

Agenda – Climate Change, Environment and Rural Affairs Committee

Meeting Venue:

Committee Room 1 – Senedd

Meeting date: 15 February 2018

Meeting time: 09.15

For further information contact:

Marc Wyn Jones

Committee Clerk

0300 200 6363

SeneddCCERA@assembly.wales

- 1 Private pre-meeting (09.15 – 09.30)

- 2 Introductions, apologies, substitutions and declarations of interest

- 3 Inquiry into 'Low carbon housing: the challenge' – third evidence session (09.30 – 10.45) (Pages 1 – 33)

Dr Roisin Willmott OBE, Director of Wales and Northern Ireland, Royal Town Planning Institute Cymru

Andrew Sutton, Royal Society of Architects in Wales

Neville Rookes, Policy Officer (Environment), Welsh Local Government Association

Attached Documents: Research Brief

Consultation response from RTPI Cymru

Consultation response from RSAW

Consultation response from WLGA



4 Paper(s) to note (10.45–10.50)

4.1 Correspondence with the Welsh Local Government Association on public procurement of food

(Pages 34 – 51)

Attached Documents: Correspondence with WLGA on public procurement of food

4.2 Correspondence with the Cabinet Secretary for Finance on public procurement of food

(Pages 52 – 64)

Attached Documents: Correspondence with the Cabinet Secretary for Finance on public procurement of food

4.3 Letter from the Cabinet Secretary for Energy, Planning and Rural Affairs on Bovine TB

(Pages 65 – 70)

Attached Documents: Letter from the Cabinet Secretary for Energy, Planning and Rural Affairs on Bovine TB

5 Motion under Standing Order 17.42(vi) to resolve to exclude the public from Items 6, 7 and 8 of this meeting.

Break (10.50 – 11.00)

6 Air quality – private presentation from the British Lung Foundation and Swansea University (11.00 – 12.00)

Professor Paul Lewis, Swansea University Medical School

Joseph Carter, Head of Wales, British Lung Foundation

Haf Elgar, Director, Friends of the Earth Cymru

- 7 Discussion of the draft short report 'Cabinet Secretary for Economy and Transport – General and budget Scrutiny'**
(12.00 – 12.10) (Pages 71 – 80)

Attached Documents: Short Report 'Cabinet Secretary for Economy – General and Budget Scrutiny

- 8 Discussion of oral evidence** (12.10 – 12.30)

Document is Restricted



RTPI Cymru
Royal Town Planning Institute
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15 December 2017

e-mail response sent to: [REDACTED]

Dear Sir/Madam,

Response to: National Assembly for Wales: Climate Change, Environment and Rural Affairs Committee's inquiry into Low Carbon Housing: the challenge

The Royal Town Planning Institute (RTPI) is the largest professional institute for planners in Europe, representing some 24,000 spatial planners. RTPI Cymru represents the RTPI in Wales, with 1,100 members. The Institute seeks to advance the science and art of spatial planning for the benefit of the public. As well as promoting spatial planning, the RTPI develops and shapes policy affecting the built environment, works to raise professional standards and supports members through continuous education, training and development.

The response has been formed drawing on the expertise of the RTPI Cymru Policy and Research Forum which includes a cross section of planning practitioners from the private and public sectors and academia from across Wales.

Thank you for the opportunity to contribute our views to the above Inquiry. It is important to recognise the potential role of planning, in the promotion of the sustainable urban form.

Planning needs to balance a number of different issues when granting consent for a wide range of developments. This means that planning is unable to solely focus on one specific issue. However, as planning policy evolves the importance of all development being 'sustainable' is increasing, as part of this more holistic approach different elements of energy efficiency are considered, but are still balanced against a number of other considerations.

RTPI Cymru believes that sustainable development must balance economic, social and environmental objectives to address the challenges of climate change. We are aware that higher standards do not always sit comfortably alongside economic impact and therefore consideration needs to be given to how best to build wider stakeholder support particularly in the development industry, taking into account impacts on development costs, viability, delivery etc. A step change is needed in understanding how good design can integrate low carbon housing and other development.

It is important that the process of designing a building takes on sustainable building standards as a central principle, rather than relying on potentially expensive renewable energy bolt-ons to meet energy savings. Building Regulations is the route for sustainable

building standards but issues such as siting and orientation etc. are best dealt with through the planning system. Both systems need to work closely together, ensuring roles are clearly defined to avoid uncertainty and duplication.

Planning has an important role in encouraging and facilitating buildings and urban design that meet high sustainability standards. The role of planning should be emphasised in expecting new development to contribute to energy efficiency, filling in any gaps left by building regulations to ensure higher environmental standards in new build, layout and site design etc., albeit the planning process considers developments in advance of building regulations.

We also recognise that there will be a need for requirements to be regularly reviewed in order that they keep pace with technology. Clearly 'green technology' is something which is currently changing very rapidly and is likely to continue to.

Planning should actively support the retro-fitting of energy efficiency improvements to existing stock, for example through playing a proactive role in urban regeneration schemes. Planning also plays an important role in guiding sensitive change to improve the energy efficiency of homes whilst also protecting the local distinctiveness and heritage of the area. To enable green growth, planning should be highlighted in promoting the infrastructure that is required for the development of a low carbon economy.

Outside of the remit of planning, but a disincentive to improving the existing building stock, is the VAT rating for work to existing buildings, as opposed to a zero rating for new build.

We would like to take this opportunity, while considering low carbon housing, to highlight the links between this and reducing energy consumption from transport. By influencing the location and density of new development, planning can reduce car travel and influence the level of demand on transport and journey distances to encourage walking and cycling.

Both planning and sustainable transport can make an important contribution towards the energy efficiency agenda. The connection between these and other policy areas is especially important in light of the Well-being of Future Generations (Wales) Act 2015. Whilst Welsh Government may not control all of the levers which impact upon transport-based energy consumption, as transport is a devolved function, through legislation such as the Active Travel (Wales) Act 2014, and decisions on transport investment, Welsh Government is in a position to have a significant influence upon the use of sustainable and less energy-intensive modes of transport. You may be interested in our recent RTPI Blog on Active Travel – "Time for Travel to get Active" - <http://www.rtpi.org.uk/briefing-room/rtpi-blog/time-for-travel-to-get-active/>

There are opportunities for higher standards to be delivered on strategic sites identified as part of the Local Development Plan (LDP), such as district energy schemes and integrated transport. However these can require cross-border / cross-LDP considerations, and there are timing issues due to the current position with regard to timescales associated with the adoption of these plans. Supplementary Planning Guidance could provide an opportunity to address major development issues to ensure connectivity, avoiding the above mentioned LDP timescale issues. Strategic Development plans are a further tool available which could help address these issues.

If you require further assistance, please contact RTPI Cymru on [REDACTED] or e-mail Roisin Willmott at [REDACTED]
Yours sincerely,

[REDACTED]

Dr Roisin Willmott OBE FRTPi
Director
RTPI Cymru

Welsh Assembly Consultation Response Low Carbon Housing: the Challenge

Wednesday 22nd November, 2017

v4

This response is made on behalf of both the Royal Society of Architects in Wales and Design Circle, brief profiles of whom can be found at the end.

1. What role can housing can play in Wales' low carbon transition, including the potential positive impacts on greenhouse gas emissions?

The transition to a low carbon economy can be fundamentally supported by the right strategic choices being applied to housing in Wales. These choices must consider the following shifts;

- from gas and other fossil fuels for heating, with a significant proportion to electricity
- from fossil fuel for transport, most likely also to electricity for the majority
- towards greater renewable electrical generation for the foreseeable future (<50 years)
- towards alternative/additional power sources in the “unforeseeable” future (>50 years)
- towards a likely $+2.8\pm 1^{\circ}\text{C}$ warming and a wetter, warmer climate

The combination of these probable shifts is a more variable generation of electricity, combined with at least a six-fold increase in electrical demand overall (this is heating alone, not including transport), compounded by demand peaks and supply peaks fundamentally not aligned. This will be occurring in a climate more inclined to wetter, more severe weather conditions, but with no change on the levels of solar irradiance (warmer does not mean sunnier).

The right strategic choices must also consider known factors about housing in Wales that are unlikely to shift significantly, which include;

- Wales has the oldest housing stock in the Western world, and at rates of renewal and given the levels of economic activity underpinning, this appears likely to remain true
- UK private home owners have a poor general record for maintenance of their properties, and an SME industry that delivers much of this work in a lightly regulated or self-regulated fashion
- Despite increasing energy efficiency of individual devices, the profligation of the number of devices results in an occupancy energy demand that is unlikely to significantly reduce.

The logical strategic role for housing in Wales' Low Carbon future can therefore be summarised as RBG – Reduce, Balance, Generate.

- **Reduce.** With electrical demand soaring due to transport and heating loads switching to electric, housing must ensure it is placed to reduce the demand for energy from these causes first and foremost. This means homes built in the right place to minimise transport energy demands as well as with excellent fabric performance to reduce their heating demands.
- **Balance.** Housing's long life and predictable use align with their use to help shift the energy demands to better align with the energy generation. This can be achieved through technologies or fabric solutions (such as thermal mass) to shift heating demands to match supply, but additionally to include storage for balancing electrical demands (with batteries having less need to be lightweight or small compared to those in electric vehicles). The long life of our homes also provides a means to balance already present carbon emissions through locking atmospheric carbon into construction materials, as well as through associated landscaping & tree cover that can be included within residential development.

