



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

**Y Pwyllgor Cynaliadwyedd  
The Sustainability Committee**

**Dydd Mercher, 16 Gorffennaf 2008 (p.m.)  
Wednesday, 16 July 2008 (p.m.)**

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Bodies

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg. Mae hon yn fersiwn ddrafft o'r cofnod. Cyhoeddir fersiwn derfynol ymhen pum diwrnod gwaith.

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. This is a draft version of the record. The final version will be published within five working days.

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

Alun Davies	Llafur Labour
Michael German	Democratiaid Rhyddfrydol Cymru (Cadeirydd y Pwyllgor Dros Dro) Welsh Liberal Democrats (Temporary Committee Chair)
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 yr Is-adran Newid yn yr Hinsawdd a Dŵr, Llywodraeth Cynulliad Cymru Head of Climate Change and Water Division, Welsh Assembly Government
Brian Gibbons	Aelod Cynulliad, Llafur (Y Gweinidog dros Gyfiawnder Cymdeithasol a Llywodraeth Leol) Assembly Member, Labour (The Minister for Social Justice and Local Government)

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

Joanne Clinton	Dirprwy Glerc Deputy Clerk
Dr Virginia Hawkins	Clerc Clerk

*Dechreuodd y cyfarfod am 5.01 p.m.*  
*The meeting began at 5.01 p.m.*

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

[1] **Michael German:** I will dispense with the normal housekeeping arrangements, as we all know them. Thank you. I call the committee to order.

5.02 p.m.

**Ymchwiliad i Leihau Allyriadau Carbon yng Nghymru: Sesiwn Dystiolaeth ar Ddiwydiant a Chyrff Cyhoeddus**

## **Inquiry into Carbon Reduction in Wales: Evidence Session on Industry and Public Bodies**

[2] **Michael German:** We are continuing our inquiry into carbon reduction in Wales. We are taking evidence on the industry and public bodies section of the inquiry. I am pleased to welcome the Minister for Social Justice and Local Government to answer questions. I am particularly grateful to him because, when the committee asked for more opportunity to scrutinise Ministers, he was more than willing to be scrutinised by this committee. It was on 25 June that the committee agreed to invite the Minister and I thank him for coming at such short notice. Would you care to make some opening remarks? We will then ask questions.

[3] **The Minister for Social Justice and Local Government (Brian Gibbons):** Thank you for the invitation to contribute on carbon reduction by local government. We recognise that climate change is one of the great challenges that we face. All of us in the public service, including local authorities, have a responsibility to try to address it.

[4] The context that we need to recognise is that local authorities in Wales have demonstrated their commitment to playing their part by signing the Welsh declaration on climate change and energy efficiency about two years ago. Following on from that, it is a case not just of them signing their name, but of them taking action: for example, Gwynedd Council, as part of its local service board project, is concentrating on carbon reduction. In south Wales, there is a consortium of Valleys local authorities that are working together to develop energy efficient solutions for their residents. Also, they want to ensure a wider range of service delivery that will help to reduce emissions, for example, through the use of planning, energy efficiency improvements, by dealing with issues in relation to housing stock and, equally, by addressing waste management issues. Local authorities realise that they have great potential to engage with their staff and the wider public. This is an approach that is being taken by Carmarthenshire County Council, as one of its local service board projects.

[5] We recognise and acknowledge the good work being done. For example, from our point of view, as the Assembly Government, we recognise that change is needed, particularly in relation to the energy performance of buildings. The Assembly Government is promoting the code for sustainable homes as the assessment framework for new buildings, and requiring that at least level 3 is achieved in all new houses over which we have influence through grant funding investment and land disposal. Moving to higher levels as soon as possible is also an aim. On energy efficiency, level 3 equates to a 25 per cent reduction in emissions compared with current building regulations.

[6] We are also earmarking exemplar projects to help us plan effectively for zero carbon. An initial 28 sites have been identified to undergo energy assessments to underpin low or zero carbon developments, many of which are mixed use. The aim is to add focus to strategy in order to learn the lessons and gain experience that can be developed on future projects. Pioneering work is taking place in Ebbw Vale, where the plan is to achieve a 60 per cent reduction in regulated emissions, relative to the current building regulations. Equally, the mill project at Ely bridge in Cardiff is seeking to achieve a 100 per cent reduction as part of developing exemplar projects for the future. In the same way, Value Wales is using the leverage available through Welsh public sector procurement to spend to produce better long-term decisions in relation to delivering sustainable economic and environmental outcomes.

[7] Other examples of activity include the Assembly Government working with organisations such as the Carbon Trust and the Energy Saving Trust to develop local initiatives. Indeed, under the current Climate Change Bill we will be producing a climate change measure report, setting out how local authorities can address the causes and consequences of climate change across the range of their responsibilities. We are also in the

process of developing an advice note on climate change to support community strategy guidance; Members will be aware of the key strategic importance of community strategies to all local authorities in Wales. You will appreciate that many of these initiatives are not directly part of my portfolio—they lie with other Ministers—but I raise many of these issues when I meet local authorities across Wales at our bilateral meetings. Issues that come up, particularly, relate to the management of waste and also to pressures on local authority budgets as a result of rising fuel costs. Thank you, Chair.

[8] **Michael German:** Thank you. Alun Ffred, do you want to start?

