



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

**Y Pwyllgor Cynaliadwyedd
The Sustainability Committee**

**Dydd Iau, 25 Tachwedd 2010
Thursday, 25 November 2010**

Cynnwys
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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

Lorraine Barrett	Llafur Labour
Angela Burns	Ceidwadwyr Cymreig Welsh Conservatives
Alun Davies	Llafur (yn dirprwyo ar ran Karen Sinclair) Labour (substitute for Karen Sinclair)
Rhodri Morgan	Llafur (yn dirprwyo ar ran Sandy Mewies) Labour (substitute for Sandy Mewies)
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales
Joyce Watson	Llafur Labour
Kirsty Williams	Democratiaid Rhyddfrydol Cymru (Cadeirydd y Pwyllgor) Welsh Liberal Democrats (Committee Chair)
Leanne Wood	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Jane Davidson	Aelod Cynulliad, Llafur (Y Gweinidog dros yr Amgylchedd, Cynaliadwyedd a Thai) Assembly Member, Labour (The Minister for Environment, Sustainability and Housing)
Brian J. Pickett	Dyfodol Cynaliadwy—Y Tîm Gweithredu, Cyllid, Llywodraeth Cynulliad Cymru Sustainable Futures—Operations Team, Finance, Welsh Assembly Government
Matthew Quinn	Cyfarwyddwr, Adran yr Amgylchedd, Cynaliadwyedd a Thai, Llywodraeth Cynulliad Cymru Director, Department for Environment, Sustainability and Housing, Welsh Assembly Government
Diana Reynolds	Pennaeth Cadwraeth Natur a Bioamrywiaeth, Llywodraeth Cynulliad Cymru Head of Nature Conservation and Biodiversity, Welsh Assembly Government

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Aled Jones	Clerc Clerk
Meriel Singleton	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 9.01 a.m.
The meeting began at 9.01 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Kirsty Williams:** Good morning everyone and welcome to this morning's meeting of

the Sustainability Committee here at the National Assembly. I turn to item 1 on this morning's agenda and the usual housekeeping arrangements. In the event of a fire alarm sounding, you should leave the room via the marked fire exits and follow the instructions of the ushers and staff. There is no test forecast for today. I ask Members to ensure that all their mobile phones, pagers and BlackBerrys are switched off, and I remind everyone of the availability of simultaneous translation facilities. Headphones are provided through which simultaneous translation can be received. It is channel 1 for the interpretation and the floor language is available on channel 0. We have received apologies from Karen Sinclair, Irene James and Brynle Williams. Once again, Alun Davies is here as a substitute, and we hope to be joined later by Rhodri Morgan and by Lorraine Barrett. I understand that she is, unfortunately, detained, but she will be here later on.

9.02 a.m.

Cyllideb Ddrafft Llywodraeth Cymru: Sesiwn Graffu Welsh Government Draft Budget: Scrutiny Session

[2] **Kirsty Williams:** I welcome to the committee Jane Davidson, the Minister, to look at the Welsh Government's draft budget. This is part of the standard procedure for dealing with the draft budget, so welcome to you, Jane, and to your officials this morning. For the record, I ask you to introduce your officials—or they could introduce themselves. Following any brief opening remarks that you have to make, we will then turn to questions. As you can imagine, we have a lot of work to get through this morning, so please keep your opening comments brief, and we can then get on with Members' questions.

[3] **The Minister for Environment, Sustainability and Housing (Jane Davidson):** Thank you very much. On my left is Matthew Quinn, the head of department, and on my right is Brian Pickett, who is in charge of the budget. I will briefly mention to the committee that, in overall terms, my revenue budget reduces in cash terms by £7 million, or 3 per cent. The real position is obviously poorer when inflation is taken into account. The capital budget has been hit as a consequence of the very significant cuts passed on from the UK settlement. The cut across the three years is £21 million or 28 per cent. So, we have been very careful in terms of our allocation to focus on the best effect for the people of Wales, and I have been mindful of my lead in the Cabinet on sustainable development and climate change, which crosses all Cabinet portfolios, and our commitment as a Government to protect society's most vulnerable citizens.

[4] **Kirsty Williams:** Thank you very much, Minister, for those opening remarks. I will begin by asking you what process you have undertaken to identify the revenue priorities within your department that then inform the decisions on budget allocations.

[5] **Jane Davidson:** The process, as I have just said in my opening remarks, has been very much related to the overarching commitments on sustainable development and climate change, and our commitment as a Government to protect society's most vulnerable people. You will see that in the budget narrative produced by Jane Hutt as well. Taking energy efficiency as an example, we are sustaining the commitment that we have made to addressing energy efficiency, not only because it reduces costs for individuals, but because it saves carbon emissions and generates employment, too. So, we are continuing to develop the Arbed scheme, which has demonstrated the benefits of area-based programmes and the whole-house approach. Those projects are making real differences to the lives of people living in some of the most deprived communities. The lessons that we have learnt from the first phase of the programme will allow us continue to support invest-to-save work in the public and private sectors. That is a very different outcome to that seen across the border in England, where the energy efficiency budget has been cut by 68 per cent. We are focusing on the appropriate agenda for the people of Wales.

[6] **Kirsty Williams:** What process have you gone through in identifying those priorities and the outcomes that you would like to achieve, testing whether the amount of money that you have been able to put into each budget line will be enough of a resource to deliver on those outcomes?

[7] **Jane Davidson:** We have looked across the portfolio of responsibilities, and we have looked at a number of areas that are delivering direct outcomes for the people of Wales. Those areas include energy efficiency, fuel poverty, flood-risk management and so on. Where we have identified the positive work that has been instigated, and where there is good, evidence-based delivery from the Assembly Government, we have sought to continue to provide as much funding in those areas as possible.

[8] **Alun Davies:** Minister, one of the things that interested me last week when Jane Hutt was introducing the budget was the fact that she called it a particularly Welsh budget, and said that it is tuned into Welsh needs. How can you demonstrate that in your area of responsibility?

[9] **Jane Davidson:** We could demonstrate it in the context of a broad comparison with what is going on across the border. The overall cut in our funding is 3 per cent over the three years, whereas the overall cut to the Department for Environment, Food and Rural Affairs' budget is 13 per cent in revenue over the same period. In capital, our cut is 28 per cent, whereas in DEFRA it is 33 per cent. We have protected capital and revenue funding in fuel poverty, as I have already said, whereas the amount of funding for Warm Front will be cut from £345 million to £110 million, which is a cut of 68 per cent. In flood-risk management, across capital and revenue, we have less than a 1 per cent cut, whereas the *Financial Times* reported that, in England, there is a cut of 22 per cent. When Caroline Spelman and I were at the Environment Agency conference yesterday, she said that it was a cut of 8 per cent, but even so, it is dramatically more than the cut being imposed in Wales.

[10] In waste, we have put in additional capital allocations of £5.7 million and £4.9 million for anaerobic digestion waste disposal plants, whereas DEFRA is cancelling seven waste disposal projects. In planning, which is a revenue budget, we are cutting by 12 per cent, whereas in England it is being cut by 35 per cent. So, I think that we can say dramatically that this is a specifically Welsh budget, that we are protecting the most vulnerable, and that we are delivering on our sustainability and climate change responsibilities. That is leading to very different outcomes.

[11] **Alun Davies:** I think that the committee would welcome a lot of that. Kirsty asked you earlier about the processes by which you identified your priorities on the revenue side of your budget. I would like to go a little further and ask about the capital budget, because some of your capital budgets have exercised the committee during this Assembly. We would be interested to know the sort of prioritisation process that you went through in relation to capital expenditure.

[12] **Jane Davidson:** The department is responsible for a large number of strategic agendas, but it has a relatively small capital budget compared with others. Our main priorities with regard to capital have related to fuel poverty and flood-risk management. I have already talked about the home energy efficiency scheme, but the new Wales fuel poverty scheme will start from the beginning of 2011-12, and that is a specific commitment. On flood-risk management, to compensate for the drastic capital cuts, I have invested additional revenue in the flood-risk management programmes, because although we cannot turn capital into revenue, we can capitalise revenue. So, we are doing that, which means that the overall investment is maintained. So, what was a massive cut has become a cut of less than 1 per cent across capital and revenue budgets. That is not least because we also want to sustain the

benefits of European convergence funding in 2011-12.

9.10 a.m.

[13] **Kirsty Williams:** Minister, I am curious because, in recent weeks, the Welsh public will have heard you and your ministerial colleagues saying what a disastrous settlement the Welsh Assembly Government has received from London and that, therefore, very difficult choices were going to have to be made and that there would be terrible cuts to Welsh Assembly Government programmes. However, your evidence here this morning would suggest that you have been particularly skilful and successful in convincing your Cabinet colleagues to put money into your department, because you are talking about all of these things that are 10 times better than what is happening in England under the cuts. Have you been particularly successful in fighting your corner at the Cabinet table, and will other departments have bigger cuts because you have been successful in defending your patch? If not, can you tell us what things had to go—the difficult choices that you had to make—because, at the moment, you are talking about all the things that you are investing in rather than any difficult choices that you had to make because of the cuts that you keep publicly saying are draconian and terrible and are having a big impact on your decision making?

[14] **Jane Davidson:** It would be hard to describe the capital loss as anything other than draconian and terrible, and I think that every Assembly Member should worry about that, because it is our capital funding that drives private sector investment. We know that the majority of the delivery in a number of these programmes is in the private sector, so cutting the capital in this way means that we will see dramatic problems in the private sector's ability to work without the substantial public money that was previously available in Wales. In terms of the revenue funding cuts, in all of these areas, I am talking about the way that I have prioritised within the budget. There are a number of other areas, such as contaminated land. Although local government has accepted that responsibility, we have taken money out of dealing with contaminated land that we have provided additional support for over the past few years. We have the Environment Agency doing some work on that at the moment to assist local authorities in delivering their responsibilities on that.