- **Generate.** Lastly, where appropriate ownership or maintenance models can be demonstrated, opportunist generation of energy across our housing stock is capable of making a worthwhile contribution to energy generation for Wales. However, this must be done in the context that the vast majority of these homes will outlive the energy generation system mounted on them (even assuming proper and effective maintenance is undertaken), and that these homes will need to continue to be a desirable and pleasant home after this.

In addition to the above, it is important for the strategic role of housing in Wales' Low Carbon future to be implemented beyond the scale of the individual home. Achieving any of the RGB steps is less technically and economically efficient if done on a case-by-case basis: this approach requires sizing elements to accommodate 'worst case' instances that are likely to occur very infrequently, but cannot be ignored. This increases material usage and prices whilst still not providing redundancy to individuals. Hence the individual home approach is both uneconomic and inefficient, whilst if suitable professional ownership or maintenance models are not required, also risks placing the operation and maintenance of an increasing part of our national energy generation in the hands of untrained, unfunded and uninterested homeowners.

Homes must therefore be thought of as communities of 'nodes', where 'worst case' events can be distributed across the locality. This approach must be applied to reduction (where some homes will not be able to reduce as far as others), balancing (where some may help balance others), and generation (where energy generation can help local homes not generating at that time). Whilst taken in the context of UK's legal, energy and property ownership frameworks, this is acknowledged as a challenging model, it does represent the most efficient means of delivering the low carbon outcome.

2. The development and availability of technology needed for highly energy efficient housing;

Homes and their occupants have always provided a very significant marketplace for new technologies, and this is unlikely to reduce in the foreseeable future. This ongoing demand for new technologies provides the economic underpinning that enables the development of innovative technologies, from the earliest purchasers of electricity from Edison's Electric Light Company, through homebuyers demanding gas central heating systems and uPVC, and on to the current demand for photovoltaic and solar thermal renewable energy systems.

Given the typical lifespan of a home in Wales, well in excess of 100 years, our homes are likely to have seen many of these technological advances: A typical valley's terrace may well be on its third form of heating system (coal fires & chimneys, replaced by [town] gas fires & back boilers, replaced by north sea gas condensing central heating), and its third generation of lighting (oil, replaced by electric filament bulbs, replaced by electric LED), all of which the home has adapted to accommodate within its existing walls and, quite possibly, its original [slate] roof.

The development and availability of technology to achieve highly energy efficient homes is, therefore, a continual process that has happened within our (largely existing) homes for over a century. This technological advancement is underpinned by the consumer demand from the homes and their occupants, in turn providing the business case for innovating in order to sell to the domestic marketplace.

Whilst this may seem an inevitable, if slow process, it is the homes which actually shape the development and availability of the emerging technologies – if the homes cannot accommodate

the innovation, there is no marketplace, and therefore no business case against which to justify the investment in innovation: Gas back boilers replaced coal fires not because they were the most efficient option, but because they fitted in fireplaces.

The role of our housing in the development and availability of technology that is needed for highly efficient homes is therefore to supply the demand and have the flexibility to accommodate this demand. This means homes capable of adapting to future innovations, rather than rigidly restricting their adoption through inflexible construction, spatial planning and servicing. An example of this impact can be seen in homes built in the last few decades, where the tightly planned houses installed with condensing gas boilers and no hot water tank are effectively restraining the adoption of solar thermal heating systems because occupants usually won't or can't sacrifice the space required for the necessary thermal storage.

Whilst it is always possible to push for the 'next generation' of technological advances, it is demonstrably true that we have sufficient technology to deliver highly efficient and beyond-zero-carbon new homes today with the technologies we have now. Our homes must be focused on ensuring that they can accommodate tomorrow's generation of technologies, and in so doing provide the justification for those technologies to be created.

3. What changes are needed to ensure that existing housing stock is as energy efficient as it can be?

Wales' existing housing stock is well reported to represent a significant energy demand, which combines both the energy used for heating, ventilation and lighting (covered under Building Regulations) and the energy used by the occupants from their activities, and the existing housing stock is also highly likely to largely still in use by 2050, when 80% carbon reduction targets are legally required.

The scale of the challenge has resulted in a number of efforts to find the "magic bullet" that can resolve it, but in reality no such single solution is conceivable. Despite typological similarities, Wales' housing stock is effectively unique down to the individual home, with each home representing a different orientation, occupation pattern, heating and ventilation solution and building fabric thermal and moisture performance. Furthermore, each home will have a differing historic, aesthetic and placemaking value within its locality and wider context. This means that each home has a subtly unique limit that its energy efficiency can be driven to before unintended problems or detrimental impacts are likely to occur.

Changes required to ensure that existing housing stock is as energy efficient as it can be must therefore be systematic rather than dogmatic, focusing on the assessment of the individual property and the measures which can appropriately be applied, rather than setting top-down requirements that are likely to result in repeats of the issues seen with some external wall insulation.

In this context, systematic changes should focus on:

- **Individuality.** Individual assessments of what is possible for each home. At appropriate points in the lifespan of a home (perhaps at sale or letting), assessments of the optimal future improvements and their sequence should be undertaken to set out what, and how far, that unique home can go to make its contribution to energy efficiency. This concept has been discussed elsewhere, and is sometimes called "Building Passports".
- **Finances.** The economics of home improvement needs to be adjusted to provide access to funding for these improvements to be undertaken, whether in private or public sector. This is

more straightforward than it may sound – for private mortgages, the adoption of the LENDERS project in line with the position given by the UK Government in the recently published “Clean Growth Plan” goes a significant way to resolving this (full LENDERS report at www.epcmortgage.org.uk). For public housing, adopting similar LENDERS methodologies to change affordable rent levels to include fuel costs provides a step to tackle fuel poverty, but as importantly allows rental levels to increase where fuel bills decrease, incentivising Registered Social Landlords (RSLs) to commission or upgrade their housing stock funded through the increase in rental income.

- **Trust.** For homeowners, and to a lesser extent private landlords and RSLs, there are significant issues around whether they have confidence in the quality and outcomes of any work they may consider commissioning. This issue is dealt with in detail under the “Each Home Counts” report (available on www.gov.uk website), which recommended a quality mark or similar to tackle this. If correctly enforced and monitored, which almost certainly precludes self-certification of work such as predominates in the current construction industry, this approach may well provide the confidence to the home owner. Combined with the knowledge of what measures are suitable (first point), and the access to finance (second point), this trust is the penultimate element required to set a landscape for our existing housing stock to progress.
- **National Plan B.** Lastly, Wales must address the difficult topic about what is considered an acceptable performance for individual homes in the future, and what happens to those homes that fail this measure. The measure cannot be countrywide and must be addressed to the individual property level to give consideration of aesthetic and community benefits as well as the limits of energy efficiency that can be achieved – in effect, an output of the “Building Passport” above. However, in the context of the overriding national requirements for very significant carbon reductions, some homes will lack sufficient combined merit of heritage, culture or placemaking value, and will have insufficient potential for upgrade, that means the best route for the national best interest is their deconstruction and recycling rather than wasted attempts at upgrades. Wales as a nation must recognise this challenge, and establish a system that prevents the owners of those homes from being the ones which carry the economic burden unfairly. Instead Wales must develop a method to identify and purchase those homes for whole house redevelopment as part of achieving broader carbon reduction targets for the nation, bringing the potential economic benefits of scale and value of carbon savings to minimise the inevitable costs incurred.

4. Whether it is possible and feasible to deliver low carbon, Energy Positive, affordable housing at scale in Wales and, if so, how this can be achieved;

It is possible and feasible to deliver low carbon, Energy Positive, affordable housing at scale in Wales for locations where this is technically, environmentally and socially desirable to do so, however this is not the case for all locations across Wales – please reference answers Q1, 2, 8 & 9.

In locations where it is desirable to deliver energy positive homes capable of significant levels of generation, the remaining challenge to their successful delivery at scale is economic.

Development is, expressed most simply, an equation comprising the sales or capitalised rental value forecast, balanced against the planning contributions, development & construction costs, and a profit margin, with whatever remains being the land value. Of these elements, Wales has least control over the profit margin: Whilst a reality disliked by some, the profit provides the reason for the capital investment in construction, and deviating profit levels too far from those achievable

in international markets will simply result in investment funds moving to other opportunities with better yields: construction is not the only “fish” in the capital investment “ocean”. Next least easily influenced are the development and construction costs, which can be driven with economies of scale with regard to products and materials, but except in some niches of the industry, are also factors affecting quality of final construction, skills and employment levels, and pressurising these therefore can have undesirable consequences if taken too far.

The greatest opportunities for affecting the economics sit across land value, planning contributions and sales or capitalised rental value forecasts, which is also where Welsh Government can effectively apply policy. Land value and planning contributions are intrinsically linked, and both ultimately derive from planning use, obligations and density. Through enhancing the technical and spatial details in early stages of planning (see Q9 for more), land owners and potential developers can be given greater certainty over these core planning issues. In turn, land value expectations by land owners will be affected dependent on the more detailed and known planning contribution obligations that would be placed on development occurring there.