[9] **Alun Ffred Jones:** You may think that you have already answered this question, but I will try it anyway, to give you another stab at it. What carbon reduction will be earmarked for local government within the 'One Wales' 3 per cent reduction commitment?

[10] **Brian Gibbons:** My understanding is that we are not in a position to give that type of answer, to be honest. I do not know whether Claire is able to give a more specific answer.

[11] **Ms Bennett:** At this stage in the process, the precise contribution that we might expect from local authorities, or from any one sector, has not been quantified. Obviously, the 3 per cent target has been identified, clearly stating that the public sector will be one of the three key areas for delivery—along with transport and domestic use. So, it will make a contribution towards that, but precisely what local government should deliver has not yet been quantified. That work is going on with—

[12] **Michael German:** May I just check that you will be quantifying that?

[13] **Ms Bennett:** Whether it is a specific target by sector or an indicative contribution is something that needs to be part of the consultation that we will be having later this year on proposals to deliver that target. However, you would want some sense of what the actions taken to deliver that target will contribute; that will be subject to consultation later this year.

[14] **Alun Ffred Jones:** Has the Government considered reduction targets or guidance for individual authorities as a means of encouraging early emission reductions, or is that premature?

5.10 p.m.

[15] **Brian Gibbons:** Not in the holistic sense, which I think follows on from Claire's reply. However, we monitor the improvement rate for the non-domestic and domestic buildings of local authorities. That is in the performance framework. Over recent years, the improvement with regard to domestic buildings is of the order of 7 per cent year on year. However, there is a figure that we monitor. In the past, as part of the performance improvement grant, we expected that there would be delivery against that target. The performance improvement grant has now finished, and the new improvement grants will be coming in.

[16] **Alun Ffred Jones:** Will you be going back to that sort of set up, where each local authority will have a target?

[17] **Brian Gibbons:** No, for the reason that Claire mentioned. At the moment, we do not have precise targets, but we are monitoring the rate of improvement that local authorities are making in certain key areas. We are monitoring, but there is no target.

[18] **Alun Ffred Jones:** So, it is a 'yes' and a 'no'.

[19] **Brian Gibbons:** Yes.

[20] **Michael German:** Claire, would you like to add to that?

[21] **Ms Bennett:** We would have to be clear with regard to precisely what we were measuring local authorities against. The emissions that occur within a local authority area are not all subject to the influence of the local authority. So, if one took an example of a local authority that apparently has a relatively high carbon footprint, such as Pembrokeshire or Neath, that is to do with industrial emissions or the particular transport network in that area.

[22] **Alun Ffred Jones:** I was thinking about the work that local government does.

[23] **Ms Bennett:** It would be necessary to look at how one would define and measure that, and whether that would be a meaningful measurement. As the Minister said, we already have performance indicators for both domestic and non-domestic stock and improvement in those areas. Those are two key bits that are under the direct control of local authorities in terms of emissions. So, it is a question of what one would add to that to give a more holistic picture.

[24] **Alun Ffred Jones:** You mentioned the performance improvement grants. Those have now finished. So, what financial mechanisms are available to the Government to influence the decisions taken by local government that have a bearing on carbon emissions?

[25] **Brian Gibbons:** In the short term, there would be options under the improvement agreements. If a local authority was seriously underperforming in relation to improving its carbon reductions, then one of the targets that could be picked under the improvement agreement would be for that local authority to improve its performance in that area. So, there would be a direct lever available in that context. In the context of the Climate Change Bill—and we are still looking maybe three or four years down the road—there will be a more defined situation for local authorities that have bigger energy expenditure. They will have to define more clearly their use of carbon and set up a semi-trading position so that they will be able to meet the targets as part of the challenges outlined in the Climate Change Bill. However, the Climate Change Bill is only a Bill at the moment; it is not on the statute book. The precise way in which that will be applied to high-energy consuming local authorities is not clear.

[26] **Alun Davies:** We have had a very clear and direct message from local government in our discussions on this issue. It has been a case of money, money, money. What steps is the Government taking to ensure that local government is funded to ensure that it can make this transition to where they need to be in making very real reductions in carbon in all of its activities over the next few years, and certainly during the current Assembly?

[27] **Brian Gibbons:** With developments such as the housing stock transfer, and as local authorities upgrade their properties, there will be opportunities there. One reason why we are obliged to go down that route is that new and novel ways of upgrading the current housing stock have to be found. Equally, under the code level 3 for the standards that we are expecting, there may be a premium that will be involved in building houses to those standards. However, as part of any agreement to build those houses, that will be a factor that will have to be included in the cost of building those properties. We have a target as the One Wales Government to provide more than 6,000 houses over this Assembly, so that will have to be factored in.

[28] **Ms Bennett:** The other important thing to acknowledge is that some of these activities will save people money rather than cost them money. It is easy to say, ‘The only way that we can possibly do this is if you chuck more money at it’, but particularly given the

direction that fuel costs are taking, looking at simple ways of improving the efficiency of buildings, just by people switching stuff off, can release a cash saving and make a difference in terms of carbon. Making very expensive investments is not the only way that one can make an improvement in this area. On the other sorts of funding that are available, the Carbon Trust makes interest-free loans available to the public sector and to businesses to carry out actions. There are also a number of other sources of funding available in specific areas, but it is not always just about more money; it is sometimes about making sure that the money that we already provide delivers sustainable solutions rather than people just doing the same thing that they have always done. That is a challenge for us and local government to think about.