[15] We have had to take funding out of the revenue budgets of all of our statutory agencies. However, we have been working with them over the past two years to ensure that they have a freeze on employment, look at greater cost-sharing arrangements and plan for reduced budgets. We have had to take money out of local environmental quality, although we have managed to protect areas such as Keep Wales Tidy and Tidy Towns. These are not choices that we would have wanted to make; clearly, we had prioritised all of these areas because we believed that they were important. However, at a time when we are facing cuts, it is important that those elements of my budget that deliver direct positive outcomes for the people of Wales should be maintained. That is what I have been discussing so far.

[16] **Kirsty Williams:** That is what we are trying to get at: what processes have you gone through that have identified things that are no longer a priority, and how have you gone about prioritising those streams that you have been able to maintain or put money into? That is what we are quite interested in. We are trying to get behind that process to find out how those decisions were made. There are more questions to come.

[17] **Jane Davidson:** I wish to add one other point, which is that it is important for me to say that there is no element of my budget that is no longer a priority. The only direct removal of funding from the budget has been with regard to the contaminated land element, which is the responsibility of local authorities. With regard to the budget settlement that they have received, they know that they have the obligations on contaminated land anyway. However, in all other elements of my budget, we are funding to improve. We would be putting money back into all elements of the budget, so we feel that we have a very strong case for the

importance of the way in which we have allocated money previously to the people of Wales. However, it is clear that, in these difficult times, we have had to make choices among those choices.

[18] **Angela Burns:** As we all know, the Assembly Government has made sustainability a key driver throughout all departments, but we would be interested to know how you have been liaising with other Ministers and their portfolios where there might be cross-cutting themes, and how you have managed to negotiate your way through them to achieve any efficiency savings or budget compromises that may have been necessary.

[19] **Jane Davidson:** We have had a number of conversations at official level and ministerial level with colleagues in the finance department about the fact that sustainability is our central organising principle as a Cabinet, and that that needed to be reflected in the core budget considerations across all departments. That has been taken into account in the way that the budget has been allocated. Those discussions were ongoing, and the results are in the budget narrative, the foreword of which reflects our commitment to sustainability and climate change. It has been clearly placed up-front. As a Minister, I have been involved in those discussions—as have officials—to ensure that that principle is fully maintained across all budgets.

[20] **Angela Burns:** Have your officials also been talking to local government? Planning is a big part of local government, as is housing; have they talked about the impacts on those areas, or have the discussions been directed at finance people?

[21] **Jane Davidson:** I will ask our lead official to comment on his many discussions.

[22] **Mr Quinn:** To take one specific example, we have just published the climate change strategy, which has action plans across the different departmental activities. That has been very timely in coming alongside this budget, so that we can ensure that all departments can honour the commitments that they are making, including delivery around local government issues.

[23] **Angela Burns:** Sorry, I am not entirely sure that my question was answered; does it all rest on the climate change strategy?

[24] **Mr Quinn:** No; it is embedded in the different areas of work that we are doing. I have taken climate change as an example because we have just published that strategy, which says what departments will do, and we have been working with departments to ensure that they can deliver through this budget process. Arbed is another example—it involves a number of budgets from a number of different areas that the Minister has already cited—where we are ensuring, as part of the budget process, that it can continue to be supported with the levels of budget in the different departments.

[25] **Angela Burns:** This may not be the best example—I am not saying that this is what we should do—but a planning inquiry is currently being undertaken by the Sustainability Committee. We have heard about the enormous pressure that local government is under in terms of staffing and training resources to effectively produce good planning and to ensure that planning policy throughout Wales is carried out in a cohesive strategy. Given the budget round, I wonder whether there have been any discussions with that kind of set-up in local government—for example, where they are saying that they are short of resources—so that portfolio Ministers have to ensure that whatever they produce does not have too adverse an impact. It would be a bit crazy to suddenly bring out a whole wodge of planning regulation if there are no resources there. That is just an example; as I say, it may not be the right one, but there are areas where you need that sort of cohesion between departments, and I wonder whether that kind of discussion has been going on.

[26] **Jane Davidson:** It is important to say that the planning budget line is primarily managed by reducing expenditure on the planning inspectorate and the aggregates levy sustainability fund. That is because the number of planning appeals has declined, thereby reducing the demand for their services. Consultation papers are in preparation for the introduction of fees for appeals, to be brought forward in the new year. Subject to that, the earliest that any appeal fees could be introduced would be April 2012. The number of grant applications to the aggregates levy sustainability fund has also declined—it is a very specific fund for mineral extraction, so you can only qualify if you are in that area. The reductions that we have looked at will therefore not affect the implementation of the planning application improvement programme. There are no cuts to Planning Aid Wales, which is the external support mechanism, or to the Design Commission for Wales, because we stand by the assertion that sustainability and high-quality design are good for Wales, so we have been very careful in the management of this.

9.20 a.m.

[27] **Angela Burns:** Are you able to share with us a forward financing programme that looks at what effect these reductions might have, in the short term and long term, on the delivery of the sustainability objectives? For example, what would happen if this were to carry on for five years or for 10 years? What would the different impacts be of carrying on as before, and of the current situation? How much further does this alter any of the ambitious targets that we have as a nation to achieve certain sustainability objectives? Has it had that kind of impact?

[28] **Jane Davidson:** There is an interesting parallel here with the work that we are undertaking through the climate change agenda, which is very much related to unsustainable activity. In terms of the climate agenda, we have set up a 10-year programme of work, so, having a budget that does not give us as much as we would like in year 1 does not affect the overall outcomes. However, it will do so if we continue to have budget reductions for each of those 10 years. One of the things that we have been leaning towards in the context of the work that we do in the department, as well as our responsibilities more widely, is ensuring that we put that longer term planning in place so that we are not just talking about the lifetime of this administration or even the lifetime of the next administration, but about doing that over a longer period. For example, we think that it is important that a revamped Wales Audit Office will have a major function in assessing how the Assembly Government tackles the business-embedding of sustainability and what it does. That would be a critical element in taking forward budget setting for the future, alongside policy setting.

[29] **Leanne Wood:** Can you tell us how you intend to identify and measure the effectiveness and outcomes of the stated strategic priorities and, therefore, the effectiveness of the funding allocations and the savings made in respect of these?

[30] **Jane Davidson:** Officials monitor progress throughout my portfolio and I monitor their monitoring, in the sense that I monitor areas where I am concerned that we may not achieve something by the deadline that we have set ourselves. Matthew and I meet weekly to discuss what is happening in the context of the department and, often, as part of those meetings, I require Matthew to tell me exactly where we are on some element of policy delivery, whether we are on schedule and, if not, what could be done to speed it up or whether there are external issues that are affecting what we do. The sustainable development annual report details activities throughout all Government departments. In the context of my department, it is everything from waste activities to mitigation of, and adaptation to, climate change. The performance of the delivery bodies is monitored on a quarterly basis by officials. They submit performance reports to me on a half-yearly basis, and I meet the chairs and chief executives of statutory bodies, with the monitoring officer, to go through what they are doing.

Therefore, we monitor all these issues very carefully indeed.

[31] **Leanne Wood:** Can you provide examples of the types of options that are currently being considered as part of the review of environmental delivery in Wales, what savings they can accrue and what can be done with the savings made?

[32] **Jane Davidson:** We are having a very open consultation. As you know, Elin Jones and I are working together on this because of her responsibility for Forestry Commission Wales. We are looking at everything, from doing nothing—I always think that there is a certain irony that civil servants start from basis of doing nothing, but they tell me that that is always the unacceptable option—through to more collaboration between the agencies, changing some of the roles of the organisations, partial mergers, the creation of a replacement body or the abolition of existing bodies. All of those things are on the table in the context of the consultation. You will know from what we have been saying as Ministers that there is a strong case for the creation of a new body, but obviously there are cost-benefit, pension and IT issues and so on that have to be properly factored in with regard to moving forward. It is also dependent on the consultation on ‘A Living Wales’, because we are doing this for the environmental imperative. We are not being driven by a cuts agenda in this particular initiative. This initiative came about because we were acutely conscious that, in the failure of our delivery against biodiversity targets, it gave us a real opportunity to look again at how we related, across the whole public sector, with the environmental agenda. The consultation on both ends on 31 December.

[33] It is too early to say what effect a new environmental body would have on the budgetary allocation for the work of the Environment Agency Wales and the Countryside Council for Wales. We will definitely be looking for delivery improvements, effectiveness and efficiency benefits. We have allocated around £10 million, I think, in the budget for structural change on an invest-to-save basis if we move forward to a new body, because you have to invest up front in making the changes. Clearly, we would announce what those cost benefits were in the context of the outcome of the decision on delivery bodies, once we make our decision around the ‘A Living Wales’ agenda.

[34] **Leanne Wood:** I have one more question. The revenue budget for climate change and sustainability is to be cut by nearly 2 per cent, and that for the environment by nearly 4 per cent. The capital budget for climate change and sustainability is to be reduced by 16 per cent, and the capital budget for the environment by 44 per cent. Given that, what can you do to restrict the amount levied on the Environment Agency Wales by the Environment Agency headquarters in Bristol? It has seen the charge made for headquarters services rise by more than 37 per cent in just five years. Information technology service charges alone on the Environment Agency Wales have increased from £2.4 million to £5.8 million over five years. Now that we have to make cuts across the board, I am concerned that we may not be getting value for money from this arrangement. Are we not just helping to fund the bureaucracy at the top of the England and Wales Environment Agency, where nine executives earn more than £100,000, and the chief executive, Paul Leinster, earns more than £200,000?

