements will drive what the IPC does, and therefore the influence on the national policy statements will determine their outcome.

[318] **Mick Bates:** Alun, I think that you have some questions on the national policy statements.

[319] **Alun Davies:** I was satisfied by the Minister's answers to my previous questions on this matter. I am not happy with the legislation, but I recognise that that is not the Minister's responsibility.

[320] **Mick Bates:** She might wish to change it at some stage.

[321] **Alun Ffred Jones:** You have touched on this before, but why were the framework powers announced by the Secretary of State not included in the Bill when it was published? At which stage will they be introduced, and why are they necessary?

[322] **Jane Davidson:** They are not in the Bill as published because they are still being worked on. We have an agreement with the UK Government that the clauses that we want will be included in the Bill. As I said, they are not contentious, and are seen as supporting the Welsh agenda. So, they will come through by Government amendment, but it will be up to the UK Government to determine the point at which they come into the Bill, because there will be other amendments that need to come through as well, on the basis of committee consideration. Do you have any idea at which point they will come in, Teresa?

[323] **Ms Davies:** We are hoping that they will come through before the end of Committee Stage, but it is down to Parliamentary Counsel's priority when those clauses will be brought forward.

[324] **Alun Ffred Jones:** Are the framework powers necessary?

[325] **Jane Davidson:** As I described earlier, they are necessary to ensure that we can get the right relationship between the spatial plan and the local development plans, and to ensure that we can take the actions necessary to create the best possible planning system, and a planned system.

[326] **Alun Ffred Jones:** Just to confirm for my own benefit, this does not confer any extra powers on the Assembly. For example, if the Government wanted to introduce a different class of use for second homes or holiday homes, the situation would be exactly as it was last year.

[327] **Jane Davidson:** We have that power already.

[328] **Alun Ffred Jones:** Do we?

[329] **Jane Davidson:** Yes.

[330] **Mick Bates:** The powers are here.



[331] **Darren Millar:** It is disappointing that we cannot see the framework power clauses, given that we were told that they would be made available to us when the Bill was announced. As a result, we are not able to scrutinise them today before making our recommendations as a committee, which go into the pot for debate. I think that we need to make that point clear in our submission.

[332] **Mick Bates:** I think that you have made the point adequately, and we all agree with that—unless people wish to voice a view contrary to that.

11.50 a.m.

[333] **Lorraine Barrett:** Minister, I am trying to get my head around the community infrastructure levy and how it will work, particularly in conjunction with the section 106 system, which we have all had to get to grips with over the years and finally understand. I have read the note about it, and I cannot understand why the developers pay—and I understand that they do at the moment—for most of the infrastructure when a big development happens and there is an impact on the area. According to this, it is the landowners who would benefit from an increase in the land value. It all seems very complicated. We could talk about this as a separate item. What is the purpose, as you understand it, of this new levy? How will it operate in Wales? Will it be used alongside section 106 agreements or will it replace them? How far outside a particular development could someone's land be defined as having increased in value? It seems a bit complicated to me, but perhaps you can throw some light on it.

[334] **Jane Davidson:** I will make some remarks in response and then hand over to Teresa. Discussions are ongoing on this issue, because it was a late entrant into the Planning Bill process. There was a previous consultation on the planning gain supplement. The aim is to ensure that the costs incurred in providing infrastructure to support the development of an area can be met in part or whole by landowners who have benefited from an increase in land value. The concern has been that those who get the greatest benefit from it do not contribute in any way to the costs. The ability of local planning authorities to charge the levy would be linked to the content of the development plan. So, it would come through under the development plan structure. Perhaps Teresa can tell you where we are now, since she has been looking over the Bill from the policy perspective.

[335] **Ms Davies:** I am not sure whether I can add an awful lot, because as it was a late entrant, a lot of the detail of this will be included in regulation. John, would you like to comment?

[336] **Jane Davidson:** We will hand over to John.

[337] **Mr Flack:** It will not replace section 106 agreements. It is not intended to provide all the benefits that the current section 106 regime provides. For example, it is not proposed at the moment that the community infrastructure levy will provide for affordable housing; that will stay within the section 106 regime. So, the two will complement each other but they will not overlap. The reason for the levy is primarily in relation to infrastructure for which section 106 has not worked effectively. It depends on negotiation between local planning authorities and individual developers. Sometimes those are successful; sometimes they are not. The end result is that some developers pay their fair share of the cost of the infrastructure that they created the need for but other developers do not. The aim of setting the levy is that developers are guaranteed to pay their fair share in a consistent way. Clearly, there is a lot of detail to be worked out and you will see that the provisions of the Bill are very much framework-oriented at present. The detail is to be developed through regulations. The Whitehall Department of Communities and Local Government is very much engaged with us in developing that detail.

A lot of it has yet to be determined and it will be difficult and complex.

[338] **Mick Bates:** Does that answer your question?

[339] **Lorraine Barrett:** Yes, but I would like to come back to this, as I find it interesting. It seems to me that, as it is a late entrant, someone has suddenly thought, ‘Oh, let us add a community infrastructure levy, but we are not quite sure how it will work’. I am concerned because, if you take this area for example, you see that the benefit of increased land value could reach landowners in the wider Cardiff area, to Penarth, Barry and so on, and so I am just trying to picture how it would work. Landowners further afield than the immediate area could benefit, so where do you stop? Those questions may come out as it all progresses—I will keep an eye on this.

[340] **Mick Bates:** Do you know anything about the spatial dimension of the application of this levy? Will it spread, as Lorraine suggested, from one area to another?