This approach provides an economic equalisation between developments: Sites with high potential for energy generation would have higher expectations set early enough in the planning frameworks for these expectations (and associated costs) to be reflected in the land value expected by land owners. Sites with lower generation potential (and therefore lower costs) would have levies clearly identified, again early enough to be reflected in land values. This enables sites where higher generation is desirable but uneconomic to deliver on their own sales or rental values to receive funds levied from other developments that were unable to meet their levels of generation.

It is entirely possible and feasible to deliver low carbon affordable housing at scale in Wales in an economically viable method, but it is not appropriate for all of this housing to be Energy Positive. Instead, a more sophisticated model should be used to ensure equity and optimal use of natural resources to deliver quality homes and places, and place generation where it is most effective.

5. What are the barriers to delivering transformative change in house building in Wales?

There are a number of barriers to delivering transformative change in house building in Wales, though a considerable number of these challenges can be reduced to the economics of development as covered in Q4. Beyond economic barriers are skills, policy and procedural barriers, which are addressed in Q7, 8 & 9 later.

One barrier to delivering transformative change in the delivery of housing in Wales not covered elsewhere is the strength of the major housebuilders in the current environment. The major housebuilders have the resources to drive efficiencies in their construction costs, and to identify and lobby for land well ahead of smaller developers and independents. This is combined with a capital-return driven disposal policy for public land that values receipts above outcome, meaning land sales tend to be of large plots as one site with no infrastructure or subdivision to achieve the best price and lowest risk, which effectively rules out the land being purchased by all but a few major developers. The result of these effects is that the major housebuilders are in an environment where they can identify and secure the land (either first or by being the only ones who can match the price), and as yet have no commercial reasons to do anything but meet minimum standards.

This does not mean that the major housebuilders are acting irrationally or that they should be avoided: Major housebuilders are the unintended consequence of the environment our society has created through consumer demands, public policy and protocols over decades. Changing this environment through increasing the value of energy efficient homes (see Q3 & 4) and changing the policies (Q8 & 9) will result in changes from the housebuilders, albeit reluctantly until these changes are sufficiently evidenced and entrenched. However, it is important to remember that the major housebuilders, if or when persuaded to change, are the ones with the greatest resources to make this change happen at scale and at pace: Whilst transformative change in Wales can happen without the major housebuilders, it can happen quicker if they act.

Mention should also be made here of the Welsh Government Innovative Housing Programme (IHP) launched by the late Carl Sargeant. This programme represents an excellent opportunity to challenge barriers to transformative change in Welsh housing across a broad spectrum aligned with the goals of the Wellbeing of Future Generations Act, as well as to be a beacon of excellence beyond our borders. Intended to support scalable solutions, the IHP should continue to be supported as an ongoing progression towards the change we need. However, the opportunities to learn from the supported schemes must not be lost, and information about the design, construction and operation of the IHP homes must be collected and shared as comprehensively and broadly as possible. This will enable others to learn lessons and take the housing transformation forward, whilst evidencing the successes (and noting to avoid failures) will be the means of bringing the major housebuilders to adopt change, or to supersede them if they do not.

6. What is the role of Ofgem and the national grid in enabling grid evolution to accommodate new types of housing, and what are the challenges presented by decentralised energy supply?

Energy regulations and management is currently under review by UK government in this context. In the context of this consultation response, therefore, this response has been kept to a minimum.

In the context of Low Carbon Housing, whilst elements of reduced regulation and grid evolution, allowing private individuals to sell or buy generation into the markets or sub-markets directly could lead to significant unintended consequences in future. If such a relaxation occurred, individuals are likely to be buying or selling a few kWh of electricity (probably automatically) as a side-effect of the operation of their homes. In these circumstances, poor maintenance and ineffective system control are likely to occur more often than desirable. Whilst it is critical that our national grid becomes a sharing mechanism for two-way sharing of energy, rather than a one direction distribution system, and that smaller and more diverse energy suppliers should be able to contribute to this, it is suggested that these changes stops at small scale organisations (which could be community owned), where professional operation and maintenance of future disparate energy generation and storage systems (even when installed within private homes), can be more confidently assured as part of the organisation's business operations and, if appropriate, regulated and monitored to be such.

7. Whether Wales has the requisite skills to facilitate and enable change in the housing sector;

Much is already written about the current skills shortage in construction, and the likely short term impacts of 'Brexit' worsening this in the UK. The longer term shortage of skills can be simplified to a several key influencing factors that underpin a large part of this issue, comprising:

- **No intake.** Construction is usually at least partly a site-based operation happening year-round, in most weather conditions. This presents an unattractive working environment that,

when matched with de-skilled approaches to construction, leads to conditions and levels of pay that are insufficient to tempt new or returning individuals to the industry in sufficient numbers.

- **No security.** In addition to the above, construction is highly cyclical, leading to downturns approximately every 7-9 years and consequential job losses. Combined with stop-start public funding schemes that compound this, construction therefore currently does not present the prospective of a stable life-long, rewarding career. In turn, this does not provide the incentive for individuals to develop the skills which the construction industry needs.
- **No standards.** Lastly, for those who do enter the industry, there are remarkably few independently verified checks or standards that are enforced in practice on a site-by-site level. As a result, for the individuals there are few real consequences to inadequate skills – the largely uncertified or self-certified SME refurbishment & maintenance market will still be a source of work, even if the modestly more controlled new build sector is not.

These factors combined to mean that construction offers comparatively poor pay with poor job security to work in a (seasonally) poor environment, whilst presenting no real consequences for those in the roles if they do not develop their skills and quality. The current result is, of course, individuals opt to work in other industries with better pay, better job security and better year-round environments, even if this means they must acquire relevant and appropriate skills to achieve this.

For the last few decades, 'offsite' construction has been heralded as the answer to the skills shortage. This undoubtedly does have a role to play in the future of the industry, though its current potential should not be overplayed: Wales' homes are largely existing, and even when new, they have unique placemaking, social and environmental conditions that render them effectively unique (see Q3). Offsite construction does offer the prospect of warm and dry workers and better quality control for factory-built components, but is likely to need the arrival of mass customisation through next-generation 3D surveying and "parametric bespokeing" before it can meaningfully tackle the full range of our housing stock in Wales.

To address the current issue of skills, therefore, there must be ongoing support for skills and training programmes reacting to the current and future demands (such as the Construction Industry Training Board's (CITB) "Construction Innovation Wales Centre" (CWIC) lead by University of Wales Trinity St David), and support of schemes which explore and demonstrate these skills in practice (such as through the Innovative Housing Programme). However, this must be supplemented by efforts to use public funding programmes to address the cyclical nature of construction in order to retain the skills during downturns, and be combined with stronger enforcement of the standard of skills at site level to ensure that poor quality is not accepted as the norm. Finally, we must recognise a genuinely skilled labour force will have an expectation of a reasonable level of pay, and we should be prepared for the consequential impacts on our construction costs (and therefore on land values as explained in Q4).

8. What changes are needed to Building Regulations in Wales to accelerate progress towards 'near zero' energy standards and beyond?

In their current form, Building Regulations provide a minimum performance standard for the fabric and 'wired-in' systems of new homes and, to a lesser extent, existing homes being modified. The achievement of this minimum performance standard is largely unverified in the completed construction under normal circumstances.

A 'near zero' energy standard is assumed to mean a home which requires nearly no energy over the course of a year to supply the regulated (covered by Building Regulations) and unregulated (not covered by Building Regulations) energy which is required to function and be inhabited.

Requiring this definition of 'near zero' energy on a home-by-home basis for new construction will drive the orientation and size of the homes, and will require energy systems that are sized to cope with fluctuations in occupant demands and external conditions. It will lead to new homes which are less economic to build, with less potential for variety, and arranged in spaces and places that are designed not for pleasant community environments but to optimise renewable generation. Trees, for example, will become undesirable in any new housing development as they will risk the overshadowing of required renewable generation: As a result, trees CO₂ absorption, ecological diversity, groundwater run-off control and simple aesthetic properties are likely to be ignored, since they are not directly required by regulation.

Put simply, this definition of 'near zero' on an individual new home basis will have significant and undesirable consequences on the quality, flexibility and desirability of our homes and the places they are in.

An alternative definition of 'near zero', however, may avoid many of these issues. Requiring our new homes to achieve the minimum possible energy demand before considering any energy generation drives energy efficiency. Such a definition, if combined with a realistic assessment of the existing building fabric's performance (especially considering moisture and ventilation), could also be adopted for our existing housing stock.

This required reduction in energy demand can then be aligned with policies adopted elsewhere (most likely through Planning under the current systems), to require energy generation for localities according to their capacity to generate and the appropriateness of such generation to the environment. Such an approach could be envisaged to use mechanisms such as Community Infrastructure Levies (in the current system) to shift funds from schemes that cannot reasonably meet their energy demands within the site boundary to those which have the capacity to generate excess energy, were funds available. This would enable site-specific discussions about the balance between quality of place, space and an appropriate level of generation to take place.

Such an approach is impossible through Building Regulations (in their current form) if the 'near zero' definition goes beyond a requirement for regulated energy demand reduction. Changes to Building Regulations in Wales should therefore not exceed this threshold, but changes to the delivery and expertise of the Planning system should be implemented in order to make full use of the capacity for a locality to act cohesively to meet its energy needs and become a 'near zero' community.

9. How communities can be planned and shaped to be more energy efficient and low carbon (including examples of good practice in Wales and further afield).