[29] **Alun Davies:** Is the Government setting down guidelines? I do not disagree with you; I think that that is a fair analysis, but would you say that that is happening at the moment across local authorities in Wales? If it is not, what steps are you taking to make it happen?

[30] **Brian Gibbons:** The expectation is that new build will now have to meet these new standards. That is the situation as I understand it. New social housing build will have to meet these requirements. We cannot enforce that, because we do not have powers over building regulations, but we are indicating that our clear expectation is that this is the standard that we expect local authorities and others who are providing new houses using public money to achieve. I think that I gave, in my opening remarks, an indication of what we estimate the carbon saving will be from that particular initiative, just on its own.

[31] **Darren Millar:** It is not just housing though, is it, Minister? While I accept that the lifetime cost of a building might be significantly lower because of the steps taken to combat climate change—perhaps through reduced fuel bills and so on—realistically, people are facing the fact that they will have to make significant investment upfront, in a building, so there is going to have to be more cash on the table from the Assembly Government to deliver these things in the short term, because there will have to be front loading for this to be built into the system. The fact of the matter is that there is only a limited pot at the moment and, because it has not been enlarged to accommodate that front loading, it will be a winner-takes-all situation, whereby the first people to make bids will be the ones that benefit from it and the other local authorities are going to be left behind.

[32] **Brian Gibbons:** I am not in a position to give you any definitive account of housing policy; it is well outside my portfolio area.

[33] **Darren Millar:** It is not just housing, there are other aspects of local government—

[34] **Brian Gibbons:** Yes, the local authorities' non-domestic housing stock can be an area for carbon saving and, again, the performance framework is trying to capture that information. As I understand it, we are beginning to work with the Carbon Trust to see whether it is feasible to develop a carbon footprint for individual local authorities so that local authorities will have a better feel for the size of the challenge that they face. Within that, they will have to see what they can do.

5.20 p.m.

[35] However, Claire is right—depending on the local authority area, the contribution that the local authority as a corporate body can make may be quite small. The example that we have given is Neath Port Talbot, where the most significant factors are the power stations, the steelworks, and so on.

[36] **Darren Millar:** Forgive me, Minister, but the point that I am making is that the Assembly Government needs to put more cash on the table.

[37] **Brian Gibbons:** Not necessarily.

[38] **Darren Millar:** There is a rolling capital programme in local government, but, in the short term, it will be more expensive for local government, will it not? Local government will have to put in extra investment to ensure that its buildings are as sustainable as possible. It is not just about new buildings, either—there is also the retrofitting of existing buildings, which are often high-maintenance buildings, and extremely costly to keep. So, what extra cash are you putting on the table? It seems to me that you are talking around the issue here.

[39] **Brian Gibbons:** I will answer that very directly. As regards social housing, a lot of the new work done by housing associations involves drawing down money from sources other than the public purse to improve their housing stock. Of course, they also use the social housing grant, and so on. Equally, as regards housing stock transfer, the whole point of the exercise is that these new landlords will be able to raise money from sources other than the public purse to upgrade their stock.

[40] You say that there will have to be a contribution from the public purse, but to suggest that if that does not happen we will be at a standstill is certainly not the case. There are other ways of funding improvements to the council's stock transfer properties and the housing association properties.

[41] **Darren Millar:** You keep going back to housing, but what about the non-housing stock? What about the leisure centres, what about the old town halls?

[42] **Brian Gibbons:** Sorry, I thought that you were talking about just housing. The point that Claire made was entirely legitimate. Where local authorities directly own properties, there will be a clear efficiency saving for them in energy costs if they upgrade those properties. They will need to manage their resources and make the necessary changes. In Flintshire, the improvement in carbon emissions in its non-domestic stock has been quite dramatic, and that is because it has invested in new headquarters, and so on. That is the way that local authorities have to go—if they want to improve the quality of the fabric of their buildings, then they have a responsibility to also invest in that. I think that Claire wants to come in on this.

[43] **Ms Bennett:** I was just going to make two minor points. First, it is possible that building to higher standards of sustainability will cost more, but the blanket assumption that it must do so is not necessarily the case. When you are procuring a building, or improvements to a building, you write a specification, and you say what you want for the money that you wish to pay. No-one has tested how expensive this has to be. If you say that you want something built to a certain standard, either you get tenders that can deliver it at the price that you want to pay, or you do not.

[44] Secondly, the point of much of the work that we are doing as an Assembly Government, both in setting standards for the projects that we fund directly through grant funding and through the exemplar projects, is to develop a market of skills and expertise. Developing that market will help to bring down costs. So, there is a broader package of activity that should mean that it is not necessarily more expensive. Yes, there may well need to be additional investment in some areas, and it may be that some things are more expensive, but that is not necessarily the case, and that applies not just to lifetime costings, but to upfront costs. We know that you can build to code level 5, and buildings are being built like that. So, what is stopping that from being the norm rather than the exception? So, it is important.

[45] **Michael German:** Before I ask Darren to come back on that point, Brian wants to add a bit more.