[341] **Mr Flack:** The intention at the moment is for the levy to be set by individual local planning authorities, I believe. It is also possible that the Assembly Government will be able to charge the levy in that the Assembly Government also has responsibility for certain aspects of infrastructure—highways is perhaps the obvious example. It is certainly the UK Government’s intention that, although the level of community infrastructure levy will respond to local circumstances and to land values in a particular area, it will be consistently applied. How exactly that will be achieved is a very difficult issue, and they are working on that at the moment. However, the intention is to have consistency across local authority areas.

[342] **Jane Davidson:** If it would be helpful, Chair, I will issue another statement on the planning Bill when the next stage of it is resolved, and I will continue to do that until the end of the process. I issued a comprehensive statement just before Christmas in which I laid out the key issues, and we will continue to that, because none of us could say that it was ideal to be in the situation wherein the Bill was published and a number of amendments were coming through the Committee Stage and other stages. That is not an issue of our making, however. We have to ensure that I keep Members informed in terms of how we move forward.

[343] **Brynle Williams:** I may not have understood correctly, but will the incursion of this levy not have an adverse effect on affordable housing in larger developments? It all has to go on the end product of the house, does it not? Or is this being too technical?

[344] **Jane Davidson:** At this point, it is important to keep to the overarching principle, which is that where people gain substantially from infrastructure development—those who live in affordable housing, clearly, are not in that category—and where land values rise commensurately, the levy is that it will pick it up in that context. It is important that we do not get ahead of ourselves until the detail has been properly discussed, and that is what I will make available as soon as we have the information.

[345] **Mick Bates:** We welcome your offer to keep us informed.

[346] **Darren Millar:** I understand that the Bill as drafted requires local planning authorities in England to make provision to mitigate and to adapt to climate change in their local development plans, but that the clause in the Bill to that effect is an England-only clause that does not, therefore, extend to Wales. What are your views on that, and do you think that it should extend to Welsh local authorities?

[347] **Jane Davidson:** The clause is in relation to England because the English planning system is devolved to England, and it is therefore the responsibility of the UK Government. You will remember that, no more than an hour ago, I talked about the fact that we already had

a ministerial interim planning statement from Carwyn Jones, the then Minister, on climate change in Wales. Having consulted on it last year, we will produce the final pack of planning authoritative guidance on climate change in the spring of this year.

[348] **Darren Millar:** But, as things stand, there is no statutory duty on local authorities in Wales to ensure that their local development plans include policies that take action to mitigate and adapt to climate change. You are suggesting that it would not necessarily be a good thing to include it in this Bill for some reason.

[349] **Jane Davidson:** That is not what I said at all. I said that we have had it in there from October 2006, because ministerial interim planning policy statements are authoritative documents. We consulted on the final guidance, but we had made that absolute commitment from the point we introduced the statement. The final guidance will be coming out in the spring this year.

[350] **Ms Davies:** The Measure powers that we will have in relation to development plans will enable us to do these types of things.

[351] **Darren Millar:** So, we can use our powers to address that missing link, as it were, can we?

12.00 p.m.

[352] **Jane Davidson:** Absolutely. It is not a question of a missing link because we have already made that commitment and it is already there in the ministerial interim planning policy statement. The point about acquiring new Measure powers for Wales is that, as a consequence, any aspect that is relevant to the planning system that we might want to deal with could be picked up without going back to Parliament. Therefore, this or any other area could be expanded.

[353] **Alun Davies:** Thank you for your commitment to make further statements on this process. I agree with you that it is very poor practice to introduce substantive amendments at Committee Stage because it reduces the amount of time available for debate, discussion and consultation. I welcome very much your commitment to making further statements on this legislation as it progresses through the parliamentary processes. With regard to the changes to the planning system that have been introduced mainly for England, but which will also apply to Wales, I think that you are going to accept some of the changes that are being made to streamline the planning system. Is that a correct understanding of your position?

[354] **Jane Davidson:** The town and country planning system is devolved to Wales and the Measure-making and framework powers that are in the Bill will enable us to deliver that as flexibly as we might wish, as I have said previously. The IPC involvement in Wales will be in the limited set of areas that are not devolved to us. The transport and works functions are already devolved to us, so we would be looking at some of the large infrastructure projects that do not come under the energy area, but the IPC is limited to those areas that are not devolved to Wales. John, do you want to add anything?

[355] **Mr Flack:** I just wish to say that there is a collection at the end of the Bill of minor town and country planning reforms. They are largely technical amendments, such as administrative tweaks to the appeals system. Where they simply confer powers to make regulations or are extremely minor and technical, we have joined in on an England-and-Wales basis because they are small, but useful. On others, where we have not carried out a policy consultation, we have asked to be given powers to apply them in Wales, if we think it fit to do so, having gone through a consultation. Another thing that the Parliamentary Counsel has not got to yet is the set of clauses for our powers to apply, so they are not currently in the

published Bill. However, the intention of those clauses would be to allow the Assembly Government to implement the reforms that are England-only at the moment, following consultation, if that were thought appropriate, but there would be no obligation to do so.

[356] **Alun Davies:** Thank you very much for that. For clarity, we are consulting on these—

[357] **Jane Davidson:** I think that that gave you clarity. [*Laughter.*]

[358] **Alun Davies:** What was actually said was powers to determine when those regulations or when the—[*Inaudible.*]—amendments, if the consultation that you carried out demonstrated that any amendments to those rules and regulations would be necessary. So, you would not simply have a power to determine when it commenced, you would have a power to make amendments as well.

[359] **Jane Davidson:** No, the point about these powers is that they are powers for us to exercise in due course, at the appropriate time, in support of our policies.