[35] **Jane Davidson:** Obviously, the review, in terms of the delivery bodies, is looking at whether we have the most effective and efficient arrangements in place to deliver our environmental policies. As part of the review, the Environment Agency Wales is conducting a detailed assessment of the services that the Environment Agency centrally provides it with, quantifying the services in more detail and establishing an appropriate basis for paying for the services in the future. If we establish a new environmental body, that detailed assessment will be essential in looking at whether the new body continues to procure services from the Environment Agency—I mean by that specialist services, such as flood forecasting, which are crucial for us—or whether there are more cost-effective ways of securing such services, particularly in Wales. The provision of the services is a complex matter. Certain services have

been centralised with the aim of ensuring efficiencies and releasing more money for the delivery of front-line services. Some very sophisticated permitting software is used in the delivery of the functions, which are dispersed throughout England and Wales. For example, the national permitting office for the England and Wales Environment Agency is based in Cardiff. Therefore, the permitting work that was previously done across the Environment Agency's various regions has now been consolidated in Wales. So, it is a complex picture, which we are unpicking at present.

[36] **Mr Quinn:** We will be charging for that, potentially. [*Laughter.*]

[37] **Lorraine Barrett:** Could you say something about equality of opportunity considerations—I usually take an interest in these matters—and about how they have impacted on the formulation of your draft budget? Could you also say anything about the particular allocations around the equality agenda that you have made within your spending programme areas?

9.30 a.m.

[38] **Jane Davidson:** The focus that we have had in our spending areas on social justice, and on the most vulnerable people, many of whom are elderly or disabled people, has been particularly striking this year. There is the new all-Wales fuel poverty programme, our energy efficiency work, Arbed, and the flood-risk management programme, because there are some very vulnerable communities in Wales, particularly the poorest communities, that are not able to access flood insurance, for example. That is why I was determined, even with the appalling capital cuts, to protect those, because that is what gets hit: flood-risk management is delivered through capital projects in relation to the specific defence mechanisms. You can also look at our coastal access programme. The coastal path could just have been a path for ramblers, but we have deliberately built into it opportunities for parts of the route to be fully accessible, so that everyone in Wales can appreciate its delights. The Pembrokeshire coastal path has been named as the joint second best coastal path in the world—

[39] **Rhodri Morgan:** Second best?

[40] **Jane Davidson:** I am afraid so. I am afraid that we lost out to Hawaii, and we share the honour with New Zealand—that is not an honour that we want to share this weekend. However, we can very easily move from second to first, because according to the *National Geographic Magazine*, we will have the best coastal path when we have the all-Wales coastal path complete, as it will be the only coastal path of its length in the world. So, that is a very exciting proposition.

[41] Going back to the broader equality question, we conduct equality testing as part of the decision-making process. Perhaps Matthew could say how that is conducted in the department.

[42] **Kirsty Williams:** Please be brief, Mr Quinn. We are halfway through our time, and I do not wish to detain the Minister for longer than she is scheduled to be here, and we have a long list of questions to get through.

[43] **Mr Quinn:** Okay. Basically, we looked at which of the budget lines had the greatest impact in terms of equality and recorded those. They are the ones that we have protected in this budget, as the Minister has said.

[44] **Lorraine Barrett:** Thank you for that answer, Mr Quinn; I appreciate it. Minister, how many successful bids have been made from within the environment and sustainability portfolio to the invest-to-save fund and the efficiency and innovation programme? Do you

have any details of the successful projects and any calculations done on what savings will be made and where?

[45] **Jane Davidson:** We won £2.9 million for energy efficiency, and £0.8 million for flood-risk management from the invest-to-save fund, which we are very pleased about. In fact, it was a very large proportion of the funds available for one department, and it bears out what I have said about our policy priorities. We have not made any bids to the efficiency and innovation programme yet, but we expect to do so once we have made the decision on the delivery bodies, as that programme is about major support for IT procurement and those types of issues. So, we have not made a bid to that fund yet.

[46] **Kirsty Williams:** To clarify, what was the first bid for? You said that you made a bid to the invest-to-save fund, so what savings do you expect to accrue from the investment that the Minister for Business and Budget is making in your department?

[47] **Jane Davidson:** I will hand over to Brian for the detail.

[48] **Mr Pickett:** The bids have just gone in and we have just had that money awarded, so we are in the process of looking at the payback. In terms of flood-risk management, it is primarily around getting schemes to a point at which they can start, so it is about how many savings you can quantify from houses and properties are not being flooded. These are bids for the £47 million in capital that has just been announced. The £2.9 million for energy efficiency will be paid through the Carbon Trust to the private and public sectors in relation to the energy efficiency agenda and consequent savings.

[49] **Kirsty Williams:** One would have expected that, if you make a bid to this fund, you should be able to demonstrate at the outset what the Minister is going to get for her money. It seems extraordinary to me that you have been granted the invest-to-save funds and you say that you are now looking at the payback. Surely, you should have looked at the payback before you made the bid, so that the Minister for finance, who is giving you this money, can be assured that she is going to get a return and can then make a judgment about which schemes will give her the biggest payback. It is quite strange to hear you say that you are looking at that payback now, after the allocation has been made to you.

[50] **Mr Pickett:** There were a number of criteria that we had to answer in putting those bids forward, and we are now working out the detail of the financial payback, but there were a number of other things as well, such as how much this will help the capital programme going forward, given the capital cuts.

[51] **Alun Davies:** I must say, Mr Pickett, I do not find that a very convincing answer. I would have thought that with invest-to-save, the equation is no mere detail, but fundamental to it, and that you would not make the investment unless you could demonstrate that it would lead to considerable savings. If you are not in a position to provide the committee with a full answer this morning, could we have a paper on it later?

[52] **Jane Davidson:** It is worth adding that what Brian does is to translate the overall policy ambition into the absolute detail that needs to be given as cover to our finance colleagues. The way that the invest-to-save programme runs means that you have to say what you think that you are going to be able to get in savings, and finance officials have to be satisfied enough in terms of the allocation, after which they want the robust detail delivered, and that is the work that we are doing at the moment. We can drop you a note about the way that that process of invest-to-save runs, and with it the extra information that we will be providing to finance colleagues.

[53] **Kirsty Williams:** The additional information would be useful. I do not think that we

are saying that it is your fault; it just highlights perhaps an insufficiency in the way that the invest-to-save fund is run rather than any failing on your part, or your not having done the necessary paperwork beforehand.

[54] **Alun Davies:** Can we also have a note on the savings available, rather than simply the policy issues, so that we can look at the financial impact of that project?

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

[56] **Kirsty Williams:** Thank you very much for the commitment to provide that information.

[57] **Joyce Watson:** What effect will the budget cuts have on delivering Welsh Government commitments, such as those included in the climate change strategy and the Arbed programme?

[58] **Jane Davidson:** I have already said that there will not be an effect on the commitments within the climate change strategy overall, since the period is operating over 10 years, unless the cuts are sustained year on year. However, the Arbed programme will not be affected, because phase 1 is funded by the strategic capital investment fund and phase 2 is funded by the European structural funds with some match funding. So, we are confident that that is maintained.

[59] **Joyce Watson:** Okay. In the budget allocations against the budget expenditure line table provided by you, revenue has been allocated under the natural environment framework restructuring. Will you explain exactly what that might mean?

[60] **Jane Davidson:** As I said earlier, we have allocated around £10 million in terms of enabling. It will, in a sense, be an invest-to-save initiative to enable the restructuring to take place.

[61] **Mr Quinn:** It is basically a budget line around taking forward the options from the review; once that is concluded, this is the sort of investment money that will make that happen.

[62] **Jane Davidson:** We are making sure that it is in the budget now.

[63] **Alun Davies:** In terms of climate change and sustainability, Minister, I understand that part of this budget goes to fund energy efficiency and other such projects. I am assuming that with, for example, the Energy Saving Trust, a lot of that work is within the public sector, with local authorities and other bodies. I am also assuming that the work with your fund, through your department, will have a financial impact on their budgets, in that they will be able to demonstrate savings as a consequence of energy efficiency projects. Does your department measure the impact of that spending in relation to wider savings in the public sector?

9.40 a.m.

[64] **Mr Quinn:** We have not yet looked at calculating a total figure, although it is a good suggestion. What we have been doing is to support a series of projects, largely through the Carbon Trust, and through a sponsor arm of the trust's that works specifically on invest-to-save with local government. Through the local service boards, a number of areas are now taking forward significant carbon reduction commitments and targets for the public sector stock. So, it should be possible to aggregate that, which I think that we should do. We have figures for climate change target reductions in the public sector, such as the carbon dioxide

targets that we are working towards, but I do not think that we have put a number on that, although I think that we could.

[65] **Jane Davidson:** It is important to say that we can often demonstrate to the public sector that taking the decisions to make its buildings more energy efficient offers a saving to the public purse, which is critical at this time when it is facing cuts.

[66] **Alun Davies:** Perhaps we could have a paper on that as well, to understand the impact of your spending on the wider public sector finances.

[67] **Kirsty Williams:** That would be very useful indeed.

[68] **Angela Burns:** You have already touched slightly on this point, but the revenue budget for developing and implementing flood and coastal risk, water and sewage policy and legislation will increase by 24.8 per cent in real terms over three years, while the capital budget will decrease by 49.6 per cent in real terms over three years. Could you explain the possible implications of those changes on that area?

[69] **Jane Davidson:** Yes. As I said earlier, we have managed to get an increase into the revenue budget in order to capitalise some of the provisions to offset the capital cuts and to give us flexibility. In sustaining the total funding at the level of a cut of less than 1 per cent across capital and revenue, our intention is that no current plans will need to be cancelled or postponed. We have been very clear about that.

[70] **Angela Burns:** So, for the avoidance of doubt, none will be cancelled, simply because you are capitalising the revenue elements.

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

[72] **Rhodri Glyn Thomas:** Cyhoeddodd y Gweinidog dros Fusnes a'r Gyllideb y byddai £0.8 miliwn yn cael ei fuddsoddi yn y rhaglen ar gyfer amddiffyn rhag llifogydd. Sut ydych yn bwriadu defnyddio'r arian hwnnw i hyrwyddo'r rhaglen honno?

Rhodri Glyn Thomas: The Minister for Business and Budget announced that an investment of £0.8 million would go into the flood defence programme. How do you intend to use that funding to promote that programme?