[46] **Brian Gibbons:** Local authorities can also source their energy from more renewable sources. For example, lots of health service buildings have gone onto the green tariff and have used that when paying for their electricity, and local authorities can also look in that direction.

[47] Going back to housing, even though I know that you want to get away from it, local authorities, collectively and individually, are working with utility companies to try to address some of these issues. So, as major customers for the utility companies, local authorities have the purchasing and procurement capacity to drive better deals, as well as to drive deals on more sustainable ways of securing energy for their estate, including the properties that they own that are tenanted.

[48] **Darren Millar:** I will just come back on some of the issues that Claire raised. I accept that some technologies are reasonably priced, but the evidence that this committee has gathered seems to indicate that there is a cost to this, generally upfront, which you get back over a long time. Therefore, investment upfront is needed to allow it to happen. For example, if we want to see the sorts of housing standards that are seen in other countries, it will cost us between 5 and 7 per cent on top of the ordinary cost of building a house. So, there is a cost, and I do not think that you have managed to address the question, Minister, of making more cash available upfront over these next few years to enable local authorities to meet that challenge.

[49] **Alun Ffred Jones:** My question is in reference to building regulations. I know that it does not come within the Minister's portfolio, but it is relevant to the work of local authorities. Has a request been made to the Westminster Government for the transfer of powers over building regulations?

[50] **Brian Gibbons:** Claire says 'yes'.

[51] **Alun Ffred Jones:** Has there been any response?

[52] **Ms Bennett:** Discussions are ongoing. It is in the 'One Wales' agenda for government that the devolution of building regulations will be sought. That has been done, and the discussions on how that will happen are under way.

[53] **Alun Ffred Jones:** Discussions are ongoing at present, are they?

[54] **Ms Bennett:** Yes.

[55] **Brian Gibbons:** That suggests that they have not reached completion.

[56] **Michael German:** Thank you for that clarity. My question relates to your requirement of local authorities to understand their current use of energy, and to their current audit of their needs and whether they can make a change. We received evidence from Cardiff council, for example, that 40 per cent of its energy is used in schools, and, as you know, not all school buildings are being repaired and replaced. Do you make an audit a requirement of your process of carbon reduction, and do you have a local-authority-by-local-authority split of the funding that the Carbon Trust provides to local authorities? Does that exist?

[57] **Ms Bennett:** I am sure that we can find out what the Carbon Trust has provided to each individual local authority. I do not have that sort of detail to hand, but it would not be a problem to obtain it. That will depend on which authorities have approached the Carbon Trust to assist them with this activity, and not all of them will necessarily have done that. Secondly, it is not currently a requirement for local authorities to audit all of their energy use.

[58] **Alun Davies:** Following on from this conversation, we seem to be in a crazy world

where we cannot get to where we want to be, namely somewhere that will lead to a lot of cost savings and carbon reductions. There are all sorts of blockages, be they financial or more structural. Is there a role for the Assembly Government to be far more directive with local government by giving it clear targets? I understand what you are saying about the housing portfolio, and I think that you are right about that. However, I get a sense that, unless we are more prescriptive, a lot of our carbon reduction commitments, as a Government in Cardiff, will remain a pipe dream.

5.30 p.m.

[59] **Brian Gibbons:** As I understand it, once the Climate Change Bill becomes an Act, there will be a much stricter regime in operation and the requirements on bigger energy consumers will change, as and there will be a much more regulated environment for them. We are back at the point of having a commitment for a 3 per cent annual reduction by 2011 in the areas of devolved competence. Once work is undertaken to clarify and define the areas of responsibility in the Welsh Assembly Government, there will be greater clarity about who will contribute to it. However, as Claire said, we are not yet in a position to define the route-map of how precisely that 3 per cent will be delivered by 2011. Once that is clearer, some of these issues will be clearer, but we are not at that stage at the minute.

[60] **Brynle Williams:** How do you see your Government influencing local government to procure goods and services in a manner that recognises the requirement to reduce carbon emissions?

[61] **Brian Gibbons:** We are working on that at the moment mainly through Value Wales. As you know, it was established to work with public procurement in Wales to meet a number of objectives, including that of ensuring value for money. We also expect Value Wales to use its good offices and advice and support to deliver certain social objectives. Training and support have been given to procurement officers in Wales on how to set about addressing and achieving certain sustainability targets or objectives. The main vehicle, apart from internal driving mechanisms, is through Value Wales.

[62] **Ms Bennett:** One thing that Value Wales has done is to help to negotiate all-Wales or larger procurement contracts with energy suppliers, and those sorts of things, which local authorities and other public sector bodies can buy into. Those are some of the practical things that they can work on. There is an all-Wales energy forum that Value Wales sponsors, which looks at the next steps for support and tools, and at contract activity, which might assist local authorities and other parts of the public sector in this area.

[63] **Brynle Williams:** Moving on from that, how much uptake has there been of Salix's services among Welsh local authorities?

[64] **Brian Gibbons:** Up to half a dozen local authorities have engaged with Salix. From memory, most of them are in south Wales, though I do not know whether any are in north Wales.

[65] **Michael German:** Perhaps we could have a note on that, if possible, as that would be helpful.

[66] **Darren Millar:** I have a follow-up question on Value Wales. Can you assure us that one criterion that has been given to Value Wales is that it must try to address sustainability, and that that is paramount in its purchasing process?