[360] **Mick Bates:** Thank you very much. Are there any further questions on the Planning Bill?

[361] **Darren Millar:** I do not want to go back over this too much, but in your opinion, Minister, given that most of the energy decisions on major infrastructure projects are not going to be made by the Assembly, under the Bill as it is presently drafted, do you think that it is appropriate that decisions regarding a development of, say, 17 wind turbines with capacities of 3.2 MW each, which would fall into the major infrastructure category under the current arrangements, will still be made outside Wales? Let us face it, those sorts of applications are being made more regularly. Would you support an increase in the definition of a major infrastructure energy generation scheme, particularly for wind power, to, for example, 100 MW, so that everything over 100 MW would be determined elsewhere and everything below that level would be determined by the Welsh Assembly Government?

[362] **Jane Davidson:** I would answer only that we have an extant national planning policy statement on renewable energy, which will guide the Planning Inspectorate, or the IPC, which will not be in place until April 2009; it would also guide the advice of the Assembly Government to any Secretary of State.

[363] **Mick Bates:** Thank you, Minister, for this session. I also thank your colleagues, Teresa, Ron and John. We are grateful for your offer to keep us informed about all the stages of this. We look forward to any further discussions and scrutiny of the Bill.

12.05 p.m.

### **Mesur Newid yn yr Hinsawdd y DU: Goblygiadau i Gymru UK Climate Change Bill: Implications for Wales**

[364] **Mick Bates:** We move to our final item today. The Minister remains with us, and I welcome back Claire Bennett. I also welcome Rachel Solomon-Williams, who is a policy manager on the UK Climate Change Bill team in Westminster. I am pretty certain, Rachel, that you are the first such representative from Westminster to come here to help us in our understanding and scrutiny of Westminster legislation and how it has an impact on us here in Wales, so a big welcome to you. Minister, do you wish to make any opening remarks?

[365] **Jane Davidson:** I will hand you over to Rachel first. She will say something about the context of the UK Bill and then I will add some points about the Welsh contribution, not

least because there are, in a sense, daily changes in this context.

[366] **Ms Solomon-Williams:** I believe that you have had a note that sets out briefly the main aspects of the Bill. Therefore, I will talk briefly about the international context and then about what is happening with the Bill at the moment. As you are well aware, the UK has consistently taken a leadership position on climate change, and that is something on which we pride ourselves. There was a meeting in Bali around Christmas, at which a very good agreement was reached on a process for drawing up a road map at international level to take forward what has been agreed under the Kyoto protocol. We are one of the few countries on track to meet our targets under that protocol, and we are very proud of that. We are strongly committed to the road map for taking forward progress.

[367] In addition, yesterday, the EU announced a new package of proposals on climate and energy, which we welcome very much. We welcome the ambition of this package, which delivers on the commitments agreed by the heads of Government at the 2007 spring European Council. In that context, it is important that the UK is ready for the things to come in the future framework, and that we are demonstrating to developed and developing countries that we are really committed to act. We have brought forward a Bill because we believe that it will ensure that we take action and that we are absolutely ready for any new targets that we might be set by the EU or the UN.

[368] At the moment, the Bill is being scrutinised by a House of Lords committee. There was a session yesterday, and there will be further sessions on that. Therefore, it is quite difficult to talk about exactly what is happening in that sense, but I can talk about the Bill as published, which is what we are working on. The main elements of the Bill are: a target for reducing emissions by at least 60 per cent by 2050—and the Prime Minister has already announced that he will ask the new committee on climate change to consider, as one of its first tasks, whether that target should be strengthened up to 80 per cent; an interim target for 2020; and a system of five-year budgets, which will be set as a way of getting towards the 2050 target.

[369] As I mentioned, we are setting up a new committee on climate change, and the main element of its job will be to give advice on the level of the targets. We can also consult it about other aspects of climate change if it seems appropriate. Its first task will be to make recommendations on the budget, for the first three periods, and, at the same time, to decide whether we should be tightening up the target for 2050. As part of that review, it will consider whether the target should include greenhouse gases other than carbon dioxide; at the moment, it is a carbon-only target. We are also putting in place enabling powers, which will mean that we can set up more trading schemes. We already have the EU emission trading scheme, which applies to major emitters in the UK, but through these enabling powers we can set up any other sort of trading schemes that might help us to reduce emissions.

12.10 p.m.

[370] One of the first things we want to do with those powers is set up a carbon reduction commitment, which will apply to smaller organisations, such as big local authorities, central Government departments, hospitals and certain retailers with emissions above a certain threshold. We will also bring into place stronger annual reporting requirements: every year, we will have to report on our emissions, the committee on climate change will have to give its advice on how we are doing against our targets, and then we will have to provide a response to the committee's advice. So, it is quite a strong reporting framework, holding us to account on our progress.

[371] Last but not least are the provisions on adaptation under which we must publish a report on the risks to the UK of climate change and set out how the UK Government proposes

to respond to those risks. Yesterday, in a session of the House of Lords, the Minister set out an additional Government amendment, under which we are proposing new powers so that the Government can ask reporting authorities, which are public authorities and some statutory undertakers, to carry out their own risk assessments and put measures in place to address the impact of climate change.

[372] On other aspects of the Bill, there are one or two specific policy measures such as those on waste, which relate to England only, but I can answer questions about those.

[373] **Mick Bates:** Minister, would you like to add something to that?

[374] **Jane Davidson:** I welcome the opportunity to discuss this important Bill, and it is important to have the UK Government and the Assembly Government side by side. We have worked closely with the UK Government and the other devolved administrations on this Bill.