[73] **Jane Davidson:** Mae'r cyllid ychwanegol ar gyfer prosiectau a chynlluniau newydd. Maent yn bwysig iawn, oherwydd mae mwy o bobl yng Nghymru yn awr yn wynebu risg o lifogydd. Mae'n bwysig gweithio gyda chymunedau sy'n wynebu risg o'r fath. Felly, gofynnais am y cyllid newydd hwnnw.

Jane Davidson: The additional funding is for new projects and schemes. They are very important, because more people in Wales are now at risk from flooding. It is important to work with communities that are at risk. Therefore, I requested that new funding.

[74] **Rhodri Glyn Thomas:** Felly, bydd yr arian i gyd yn mynd ar brosiectau newydd sy'n ychwanegol at yr hyn sydd yn y rhaglen.

Rhodri Glyn Thomas: So, all of the money will go on new projects, in addition to those currently included in the programme.

[75] **Jane Davidson:** Bydd.

Jane Davidson: Yes.

[76] **Mr Quinn:** There is likely to be a combination bringing forward elements, and that example is a legitimate one as it will bring about benefits for communities earlier. We are working at the moment on a national flood-risk and coastal management plan for Wales, and that will drive the forward investment programme. That is why we have kept the levels of

funding as they are, and that is how we will use the £0.8 million.

[77] **Rhodri Glyn Thomas:** O ran elfen arall o fuddsoddiad—sy'n beth rhyfedd yn y gyllideb hon—yr ydych wedi sôn am eich bwriad i fuddsoddi yn y rhaglen gwastraff bwyd. Sut yn union yr ydych yn bwriadu buddsoddi yn y rhaglen honno?

Rhodri Glyn Thomas: With regard to another element of investment—which is rather strange in this budget—you have mentioned your intention to invest in the food waste programme. How exactly do you intend to invest in that programme?

[78] **Jane Davidson:** It is not strange at all; it is a core part of delivery, because we will not meet the recycling targets that we as an Assembly have made mandatory unless we can have the separate collection of food waste and the food treatment plants.

[79] **Rhodri Glyn Thomas:** The point that I was making is that it is strange that I have two questions about investment in a budget that is all about cuts. You seem to have safeguarded some investment in your budget, which you should be commended for.

[80] **Jane Davidson:** We have worked closely with local authorities, the Minister for Business and Budget, the Deputy First Minister and Minister for the Economy and Transport, and the Minister for Social Justice and Local Government over the past two years—this has very much been a corporate Assembly Government initiative to look at tackling waste issues. We are committed to providing 25 per cent of the cost over the lifetime of the projects for food treatment plants. Those plants will come on-stream in 2012-13 and 2014-15. They will have a lifespan of 15 years. Therefore, the funding is in my budget, and we have allocated the appropriate capital and revenue provision in each of those years to enable that to happen. That is part of an agreement with local government that is supported by the finance department and the Department for the Economy and Transport.

[81] **Rhodri Glyn Thomas:** Beth yw'r bwriadau ar gyfer Comisiwn Datblygu Cynaliadwy Cymru ar ôl Mawrth 2011?

Rhodri Glyn Thomas: What are the intentions for the Sustainable Development Commission for Wales after March 2011?

[82] **Jane Davidson:** Mae arian yn y gyllideb i gefnogi trefniadau newydd, ac yr ydym yn gweithio gyda Cynnal Cymru a'r comisiwn ar hyn o bryd i wneud y trefniadau newydd cyn mis Mawrth nesaf.

Jane Davidson: There is funding in the budget to support the new arrangements, and we are working with Sustain Wales and the commission to make those new arrangements before March next year.

[83] **Rhodri Glyn Thomas:** A fydd y comisiwn yn bodoli ar ôl mis Mawrth nesaf?

Rhodri Glyn Thomas: Will the commission exist after March?

[84] **Jane Davidson:** Bydd y comisiwn yn dod i ben ar ôl mis Mawrth nesaf oherwydd penderfyniad gan Lywodraeth Prydain.

Jane Davidson: The commission is being wound up after next March because of a decision by the UK Government.

[85] **Angela Burns:** Earlier, we were discussing the capitalisation of revenue in order to maintain capital spend in flood-risk areas. Can you give us an idea of how much of that revenue you have taken into the capital programme and which revenue projects might therefore have been cancelled, or what changes or proficiency savings you are looking for to make up that revenue shortfall?

[86] **Mr Quinn:** The focus has been on protecting the investment programmes that we have. The areas on which we have applied pressure are essentially in delivery efficiencies. Where you have delivery programmes, such as the agencies, you will see a reasonable

downward pressure over the period on all budget lines. That is where we have released the revenue savings in order to reinvest back into the capital.

[87] **Angela Burns:** How much, roughly, have you taken from revenue to put into capital?

[88] **Mr Quinn:** It would be in making up the difference. We will make decisions depending on what needs to be spent in a given year. This will allow us to sustain the current capital programme over the period, so we will be looking to move that sort of money in the flood line of the revenue budget across to the capital side.

[89] **Angela Burns:** Okay, I see. Thanks.

[90] **Rhodri Morgan:** We are trying to get a picture of the extraction of some good news out of the general bad news about the huge drop in capital. I am trying to see what the really bad news is behind the bad news. You mentioned contaminated land. Is that going to impact on brownfield land housing schemes, or are they rather a thing of the past anyway that we should not worry too much about? It does not mean a lot when you just say that there is going to be a huge cut in contaminated land without putting a bit of flesh on the bone. Can you give us some examples of what this cut in the grants for contaminated land is actually going to mean?

[91] **Mr Quinn:** This is not the money that used to be used for renewing sites for economic development; that was always in the economic development budget.

[92] **Rhodri Morgan:** No; that is why I mentioned housing.

[93] **Mr Quinn:** This is not money for preparing a site to be built on.

[94] **Rhodri Morgan:** Not even for housing?

[95] **Mr Quinn:** No, not even for housing.

[96] **Rhodri Morgan:** Okay, so what is it for?

[97] **Mr Quinn:** This is a stream of money that we use to help authorities that have a difficult site and may need to make a specific investment.

[98] **Rhodri Morgan:** A difficult site for what, though, if it is not for housing or industry?

[99] **Mr Quinn:** It is a site that is being managed. It would be an old contaminated land site. There are no buildings on it, but it might contaminate the water supply or create methane. Occasionally, you need to spend a little bit more money on one of those than on the standard monitoring. However, in fact, for any major development, £2 million would not be enough anyway. So, it has essentially been a little bit of funding—

9.50 a.m.

[100] **Rhodri Morgan:** So, in line with Angela's last question, what impact is that going to have, where you have an increase of 25 per cent on the revenue side for water and sewage? It goes up by 25 per cent in real terms, but is it going to be undermined if you have leachate coming from untreated contaminated land that you are no longer treating? Are you going to have nasties going into the water even though you are increasing your spend on water and sewage?

[101] **Mr Quinn:** No, there should not be an issue around that. At the moment, there are no

sites that are giving us grave concern. We have asked the Environment Agency to look at it more generally in order to get a better base position on contaminated land as a whole and the risks. It is an issue to which we will need to return in future, once the Environment Agency has completed that work for us.

[102] **Jane Davidson:** I think that it is important to say that the duty rests with local authorities in their areas—

[103] **Rhodri Morgan:** However, they get no money to do it.

[104] **Jane Davidson:** The additional funding helped them with inspecting land and remediating land where there was an element of risk. Ordinarily, we would not want to stop funding this. That is the point that I made at the beginning. It is not the case that this budget process has been without pain in this department. It has been a very painful process, and, were there to be additional money available in future, we would certainly want to continue with the sort of obligations that we have had previously. However, this is a very specific local government duty under the Environmental Protection Act 1990. As Matthew says, we have asked the Environment Agency to prepare an issues paper on contaminated land in Wales, and we will consider any implications of the loss of funding when we receive the report. We will then have to work with local government in looking at the relatively small number of sites throughout Wales and how they can be appropriately managed.

[105] **Rhodri Morgan:** Let me be a bit more specific. You have mentioned the Pembrokeshire coastal footpath as one of Wales's glories—fair enough. Being a bit more parochial, one of the other glories being restored is the River Taff and its tributaries and the River Ely, where it runs through the capital city and up to the salmon and sewin spawning grounds in the Rhondda, upper Taff and so forth. The salmon have returned to the extent of about 500 per year. The natural potential is probably about 2,000 per year, but there are still quite a lot of obstacles. The Rhondda Fawr is very good; the Rhondda Fach is not so good; the River Cynon is not so good; and there are obstacles, such as dual capacity sewers and so on, which are going to prevent us getting from 500 salmon a year to 2,000, which is the pre-industrial carrying capacity. It is wonderful that this happens in the capital city. It is probably the only place in the world where salmon spawn in the middle of the capital city, which is fantastic. However, is this budget cut in capital terms going to affect the ability of the Environment Agency to continue to regenerate or see the regeneration to its full 2,000-a-year salmon carrying capacity in the Taff basin?

[106] **Jane Davidson:** No, not at all. We have very good water quality. Our water quality has gone up. It is better than that in England, for example, and we have obligations under the water framework directive, which we will be delivering. These are not in any way related to the issue of contaminated land.

[107] **Rhodri Morgan:** No, no, I am not just talking about the contaminated land issue, but this whole area of co-operation with local authorities, the Environment Agency Wales and the Countryside Council for Wales where, on the River Cynon, for example, there is some sort of obstacle to the salmon finding it to be a good place. They do not even know where the problem is coming from, but they think that it is leachate from a quarry somewhere on the River Cynon. The Rhondda Fach is not good, although the Rhondda Fawr has become absolutely brilliant for salmon spawning. There are still problems partially related to physical obstacles, partially related to leachate and so on.

[108] **Kirsty Williams:** I think that the Minister gets the point about your concerns in this area. Could you give Rhodri the reassurance that he is looking for that these developments, which are absolutely significant and magnificent, will not be jeopardised under this budget?