[67] **Brian Gibbons:** Yes.

[68] **Darren Millar:** Thank you. Can you provide us with some details on that? It would be useful.

[69] **Ms Bennett:** It has a sustainable assessment framework that it has worked to develop with Forum for the Future. We can provide you with a copy of the toolkit, if that would be useful.

[70] **Alun Davies:** We have already covered a lot of territory in this discussion. Minister, in developing your relationship with local government, are you, as an Assembly Government, passing on lessons and ensuring that best practice is shared to enable local authorities to mainstream carbon reduction across all the different service areas, and also to ensure that people understand the best practice that is available and that it can be delivered locally?

[71] **Brian Gibbons:** Sustainability is a part of the Wales programme for improvement, so, when the Wales Audit Office does its annual health check of local authorities, it looks at each authority's sustainability performance. If it is not performing well, it may be identified as a risk to which that authority is exposed and it would then have to incorporate that into its annual improvement plan. My predecessor said to a local authority that the performance incentive grant would have to be targeted at improving its sustainability practice, so the Wales programme for improvement and the performance incentive grant are mechanisms to do that.

[72] A community strategy will be the main operating document for local authorities. In the past, such strategies were mainly aspirational, but, given that there has been a rationalisation of the number of strategies that local authorities have—it is now down to four—the community strategy becomes an operating manual for that local authority. We will provide guidance or advice notes to local authorities on the wider sustainability agenda and more targeted advice on climate change measures as part of the broader community strategy.

[73] **Alun Ffred Jones:** Who undertakes the audit?

[74] **Brian Gibbons:** Many bodies do, but the Wales Audit Office undertakes the audit of the process that I am talking about. It works with the local authority through a combination of independent ongoing audit and self-assessment by the local authority, so it is a symbiotic relationship. However, the Wales Audit Office brings a degree of forensic scrutiny to the self-assessment of local authorities on a rolling, annual basis.

[75] **Alun Ffred Jones:** Does that audit look at authorities' sustainability performance?

[76] **Brian Gibbons:** It looks right across the operating plan of that local authority. As the First Minister announced yesterday, in relation to the legislative programme, I do not think that the Assembly Government would say that it is totally happy with the Wales programme for improvement or with how the current improvement agenda is set up. So, we would not argue that the current system is perfect, but the Wales Audit Office can identify areas where a local authority is vulnerable in its major business plan delivery areas.

[77] **Alun Ffred Jones:** Perhaps we should look at how the Wales Audit Office conducts its audit or survey and at whether it is robust.

[78] **Brian Gibbons:** That may be problematic, if I may say so, but you can always ask. One reason we are looking to change the current arrangements is because there is a degree of opaqueness, in the sense that the Wales Audit Office works with individual local authorities very much on a client/provider basis. It is, essentially, an inward-looking document, which is a weakness of the current system. However, what is in the public domain is the annual improvement plan that follows from that risk-based analysis. However, we are not totally happy with the opaqueness of the current arrangements, which is why we are looking for

legislative means to open up the system to more democratic accountability.

[79] **Leanne Wood:** One area in which carbon reduction could be made, from a local authority perspective, is in planning. We have taken evidence from Merton and Woking councils and from a number of people who have raised concerns about out-of-town planning developments, which necessitate car travel. Is there anything that you can do on that front, in terms of issuing guidance to local authorities to implement some of the innovative procedures and policies found elsewhere?

5.40 p.m.

[80] **Brian Gibbons:** There is a lot going on, but Claire might be able to give you more detail.

[81] **Ms Bennett:** The Minister for Environment, Sustainability and Housing announced on 3 July a further consultation on the ministerial interim planning policy statement on climate change, which included a range of new policy proposals. That included requiring minimum standards of code level 3 for major developments—a type of Merton-plus rule, which expects all major developments to secure at least a 10 per cent reduction in carbon emissions using on-site and near-site local renewable and/or low carbon sources, and there are specific requirements with regard to strategic sites around single building standards. As those go significantly further than the consultation that was published in 2006, they need to be subject to further consultation. Those proposals have gone out for consultation and build on the examples and the request for more stuff to go into the planning system in this area. There are other proposals around design statements and how those can also play a role in this area. So that consultation has started.

[82] **Leanne Wood:** Assuming that that consultation has run through and that there have been no problems, will there be a duty on local authorities to implement this stuff? If so, what will be the penalties if they do not and, if not, how will you ensure that they implement it?

[83] **Ms Bennett:** The Assembly Government sets the overall framework, and local authorities would be expected to include policies that relate to things that are in national policy in their local development plans. There is a process by which their development plans are scrutinised, and the Assembly Government has an opportunity to comment on them, as does the Planning Inspectorate. So, there is a mechanism to ensure that these things are reflected. If you want a proper answer with regard to the precise mechanisms, it might be better for me to ask my colleagues in planning to provide an answer, rather than for me to make an inaccurate statement on how it works. However, there is a system for scrutinising local development plans.

[84] **Michael German:** The forward work programme will look at planning as an issue.

[85] **Brian Gibbons:** It is a bit like planning conditions. These bigger projects will have to meet these planning conditions, and I expect that the same regime operates with any planning regime. If people do not comply with the conditions, they are subject to the retribution that follows as part of the planning regime.