Communities can be more energy efficient and low carbon through better, earlier and more informed planning, collaboration and technical support to shape them. Whilst Wales has inherited a nominally "plan-led" planning system from England following devolution, and made limited significant changes to the process since, in practice the system is inadequate for the demands and opportunities of the 21st century. Furthermore, the planning system is significantly under resourced

and has limited access to technical expertise (internally or budget for externally), resulting in immediate pressures draining resources.

As a result, the planning system is frequently cited as a barrier to development by those within the industry, and is commonly seen by the wider public as being a “foregone conclusion” in favour of developers, whilst the planning system simultaneously regularly fails to realise opportunities and synergies at local scales beyond individual site applications.

To achieve communities that are successful and functioning, as well as being as energy efficient and low carbon as possible, the “plan-led” approach must be strengthened to meet the needs. The forthcoming National Development Framework (NDF) and to a greater extent Local Development Plan (LDP) stages should include assessments of acceptable energy demand and generation across the extent of their planned area, setting clear expectations ahead of development and giving certainty to those coming forward with proposals. Whilst beyond energy issues, this could be combined with more detailed expectations around scale and massing across the area, using 3D graphics and interactive functionality to support genuine public engagement and understanding of the complex balances being struck at LDP stage, where such engagement can make a meaningful difference to outcomes.

Though undoubtedly requiring greater resources at these earlier planning stages, such a genuine “plan-led” approaches ought to reduce uncertainty, risk and time for individual applications (where these do not choose to challenge the plan), due to fewer issues with local communities and applicants for individual applications. In effect, schemes proposed within the more detailed LDP requirements (including energy demand and generation), could be approved quickly, and in doing so deliver a planning system which genuinely enables appropriate development. This should provide significant incentive to suitable development in Wales through clarifying the process and reducing the risk associated with achieving planning approval.

About the Respondents:

The Royal Society of Architects in Wales

The Royal Society of Architects in Wales/Cymdeithas Frenhinol Penseiri yng Nghymru (RSAW) is the voice of the RIBA in Wales. As part of the Royal Institute of British Architects (RIBA), the RSAW champions better buildings, communities and the environment through architecture and our members, who comprise all Chartered Architects in Wales.

Design Circle

Design Circle is a voluntary group of creative and construction professionals engaged in the built environment, with active participants ranging from architects and artists to planners and project managers. Design Circle promotes excellence in the spaces and places formed in and around our built environment, and delivers exhibitions, competitions, charrettes, seminars and wider social activities to support this outcome. Design Circle was established in 2007, and is formally constituted as the southern branch of the Royal Society of Architects in Wales.

Response Lead Author

The lead author of this response is Andrew Sutton. He is a Chartered Architect whose work has included the design and delivery of the Barratt Green House, the multiple award winning first zero carbon ‘Code 6’ house by a housebuilder; the “off-grid” Maes-yr-Onn farmhouse outside Caerphilly (winning the RTPI Planning award); and the Cwmbach “Retrofit for the Future” refurbishment which

featured the first residential use of a transpired solar collector. Whilst this consultation response represents only those bodies named above, Andrew's activities and involvements in this field includes roles as:

- Associate Director, BRE Wales
- Welsh Gov. Planning Policy, Innovative Housing Programme & Smart Living Steering Groups
- Honorary Treasurer & past President, Royal Society of Architects in Wales (RSAW)
- Treasurer, Founder & past Chair, Design Circle RSAW South
- CEW Enabling Zero Waste Project Steering Group
- Past member, Building Regulations Advisory Committee (Wales)



Low Carbon Housing:
The Challenge. Call for
Evidence Response

23 Nov 2017



CLILC • WLGA

INTRODUCTION

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales. The three national park authorities and the three fire and rescue authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
3. WLGA welcomes the opportunity to respond to the Call for Evidence in respect of Low Carbon Housing: The Challenge.
4. In addressing the issues surrounding the progression of low carbon housing the links to the requirements and duties of the Environment (Wales) Act (Carbon Budgets and Sustainable Management of Natural Resources), the Wellbeing of Future Generations (Wales) Act (the Well-being Goals, the Sustainable Development Principle and the 5 Ways of Working) and the challenge presented to the public sector, by the Cabinet Secretary for Environment and Rural Affairs, to be carbon neutral by 2030 must be acknowledged.
5. In developing low carbon housing, it should not just be lowering carbon emissions but also contributing towards the alleviation of fuel poverty and improving the social, economic, environmental and cultural well-being of Wales.

Question 1: What role can housing play in Wales' low carbon transition, including the potential positive impacts on greenhouse gas emissions?

6. The role that housing can play in Wales' low carbon transition must recognise how the public sector, the private sector and Registered Social Landlords (RSL) all have a part to play in delivery.

7. Whereas the building of new energy efficient, low carbon housing will contribute to the low emissions strategy it must be recognised that much of the current housing stock will not have been built to the same standards and will still be in use in 2050 and beyond.
8. The drive for low-carbon housing will contribute to the Environment Act goal of reducing emissions of greenhouse gases by at least 80% by 2050. Initial interim targets could be more challenging than a linear progression to 80% i.e. setting robust, relevant, understandable and achievable targets to prompt **early** action to reduce emissions, budget on budget, towards the target of achieving or exceeding 80% by 2050. Front loading the targets in the carbon budgets 2016 -2020 →2026-2030 would demonstrate commitment and provide the impetus to stimulate action. However, this approach would need to be properly resourced if it is to be effective.
9. Planning has a major role in determining requirements for low carbon and energy efficiency in new developments (reference Energiewend in Germany where low carbon and sustainability measures must be included in the design and build, with energy efficiency, photovoltaic panels and wind turbines located within communities). Within Energiewend, community energy plays a far greater part than in the UK where the power stations are the major energy producer.
10. The roll out of the Wales Quality Housing Standard, enveloping schemes of external refurbishment, boiler replacement programmes and installation of loft insulation (e.g. via ECO, ARBED and NEST) can all help to ensure that the existing social housing stock is as energy efficient as can be. Ensuring building fabric is correct is important as this gives longer term carbon benefits.

Question 2: The development and availability of technology needed for highly energy efficient housing.

11. Research and development of battery storage, could have a significant impact upon the future development of wind turbines and photovoltaic panels to meet community needs. Consideration of the possible wider application of hydrogen fuel technology could also be explored.
12. From an economic perspective training and increasing local capacity to implement and install low carbon, energy efficient measures into housing in Wales must be developed.
13. In addition, measures to improve supply chain development within Wales with local contractors/suppliers/products would contribute to the local economy whilst also reducing the transport costs and associated carbon emissions. Sustainable sourcing of materials at a local level is also important. In the development and build of a Passivhaus project in Swansea, many barriers were overcome in the process of procuring the specialist materials required for the passivhaus construction and ensuring the workforce very quickly acquired skills needed to build the properties to this non-conventional specification.
14. There should be support and encouragement for Communal energy projects. The use of renewable technology including solar PV, Ground Source Heat Pumps for off gas areas with the intention of providing for local energy needs can help to ensure that rural communities are not disadvantaged or subject to higher costs/tariffs, and to bring Standard Assessment Procedure (SAP) ratings up to acceptable levels. SAP ratings are a measure of energy efficiency.

Question 3 – What changes are needed to ensure that existing housing stock is as energy efficient as it can be?

15. It is essential that energy efficiency measures and requirements are assessed by independent surveyors to ensure that the efficiency measures being introduced into housing stock are applicable and appropriate. This would reduce the risk of

'biased' and inappropriate measures being proposed.

16. Social housing stock needs to continue to be brought in line with the WQHS e.g. enveloping and boiler replacement programmes, along with consideration of solar installation/battery storage.
17. The rollout of SMART meters will help to contribute to better energy efficiencies but there should be one standard product for all suppliers/tariffs to ensure compatibility when switching suppliers.
18. There is a need to facilitate research into, and development of, new standards for all public sector and RSL new build properties to ensure all new properties are of the highest efficiency standards.
19. The introduction of new technology is only effective when the user has a full understanding of how the technology works, what can be achieved and why it is important to implement. Housing staff can work with tenants to ensure that they are aware of their energy use, initiate behaviour change including the use of SMART meters, and ensure that tenants are aware of high tariffs associated with prepayment meters.

Question 4: Whether it is possible and feasible to deliver low carbon, energy positive, affordable housing at scale in Wales and, if so, how this can be achieved;

20. There needs to be a determination to deliver social, economic, environmental and cultural well-being through these energy efficiency measures. They will contribute to the Sustainable Management of Natural Resources and the achievement of carbon budget targets. The actions can also contribute towards the achievement of wider Well-being Goals.

21. There needs to be an acknowledgement and a willingness to learn lessons from projects in Wales, the UK and elsewhere in the world. Lessons can be learnt through cost comparison exercises, benchmarking against buildings constructed to a high energy efficiency standard (e.g. Passivhaus standard).
22. The Innovative Housing Programme projects in Wales could be a good source of understanding of what works well and where improvements need to be made.
23. There needs to be a commitment to provide adequate resources, including use of 'spend to save' initiatives. The principles underlying the 'Green Deal' were right even if the programme was poorly delivered.
24. Ministers need to be strong in their determination to deliver. It is essential that they are not unduly influenced by developers and contractors into accepting building standards which do not provide the required returns of energy efficiency and carbon emissions standards.

Question 5: What are the barriers to delivering transformative change in house building in Wales?