[109] **Jane Davidson:** Yes; I can assure him that the issue of contaminated land is separate from the issue that he is raising now. There has been a 10 per cent cut in real terms to the Countryside Council for Wales's budget and a 46.8 per cent reduction in real terms to that of the Environment Agency Wales. It is important to say that, if we continue to make these kinds of cuts, the ability of those organisations to monitor and deal with these issues appropriately would be affected. In the short term, we know that we can manage the cuts out of a programme of redundancies and shared services to minimise the impact on front-line delivery. These organisations are absolutely determined to deliver also on their statutory obligations, such as the water framework directive.

[110] **Rhodri Morgan:** I would be very grateful if you could give the committee—for my benefit, if not that of other Members—a detailed report on the Rhondda Fach and Cynon rivers, and possibly on some of the other areas that are still proving problematic for the restoration of salmon and sewin spawning grounds, telling us whether these will impact on the ability to find out what is the cause of problems in restoring those areas and what can be done about it.

[111] **Jane Davidson:** We will ask the Environment Agency Wales to write to you on that issue, Chair.

[112] **Kirsty Williams:** Thank you. Rhodri, are you happy with that answer? I see that you are. It is a very important issue. I turn to another specific and important project, namely the capital allocation for nature access. Minister, you have already talked about the importance of the coastal path being completed. Could you outline whether the allocation of £3.3 million in the first year and then £2.5 million is for that project alone? Will that allow for the completion of the project, and what assessment has been made of upkeep costs once the path is open? What about other issues around nature access in other parts of Wales? Is all of this money to go on that one project?

[113] **Jane Davidson:** As we have said previously, the current priority is to complete the path by 2012, and the funding is there for two years in the draft budget. We fully recognise the need for ongoing maintenance, and that is in the draft budget for 2013-14. Accurate estimates will be developed when the discussions on maintenance are expanded to include the coastal local authorities more formally next year. When the budget is confirmed, I will write to all local authorities in Wales on the Government's access to the countryside and priorities for the coast. I will include references to the coastal path, but I will also look at issues around access to the countryside more widely. I cannot do that, however, until the full budget is confirmed by the Assembly.

[114] **Alun Davies:** Minister, when we were discussing the devolution of building regulations some time ago—around the time of your appearance before this committee to give evidence on the Planning Bill—you talked about considerable spending in the coming financial years to increase the Welsh Assembly Government's capacity to handle the devolution of those regulations. Given what is in the budget at the moment, are you still confident that the Assembly Government has the resources to deal with this matter?

[115] **Jane Davidson:** This is the budget for 2011-12, and the devolution of building regulations does not fully take place until 31 December 2011. Before then, the technical and professional work to develop the new building regulations will take place. We have also specifically said that the Government is interested in improving the energy efficiency of buildings, initially by 55 per cent; that work will be ongoing over the next financial year. I am confident that the £700,000 that has been allocated for that is sufficient.

[116] **Alun Davies:** When you were looking at this about two years ago, I seem to remember that you mentioned figures that were somewhat greater than those in the budget at

the moment. I remember a figure of £15 million being discussed, so it would be interesting for us to know how this funding will be spent. As Angela referred to earlier, the committee is currently concluding an inquiry on planning issues. Do you see the planning function of the Welsh Assembly Government being affected by the reduction in funding?

10.00 a.m.

[117] **Jane Davidson:** No. I have met the planning forum, which is the group of stakeholders across all sectors in Wales that advises the Assembly Government on planning issues, within the last week. We have been clear that the planning budget line reduction is primarily managed in the way that I described earlier; there are fewer appeals to the inspectorate and an amount is lost from the aggregates levy fund. We have continued to put additional funding in the areas where planning authorities have needed extra support—for example, in the context of renewable energy. One of the critical areas will be around fees in the planning system, because that is one of the elements that sustain the planning system at a local level. I am sure that you are looking at this under your wider inquiry into planning. At a time when the private sector is not building, you do not get the fees in the same way. So, what we fund will not be problematic, but, in the absence of people building, the planning system struggles to find local investment to sustain jobs in the local authorities.

[118] **Kirsty Williams:** For clarity, could you state what has happened to the planning improvement grant, which used to go to individual planning authorities to assist them in driving forward change and development?

[119] **Mr Quinn:** I cannot remember, I am afraid. I need Rosemary Thomas, the head of planning, for that. We will give you a note on that. The Minister is referring to the additional funding that we have provided for renewables, in addition to the planning improvement grant.

[120] **Kirsty Williams:** The Minister has given the planning improvement grant to authorities for them to improve their performance. I would be interested to know what happens to it, because it is a significant amount of money that sustains planning departments. The Minister has just been talking about the difficulties of the private sector—I would be grateful for some clarity about what the Government is doing with the planning improvement grant.

[121] If there are no further questions on the budget, I thank Brian for his contributions this morning. We are going to flip over officials as we move on to our next item. Do you have any final comments on the budget, Jane, before we move on to discuss biodiversity?

[122] **Jane Davidson:** I have one more point. We are reducing the planning inspectorate's funding by about 11 per cent over the next three years, and England is reducing it by 35 per cent over the next four years. So, it is another area in which we are demonstrating a Welsh difference, because we see the importance of the planning function being delivered effectively.

[123] **Kirsty Williams:** Thank you, and thank you to Mr Pickett.

10.03 a.m.

Ymchwiliad i Fioamrywiaeth: Sesiwn Dystiolaeth Inquiry into Biodiversity: Evidence Session

[124] **Kirsty Williams:** This is quite a long session for you, Minister, and Mr Quinn, but we are grateful for your attendance to answer questions on this important piece of work. I ask the official who has joined us at the table to introduce herself for the record. If you would like

to make some initial comments, Minister, we will then move to questions.

[125] **Ms Reynolds:** I am Diana Reynolds, head of nature conservation and biodiversity policy at the Welsh Assembly Government. I am also the programme manager for ‘A Living Wales’.

[126] **Kirsty Williams:** Good morning and welcome to committee this morning; thank you for being here. Minister, do you have any introductory comments?

[127] **Jane Davidson:** Yes, because this is a fundamentally important inquiry, because biodiversity is our life support system. Those of us—including you, Chair—who attended the celebration of biodiversity in the Senedd recently, saw a film that demonstrated that, although the majority of people have an understanding that biodiversity is something to do with wildlife or nature—apart from those who thought that it was a band—and although we had these major targets in 2010, the word ‘biodiversity’ has not imprinted itself on the public imagination. However, the world’s ecosystems form the very basis of our existence for the normal things that we take for granted—the air that we breathe, the water that we drink, and our daily diet, which is reliant on the plants and animals with which we share the planet. Our health depends on the health of the planet. The majority of our widely used medicines are sourced from plants, and the inspiration for using them has often come from watching animals employ them for beneficial uses. Biomimicry is an area in which greater interest has been developing. It is also important for our mental and physical wellbeing. Therefore, the Assembly Government very firmly believes that acting before loss is far cheaper than trying to rebuild ecosystems after they have failed because, no matter how good we are at inventing, designing and making things, we would be unable to replace our natural life support system if it were to fail. We also believe very strongly that nature is not a luxury that we can no longer afford, but an essential that we can no longer afford to do without, and we need to bring it much more centre stage.

[128] The Economics of Ecosystems and Biodiversity work has been very interesting. If we just view our environment from a purely monetary point of view, we see that our economic system depends on ecosystems to function effectively. In the UK alone, the value of pollinators to agriculture is some £430 million a year. I do not know how we would undertake, let alone manage and fund, such a project if we had to pollinate our crops by hand, as they have to do in China. In Wales, the environment is worth £8.8 billion in goods and services to the Welsh economy each year; it is responsible for 9 per cent of the Welsh GDP and one in six of Welsh jobs. It is incredibly important to the Welsh economy. For every £1 invested in our natural environment, we can expect a return of £10 to £100.

[129] We know that activities that have taken place under the title ‘Nature Conservation’ have been helpful. It is important that none of us lose sight of that fact. You have had evidence from the Countryside Council for Wales, but other actions that have not taken biodiversity into account have outweighed those. We need to make sure that we stockpile resources for the future, that we add to, not deplete, the capital assets that our natural environment provides, and we need to get it right because once a species is lost, it is lost forever and any replacement may never be as effective.

[130] We have led the way in the UK by making strong positive use of legislative powers, such as the Natural Environment and Rural Communities Act 2006, which places a biodiversity duty on all public bodies. We have complete coverage from our local biodiversity action plan partnerships and we have the local record centres, which hold, process and disseminate the biodiversity data needed to support the work. We are unique in having biodiversity champions in place at cabinet level in each local authority and national park. We are not alone in struggling with the challenge of biodiversity because every country in the world faces the challenge and none have succeeded. However, we are now beginning to deal

with the environment that we created in a more sustainable way. We need to live more sustainably within it, hence 'One Wales: One Planet' is important in living within our environmental limits. Although it is very easy to say that we will tackle these issues, it is incredibly complicated, not least because we need to do the right thing by the ecosystems. As you probably know, from your own evidence, what needs to be done often leads to some fairly hotly disputed debates.

[131] We need to engage people outside the conservation fraternity in the process. We know, from the millennium ecosystems assessment, that one of the key issues is how you integrate nature into the whole of the policy suite—the governance issues, which is what we are doing at present in terms of taking the 'A Living Wales' agenda forward. It is about how we respond to the critical issues on agriculture and land use change, and the work that Elin Jones is doing through the rural development plan and Glastir contributes towards that. That is clearly related to the economy and that is how we change societal behaviour, which is particularly important; if we can get the language right, people can buy into it.

10.10 a.m.

[132] So, we feel that we will succeed if we can adopt an ecosystems approach, described by the International Union for the Conservation of Nature as,

[133] 'the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way.'

[134] That is what 'A Living Wales' is designed to do.

[135] **Kirsty Williams:** Thank you very much for that. To date, there has been a consensus in the evidence received by the committee that the targets for 2010 were unrealistic. Do you agree with that assessment?