[86] **Michael German:** We will pick up the point about the Audit Commission later.

[87] **Lesley Griffiths:** During our evidence gathering, many respondents said that local authorities had a role to play in terms of leadership, but that there was a lack of engagement with the Welsh Local Government Association in particular and that, with very few exceptions, the WLGA was not showing this leadership in carbon reduction. How does the Government work with chief executives and leaders in the WLGA to ensure that local

authorities show leadership?

[88] **Brian Gibbons:** In fairness to the WLGA, it has signed up to the climate change and energy efficiency agreement. When you look at it, you see that there is a lot of work going on on the ground through these various deals. In my local authority, every house has been visited as part of the Warm Wales programme, and energy efficiency schemes have been put in. On the community strategy guidance, although it is not statutory guidance, local authorities will have to take cognisance of it when developing their strategy. Once we develop the 3 per cent methodology, local authorities will be expected to play their role in it. Most local authorities are positive in relation to initiatives such as the eco-schools projects, and there are probably well over 1,000 of those across Wales—I do not have the exact figure. The drive for having those eco-schools and so forth is coming from local education authorities.

[89] We are in a period of transition, but to say that, overall, local authorities are not engaged with this agenda is unfair. If you look at the performance framework, you will see that, overall, there are annual improvements in the emission levels in these local authorities' non-domestic and domestic building stock. There is progress. There may be legitimacy in asking whether it is quick enough and all-embracing enough, but to say that they are not interested at all would be too harsh a judgment.

[90] **Lesley Griffiths:** Alun mentioned best practice earlier, and it was mentioned that Cardiff County Council is showing good practice in leadership. What are you doing to ensure that it shares this best practice?

[91] **Brian Gibbons:** The Welsh Local Government Association is the main vehicle for disseminating good practice—other than the agencies that Claire mentioned, such as the Carbon Trust and the Energy Saving Trust, which does a little bit of work. As local authorities are big organisations, the Carbon Trust would be the main source of engagement.

[92] **Ms Bennett:** As the Minister mentioned in his opening remarks, there are a couple of local authorities, including those of Gwynedd and Carmarthen, that have local service board pilot schemes in this area, and we had an experience-sharing session for those authorities, that of Cardiff and for others who are active in this area, where they could talk about what they had done and how it had worked. We are now looking at the next step of how to enable them to continue to have a dialogue, but also at how to share that best practice without it always being those authorities who are rung up for help.

[93] The other thing that we have done is with regard to the energy measures report, which is produced under a piece of existing legislation on an England and Wales basis, and that will be turned into the climate change measures report. As well as giving lots of guidance on what you can do in each service area, that includes quite a lot of case studies. What we want to do when we produce the climate change measures report is see how we can have not just a document, but something that people can use practically, and think of a programme around that. That is something for development over the next year or two.

[94] **Darren Millar:** I am a little surprised by your comments, Minister, that you think that local authorities are engaged in this. I accept that there are eco-schools out there, and that many authorities have signed the Welsh declaration on climate change, but when it comes to areas where they can take action, for example, through the appointment of a Home Energy Conservation Association officer, most local authorities have not taken action. Most local authorities do not have someone who is actively fulfilling that role, even in part. The vast majority certainly do not have full-time HECA officers. Places like Flintshire are exceptions where the bull has been taken by the horns. What role have you had in trying to ensure that they are undertaking their existing duties responsibly?

[95] **Brian Gibbons:** How then do you explain the fact that, for most local authorities, there is a consistent, year-on-year improvement in carbon emissions and the carbon footprint of domestic and non-domestic stock?

[96] **Darren Millar:** How is that measured? Where are the figures for that?

[97] **Brian Gibbons:** The figures are in the performance framework.

[98] **Darren Millar:** One of the arguments in the evidence that has been presented to us, for example, by Cardiff County Council—if the Chair will permit me to lead on to this—is that there is insufficient baseline evidence against which local authorities measure their carbon emissions. I cannot see how you can defend your position. You are trying to divert attention away from the fact that you have not forced local authorities to deliver on their existing obligations under the Home Energy Conservation Act 1995.

[99] **Brian Gibbons:** First, there are data in the performance framework to indicate where we are going. That information is in the public domain. It is not secret; you just look up the performance framework. Okay, the performance framework is only a couple of years old, but we also have the information that Claire has shared in terms of home energy conservation. We know for example that Flintshire has made good progress. Two out of six local authorities' local service boards are addressing this. Six or seven local authorities are part of the south-east Wales consortium to put in better energy efficiency measures. As I said, Neath Port Talbot, which is not in that consortium, is part of the Warm Wales initiative. Gwynedd is making good progress, and Conwy is doing good work, as you probably know. So, to say that people are standing around with their hands in their pockets and doing nothing is totally unfair.

5.50 p.m.

[100] **Darren Millar:** I am not suggesting that at all, Minister. I am saying that they are not fulfilling their duties under the Home Energy Conservation Act 1995, and you appear not to be very concerned about it.

[101] **Brian Gibbons:** That is an assertion that you have no evidence to support.

[102] **Darren Millar:** We have received evidence.

[103] **Michael German:** Hang on; this is not the way to conduct the questioning.

[104] **Brian Gibbons:** No, it is not.

[105] **Michael German:** Claire wanted to add something.