25. There are several barriers to delivering transformative change:
26. There is perhaps an unwillingness of developers to embrace changes necessary to improve standards but which may not provide them with a return of sufficient magnitude.
27. There are claims that higher specifications mean higher costs per unit leading to fewer units being built.
28. It is essential that the training and development of the current and up-coming work force in new skills and technology is progressed to meet the demand to prevent skills shortages from becoming a barrier (which could be exacerbated if there are restrictions on the movement of labour post-Brexit).

29. There is currently a perverse incentive in relation to construction in that new build is not subject to VAT whereas VAT is applicable to the upgrading of older properties. This can influence decisions over whether to retrofit or to demolish and start again.
30. The development of Community energy projects can be hampered by prohibitive connection fees to join the National Grid. If more Community energy groups could be established to meet the needs of their communities, for example by utilising battery storage, this may avoid the need to connect to the national grid.
31. Communication and awareness raising programmes to educate tenants and householders to think differently about the way they use energy and to understand how to use new technology also have a role to play.

Question 6: What is the role of Ofgem and the National Grid in enabling grid evolution to accommodate new types of housing, and what are the challenges presented by decentralised energy supply?

32. The current centralised production and distribution of energy needs to be reviewed to address the aging infrastructure and its capability to respond to the modern requirements. A national grid will continue to have an important role to play for the foreseeable future and it is equally important that widespread development of community energy schemes does not undermine the viability of the grid.
33. Ofgem could usefully explore alternative models of generation and distribution such as Energiewend in Germany.

Question 7: Whether Wales has the requisite skills to facilitate and enable change in the housing sector;

34. The Welsh School of Architecture (WSA) is engaged in a project to monitor the Passivhaus scheme in Swansea, and model in any additional renewables will

further improve the specification. WSA as part of the part of Low Carbon Built Environment (LCBE) project, will undertake post occupancy monitoring of the housing to include the performance of building, the systems and the occupants. The WSA will also undertake post design modelling to investigate how the housing could be improved further to enhance the low carbon aspect. This will provide feedback on the whole process of changing the traditional approach to housing to a low carbon approach. Results will be widely disseminated in both academic and non-academic journals and events to help to encourage wider uptake of low carbon technologies and to promote Wales as a leader in affordable low carbon new build housing.

35. In 2015 the Construction Industry Training Board (CITB) announced an investment of £6.5m to establish an innovative construction training facility in Wales. A consortium led by the University of Wales Trinity St David was formed with pan-Wales organisations comprising four further education colleges plus the Building Research Establishment (BRE) and Tidal Lagoon Swansea Bay. This innovative partnership is working together to develop consistent, seamless provision throughout Wales of specialist and bespoke construction-related training from Levels 1-7.
36. The partnership has established the Construction Wales Innovation Centre (CWIC), a hub and spoke model. The CWIC aims to make a significant contribution to economic growth and job creation by responding to the current demand for skills in the construction industry and allied industries, as well as those arising from several large construction projects planned for Wales including the Metro, new nuclear builds and energy projects.

Question 8: What changes are needed to Building Regulations in Wales to accelerate progress towards 'near zero' energy standards and beyond?

37. Part L – Some improvements to the terminology used are needed. It should be defining standards rather than using terminology like 'worst acceptable standard' as this gives the impression that that standard 'will do'

38. TAN12 – details sustainable communities, community heating etc yet WG have scrapped the Code for Sustainable Homes. There needs to be clarity on direction of travel.
39. Consideration needs to be given as to how we can meet Local Development Plan housing targets while driving up standards across the sector.
40. How might we ensure that affordable housing delivered through Section 106 agreements is low carbon, energy efficient, this will affect viability and deliver less units.

Question 9: How communities can be planned and shaped to be more energy efficient and low carbon (including examples of good practice in Wales and further afield).

41. Zero Carbon Zone (ZCZ) pilots can be used as examples of how communities can function at near to or zero carbon levels, to inform roll out of technologies and functionality across Wales.
42. To date such schemes have not been particularly well communicated or sufficiently resourced, so often they are not successful or continue slowly in the background. They need to be driven if the outcomes are to be realised.
43. Changes to building regulations and planning policy could be considered, working with developers in all sectors to ensure they are deliverable
44. New council, RSL development and regeneration projects could lead the way.
45. It is important to can demonstrate how a mixed tenure approach can be viable in terms of payback / market sales where a higher specification has been used.

For further information please contact:

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Richard Dooner
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18 December 2017

Dear Richard,

Rethinking food in Wales – Public sector procurement

The Committee has agreed that I should write to you in relation to several issues that were raised in the course of our work.

Public sector food procurement spend

The Public Sector Food Purchasing in Wales Report 2013 was commissioned by the Welsh Government. It estimated public sector food and drink spend at £74.4 million, with purchases from Welsh companies including producers and distributors accounting for 63% (£47.2 million).

The Committee heard that there is no public source for accurate and up to date figures on public sector procurement of Welsh food. It was suggested that the Welsh Government should ensure this information is updated and published regularly.

What is your view on whether this information should be published regularly?
What would be the advantages and disadvantages of making this information available publicly?



What is the total amount of food procurement spend by local authorities through NPS frameworks and outside the frameworks? Please provide figures for both.

Procuring fresh, nutritious, locally produced food

Increasing the amounts of Welsh or local food procured by the public sector provides an opportunity to support local food producers. Furthermore, it provides the public (e.g. hospital patients, school children) with healthy and nutritious food.

In 2016, the Public Policy Institute for Wales reviewed the Welsh Government's food and drink strategy and action plan. Professors Terry Marsden and Kevin Morgan of Cardiff University produced the report: **Food Policy as Public Policy**. The report's first recommendation relates to procurement:

Placing sustainable diets at the heart of food and nutritional policy through adopting successful public health interventions such as Food for Life and bolstering public sector food procurement and catering provision.

In your view, would it be useful for the Welsh Government to respond publicly to the report by the Public Policy Institute for Wales?

What is the level of participation in Wales in the Food for Life programme? What is your view on this matter? What are the advantages and disadvantages of the Food for Life programme?

The Committee heard that EU procurement rules do not prevent contracts specifying food that is fresh, affordable and nutritious; nor to prevent buyers from engaging with local suppliers to develop sustainable and collaborative approaches to food.



We were told that Wales should take a leading role in encouraging public bodies to buy local or Welsh produce. In addition to the obvious economic benefits, it was suggested that this would have benefits in terms of reducing food miles, job creation and ensuring that value added further down the supply chain is kept in Wales.

The importance of ensuring that value, rather than price, should be the more prominent factor in procurement decisions was also emphasised to the Committee. It was suggested that decisions should place a weighting of at least 60% on quality, with price not exceeding a 40% weighting. The use of quality and assurance indicators could also support the identification of the quality of produce. However, it was acknowledged that an emphasis on healthy, local food could increase costs, particularly in the short term.

The Committee also heard concerns about the amount of food waste.

How do local authorities, through their procurement practices, support the procurement of healthy, locally produced food?

How do local authorities, through their procurement practices, promote sustainability (e.g. food miles); freshness (e.g. how long from field to plate); and provenance (e.g. protected status)?

What should be done to aid local authorities to develop their procurement practices to focus on healthy, locally produced food?

When making procurement decisions, how do local authorities determine the balance between quality and cost?

How is food waste recorded; reported and monitored by local authorities?

The Welsh Government's food and drink action plan



The Welsh Government's food and drink action plan, Towards Sustainable Growth: An Action Plan for the Food and Drink Industry 2014–2020, says that the National Procurement Service (NPS) will be measured against increasing:

- the opportunities for food businesses to supply the public sector;
- the number of suppliers and volume/range of product supplied; and
- the benefits to food producers targeting this marketplace.

One of the plan's actions (action 30) relates to public procurement:

Enable public sector market opportunities to be developed for the food industry and in particular SME and micro food businesses.

There was also a suggestion that an overarching food strategy would be helpful to ensure balance between competing policy demands such as market-based growth strategies, sustainability and health. The importance of political will and continuity was emphasised. Furthermore, leadership is needed to move incrementally to more sustainable food systems and better public health nutrition.

What is your view about whether an overarching food strategy is necessary?
What are the advantages or disadvantages for public procurement of food of such an approach?

Do you believe sufficient emphasis is placed on public procurement of food in Towards Sustainable Growth?

NPS food frameworks

The WLGA told the Committee that there are some concerns about the appropriateness of food and drink as a national procurement framework:

There are however now concerns among officers that the issues experienced with the food category reflect some difficult truths; that



food does not suit aggregation and needs to be an exception to the 'buying once for Wales' philosophy.

The Committee heard that some local authorities have decided not to participate in national frameworks for food procurement and will make their own arrangements.

Do you believe that Framework 1: Fresh Food and Drinks Products provides sufficient flexibility for local authorities to procure healthy, locally produced food?

What actions need to be taken by the NPS to address the concerns expressed by local authorities that food is not appropriate to be procured through the NPS?

Alternative procurement structures

The Committee was told that local authorities could work together, independently of the NPS, where they have common procurement needs: It was suggested that dedicated regional innovation budgets could be deployed to support innovative procurement. Shared solutions could allow more resources to be deployed and risks to be reduced.

Can you provide the Committee with examples of good practice of local authorities working together in relation to public procurement of food? What more needs to be done to support this type of collaboration in future?