[136] **Jane Davidson:** The difficulty with saying that the targets were unrealistic is that, as an assessment of what needed to be done to protect the life-support system, they were realistic. We are not talking about voters, but whole areas of the interrelationship between the environment and people that need to be fundamentally reassessed. It would be wrong to say that the targets were unrealistic, because that was what needed to be done. We have found that the world did not do it and Wales did not do it either.

[137] **Kirsty Williams:** So, unlike all the witnesses who have come before us, you seem to suggest that you felt that the targets for Wales for 2010 were achievable, yet they were missed, and everyone else missed theirs. One of the reasons that have been offered to us for why Wales did not meet those targets is that there was a failure to truly integrate action on biodiversity across all areas of Government policy. Do you concur with that and why do you think that that failure occurred?

[138] **Jane Davidson:** There is a difference between whether the targets were realistic about what needed to be done and whether they were achievable. It is absolutely true to say that we failed in Wales, along with everyone else, despite a huge amount of effort and a lot of money going into the conservation elements of the agenda. However, as I said at the outset, the millennium ecosystem assessment suggests that you must have complete integration, 100 per cent buy-in and a lot of hard work to make an agenda like this work. The integration of our sustainable development scheme, 'One Wales: One Planet', gave a lot of people a lot of hope that we would integrate that positively across all aspects of Government delivery.

[139] **Kirsty Williams:** Did you?

[140] **Jane Davidson:** We have done that a substantial amount more since having ‘One Wales: One Planet’ as a tool. The environment strategy for Wales was published in 2006. The sustainable development scheme was consulted on and published in full last year. ‘A Living Wales’ takes that to the next level and looks at ways of imprinting this right throughout the responsibilities, not just of the Assembly Government, but of others in the public sector in Wales. We are now on a quick journey to try to ensure that we fully integrate all these issues across the board.

[141] **Kirsty Williams:** I appreciate that you say that we are on a quick journey now. My question was: why do you think that the failure at that time to get it 100 per cent integrated across all departments happened?

[142] **Jane Davidson:** I said in my introductory remarks that what we have done in Wales that has not been done elsewhere has been to ensure that we have the local access data, the Wales biodiversity partnership and representation in local authorities at cabinet level. In the context of biodiversity, and this is why it is also important to change the language about it, it is almost as though, the moment that you designate someone as having responsibility for biodiversity, they are seen as carrying the whole responsibility for the organisation and it immediately does not integrate with everything else that the organisation does, whatever that organisation’s primary responsibilities are. That is why it has been crucially important that the work that we have undertaken over the last year, engaging with departments across the Assembly Government, and in all the areas for which we have responsibility, has been to remind everyone of that clear duty in the NERC Act that all public bodies have in the context of biodiversity, and it is not being fully exercised.

[143] **Alun Davies:** Minister, I find this to be one of the most depressing inquiries that I have been involved with as a Member of this Assembly. I think that the Chair has been kind in her question on this. We have had a number of statutory bodies in, and there has been a real distinction between the statutory bodies and the voluntary bodies. The statutory bodies have been uniformly awful in the evidence that they have given. We have had hand-wringing, academic exercises, long lectures on why the failure to achieve the biodiversity targets happened, and we have had excuses. There is a difference between excuses and reasons, and what we have heard from the statutory sector has been excuses. You mention in paragraph 3 of your written evidence the Wales environment strategy, but I cannot think of another body that has mentioned it at all. I get the sense that we have a lot of resources going into a lot of different bodies that are not actually having an impact at all on the policy objectives that have been set by the Government. This inquiry has been quite shattering in many ways and I wonder if you agree, Minister, that there needs to be a review not simply of what has happened over the last few years, but of how we learn the lessons from that, because at the moment, I do not see the statutory sector—and I use that term to cover all the public bodies that we have had in front of us—ever achieving the targets that you set for it. I just do not think that this is fit for purpose.

[144] **Jane Davidson:** I have to say that I agree that the current arrangements are not fit for purpose. That is why we consulted on ‘A Living Wales’. If we go back to the statement that I issued in January, when we talked about the reasons why we did not think that we would achieve the targets that we had set ourselves, along with everyone else—including European targets as well as world convention targets—we said then that we wanted to take the opportunity this year to fundamentally look at the way that we were delivering on these obligations. A number of the ways in which we deliver on these obligations are measured with a suite of indicators, some of which do not even have agreed baselines. It has always struck me—and I said this to members of the indicators group a week or so ago, when we launched our latest action plan on the Wales environment strategy—that if we have indicators that, after a number of years, are still without baselines against which to measure them, and you do not have the evidence, then they are not actually doing the job for you as indicators. I

know that other Members share my frustration on that. There is an area of issues here where there is a fundamental agenda about getting biodiversity recognised as the thing that absolutely underpins the successful continuation of our species. We have to have that appropriate relationship between the environment and the whole of the public sector, which has a statutory obligation on delivery here. We have exercised it previously with a lot of good and effective work—we must not forget the reintroduction of the red kite, for example, and the increase in otters, which have happened because of species support—however, we have to ensure that that conservation work is underpinned by a far wider understanding across all bodies of their duties in the context of the environment.

[145] **Kirsty Williams:** When did the NERC Act come into being?

[146] **Ms Reynolds:** In 2006.

[147] **Kirsty Williams:** So, we have had four years during which this duty has been placed on these authorities, yet it seems obvious to anyone who has sat on this inquiry that these bodies have not taken on their responsibilities under NERC. What gives you any confidence now that suddenly, after four years, these organisations will sit up and say, ‘Hang on a minute—we have a responsibility under legislation that was passed four years ago, and we had better do something about it’? What gives you confidence to think that the attitude that has failed dismally over the past four years to buy in to this agenda is suddenly going to change?

10.20 a.m.

[148] **Jane Davidson:** I do not think that it is a question of ‘suddenly going to change’. I made the point that people have felt that they can exercise their duties under the Act by designating an individual with responsibilities for biodiversity, though not in all cases, because we have some very good examples where designating an individual in a cabinet has also meant that the cabinet has discussed biodiversity at cabinet level. Some local authorities have actively looked at how that can be taken forward. However, we need to ensure that there is a fuller understanding that biodiversity is not just a statutory responsibility that is passed on through legislation, but that the relationship between public services and the environment is about life support. It is that fundamental difference that we are looking to develop through ‘A Living Wales’ to get much wider buy-in for delivery mechanisms.

[149] **Alun Davies:** However, we have failed to do that, have we not? That is the reality. I have spoken to many people privately about this inquiry outside of this committee, and almost without exception they have all referred to you, the Minister. They say, ‘We have believed from the Minister...’ and they have described you in very flattering terms as an inspirational Minister who is driving change, and all sorts of things. However, it appears that there is a disconnect between the political leadership and what happens on the ground. The failures as I see them are failures of implementation among the statutory bodies that are charged with these duties, and failures to create the right culture. You gave a fascinating answer some years ago when you were asked how much pressure you felt under on these issues. You said that you felt pressure from your Cabinet colleagues, and not from the Assembly. I remember that as a fascinating answer to a question. My conclusion some years later is that that political pressure has not fundamentally changed key elements of the public service in Wales, and that this area seems to be a box-ticking exercise—an irritant—and not something that drives policy change from the ground.

[150] **Kirsty Williams:** Before you answer that, Leanne wants to come in.

[151] **Leanne Wood:** Is the biodiversity duty contained in section 40 of the Natural Environment and Rural Communities Act 2006 too weak? Some of the evidence that we have

received says that that duty should be strengthened to a duty to promote or further biodiversity, instead of being just a duty to have regard to that. Do you think that the duty is too weak?

[152] **Jane Davidson:** On your first comment, Alun, I feel very privileged to have good relationships with the environmental sector. The way in which the environmental sector outside Government has embraced what we are doing on 'A Living Wales' tells me that it is the right thing to do. It is harder for the statutory bodies, but we are promoting a huge shift in the way that we are taking this forward. I am increasingly given confidence by the number of people who tell me that if we really take this forward in Wales, we will be leading the world in the context of redefining our relationship with the biodiversity agenda. I hope that we will get full buy-in to the 'A Living Wales' agenda.

[153] I remember giving an answer about the fact that, at the time, no Assembly Member had asked me a question about biodiversity when we were talking about the legislation on waste, and whether or not we should have separate legislation on biodiversity. Since then, a couple of Members have asked me questions on biodiversity, but it would be fair to say that the number of questions that I am asked by Assembly Members would suggest that there is no buy-in in the Assembly any more than there has been in the wider population. In a sense, we need both to run side by side—we need the Assembly and the Cabinet to encourage greater debate around this agenda among the wider population, and we must change the language of the debate to do that. I have argued previously that Wales should have the biodiversity duty so that we can strengthen the commitment to biodiversity. Of course, we previously bid through the Cabinet process for an LCO to allow us to achieve that, but that duty would come with the referendum. It is a very strong message for us all, namely that to take the agenda forward differently in the context of the proposition in 'A Living Wales' would require legislative changes a few years down the line. We would make short-term changes to ensure that we delivered effectively, and change the arrangements for statutory bodies, for example, but we would need to consider the appropriate legislative changes to fundamentally underpin Welsh society with an ecosystem services approach, and that will take time.

[154] **Kirsty Williams:** Can I just clarify that you said you had made a bid to the Cabinet for an LCO?

[155] **Jane Davidson:** Yes. We made that bid last time, and I have publicly said that, but there was insufficient time, in the context of the last year of this administration, to take that forward. However, it would come with the referendum.

[156] **Joyce Watson:** We have heard an awful lot about 'A Living Wales' and it is quite right that we do. What discussions have you had with other Government departments to ensure that they have some ownership of the 2020 targets, and whether those departments were consulted on or involved in 'A Living Wales'? We are talking about buy-in, as we must. There was a discussion on the radio this morning about barn owls now being absolutely 100 per cent dependent on nesting boxes, rather than the built environment, to survive.