[106] **Ms Bennett:** We have had a previous conversation on the Home Energy Conservation Act 1995. As the Minister for Environment, Sustainability and Housing has indicated, there are various things wrong with that Act. We will be looking at consulting on its repeal and its replacement with something more meaningful. Obviously, the committee will have a view on what has and has not happened previously, but we are looking to develop a system that is more meaningful and easier to comply with in the future.

[107] **Brian Gibbons:** I am looking at a table that shows the cumulative improvement between 2004 and 2007 for non-domestic energy efficiency; it is of the order of 14 per cent. That is the average. The best performing authorities achieve 18 per cent. That is from the performance framework; you may wish to examine it. Equally, similar data are available for the domestic parameters.

[108] **Leanne Wood:** I wanted to come back to the issue of how much leadership local authorities are showing. The evidence that we have received from the Local Government Information Unit is that it did not consider local authorities in Wales—apart from a few exceptions—to be demonstrating enough leadership to tackle carbon emissions effectively. It also highlighted the lack of engagement, both from local authorities and the Welsh Local Government Association. Only four local authorities responded to our written consultation. So, do you think that there is anything more that you can do to encourage leadership at a local government level? It is a crucial area, and so many gains can be made at the local government level, but that leadership is not coming through.

[109] **Brian Gibbons:** I said previously that the community strategy is the key document for local authorities. One of the key parts of the guidance that we have issued is that local authorities have to address climate change, sustainability, and waste issues. I do not think that it is in the public domain yet, but we will be providing fairly clear advice, case histories, and so on to individual local authorities so that, when they develop their community strategies, they will be able to give real effect to that point, which is included in the guidance. We have an overarching view of those community strategies and if, as they are developing them, local authorities do not take cognisance of the key points in those strategies, they will be sent back to the local authorities for them to do more work on them. The present round of community strategies is a relatively young process. It is probably less than 12 months' old. So, it is a new regime. I do not think that we are yet in a position to evaluate fully how effective it is. Equally, the governance and accountability arrangements of the Assembly Government for some of the performance matters in local government are probably not as strong as they should be. That is one of the reasons why we are proposing the new Measure, which we hope to be able to take through the Assembly over the next 12 or 18 months.

[110] **Leanne Wood:** When will the community strategy guidance be available for us to see?

[111] **Brian Gibbons:** The guidance is available now, but the more specific advice in relation to climate change and sustainability duties should be available in weeks.

[112] **Alun Ffred Jones:** Have you looked at good practice elsewhere? There have obviously been advances in Europe in terms of local government. Also, in America, I think that there are some exciting developments in the San Fernando valley in California.

[113] **Brian Gibbons:** That sounds very tempting, except for the carbon footprint of getting there. [*Laughter.*] That would probably undermine it. I will have to look it up on Google Earth. I gather that there are new features on Google Earth that will allow me to travel to these places.

[114] I cannot answer that question, because it would not be strictly within my portfolio.

[115] **Ms Bennett:** This is one of the things that the Climate Change Commission has been picking up. It has been picking up international examples. We have had some interesting examples of activity in Scandinavia and some other areas, which we are looking to follow up to see what we can take from the practice there. I do not think that we have had any US examples, apart from a few transport related ones. We are, however, beginning to develop a bit of a portfolio of other approaches. Through the EU and through some of the European networks that the Assembly Government is involved in, there is some quite interesting information emerging through those channels as well.

[116] **Michael German:** I suspect—[*Inaudible.*]

[117] **Alun Davies:** Minister, we have spoken before about the use of Ffynnon as a means of creating accountability for local authorities. Would there be a way of creating or defining some new performance indicators that you could put into the public domain, through Ffynnon, to ensure that there is public and political pressure on local authorities to create new and different ways of reducing their carbon footprint? I do not agree with some of the points that Darren made earlier; I hesitate to say it, but there must be something in the air in north Wales. Unless we have a means of ensuring public access to this sort of information, I do not see that we will be able to put sufficient pressure on local authorities to deliver.

[118] **Brian Gibbons:** One of the attractions of Ffynnon is that, when people interact with the programme, you get headline messages. However, as the instrument develops, you can peel back the layers of information that contribute to a particular outcome. Let us suppose that we looked at carbon emissions for a local authority and you wanted to look underneath that, maybe some of the information that fed into that outcome target would be available in terms of what housing had contributed, what waste had contributed and so on. We have not touched on waste or transport, but—*notwithstanding Darren's scepticism*—we know that local authorities are working hard on waste and contributing to combating climate change. They are working hard on the regional transport plans, which will contribute to reducing carbon emissions.

[119] **Michael German:** May I seek some clarification? Earlier, you told us that you were not going to set specific targets for each local authority to achieve. Yet, if you do not know where you are starting from and do not have some commonality as to what you are trying to measure, you are never going to know whether the improvement has been real or not. How do you square that circle? You are not going to have targets and you do not have any real baseline common indicators to use, so how are you going to know whether you have made any improvements?

[120] **Brian Gibbons:** I cannot give you chapter and verse, but my understanding is that work is going on to develop the carbon footprint of individual local authorities. I do not think that we said that there would not be any targets for local authorities; what was said was that these targets do not exist at the moment. I do not think that it would be fair for me to prejudge whether there should be individual targets for local authorities, because, clearly, it is my colleague, Jane Davidson, who has portfolio responsibility for this area of work. It is up to her, with her portfolio responsibilities, to do that. I do not know whether you can say anything on the development of the carbon footprint of local authorities, Claire.