Brexit

The potential impact and opportunities arising from Brexit was discussed with the Committee. Given that EU Directives relating to procurement have been transposed into UK law, there is likely to be no immediate change to procurement law from the date the UK leaves the EU.



However, it was suggested to the Committee that it would be timely to review legislation relating to procurement to ensure appropriate arrangements are in place when the UK has exited the EU. It was suggested that the review should consider –

- Whether and how state aid rules might apply, particularly in the context of service concessions.
- Whether the legislation can facilitate more flexibility to allow local authorities to promote local suppliers.

On 12 September 2017, the Cabinet Secretary for Finance issued a written statement, *Repositioning of the National Procurement Service and Value Wales*, in which he announced a refocusing of the NPS and Value Wales to ‘take advantage of any changes in procurement rules which follow Brexit’. He said:

We will also work with businesses to explore all possible options to develop local supply chains and to fill any supply voids across Wales so that Welsh businesses are well-placed to compete and bid for public sector contracts here in Wales and further afield. And we will explore how we can best align infrastructure investment with our regional development funding programmes to maximise their impact and promote inclusive economic growth and prosperity across Wales.

What consideration is being given to how Brexit may impact on food procurement?

In what way should legislation after Brexit provide more flexibility to allow local authorities to promote local suppliers?

I would be grateful if you could respond to this letter by 2 February 2018. I look forward to receiving your response.



Yours sincerely,

A handwritten signature in black ink that reads "Mike Hedges". The signature is written in a cursive style with a large initial 'M'.

Mike Hedges AM

Chair of Climate Change, Rural Affairs and Environment Committee



Date/Dyddiad:
Please ask for/Gofynnwch am:
Direct line/Llinell uniongyrchol:
Email/Ebost:

22nd January 2018
Richard Dooner
07789371418
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CLILC • WLGA

Mike Hedges AM

Chair of Climate Change, Environment and Rural Affairs Committee
National Assembly for Wales

Chair,

Thank you for your letter of 18th December concerning Rethinking food in Wales – Public sector procurement.

You asked for information and views concerning several issues that were raised during your work. I'll be glad to address each of these directly and have appended the questions as asked, with a narrative response.

It's a pleasure to support your Committee and its good work. If I can be of further assistance to you in this matter, please do not hesitate to get back to me.

Yours sincerely

Richard.

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Programme Manager

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Pack Page 41

Rethinking food in Wales – Public sector procurement.

Response to questions from the Committee from Richard Dooner, Programme Manager, WLGA.

Public sector food procurement spend

The Committee has heard that there is no public source for accurate and up to date figures on public sector procurement of Welsh food. It was suggested that the Welsh Government should ensure this information is updated and published regularly.

Whether this information should be published regularly?

Yes. Responsible publication of properly qualified information would allow local authorities, suppliers and the public alike the opportunity to understand the category area. It would facilitate planning and production and could address supply voids.

As with any publication of data, there needs to be a reasonable balance between the cost and effort of acquiring the information and the utility of its use. Public access will also need to be appropriate to the content and its intended application.

Information is however already being collected through Welsh Government's procurement policy team, Value Wales and may also exist in other forms, supporting other thematic work streams. The additional costs and effort would be those of acquisition or re-use from current sources, interpretation for purpose, and dissemination to public benefit.

This data observatory is the descendant of one of the first initiatives to be undertaken by the collaborative WLGA and Welsh Government teams that merged to form Value Wales, some 14 years ago. It is not food specific; but can be analysed on a category basis which includes food procurement. Categorisation is based on the main business activity of the person or organisation being paid.

There is no public access to the data which is subject to controls, being commercially sensitive. The use of the data for strategic procurement is however well understood and within Value Wales' remit. I have not been made aware of any initiative to make this information available to the public; nor of any initiative to exploit the data, beyond the existing programmes for Value Wales and the National Procurement Service.

What would be the advantages and disadvantages of making this information available publicly?

The main advantages of making this information publicly would be to facilitate engagement with the food industry and assist with strategic planning. There might also be efficiencies if the 'once for Wales' philosophy could be applied to data collection and re-use.

The main disadvantages of making this information publicly are those of potential misuse and misinterpretation of the data; and the potential cost of acquiring the data if current sources cannot be reused. Creditor feed data is also notoriously difficult to interpret well and this category is one of the most difficult. In a time of considerable change to public services, local forecasting also needs to be done in conjunction with operational planning. I respectfully suggest that for procurement purposes the food category is better analysed locally, where supporting knowledge can be brought to bear.

There might also be practical issues concerning permissions and the privacy of the data. These might be overcome; but it would be wise to consider which data source is to be used and how the value and utility of making this information publicly available is to be realised.

What is the total amount of food procurement spend by local authorities through NPS frameworks and outside the frameworks? Please provide figures for both.

The food category was valued by the NPS at £25,000,000 a year, including catering equipment. There have however been issues in establishing the category and throughput is considerably less. In November 2017 the Wales Audit Office reported a total 2016-17 spend for all organisations using the NPS. The total for all food categories was £1,593,693. The majority of this is believed to be spend by Local Authorities.

The historic food spend for Welsh Local Government was known to be in the region of £50,000,000. If we use Caerphilly¹ County Borough Council (pop. 178,806) as a representative example for food spend and pro rata this to Wales (pop. 3,200,000) we reach £51,064,326.

It is difficult to be more exact about spend. Analysis can be particularly deceptive within the food category. Definitions could refer to basic ingredients, food products or ready to eat food at point of consumption. Spend may or may not include distribution or labour costs. Some food supply might also be within the scope of an organisation but independently provided (local management of schools, leisure or hospitality spinouts, care services) or otherwise provided by means which are not recorded in the spend analysis.

Analysis of creditor systems is also difficult because the analysis categorises organisations by their main business activity. The catering trade is diverse in nature, so the main business activity does not necessarily reflect what is being supplied locally.

These differences are especially relevant in cross-sector comparison as some sectors procure for bulk supply into stores. In these instances, the costs of internal distribution and breaking bulk should be considered as part of the overall spend; but will not feature in the amounts invoiced by food suppliers.

Procuring fresh, nutritious, locally produced food

In your view, would it be useful for the Welsh Government to respond publicly to the report by the Public Policy Institute for Wales?

I believe it would be useful for the Welsh Government to respond publicly to the report by the Public Policy Institute for Wales. This will show that Welsh Government are serious in improving the way in which the public sector procures food for our most vulnerable citizens. It would assist in developing a transparent way forward for food procurement in Wales

PPIW's report makes a lot of sense and policy makers would do well to consider its findings. In many respects however, the Welsh Government has anticipated the underlying issues and already legislated to enable change. The Wellbeing of Future Generations Act, for example, encourages an enlightened approach to procurement specification; which is both sustainable and good business practice.

¹ Caerphilly was an early adopter of a modern e-procurement system, which is well embedded and now has a reasonably accurate capability for subjective analysis. Spend is £2,853,315.

My view is that it would be most useful for Welsh Government to foster an environment which enables the application of the Act in practice and allows good things to happen. My suggestion is that a public response to the report should be along supportive lines.

What is the level of participation in Wales in the Food for Life programme? What is your view on this matter? What are the advantages and disadvantages of the Food for Life programme?

The majority of Welsh Authorities do not participate in the Food for Life programme. The motivations for the programme are however likely to feature in local policies and take up of the programme or otherwise is a local choice of finding the right tool for the job.

Welsh Authorities mainly use The Healthy Eating in Schools (Nutritional Standards and Requirements) (Wales) Regulations 2013. Flintshire County Council has taken up the Food for Life programme; but other Authorities have not been convinced it offers value for money. The catering aspect of the programme (previously called 'Catering Mark' now called 'Food for Life Served Here') comes at a cost of £2,388 per year (£1,194 for primary school menu + £1,194 for secondary school menu).

Authorities also have excellent engagement with the Welsh Network of Healthy Schools Scheme (which is based on a whole school approach to health - including food). The National Procurement Service includes sustainability in its procurement process and The Healthy Eating in Schools (Nutritional Standards and Requirements) (Wales) Regulations 2013 legislate the nutritional content of an average school lunch and food/drink requirements throughout the school day.

How do local authorities, through their procurement practices, support the procurement of healthy, locally produced food?

Local Authorities have a duty of community wellbeing that is reflected in their local procurement practices. Considerable effort has been made, and continues to be made to encourage local provision of the nature and type that Local Authorities can use.

The Committee has heard from practitioners at Caerphilly Council about specific local initiatives. One example included employment of a dedicated Food Procurement Officer within the centralized procurement function. Procurement documentation was developed to include social clauses and evaluation criteria which will support local supply chains. Caerphilly CBC also supports the procurement of healthy, locally produced food by working closely with producers and trial innovative procurement practices. The Committee was given an example where the local provision of meat was successfully piloted; with explanation of why the initiative is unlikely to continue.

There are issues in resourcing. Initiatives of any kind require people and effort and Local Authorities are genuinely short of capacity. Efforts to support procurement centrally have not contributed positively to the procurement of locally produced food.

This is of ongoing concern to Local Government. WLGA is therefore leading an initiative which considers methods developed by Local Authorities in England for improving the contribution of procurement to social value. These include measures which consider healthy local production and enable its consideration within procurement processes.