[157] **Jane Davidson:** I will start briefly by saying that all Cabinet members have been involved in the decision to move down the 'A Living Wales' agenda. I have also had specific conversations with the First Minister and with Elin Jones, because some of the mechanisms for delivery through the rural development plan, and Glastir in particular, are very important. I will ask Diana to briefly confirm that a number of people from across the Assembly Government have been involved in this delivery, not least by having economic renewal and food departments run strategic workshops at our launch of the consultation. So, we have very much been taking this forward across the Assembly Government.

[158] **Ms Reynolds:** There are basically three stages in which they have been involved with

us directly. In the preparation to move to consultation, we worked with senior management teams in all departments across the Welsh Assembly Government. They then, as Jane just pointed out, had an opportunity to run workshops for us as part of the launch of ‘A Living Wales’, and we had roughly a dozen members of WAG staff come along from different departments—not from environment—to run workshops with us as part of that. We also have involvement through the work streams. ‘A Living Wales’ is not only the consultation, as you have probably gathered; it is also a programme of works, and we have a pretty high level of involvement across the Welsh Assembly Government in terms of the work streams. I do not have the exact numbers in front of me, but a dozen more people were involved from economic renewal, food policy and most departments—I think that it was everything other than the core support departments.

[159] **Kirsty Williams:** Angela, I think many of your questions have been answered.

[160] **Angela Burns:** Yes; I am happy.

[161] **Lorraine Barrett:** In its written evidence, the Countryside Council for Wales states that the levels of expectation with regard to the Wales biodiversity partnership were not met by the level of resource or finance invested in it. Would you agree with that statement?

10.30 a.m.

[162] **Jane Davidson:** The Wales biodiversity partnership has received £100,000 of funding every year since its inception. Since 2006, this has been provided by CCW to the wildlife trusts, and it has used a substantial percentage of that for direct nature conservation. That has been supplemented by additional funds from WAG of £1.5 million over the period. CCW provides approximately £2.6 million per year of grant funding that directly benefits biodiversity. The issue that I came to at the beginning of this year when I published the statement saying that we were going to be taking another fundamental look at this was that there was a huge amount of good work going on and a lot of money being spent, but that these were discrete pieces of work. I have met representatives from the Wales biodiversity partnership on several occasions, and those people, who are phenomenally committed and skilled experts in their field, were continually talking about the lack of buy-in throughout their organisations. So, I do not think that it is just a direct question of money. I think that, fundamentally, the Assembly Government has to say that the current way of working is spending money wisely, but not in an integrated way. So, we are seeing some very specific positive outcomes, but we are not getting the benefit from them across the piece.

[163] **Lorraine Barrett:** Okay, so, in effect, I think that you are saying that the resource or the finance is not being spent as effectively as it could be.

[164] **Jane Davidson:** I am really just continuing to focus on the question of integration and partnership. If it is helpful, I suppose that another way of putting it would be to say that every one of us has a biodiversity duty and that we are not all exercising it. It is a question of how we set up the appropriate mechanisms to ensure that we all exercise those responsibilities.

[165] **Lorraine Barrett:** Thanks, Minister. So, what role do you expect the partnership to play under the new natural environment framework?

[166] **Jane Davidson:** It will have a very important role to play, because, as I say, it is a meeting of the experts with regard to the delivery mechanisms. There must be very clear outcomes for the biodiversity partnership in order for it to see what it is doing against what it is required to do. It will have to change and develop in order to do that. It is already working on this, looking at developments in its terms of reference and the membership of ecosystems

groups, which are very important in terms of changing the nature of this debate. In some senses, I think that we need to take some pressure off the partnership, because, at the moment, it is the one group that we rely on to give us the information, whereas we are looking to get a much more integrated approach through the ecosystem services approach.

[167] **Rhodri Morgan:** I wanted to try to get at the reasons why there is such a challenge in getting this message across on biodiversity. I wonder whether one of the reasons is that it is not clear what the overall aim is. I mentioned the salmon earlier; I will not go back to that. However, the otter is a very good indicator of the health of a river population—back in the middle of Cardiff again. Is what you are actually asking people to buy into pre-industrial biodiversity for a post-industrial society? The mines have gone and rivers are cleaner, but are we saying that, therefore, we can go back to pre-industrial levels of biodiversity? Or are we looking for a new relationship between the human race and a reasonable carrying capacity of the natural environment, given our population, the moving target caused by climate change and so on? Are we absolutely clear about what we are trying to sell here?

[168] **Jane Davidson:** I hope so. I hope that ‘A Living Wales’ spells out more clearly that it is actually about a new relationship. It is about taking the ecosystem services approach across everything that we do. I think that it is probably fair to say that what the Assembly Government has done previously, particularly in partnership with its statutory agencies and the Wales biodiversity partnership, has been to have a fairly typical hierarchical process-driven set of arrangements, which have delivered information but not outcomes. What I very much want to do—

[169] **Rhodri Morgan:** Yes, but what is the aim? What is the message? Is the aim pre-industrial biodiversity? I mentioned the example of the target for salmon being 2,000 as opposed to the current figure of 500. The figure of 2,000 is the approximate natural carrying capacity. Perhaps we can do better than that. Perhaps it is unrealistic to try to go back to that level, because the population of industrial south Wales is so large. Is the message that we are trying to achieve a post-industrial level of biodiversity or a pre-industrial level of biodiversity for a post-industrial society? Otters, salmon and sewin are wonderful examples, but the bee is a terrible example. What is the aim and philosophical message here?

[170] **Jane Davidson:** There is a fundamental message around pollination and that is why there has been substantial work done on bees, which is starting to pay dividends. It would be wrong to characterise it in terms of pre-industrial and post-industrial, where there have been species that have been pre-industrial and post-industrial. We are definitely looking to enhance both species and habitats. We cannot move away from some of those obligations, because they are laid down at European Union level and worldwide. However, we are aiming for something more fundamental in our small country, which is to look at the fact that the majority of our citizens support our environment, and a huge amount of voluntary action takes place around that. That is not tied in any way to a debate around the professional delivery of diversity.

[171] **Rhodri Morgan:** I am trying to get at the philosophical base here. You mentioned the legal obligations under Natura 2000 and so forth. The problem with those is that they are rubbish, in a way, because they fail to reflect the moving-target nature of realistic biodiversity. If you have to adapt to the climate change that we cannot stop, and stop the climate change that we can, you still have to accept that adaptation to a warmer world will happen, regardless of anything that we do now. Therefore, the biodiversity targets that you have to hit should not involve looking at where we are today and saying that we must save every species. If the climate range is moving northwards little by little every year, so that in the next 20 years Spain will get the Saharan climate, we will get a Spanish climate and Scotland will get the Welsh climate and so on, there is nothing we can do about it. So, it is unrealistic to expect a model of biodiversity based on a species count in 1980 when the

climate will change, regardless of anything that we, or the rest of the world, do today. We should be aiming at bringing in species that we can live with—not the nasty ones, but the healthy ones—that reflect the warmer climate that we will have anyway rather than aiming at the frozen-in-aspic idea of biodiversity on which much of these international obligations are based.

[172] **Jane Davidson:** I will say something briefly and then I will ask Matthew and Diana to come in on this. You mentioned climate change; what has been interesting about that debate is that a number of people believe that there are technological solutions and are not necessarily looking at our relationship with nature. They are not only looking at adaptation issues, but solutions that can contribute to mitigation. The idea that humans are ever-inventive and can produce technological solutions to anything—which is, in a sense, a post-industrial idea—is not what we are looking at in the context of redefining our relationship with nature through ‘A Living Wales’. We have forgotten, to some extent, in our desire to be ever more technological, our actual relationship with and reliance on the natural environment in just about every aspect of our daily lives, whether for diet, shelter or whatever. What we are trying to do with ‘A Living Wales’ is bring in that huge army of people, who love the environment for a whole range of reasons, to redefine this agenda in a way that, philosophically, can engage them in understanding their part in the much bigger jigsaw.

10.40 a.m.

[173] **Mr Quinn:** In many ways, you have got to the hub of what we are looking at in ‘A Living Wales’, what it is for and why we are doing it. The current conservation-based approaches have been extremely successful, but, in the end, it is a bit like a postage stamp collection; you have a very nice set of sites in various conditions and of various ages that you have to manage, against a backcloth where other things are changing. One of the really interesting questions, which is one of the questions that one work stream is looking at, is: given where we are, what are the ecosystems that Wales needs? What ecosystems would support Wales going forward? That is a much more dynamic approach, which, although being based on what we have and want to preserve, looks much more at opportunity, rather than protection, which, traditionally, has been about stopping—that is what a lot of this has been about in the past. This is about what we want to create and take forward, so it is very much more dynamic. It is much more complicated to say what something could be and what you want to achieve, but it is much more interesting and, I think, much more productive.

[174] **Rhodri Morgan:** In your ministerial leadership function, and in the consultation and contacts that you have with the quangos under your wing, such as the Environment Agency Wales and the Countryside Council for Wales, and with the local authorities and the voluntary groups—whose fantastic efforts I have seen in the construction of the Ceredigion coastal footpath; that was done largely by volunteers, with help from local authorities and so on—is it easy to communicate the message about a moving target and opportunities, rather than a frozen-in-aspic approach, or is it hell, like drawing teeth?

[175] **Jane Davidson:** We are consulting on a document called ‘A Living Wales’. It is a natural environment framework, but we are not calling it ‘the natural environment framework’, but ‘A Living Wales’. The issue around language and what we are asking people to engage in is immensely complex, but we have to get that interconnectedness if we are going to do it right.

[176] **Kirsty Williams:** May we move on and make progress, Rhodri?

[177] **Rhodri Morgan:** Yes.

[178] **Kirsty Williams:** Thank you. Rhodri Glyn is next.