[375] The key provisions in the context of Wales include the clause requiring Welsh Ministers to lay before the Assembly a report on their objectives, actions and priorities in relation to greenhouse gas emissions and the impact of climate change in Wales, and an amendment to the Climate Change and Sustainable Energy Act 2006, which has the effect of transferring to Welsh Ministers the responsibility for publishing guidance for local authorities in Wales on climate change. Welsh Ministers are also given powers to make trading schemes in relation to matters that, in the future, will come within the legislative competence of the National Assembly, and also powers in relation to the limitation of activities, which consist of the emission greenhouse gases. Welsh Ministers are given an express power to allow the purchase of offset credits.

[376] Along with the UK Government and the other devolved administrations, we will be sponsoring the committee on climate change and its expert advice will be available to all the administrations. The Assembly Government and the other devolved administrations have a key role to play when the Secretary of State sets the carbon budget, as well as in reviewing targets. The Bill ensures that the devolved administrations will have three months to feed in their comments, and the Secretary of State must publish a statement that sets out whether, and how, she or he has taken account of the views of the devolved administrations.

[377] I just want to draw the committee's attention to a Government amendment to the Bill, which was tabled after the paper to you was finalised. That amendment relates to climate change adaptation and gives Welsh Ministers and the Secretary of State express powers to produce guidance for public bodies on adapting to the impacts of climate change, to require public bodies to produce a report on an assessment of the current and predicted impacts of climate change in relation to the authority's functions, a statement of the authority's proposals and policies for adapting to climate change in the exercise of its functions, and an assessment of the progress made by the authority towards implementing the proposals and policies set out in the previous report. These new powers will enable the Assembly Government to provide improved support to public authorities on climate change adaptation, and to provide a mechanism to require action if a public body is not taking proper account of the action needed. In a sense, it is that last sentence that is most important: the Bill is being set up to ensure that Governments in all parts of the UK have mechanisms to require action if bodies are not taking proper account of the action needed.

[378] **Mick Bates:** Thank you, Minister. I will begin the questioning. Targets for reducing carbon emissions have been described as legally binding. In the paper to the committee, presented by the Minister for Environment, Sustainability and Housing, it notes that one of the key changes to the Bill is:

[379] 'strengthening Parliament's ability to hold Government to account, by requiring the

Government to explain its reasons to Parliament...if it does not meet a budget or target’.

[380] In what sense, other than through parliamentary scrutiny, are the targets legally binding? Rachel looks to be straining at the leash to answer this question.

[381] **Ms Solomon-Williams:** It is a very fair question and one that the peers have raised repeatedly. We believe that putting it in legislation makes it legally binding. The question then is what happens if we do not meet the target? We could be subject to a judicial review, and the penalty would be at the discretion of the courts. So, it is quite a scary prospect. The Government is leaving itself open to any kind of penalty. In practice, it is difficult to know exactly what penalty would be put in place. For the same reason, it has been difficult to think what to put in the Bill about what should happen if we do not meet a target. For example, people have suggested that we be made to buy extra credits, but then you are, essentially, getting the taxpayer to pay the Government, and it does not make financial sense to do that. We would also be taking on an unsecured liability, so we would not know how many credits it might mean at this stage, and that is not a sensible way of planning finances. Other things have been suggested, and the Minister has promised to look at this when we come back to the House of Lords at Report Stage, to see whether anything sensible could be put in place for the compliance mechanism. The main thing to say is that we, as civil servants, and the Government take the existence of the Bill extremely seriously in the exercise of our functions. We will be bound by it in everything that we do and, in giving advice to Ministers, we have to be mindful both of the need to meet the target for 2050 and of the budgets. We will be in a five-year budget round at all times and will need to reduce carbon emissions to meet that. So, we believe that it is very strong as it stands.

[382] **Mick Bates:** But it is still not legally binding.

[383] **Ms Solomon-Williams:** It is legally binding.

[384] **Mick Bates:** But there are no sanctions.

[385] **Ms Solomon-Williams:** The sanctions are at the courts’ discretion.

[386] **Mick Bates:** That is an interesting point.

[387] **Jane Davidson:** There is a range of other, financial sanctions that come via the emission trading scheme. That is why it is important to consider what is happening on the UK Climate Change Bill alongside the statement that I have just given you about where the European Commission is going, because the expansion of the European emission trading scheme and changing the arrangements for auctioning allowances will have major penalties attached. There are major penalties for those caught by the emission trading scheme at present, and that scheme will be expanded quite dramatically and will sit alongside our own carbon reduction commitment.

[388] **Ms Bennett:** The Minister and Rachel have covered the basic points, namely that it is legally binding in the sense that it is a statutory requirement set out in primary legislation that this budget be met and, if the Government fails to do that, people are free to take it to court and the courts can decide what they think about that failure.

[389] **Mick Bates:** So, the opposition could take the Government to court.

[390] **Alun Davies:** You give the impression that Secretaries of State should be sent to the Tower of London. [*Laughter.*]

[391] **Mick Bates:** The same thing will apply in the Assembly but your targets, set in ‘One

Wales', will also be legally binding.