How do local authorities, through their procurement practices, promote sustainability (e.g. food miles); freshness (e.g. how long from field to plate); and provenance (e.g. protected status)?

The procurement practice aspect of this is in the specification process. These requirements can all be specified and awarded upon. Whether they are specified depends on the needs of the organisation, the availability of supply and the relative value attributed to them.

Caerphilly CBC for example promotes sustainability, freshness of product and provenance by ensuring that all of these areas are covered within its tender documentation. All procurements are undertaken within the scope of the EU Public Contract Regulations 2015 and by professional procurement officers.

Specification is intended to support business need. Which, as a definition, refers to all the needs of the organisation, as prioritised by the organisation. There is nothing in the procurement process that prevents sustainability. The Wellbeing of Future Generations Act provides the basis for reconsideration of business needs and relative value of attributes such as provenance.

What should be done to aid local authorities to develop their procurement practices to focus on healthy, locally produced food?

Enable a coordinated approach. The realisation must be that the value in the food product is in its effective deployment to purpose; within a much bigger environment. The outcome is wellbeing and prevention of adverse social and health issues in communities.

This is far more important than the narrow scope of buying the ingredients cheaply. There's nothing in that statement preventing the achievement of value for money; which is made to highlight that the understanding of value needs to be raised away from a narrow focus on the price of commodities. The procurement objective is to manage all aspects of supply and production to provide the best possible product at the point of consumption; given the resources available and the environment within which we operate. In most instances, including school food, this includes a marketing dimension; because the food is made to be sold.

This requires a management resource that supports the overarching strategy, with procurement resource at local level, working in close cooperation with those who prepare and market the food.

Historically the Welsh Government had developed a Food Procurement Route Planner in conjunction with local authorities. This gave public organisations a best practice approach in how to procure their food requirements although this is now out of date and has not been periodically refreshed. The Welsh Government could consider putting working groups together to drive this area and assist Public organisations in changing the approach to the procurement of food. It should be noted that any working groups remit should be to drive real change and not be a discussion only forum. Going forward, Welsh Government can support the procurement profession and support training in this critical supply area.

Welsh Government could also foster the use of longer term contracts to enable producers to invest in long term business models. We need supplier development and support mechanisms to assist local producers in doing business with the Welsh Public Sector.

When making procurement decisions, how do local authorities determine the balance between quality and cost?

They use a formula integrated into their specification of needs and competitive evaluation processes. All competent procurement entities will do this. At its simplest level, the balance will be a quality/cost ratio. Historically, quality was the driving criteria in the evaluation methodology. The

majority of the Welsh Purchasing Consortiums tender arrangements for food were 60% quality and 40% Price.

The definitions which underpin Price/Quality evaluation can be far from simple to apply in practice and an increasingly sophisticated approach has been developed. This includes tools which help measure underlying social value and cost factors that might otherwise be unappreciated and not measured.

A practical example is the new Themes Outcomes and Measures (TOMS) tool that was launched in November 2017 in support of the Social Value Act in England. WLGA is in the process of evaluating TOMS in conjunction with the Wales Head of Procurement network. We are already aware that our Wellbeing of Future Generations Act goes further than the Social Value Act; though we are considering that the additional considerations apply mainly to pre-procurement procedures and there's a strong compatibility in TOMS for procurement practice here. One of these measures, NT35, is:

“Percentage of procurement contracts that includes sustainable procurement commitments or other relevant requirements and certifications (e.g. to use local produce, reduce food waste, and keep resources in circulation longer.)”

This is measured as a % of contracts and is a record only. It is however just one measure within a toolkit containing 5 principal issues, 18 Outcomes and 35 Measures. Measure NT1 is for more people in local employment:

No. of local people (FTE) employed on contract for one year or the whole duration of the contract, whichever is shorter.

This is measured as number of people FTE x £28,213 to provide a Social Value Proxy. Local employment is expressed as a cost factor and provides a more realistic evaluation of the financial impact to the Authority than that available by comparison of tendered prices alone.

It would be a relatively straightforward matter to develop an outcome and associated measure that related to the Wellbeing Act here. It would be particularly useful if this measure went further than NT35 above; to provide a social value proxy for local food provision which resembled the financial value given to local employment.

TOMS was developed in Local Government but includes 'plug-ins' for different organisations across a variety of themes. Available free of charge from <https://socialvalueportal.com/national-toms/>

How is food waste recorded; reported and monitored by local authorities?

Food waste is monitored, recorded and reported to Welsh Government by each Authority's waste management team. Food waste from households is reported as their separate food waste collections and would also be recorded in waste data flow and as part of individual contracts to anaerobic digestion plants.

There has also historically been a significant element of food waste in the black bag and wheelie bin waste. A snapshot was taken about 18 months ago to provide a compositional analysis of all 22 Local Authorities on their residual waste. This suggested that about 25% of that bin was food waste. This was however a snapshot in time it is likely that the mix would have changed by now.

Separation of internal food waste from schools and other providers might not be recorded separately. It depends on their individual waste management contracts. Where the Local Authority provides the service there may be separation of the food waste - but it will go in a truck with probably household and other trade waste so can't be measured. The Environment Act will in future require all public-sector bodies to keep their food waste separate, and for it to be collected separately. This may make the measurement easier but the problem of one truck picking up multiple sources of food waste will remain.

WLGA is encouraging Local Authorities to sign up to the WRAP Courthauld 2025 agreement where they have to actively manage their food waste better and reduce it. Cardiff and Monmouthshire Councils are among the early adopters.

The Welsh Government's food and drink action plan

What is your view about whether an overarching food strategy is necessary?

Food is important. It forms an integral part of our lives; its production is part of our nation's social and economic fabric. Its nature determines the health of the nation. It is entirely necessary that our Government has an overarching strategy for food. This would assist Public Bodies in Wales in delivering the procurement of food in Wales.

What are the advantages or disadvantages for public procurement of food of such an approach?

An advantage of such a policy would be to give Public Bodies the necessary direction to ensure that they could deliver healthy, nutritious and safe food to all areas of the public sector. We foresee no disadvantages. We need a consistent approach which will give comfort to producers within Wales.

Public procurement presently relies almost entirely upon the supply arrangements that already exist to supply the catering trade. This brings integration and economies of scale; but adapting to industry capabilities is not the same as shaping them; which an overarching strategy could help to do. This would intuitively offer improvement. Food supply is presently dependent on supply economies that are geared up to service large concentrations of population and care little for local boundaries or the plans of Government.

A suggested example would be to encourage the relationship with foods that are highly seasonal or localised in nature, involving smaller suppliers. These need a local connection for the relationship basis to be sustained; but they could form part of a deliberate strategy that would otherwise not be admitted into procurement arrangements.

Do you believe sufficient emphasis is placed on public procurement of food in Towards Sustainable Growth?

I am an advocate for better public procurement, so might naturally be expected to suggest more emphasis. It is however important that our collective efforts are made on things that make a difference and we must understand that in the context of a food industry in Wales that's worth £16.8 Billion. I currently believe that Towards Sustainable Growth has its emphasis just about right and we can support it in the place it resides.

Public procurement is however worth more than its spend value. There is a significant role as an influencer, because of what public procurement is and where it happens. It is my belief that the

public procurement of food products should be considered as a lever within a whole system approach. Public spend is important; not because of its quantity, because of its influence.

Councils have always been proactive in developing local food suppliers and producers and we can be proud of our achievements to date; but there is much more to do. We have not been helped by austerity or by recent initiatives to centralize food procurement. Further links should be forged between Welsh Government, Food and Drink Wales and Public-Sector bodies to ensure that there is joined up thinking between all areas which can only be beneficial moving forward. We need to develop stronger relationships and partnerships between producers and food buyers.

NPS food frameworks

Do you believe that Framework 1: Fresh Food and Drinks Products provides sufficient flexibility for local authorities to procure healthy, locally produced food?

I have had no direct involvement in the NPS tender and have not seen its framework documentation. I am however in touch with Local Authorities who report that their market intelligence informs them that the NPS has experienced difficulties with the food category and has not been able to establish the level of trust in the supply chain that is required to make this work centrally.

The objectives of healthy food, locally produced are not necessarily affected by the flexibility of the framework. This type of arrangement can drive down the costs of buying food ingredients through process reduction, aggregation of common volume and a move to more homogeneous specification. If local supply can fit that type of high-volume process and is engaged; or if the framework is structured to suit specific local conditions; a local supply relationship for healthy food can be established.

Otherwise, the process will attract suppliers from elsewhere that operate competitively in the high-volume segment and are able to win tenders through their scale of operations; or by other means such as being better at responding to tenders. In such instances, food might be healthy, but whether it is locally produced will be determined by the supply chain for that supplier. The remote supplier might also procure locally; sometimes at scale.

It could therefore be that a less flexible arrangement is more conducive to local production; or that a provider from out of the area is beneficial to local producers; albeit different ones. The point is that there is no formulaic approach and the objective will only be achieved if the procurement is intelligently done and applied with the correct objective in mind.

What actions need to be taken by the NPS to address the concerns expressed by local authorities that food is not appropriate to be procured through the NPS?

There needs to be more planning, transparency and trust developed before any future procurement take place. Due consideration must be made to social and economic development going forward.

This is a difficult ask of the NPS because the structural advantages of the 'Once for Wales' buying philosophy require novation to the centre. If the operational need is best served by having the balance of control near the point of use; it makes no sense to procure centrally.