[179] **Rhodri Glyn Thomas:** Yr ydych yn sôn yn eich tystiolaeth ysgrifenedig, Weinidog, ac yr ydych hefyd wedi cyfeirio at hynny yn eich tystiolaeth ar lafar, bod angen yr hyn y disgrifiwch fel ‘ailfeddwl radical’ yng nghyd-destun y ffordd y rheolir yr amgylchedd yng Nghymru, ac mae hynny wedi’i seilio ar yr ecosystemau y cyfeiriodd Matthew atynt ynghynt. A allwch chi esbonio beth yn union y golyga hynny yn nhermau arferol?

Rhodri Glyn Thomas: You mention in your written evidence, Minister, and you have also referred to it in your oral evidence, that we need what you describe as a ‘radical rethink’ of the way in which the environment is managed in Wales, and that is based on the ecosystems that Matthew referred to earlier. Can you explain to us what exactly that means in practical terms?

[180] **Mr Quinn:** It is, essentially, about looking at everything as a single system, rather than as independent bits. This partly goes back to the earlier questions about delivery. We tend to structure around individual aspects for the environment and individual tasks and duties, but it is the interaction of all of those things—the way that the water and soil and living species work together—that is the interesting thing. You cannot tackle any of them in isolation, and, with the current structures, we only make those connections through partnership working, which is what the partnership is about. That is what you need to achieve. That is why, looking structurally, not just with regard to duties and better partnership working, is the answer, because a large number of people need to work in a way that means that they are delivering on that broader outcome, not just on the narrower things on a particular area of the environment. That is the key to it.

[181] **Rhodri Glyn Thomas:** Fe ymddengys hynny i mi fel agwedd holistaidd, yn hytrach nag ailfeddwl radical o’r ffordd yr ydych wedi bod yn gweithredu. Yr ydym wedi sôn am y methiannau o ran cyrraedd y targedau. A gredwch fod y math hynny o weledigaeth holistaidd yn mynd i olygu eich bod chi, fel Llywodraeth, y Cynulliad fel corff, a’r holl fudiadau yr ydym wedi sôn amdanynt, rhai statudol a gwirfoddol, yn mynd i lwyddo dros y 10 mlynedd nesaf, ac yn llwyddo yn llawer gwell na thros y 11 mlynedd diwethaf?

Rhodri Glyn Thomas: That appears to me to be a holistic approach, rather than a radical rethink of the way in which you have been operating. We talked about the failures in achieving the targets. Do you think that that sort of holistic vision will mean that you, as a Government, the Assembly as a body, and all of the organisations that we have mentioned, statutory and voluntary, will succeed over the next 10 years, and will be more successful than they have been over the past 11 years?

[182] **Mr Quinn:** That is certainly the intention. It is radical. It is a holistic look at things. As I said in answer to Rhodri’s earlier question, it is about looking at what we are trying to achieve, what services we need as a society, and what is the value of the environment for us in a practical sense. That is a very different way of looking at this. It is not where conservation is at present. It is a very different take on this, and we will come to some very different answers—some of which will be quite challenging. Before I started this particular piece of work, I had never heard the term ‘charismatic megafauna’ used as a term of abuse. Charismatic megafauna are the salmon, the otters—

[183] **Rhodri Morgan:** The tigers.

[184] **Mr Quinn:** Yes, and all the rest—

[185] **Rhodri Morgan:** We shall sack the tiger. [*Laughter.*]

[186] **Mr Quinn:** Those are the things that capture the public imagination. However, they

may not be the key things; they may be a sign that other things are going well, but they may not be what it is primarily for.

[187] **Kirsty Williams:** I can see that you want to come in, Alun, but I do not want to get into a debate about charismatic megafauna.

[188] **Alun Davies:** I was not going to do that. However, there is usually a key species or indicator in an ecosystem that you can use to understand the health of that ecosystem. It is a good way of communicating. Some of the issues that have been brought to us have related to communicating these issues, and I do not think that they have been communicated particularly well, from looking at the evidence that we have received. Using a particular species is a good way of assessing the health of an ecosystem and driving policy to develop the health of the ecosystem.

[189] **Mr Quinn:** I agree. What you say about communication is true, but often the thing at the very top of the food chain is used, whereas it is those things at the bottom of the food chain that will give us the earliest signal.

[190] **Alun Davies:** That is the point that I am trying to make.

[191] **Rhodri Glyn Thomas:** O dderbyn yr hyn yr ydych yn ei ddweud am yr angen i ailfeddwl yn radical, pam mae wedi cymryd cyhyd ichi weld mai dyma'r llwybr y dylwn ei ddilyn? Mae pobl wedi rhagweld ers rhai blynyddoedd y byddai'r hen dargedau yn methu. Felly, pam gwneud hynny yn awr? Beth sydd wedi newid ac wedi eich ysgogi i feddwl bod angen llwybr newydd a gwahanol?

Rhodri Glyn Thomas: While I accept what you are saying about the need to rethink things radically, why has it taken so long for you to see that this is the path that we should follow? People have been forecasting for a number of years that the old targets would fail. So, why do this now? What has changed to encourage you to think that you need to try a new and different path?

[192] **Jane Davidson:** From my perspective, when I became the Minister in 2007, the environment strategy was a new document, and the Natural Environment and Rural Communities Act 2006 duty was also new. Therefore, reasonably, we looked at the delivery of the environment strategy and delivery against the NERC duty. It was only as we moved into the second environment strategy action plan that I realised that, although people may not have talked to you, Alun, about the environment strategy, the environmental groups, particularly the non-governmental organisations, were extremely keen—and there is a reference group that services the environment strategy—that we delivered against the agreed action plans, and they work very hard in advising the Government on the actions that we should take. However, I have been acutely aware that, each time that I have produced a major document on the environment strategy and how we are pursuing it under the action planning approach, there has been no interest from the press or from Members. It has been a very process-driven document; for example, we report against how we are delivering on outcome x and the delivery mechanism, but that is not the way in which to engage anyone in the debate. So, it was when I was looking at that that I thought that we would have to do something differently, and a year or so ago I started asking the department about how we would deliver against our biodiversity duties for 2010.

[193] When we looked at the areas where we were not going to achieve those targets, we started to commission the work that is now informing 'A Living Wales', which was developed in the statement that I issued in January of this year. You do not change hearts and minds overnight; that is a critical issue. It is the failure to meet the targets, but also the necessity of meeting biodiversity targets, that has helped to engage the debate this year. The debate would not have happened without the failure to meet the targets, because everyone

feels a renewed obligation in taking the agenda forward and wants to find a new way of expressing it, in a way that can garner people's support more widely.

[194] **Mr Quinn:** This is an area where our work is at the cutting edge. We published before the English White Paper came out, and before the European position on a lot of these areas. Others have been very interested in what we are doing, and I have spoken to a number of colleagues there. One can ask why we did not come to this conclusion collectively earlier, but we are now forging the way on this.

[195] **Jane Davidson:** It is worth saying that, in relation to the general agreement that was forged in Nagoya, which is general but which recommits for 2020, we are already demonstrating that we are ahead of the game in the approach that we are taking.

[196] **Joyce Watson:** I just want to go back to the question that Alun asked and to probe to the point a little further. If you use a species as a peg on which to hang your cap—

[197] **Rhodri Morgan:** A poster boy.

10.50 a.m.

[198] **Kirsty Williams:** Or a poster girl, even.

[199] **Joyce Watson:** Indeed. The point is that, if we just do it on one species, we ignore the impact of before that species became endangered. It seems fairly obvious to me—and you have been saying it repeatedly—that people are not getting it. They do not understand that their action has an impact. You know that I have been exercised by the impact of people concreting over the front of their homes—they have removed the flora, fauna, bees, butterflies and birds, and added to a flooding situation. I think that that is the challenge that you recognise. I think that the message is more complex. I know that Leanne gets it, because she is also a gardener, and I get it—people around this table probably get it—but how do we sell the complex message that every action has a reaction? By the time that we have a species like the barn owl, which I mentioned earlier, in trouble, we have already done huge damage. That is the challenge going forward.

[200] **Jane Davidson:** It is about ensuring policy development across the piece, coming out of Government and the public sector, for supporting this agenda. When I was Minister for education, we introduced education for sustainable development and global citizenship as a way of engaging more broadly in the curriculum. We introduced the foundation phase, with very large elements of outdoor education, to ensure that people were more engaged with nature. We funded forest schools, for example. We support, from this department, the eco-schools agenda, and we are looking for all schools to become eco-schools. I am just talking about cases from my own Government experience. The work that has been done on the food strategy, the fact that we have very large numbers of people wanting to access allotments and get involved in community growing, starting to understand the benefit of farmers markets, as well as the overarching pressures of unsustainable development in the context of climate change and how we mitigate and adapt, responding appropriately in sustainable ways to all of these agendas, will help people to develop the relationship with the natural environment that we want to take forward under 'A Living Wales'.

[201] We feel very strongly about this, and I am delighted that, so far, we have had huge support for this agenda. Underneath the overarching agenda of 'One Wales: One Planet', 'A Living Wales' will re-define the relationship between nature and our presence as human beings on this planet and our support for other species. It is an immense prize for us to win if we can take it forward in the way that we have described.

[202] **Kirsty Williams:** On behalf of the whole committee, I thank you and your officials for your attendance at committee this morning. We appreciate your time.

10.53 a.m.

Papurau i'w Nodi
Papers to Note

[203] **Kirsty Williams:** I now ask Members to turn their attention to the next item on this morning's agenda and the large selection of papers to note.

[204] **Rhodri Morgan:** It is a diversity of papers. It is very good.

[205] **Kirsty Williams:** Indeed. I do not know how many of them are particularly charismatic, but there are certainly a lot of them.

[206] The next meeting of this committee will be on 2 December, when we will meet in private to agree our report on the Welsh Government's budget, to discuss the key issues coming out of the inquiry into biodiversity, and to look once again at the final recommendations for the planning report. With that, I declare this morning's meeting closed. Thank you for your time.

Daeth y cyfarfod i ben am 10.54 a.m.
The meeting ended at 10.54 a.m.