[392] **Jane Davidson:** Yes, in Wales, we will operate by delivering on the 'One Wales' commitment and then by looking at all the mechanisms available to us to drive that forward. We categorically went for the 'One Wales' commitment in areas that are devolved to Wales, because we will be working extremely closely with the UK Government on the delivery of areas that are its responsibility, and working up targets together. That is why the Bill offers transparent reporting and accountability mechanisms. However, where we have control over the delivery end, we will set our own targets, which will be guided by the independent committee on climate change as regards what can be achieved and what are realistic timetables for achievement. You will note from my paper to you that one of the key changes made to the Bill on the basis of pre-legislative scrutiny and public consultation was to strengthen the role and responsibilities of the committee on climate change, including the requirement for Government to seek the committee's advice before amending 2020 or 2050 targets to ensure that there is a very strong, expert input. Our climate change commission will run alongside that.

[393] **Mick Bates:** There is already a commitment to look at the target of 60 per cent.

12.20 p.m.

[394] **Ms Bennett:** Just to clarify, the 'One Wales' targets are not legally binding in the same way as the Climate Change Bill targets will be, because the 'One Wales' targets are not set out in primary legislation. It is a slightly different sort of mechanism. Political accountability remains in the delivery of those targets.

[395] **Mick Bates:** If the Minister misses the target, we will send her to Cardiff prison, and not to the Tower, I suppose. [*Laughter.*]

[396] **Alun Davies:** On the relationship between the different targets, we have these targets for a 3 per cent reduction set in 'One Wales'. I am assuming that that is within the overall context of the UK targets, and that it is not an additional target. I would be grateful if you could clarify that. In addition, will the 3 per cent target enable us to go part way towards achieving the UK targets, or does it take us further than the UK Government proposals?

[397] The final element of my questioning was touched on a moment ago. Currently, the 3 per cent targets are simply that: targets. They have been established in agreement between two political parties. Do you have any plans to give them any basis in statute?

[398] **Jane Davidson:** Taking your last question first, the Assembly Government will not have the power to make a statute on the 3 per cent targets, as Claire answered. The Assembly Government has made a political commitment—supported, I think, by all parties—to ensure that right across all the functions devolved to the Assembly Government, we set targets to achieve that as an outcome. That will mean that, in some sectors, we will be looking for targets of more than 3 per cent, and their delivery. We will be mindful always of the overarching target set by the UK Government and of the proportion of contribution anticipated from different sectors. We will be looking to use that as a minimum in driving the targets forward in Wales. However, we need the information from the committee on climate change and from the work that we are doing here, which has not actually always been very easy, and I am sure that the UK Government finds itself in the same position. When an issue catapults up the political agenda, the data are not always there behind it. We all need data, and we need them in this instance disaggregated to Wales, so that we can set proper reduction targets. So, we are doing a lot of work on that at the moment, in the same way as the UK Government is doing work on the UK baseline data. Well, they are not baseline data anymore, because we are operating off previous baselines. However, that is so that we can take it



forward across the piece. A substantial amount of work is going on.

[399] We are ambitious, so I can say that we would be looking to get a fit or perhaps a 'greater than' contribution from Wales as a result of the work that we are doing. Certainly, all the climate change commission members, from all parties, would very much want to see that happen.

[400] **Darren Millar:** These targets and carbon budgets raise the question of how they will be agreed. Will they be imposed on the Welsh Assembly Government by Ministers at the UK level, or will it be open for negotiation?

[401] **Ms Solomon-Williams:** In the end, the UK Government will set the budgets, and it will be responsible for meeting them overall. We believe that the legal structure is the right way of going about it, but, in practical terms, we will consult the devolved administrations—indeed, I think that we are legally required to do so—and we will take their advice and their views into account.

[402] **Jane Davidson:** And to publish them.

[403] **Ms Solomon-Williams:** Yes. (1) A specific period is built into the Bill to allow for just that. We also have to take into account the advice of the committee on climate change. In practical terms, we are writing a concordat that will go into more detail about how exactly we work together, because we are very much reassured that all the devolved administrations are committed to taking action on climate change, and we do not want to impose the UK Government's rod of iron on the devolved administrations. It is very much a process of working together, and it has so far gone well.

[404] **Mick Bates:** We are relieved to hear that.

[405] **Ms Bennett:** The reporting arrangements set out in the Bill also help to enshrine that. The Welsh Assembly Government will be reporting to the National Assembly on its action, and the UK Government will be reporting to the UK Parliament on how it is delivering on its target. As part of that reporting, it will expect to say what the Assembly Government and the devolved administrations' contribution is towards achieving that target. Some of the issues regarding exactly how all that will work will be set out in the concordat, to make sure that we have a sensible system in place. The committee obviously has other duties: as well as advising on how to set the budget, it also provides a sort of review of how things are going once the budgets are set. Each year, there will be a report from the committee saying, 'The UK Government is on target or not on target and here are some of the areas in which things are going well and not so well'. It will not be a policy-by-policy account of progress, but it will give a general sense of progress. That is another way in which progress will be scrutinised, and it will provide another opportunity to look for expert advice on where attention might be focused to secure additional reductions. So, the Bill includes all these little bits that are combined together to provide a package.

[406] **Jane Davidson:** May I add one more element? The Assembly is a small body and it is easy for it to hold a Minister to account, but it has been spelt out in the Bill that it will also strengthen Parliament's ability to hold the UK Government to account, by requiring it to explain its reasons to Parliament if it does not accept the committee's advice on the level of a carbon budget, or if it does not meet a budget or target. So, there are very tight reporting and accountability arrangements. What I outlined at the beginning were similar arrangements in the context of my role in the Assembly.

[407] **Mick Bates:** Thank you. And, eventually, we get to Lorraine.

[408] **Lorraine Barrett:** Fourth time lucky. Could you tell us why the carbon emissions from international aviation and shipping are excluded from the scope of the Climate Change Bill?

