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WWF Cymru comments to Finance Committee inquiry into draft Budget proposals for 2013-2014

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Summary

WWF Cymru has a general concern that effective scrutiny of Budget proposals is difficult for all areas which are cross departmental, for example, climate change. The lack of transparency means it is difficult to judge if certain areas are adequately resourced. This is true particularly for sustainable development that is a significant cross-portfolio programme of work for Welsh Government.

Sustainable development (SD) is set to become the central organising principle of Government. Evidence based decision making is one of the key principles of SD and yet the indicative budgets show a reduction in funding for research. This will affect disproportionately the marine environment, where there are many knowledge gaps, as well as new requirements related to marine planning and other measures associated with the EU Marine Strategy Framework Directive. Similarly, commitments made in the climate change strategy to publish evidence of carbon footprint of Wales, to provide a full picture of progress on tackling greenhouse gas emissions, have not been met.

A point for the future, regarding the organisation of the budgets, concerns the new Single Body. The rationale for the establishment of this body included promises that savings made from the efficiencies of this change will be reinvested in environmental improvements. There needs to be separate reporting of this and the new expenditure.

We propose three areas of priority for the Budget: Marine policy, Climate Change and Sustainable Development.

- **Marine Policy**

WWF Cymru has considerable concern regarding the lack of resource, both in terms of capital and staffing, allocated to marine policy in Wales since the passing of the Marine and Coastal Access Act in 2009. As a matter of utmost priority, we stress **the need for investment in the development and effective implementation of marine policy** in order for Welsh Government to fulfil existing and future legislative commitments.

The extent of public and stakeholder engagement by Marine Branch in relation to the MCZ Project Wales highlights the evident lack of resourcing, with only two public events conducted for the whole of Wales. Further evidence of the extent of the problem can be gleaned from the Marine Planning Officer, Alan Storer, being effectively reassigned to assist with the MCZ project for a prolonged period. This latter point is widely perceived to be a contributing factor in the apparent marginalisation of marine planning.

Of equal concern to WWF is **the increasing need for marine evidence** in order to fulfil current and proposed commitments, as we continue to develop our understanding of ecosystem functioning and services. Marine planning, European marine sites, natural resource management plans and MCZs all have extensive data and evidence requirements. Whilst initiatives aimed at greater integrated working and data sharing are welcomed, it is our view that increased resources are required for Government not only in terms of adequate staff capacity, but also to provide sufficient funding to enable enhanced understanding of marine ecosystems through monitoring and research.

The proposed budget does not provide sufficient clarity as to the allocation granted to marine management as a whole, due to the division of marine concerns between two ministers. The absence of a detailed breakdown of the budgets allocated to the Minister for Environment and Sustainable Development and the Minister for Business, Enterprise, Technology and Science prevents a coherent and comprehensive analysis of the resourcing available for marine management. However, there is sufficient evidence to conclude that marine policy and management has not been adequately resourced over the previous year.

WWF Cymru recognises the significant commitments currently being made by the Department for Environment and Sustainability, particularly with regard to the Living Wales programme, the Single Body and the new approach to natural resource management. However, it is imperative that marine policy, and national marine plans in particular, are not overshadowed by the Sustaining a Living Wales agenda and retain a place at the forefront of Welsh Government resourcing and strategy.

- **Climate change (energy efficiency in housing and low-carbon energy)**

The budget for 2012-13 identifies funding for Environment and Sustainable Development of £313,381,000. This includes funds for energy efficiency and for supporting and promoting low carbon energy generation. We applaud the intention to support these areas, both of which will contribute to the reduction of greenhouse gases - provided that they are accompanied by reductions in the generation of energy from burning fossil fuels. This will, then, enable Wales to play its part in combating the threat of Climate Change.

The United Nations has called on industrialised countries to reduce their emissions of greenhouse gases by 40% by 2020, and Wales is one of the few countries that has promised to do this. We are urging that the Welsh Government also commits to reducing ghg emissions from the Welsh housing sector by 40% by 2020. The benefits are clear – reduced fuel bills, fewer households in fuel poverty, healthier homes, thousands of local jobs, as well as reduced emissions of greenhouse gases.

This could this be done by bringing all the worst performing homes in Wales up to a decent standard of energy efficiency; i.e. bring the houses rated E, F and G up to a D rating (which is the minimum target for homes owned by Social Housing Associations). This would cost about £2billion, but the Welsh Government would not have to pay for all the work. Instead, a twin-track approach could be adopted whereby the government limits its financial support to the poorest households, for example those in the lowest four income deciles (earning less than about

£16,000). **The cost would then be reduced to about £780M, spread out over the next 8 years.**

For other households, we're proposing that the Welsh Government should work with Local Authorities to encourage them to take up the Green Deal. This is a finance mechanism, due to be launched by the UK government in October 2012, which will enable households to undertake home energy efficiency improvements with no up-front payment. The cost of the work will be paid back over a period of years from a charge added to the electricity bill – but importantly, the new energy bills will be less than they would have been if the work had not been carried out.

We are urging the Welsh Government to work with Local Authorities to promote the Green Deal so that area-based refurbishment schemes can be undertaken – reducing the cost of refurbishment for all.

On the issue of **low carbon energy**, we are urging the Welsh Government to support the generation of electricity and heat from renewable sources. In addition to its exceptional natural resources (such as high tides and deep-water harbours), Wales has academic, industrial and business strengths in several new technologies for capturing renewable energy; for example in photovoltaic film, geothermal applications, tidal range and tidal stream. **The Welsh Government should be actively supporting those industries where Wales has started to develop international competitive advantage.**

- **Sustainable development**

The existing 'One Wales: One planet' scheme is very difficult to scrutinise in regard to its financing. There is no plan to achieve the goals within this. So it is **impossible to see if there is a coherent and sufficient funding to meet the aspirations contained within such an important document.** In Scotland, Government is looking at carbon accounting alongside their financial accounts, to clarify the impact of different areas of expenditure on carbon emissions.

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1961-2011: 50 years of conservation. WWF works in over a hundred countries to protect the natural world, tackle climate change and promote sustainable consumption.

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