6.00 p.m.

[121] **Ms Bennett:** Some interesting work has been done in England in turning the local authority emissions data into something meaningful, rather than something that tells you that some local authorities have lots of industry, which is not very useful. We are looking at how that might be developed further in Wales, but it is still in the early stages of consideration at the moment. However, that kind of information will hopefully be included in the consultation later this year.

[122] **Michael German:** When do you think that the early stage will be finalised?

[123] **Ms Bennett:** Hopefully, the consultation at the end of the year will include some detail on how to deliver the 3 per cent target. It will obviously be key to setting out how the public sector contribution to that target will be met.

[124] **Michael German:** Briefly, because we are coming to the end now, and have to finish, I ask Leanne to ask the final question. We soon have to be off the premises, I believe.



[125] **Leanne Wood:** How many local authorities will be covered by the carbon reduction commitment?

[126] **Brian Gibbons:** I do not think that we know that. It is conditional on their energy consumption—presumably, their energy consumption in a few years' time.

[127] **Ms Bennett:** Could I give a bit more detail on that?

[128] **Michael German:** Okay, that was the final question—

[129] **Brian Gibbons:** Sorry, Mike—I think that Claire was about to answer that.

[130] **Michael German:** I am sorry—I thought that you had finished.

[131] **Ms Bennett:** The reason that we cannot answer that question in a straightforward manner is that qualification for the carbon reduction commitment requires a certain size of electricity meter, for want of a better description, and a certain level of energy consumption. One of the provisions in the Climate Change Bill allows the UK Government and the devolved administrations to data share with energy suppliers, in order to identify the organisations with that level of consumption and that kind of meter. So, what we will be doing over the next two months is working with the WLGA and local authorities, on a voluntary basis, to get a picture of their energy consumption, and to identify which authorities might qualify. It is quite a high threshold; DEFRA estimates that about 150 of the largest authorities in England would qualify, so on that basis, one would expect the number of qualifying authorities in Wales to be quite small. However, there is more work to be done; as the Minister mentioned at the start, we need to look at some of the precise definitions of what is included in the carbon-reduction commitment—kinds of electricity use, such as street lighting, for example. That is still subject to discussion and consultation, so until it is finalised, one cannot know what precisely is in the portfolio. However, there is a further consultation on carbon reduction commitment in the autumn, and that will give us an opportunity for a lot more clarity around that.

[132] **Michael German:** Have we covered finalisation by the end of this year?

[133] **Ms Bennett:** On CRC, the regulations will probably be made next year, but like all emissions trading schemes, it is quite a complicated process, and not one that is in the gift of the Assembly Government. It is a UK-wide scheme, and Northern Ireland has an entirely different energy market, so there are quite a lot of issues to work through with the rest of our colleagues across the four UK administrations.

[134] **Michael German:** Leanne, you have the final, final question.

[135] **Leanne Wood:** We are expecting this to be in force in 2010, which is 18 months away, and there is concern that local authorities will not be ready. What is being done from a Welsh Assembly Government point of view to ensure that local authorities in Wales are prepared for this?

[136] **Ms Bennett:** As I mentioned, we will be talking with individual authorities and the WLGA over the next two months, working out which authorities are most likely to be covered. As well as the consultation in the autumn, there is quite a detailed programme of workshops and other events planned with the Environment Agency, which will be the regulator of the scheme. We will be talking to local authorities and businesses that might be covered by the scheme, explaining the process of registration, and what they need to do to participate in the scheme. That is a programme that will be running here in Wales and across the rest of the UK.

[137] **Leanne Wood:** Do you think that local authorities will be ready in time?

[138] **Ms Bennett:** As we have those discussions, we will want to identify what kind of further support would be helpful for them. We have a trading scheme that already exists, and that seems to work in a fairly straightforward manner. So, it is about ensuring that local authorities and any other people qualifying are equipped to comply with this one. We will want to review what additional support might be needed over the course of those discussions with those who are likely to qualify.

[139] **Michael German:** Thank you, Brian and Claire, for your evidence.

[140] I have two announcements to make. First, it is once in a blue moon that you get an opportunity to chair a committee with such splendid and inquisitive members. I am deeply grateful for the opportunity that you have given me, but indications suggest that normal service will be resumed in September, although I will be representing the committee at the Royal Welsh Show. Thank you for having me.

[141] Secondly, this is the final appearance of Joanne Clinton as the deputy clerk. She is being returned, well versed in the ways of Wales, to Scotland, where she will be working with the equal opportunities committee—I hope that that means equal opportunities between Wales and Scotland as well. We look forward to reuniting the Scottish Parliament when we visit. Thank you for everything that you have done for the committee. Members are very grateful.

[142] The next meeting of the committee will be on 25 September and the Rural Development Sub-committee will be meeting at the Royal Welsh Show.

[143] **Alun Ffred Jones:** On behalf of the committee, I would like to thank you for stepping into Mick Bates's huge shoes so adroitly.

[144] **Michael German:** Thank you.

*Daeth y cyfarfod i ben am 6.06 p.m.  
The meeting ended at 6.06 p.m.*