[409] **Ms Solomon-Williams:** On shipping, the answer is simple: it is extremely complicated to attribute and control shipping emissions because, essentially, ships will fill up at a port and then go for months without filling up again. If we included shipping emissions in the UK's targets, ships could fill up in Holland and our emissions from shipping could appear to have taken a nose dive when, in fact, the overall emissions had not changed. There is also no international agreement about how to measure shipping emissions and attribute them to the UK specifically. We are working on that, but it is extremely complicated. Everybody agrees that it is just not possible to work out how we would do it.

[410] On aviation, it is also about the international context. We are working very hard with the EU and, indeed, aviation emissions will be included in the EU emission trading scheme in the future. We have been pushing for it, so we are very pleased about that. Again, there is a question of how you attribute and divide up aviation emissions. If I am a UK citizen and I am flying from the UK to Spain in an aeroplane owned by a French company, for example, who is responsible for the emissions of that plane? There is not yet an internationally agreed way of working that out. While we are keen to take action on our transport emissions, the methodology for including them in the target is very complicated. That is the main reason.

[411] **Lorraine Barrett:** The last part of your explanation covered what I was going to ask. At some point, the emissions will have to be accounted for, but if negotiations are ongoing on an international level, I am not sure whether I can push it much further here—unless anyone else has something to add.

[412] **Mick Bates:** We have had evidence to suggest that it is a very serious issue, because it can account for a massive percentage of the carbon that is in the atmosphere. The figure from the Tyndall Centre for Climate Change Research says that, in the period to 2050, 1.5 million gigatonnes of carbon will be produced from aviation alone, and that is a low estimate on current growth trends in aviation. We know that you are trying to look at it, but it seems that that could undermine the whole ethos of the Climate Change Bill unless some mechanism is found to establish how to apportion the carbon emissions from aviation and shipping.

[413] **Ms Solomon-Williams:** Maybe I should come in again at this point. We are looking at that at an international level, and pressing very hard. I think that the UK is pressing more strongly than any other country to get action in this area, so we agree with you.

[414] **Mick Bates:** Good.

[415] **Jane Davidson:** May I just add two points? First, I was with Hilary Benn at the Environment Council in Brussels, at which he was a very strong advocate of bringing aviation into the European emission trading scheme arrangements, and that will be done. I think that it is coming in to phase 3 of the scheme.

[416] In the context of our Climate Change Commission for Wales, given that we have a fairly clear picture of which aircraft will land and take off in Wales, we have already decided to use that information alongside information that we have in the context of shipping. Although those will be relatively small elements, they will be an important part of the database that we will build for the future in order to take discussions forward about how to bring aviation and shipping in. Aviation was predicted in particular because it is the fastest-growing category of carbon emissions. To go back to the point we made earlier about this being a social equity issue, it is those people with financial resources who are the largest emitters and who are continuing to be large emitters. Therefore, issues of behavioural change

are critical.

12.30 p.m.

[417] **Ms Solomon-Williams:** I should add that we have asked the committee on climate change to look at this as part of its review of the 2050 target. So, we shall see what it comes up with.

[418] **Darren Millar:** On the subject of aviation, why have you not considered targets on aviation emissions from domestic UK flights?

[419] **Ms Solomon-Williams:** Those are already included in the target.

[420] **Darren Millar:** That is fine. Thank you.

[421] **Alun Ffred Jones:** I have two questions: one looking back and one looking forward. You mentioned the UK's success in reducing its carbon emissions. It has been suggested that that is mainly due to a switch from coal to gas in energy production. Is that true?

[422] **Ms Solomon-Williams:** It is difficult to say whether that is true, but there is certainly a link. We would not deny that or the fact that we need to put more measures in place now to ensure that we keep that reduction on track.

[423] **Alun Ffred Jones:** Why has the Government opted for a percentage reduction rather than a reduction in total cumulative emissions, given that the Tyndall Centre for Climate Change Research suggests that it is the volume of emissions that is important?

[424] **Ms Solomon-Williams:** That is absolutely right in scientific terms, and that is what the budgets are about. The idea is that, every five years, we look at the total amount of emissions that should be emitted over that period. It is very difficult to do that up until 2050. In purely practical terms, we simply do not know what measures we will be able to put in place and what the international context will be. Therefore, setting an overall limit up until 2050 would be unrealistic and unconvincing. However, we take on board the point about cumulative emissions in setting the budgets.

[425] **Alun Ffred Jones:** I think I am right that the point that the Tyndall Centre is making is that the percentage targets are gradual over the next 20 or 30 years, but as there will be very little change for the next five years for practical reasons, the scale of the reduction over the following 15 years to 20 years would have to be enormous. Presumably, that is accounted for in the Bill.

[426] **Ms Solomon-Williams:** This is something on which the committee on climate change will advise us. It will advise on the budget levels—for three budget periods ahead, which takes us past 2020.

[427] **Jane Davidson:** Alun Ffred, I assume that you are looking at the mathematical issue, which is that if you do not achieve a 3 per cent reduction in 2008, 2009 or 2010, you will have to apportion the shortfall among the remaining years. Clearly, the sooner we get on to this the better. Therefore, we, as the Assembly Government, will be using every mechanism at our disposal across the whole of the Government. That is why I have the corporate responsibility—not just in my portfolio but for the Cabinet—to look at ways to reduce emissions. It is interesting to note that Wales had a rise in emissions as new power stations came on stream, but then we have seen a subsequent fall in emissions; we need to build on that. However, the introduction of a major new power station would always lead to a rise in emissions.

[428] **Darren Millar:** Rachel, perhaps you can help me on why the mandatory target for 2020 emission reductions is a range between 26 per cent and 32 per cent, rather than a fixed percentage. I assume that everyone will aim for the lower end of that target.

[429] **Ms Solomon-Williams:** Absolutely. In designing the Bill, we talked to many people, including business and the CBI and its members. We got the impression that a range was, in a way, more convincing than a set target, because it gives people real certainty about where we are expected to be during the period around 2020. That is the main motivation, because if we just said 26 per cent, it is extremely likely that we would not get exactly 26 per cent. However, if we say 26 per cent to 32 per cent, it is a lot easier to make sure that we are right in that regard. That does not mean that we cannot go above 32 per cent if we want to, but it is designed to be an indicator.

[430] **Darren Millar:** I think that, practically speaking, people will aim, as is usually the case, for the bare minimum rather than something that goes beyond it.

[431] **Leanne Wood:** The current thinking is that the target of 60 per cent by 2050 will not be enough. The Tyndall Centre for Climate Change Research has said that we need to cut emissions by 70 per cent by 2030 and by 90 per cent by 2050. The Scottish climate change Bill intends to set a mandatory target of 80 per cent by 2050, and you mentioned earlier that the Prime Minister was taking expert evidence in looking at this. I wonder whether you could tell us what the chances are of that target being set at 80 per cent. I would also like to hear the Minister's view on the 80 per cent target, and whether she has made any representations to the UK Government in that regard.

[432] **Ms Solomon-Williams:** I will not comment on the Scottish Bill, because, in a sense, that is a separate question for Scotland, but, in terms of how we have decided what is likely to happen, we have taken into account all these various bits of scientific evidence, such as that produced by the Tyndall Centre, which you mentioned. The problem at the moment is that there is not one single answer, so the target of 60 per cent, which we originally set, was based on some advice from the Royal Commission on Environmental Pollution, which was very much backed up by evidence. Since then, various higher targets have been suggested, but there is not a single one that everyone can agree on. So, the Prime Minister has announced that the committee on climate change will look at that as its first task, which is a recognition that there is a lot of pressure in terms of the fact that we should have a higher target. It also shows an acceptance, almost, that it is extremely likely that we will have a higher target but that we do not have an answer yet and that we want to ask the people who are best placed to come up with the right answer to do so. I really do not know at the moment what the odds are of the target being 80 per cent; we have to ask the committee about that as it is better placed to provide an answer than I am.

[433] **Jane Davidson:** I very much welcomed the statements by Gordon Brown and Hilary Benn announcing that the UK Government is prepared to review the targets. It is important to say that what has got lost in this debate about whether 60 per cent is a high enough target is the fact that, as Rachel said at the beginning, the UK Government is leading the way as a legislative body with statutorily backed-up clauses on climate change for the country. I was concerned when I read evidence produced by Friends of the Earth and others that stated that 60 per cent was not enough, and I made representations accordingly. However, it is absolutely critical that the targets are based on evidence, because, otherwise, where those targets are going to bite on major industry and others, people will not accept them if they feel that they are made on the back of lobbying by environmental organisations. They must be confident that they are targets that are properly based on evidence that has taken all considerations into account. That was why the target was initially set on the basis of the evidence that was provided in the report by the Royal Commission on Environmental Pollution in 2000.

[434] I give my Westminster colleagues absolute credit for saying that they are prepared to look at the target again, because this is a much bigger issue on the agenda now; that is why Hilary Benn went to Bali, why the European Commission is announcing quite draconian measures that will bite across Europe up until 2020, and why the committee has been given this as its first task. If the committee validates that target of 80 per cent, I think that the Assembly Government would welcome it. However, we must ensure that what the committee recommends to Government is an appropriate target to meet the need, which is to keep temperature rises below 2 per cent.

[435] **Leanne Wood:** Would it be possible for us to have a note on the evidence that was available in Scotland prior to it setting its target in its climate change Bill?

[436] **Jane Davidson:** That is a matter for the committee.

[437] **Mick Bates:** We can do that. This critically depends on the evidence that you use, of course. I do not know whether Rachel has the figure in her head, but the telling figure in the Bill would be that which suggests how many gigatonnes of carbon will be released into the atmosphere between the time of implementing the Bill and 2050.

12.40 p.m.

[438] **Ms Solomon-Williams:** The answer to that depends on the trajectory that we choose to take, namely what the five-year budgets are. So, I am afraid that I do not have an answer for you off the top of my head.

[439] **Mick Bates:** Therein lies the dilemma. If your parameters take into account the fast growth of aviation, for example, they have to take into account carbon increases and, therefore, temperature increases and, in turn, the level of action necessary increases accordingly. That is quite a dilemma.

[440] **Ms Bennett:** That is really the key role of the committee on climate change. Its job is to sit there and number-crunch all those variables in the level of effort each sector of the economy can deliver, and then to advise Government on what can be done and how.

[441] **Mick Bates:** Absolutely. Some of us are impatient.

[442] **Ms Bennett:** I know.

[443] **Mick Bates:** Darren, do you want to ask about budgets?

[444] **Darren Millar:** Yes. I have noticed in the Bill that the carbon budgetary periods are to be set at five years. I hate to be a cynic but that is longer than a politician's term of office. Is that the reason why they have been set at five-year intervals? Is it so that people can say, 'It is not in my term of office so I do not need to take any action'?

[445] **Mick Bates:** Not me, guv.

[446] **Ms Solomon-Williams:** That is not why they have been set at five-year periods; it is to be consistent with the EU and the Kyoto protocol processes, which are set at five-year periods at present. There is a provision in the Bill that allows us to change the length of the budget period if the EU framework changes, for example, so that we can always be consistent with how that is working. However, in accountability terms, which is what you are really getting at, I think, we have heard already about the annual reporting framework in the Bill. We will be held to account every year and questions will be asked about the level of our

emissions, the progress made towards meeting the budget and the 2050 target, and what our response to the committee is in doing that. We will also have to publish proposals and policies for meeting the budgets, which we are legally bound to meet. It is also worth noting that the budgets are required to be set with a view to meeting the 2050 target, so you cannot wriggle out of it by setting extremely low budgets, for example.

[447] So, yes, they are five-year budget periods and that might go over more than one Government term, but we think that there is enough in the Bill to hold everybody to account. So, that it is okay, and we can be consistent with the international process and demonstrate leadership at home.

[448] **Darren Millar:** The international norm is that parliamentary terms are not longer than five years, so, in a sense, it suits everybody.

[449] **Alun Davies:** You are a terrible cynic.

[450] **Mick Bates:** On that note of suiting everyone, we will have to draw to a close because I know that Members are anxious to move on. Alun and Brynle have questions to ask.

[451] **Alun Davies:** It is an inspiring piece of legislation, and I do not say that very often. Most of us welcome the broad thrust of it, and the way in which it involves working throughout the United Kingdom with all the devolved administrations. One thing that I find interesting is that it appears to be saying that trading schemes could be established in any one of the UK countries. In Wales, such trading schemes can be used in relation to matters that are already within the legislative competence of the National Assembly or in relation to those that limit or encourage the limitation of activities in Wales that consist of the emission of greenhouse gases. The legislation then qualifies that by citing offshore oil and gas exploration. That is an interesting statement, because it goes far beyond the legislative competence of the National Assembly. As a self-standing passage, it says that, were there a proposal to build a new power station in Wales, for example, the Assembly Government would have a role in limiting or encouraging the limiting of emissions of greenhouse gases. Is that a contradiction or is it an expansion of the Assembly's role, as regards its powers?

[452] **Ms Bennett:** It is not quite an expansion. At present, the Assembly Government has powers under the Pollution Prevention and Control Act 1999 to introduce emission trading schemes. Those are not powers that we have exercised separately up until now, because, with an emission trading scheme, the larger the market, the more opportunity the companies that are part of it have to trade and get abatement at cost-effective levels. The trading scheme that is in place is the EUETS, the European Union emission trading scheme, which works across Europe. That slightly strangely drafted sentence, which reflects legal drafting, is just saying that, under the Climate Change Bill, the Assembly Government retains its ability to introduce greenhouse gas emission trading schemes. If further powers were added to our legislative competence, we could introduce other trading schemes. It is not about an individual installation deciding to set up and operate; you would have to set up a scheme. So, the EUETS works by way of UK regulations implementing an EU directive, which states that all these types of sectors are covered by the scheme. If your installation falls into that category of activity, is a certain size of operation, and emits above a certain amount of carbon dioxide, it falls within the terms of the scheme, you are given an allocation and you are required to reduce your emissions. So, you first have to set up a scheme and bring the installations in, and then you can encourage them to reduce their emissions. However, it is not a power that allows you to tell an installation, 'You must do x, y and z'; it is for introducing a scheme to encourage the reduction of emissions. Does that make sense?

[453] **Alun Davies:** It does make sense, but it raises a few more questions, which I will not

trouble you with this afternoon. Thank you very much for that.

[454] **Brynle Williams:** In your paper, Minister, you say,

[455] ‘given an express power to allow the purchase [of] offset credits’.

[456] Does that possibility pave the way for Wales to be financially disadvantaged? We produce a lot of electricity, steel and so on.

[457] **Jane Davidson:** No, the offsetting relates to companies or organisations offsetting their carbon emissions.

[458] **Ms Bennett:** I can add one thing. One reason the original provision was included in the Bill was to allow the UK Government to purchase credits as part of meeting its carbon budgets. Purchasing credits is also a way for the Government to offset the emissions that it cannot reduce from the existing buildings in its estate. We could use that power. If that power specified that the UK Government, the Scottish Government and the Northern Ireland Assembly could buy offset credits but not Welsh Ministers, the legal interpretation would probably be that we were not permitted to buy offset credits. So, it is not a requirement for us to do anything, but it would allow us to do it if we felt that it was an appropriate part of our response to emission reduction.

[459] **Ms Solomon-Williams:** I was going to say something similar, which is that there is no direct link between emissions in Wales and the choice of Welsh Ministers to purchase credits. It is a separate question.

[460] **Mick Bates:** Are there any further questions? I see not. In that case, I will bring this meeting to a close by thanking Rachel, Claire and the Minister for their answers to our questions this morning. We have ended on what I believe to be an inspirational note. There is determination by our Governments at Westminster and here to address climate change. I hope that there can be a sense of urgency to ensure that we meet the targets, whatever the carbon budgets might be. There will be long discussions about that.

[461] To return to the issue of HECA that was discussed this morning, I will circulate to Members the letter that was sent to the Minister. I will remind the Minister of that. I also remind you that our next meeting will be held on Thursday, 7 February, when we will take evidence from bodies such as the Tyndall Centre for Climate Change Research, the Centre for Business Relationships, Accountability, Sustainability and Society at Cardiff University, the Environment Agency, and the Carbon Trust. I thank you all for your attendance.

*Daeth y cyfarfod i ben am 12.49 p.m.  
The meeting ended at 12.49 p.m.*

(1) The witness wishes to correct her evidence by drawing attention to the fact that publication is not a requirement.