There have been concerns among procurement practitioners in Local Government that the NPS has insufficient expertise, knowledge, and experience in this critical field. The organisation has

attempted to address this insufficiency through recruitment; but this has proved problematic. I have some sympathy with the NPS in this regard; they have tried. It is however ultimately weak to expect to carry this at the centre through recruitment; because in a strategic resourcing terms, it's a mismatch. The nature of engagement required is simply too much for one person.

My suggested response would be to coordinate procurement on a distributed network basis. Some element of central contracting need not be inconsistent with that; provided the balance of control is a pull from the user, rather than push from the centre. It may however be difficult to justify resourcing this on cash savings such as those required for the NPS; particularly if the benefits of procurement are in social and economic value that is not immediately cashable.

It is my view that tactics of aggregation which work well in other categories are simply not appropriate for food; unless the overarching policy for food is one of a more homogeneous approach; akin to the approaches of the big supermarkets. That does not appear to be the policy direction for Welsh public services. We must strategize for the objectives we have.

The strategic procurement choice for food should therefore be disaggregation; with emphasis on social and economic value in determining value for money. This can be supported by a small number of frameworks at the centre; but these must be locally led. It is important to understand Wales and the local and social aspect of food in the wider context. The required level of engagement with the supply chain is also quite different to other categories of procurement. In relative terms, it is disproportionate to the spend value; but that's what the category requires.

Alternative procurement structures

Can you provide the Committee with examples of good practice of local authorities working together in relation to public procurement of food?

The Welsh Purchasing Consortium (WPC) was an excellent, if understated, example of good practice for a collaborative approach to food procurement in Wales. This operated as a distributed network, centrally coordinated to optimise the mix of local, regional and national working.

The collaborative arrangements operated invisibly, behind the scenes to coordinate multiple frameworks and operations; including those for food safety and quality improvement. Procurement 'just happened' which is to say that a lot of work was done diligently and competently to support operational provision and nobody noticed because it worked.

There were occasions when the wider business of food supply did not work. Notably the tragic e-coli 0157 outbreak of 2005 and the horse meat substitution scandal of 2013. Neither of these was caused by the WPC; but the organisation did provide Local Government with the collective resource to expertly respond, coordinate with other agencies and manage new procurement methods which incorporated additional measures for prevention. This included innovative co-working with environmental health officers within the local government structure and a collective early warning system on matters of food quality as a preventative measure for food safety.

It is concerning that the collective knowledge share structures previously facilitated by the WPC are no longer in place and that the central service is experiencing fundamental difficulties.

What more needs to be done to support this type of collaboration in future?

There is no reason why collaborative working cannot be taken forward by individual organisations together for innovative projects but this must be allowed by Welsh Government. The development

of centres of excellence would be beneficial going forward and support the development of Procurement experts.

The main impediment to progress is a lack of people and uncertainty around future provision.

Brexit

What consideration is being given to how Brexit may impact on food procurement?

Food procurement is being considered by the WLGA as part of its support to local authorities generally and its ongoing support of the procurement function in Local Government. WLGA acts as an interface between Welsh Local Government and the Local Government Association in England on these matters and is presently engaged in several Brexit related activities. This includes a newly formed member led group set up for the purpose.

The main issue in the field of food procurement and indeed the Brexit process more generally, is the lack of information from the UK government. This raises concerns regarding certainty and predictability, which is very worrying, especially given the impact Brexit is already having upon the practical operation of supply markets in the UK. Some food commodity areas are for example showing high price increases; however, we will not have a greater idea on how this will affect the market long-term until much nearer our exit from the EU.

In what way should legislation after Brexit provide more flexibility to allow local authorities to promote local suppliers? Whether and how state aid rules might apply, particularly in the context of service concessions and whether the legislation can facilitate more flexibility to allow local authorities to promote local suppliers

Current legislation has a great amount of flexibility. Application on the ground is what is missing.

It is difficult to advise how more flexibility can be allowed until the UK Law is changed on our exit from the EU. Current thinking is that procurement will continue as it is today although there may be an opportunity to state in tenders a more local approach which would allow the flexibility we require to ensure the Welsh food supply chain is fully engaged.

It is also difficult to advise on legislation after Brexit in relation to Welsh policies which have a substantially different emphasis to those in the rest of the UK. The Wellbeing of Future Generations Act for example goes much further than the Social Value Act in England. It influences strategic pre-procurement choices and could result in a fundamentally different determination of value. Future promotion of local suppliers here will be on the basis of the Welsh Act and post-Brexit legislation must be equally supportive of the provisions of Welsh Government.

Service Concessions

In my previous submission to this Committee I mentioned the need for clarity on state aid rules in the context of service concessions. This form of provider relationship has been largely overlooked for public services in the UK but exploited in other countries.

Whether this business model is realistic for public services or not, need to be decided in the context of potential application. It will not be suitable for everything and we will need to be mindful of the cultural significance of the model; particularly in respect of territorial control and service management. In some applications however, such as those empowering third sector provision, service concessions could be the way forward.

In his judgement for the case of *JBW v Ministry of Justice* CA 2011, Lord Justice Elias outlined the characteristics of service concessions very clearly:

1. The concession places the contractor in a position to exploit a service. Typically, this would also allow freedom for enterprise, including fixing prices and growing the business. Some control by the authority need not be inconsistent with a concession.
2. A concession usually involves a direct contractual relationship with third party clients or customers of the service who are charged directly by the contractor.
3. The contractor typically has considerable control over the manner in which the service is provided; the authority takes a back seat.
4. Although the contracting authority has an interest in the service being performed for the benefit of third parties, it does not itself directly benefit from its performance.

The matter of definition should not be a barrier. Concerns here seem to be around lack of precedent and convention; with a specific barrier that concessions may qualify as state aid.

The main issue is the lack of information. State aid for example is currently governed by EU state aid rules. Logically, these would cease when the UK leaves the EU; but we don't know this.

Mark Drakeford AM
Cabinet Secretary for Finance
Welsh Government

18 December 2017

Dear Mark,

Rethinking food in Wales – Public sector procurement

The Climate Change, Environment and Rural Affairs Committee has recently undertaken some work as part of its inquiry into rethinking food in Wales. As part of this inquiry, the Committee has spent some time considering public sector procurement of food and drink in Wales and the role this can play in the wider food and drink policy area.

The Committee heard evidence from Caerphilly County Borough Council (representing the WLGA); the NHS Wales Shared Services Partnership; Hybu Cig Cymru and the Food and Drink Wales Industry Board. The Committee also heard from Professor Roberto Sonnino, Professor of Environmental Policy and Planning, Cardiff University.

The terms of reference for our work was to investigate:

- The role of public sector procurement in supporting local produce, both to provide the public with improved access to healthy, local food and to provide markets for producers.
- The role of sustainable public sector food procurement within wider public policies, such as health; and
- The potential impact of Brexit on future procurement arrangements.



The Committee has agreed that I should write to you about issues related to the National Procurement Service (NPS) in Wales.

Public sector food procurement spend

The Public Sector Food Purchasing in Wales Report 2013, commissioned by the Welsh Government, estimated public sector food and drink spend at £74.4 million, with purchases from Welsh companies including producers and distributors accounting for 63% (£47.2 million).

The Committee heard that there is no public source for accurate and up to date figures on public sector procurement of Welsh food. It was suggested that the Welsh Government should ensure this information is updated and published regularly.

What is your view on whether this information should be published regularly? What would be the advantages and disadvantages of making this information available publicly?

Procuring fresh, nutritious, locally produced food

Increasing the amounts of Welsh or local food procured by the public sector provides an opportunity to support local food producers. Furthermore, it provides the public (e.g. hospital patients, school children) with healthy and nutritious food.

In 2016, the Public Policy Institute for Wales reviewed the Welsh Government's food and drink strategy and action plan. Professors Terry Marsden and Kevin Morgan of Cardiff University produced the report: [Food Policy as Public Policy](#). The report's first recommendation relates to procurement:

Placing sustainable diets at the heart of food and nutritional policy through adopting successful public health interventions such as Food



for Life and bolstering public sector food procurement and catering provision.

How do the NPS food procurement frameworks align with initiatives such as Food for Life?

The Committee heard that EU procurement rules do not contracts specifying food that is fresh, affordable and nutritious; nor to prevent buyers from engaging with local suppliers to develop sustainable and collaborative approaches to food. We were told that Wales should take a leading role in encouraging public bodies to buy local or Welsh produce. In addition to the obvious economic benefits, it was suggested that this would have benefits in terms of reducing food miles, job creation and ensuring that value added further down the supply chain is kept in Wales.

The importance of ensuring that value, rather than price, should be the more prominent factor in procurement decisions was also emphasised to the Committee. It was suggested that decisions should place a weighting of at least 60% on quality, with price not exceeding a 40% weighting. The use of quality and assurance indicators could also support the identification of the quality of produce. However, it was acknowledged that an emphasis on healthy, local food could increase costs, particularly in the short term.

The Committee also heard concerns about the amount of food waste in the public sector.

How do NPS food procurement frameworks support the procurement of healthy, locally produced food?

How do the NPS food procurement frameworks promote sustainability (e.g. food miles); freshness (e.g. how long from field to plate); and provenance (e.g. protected status)?

How do the NPS food procurement frameworks ensure that food waste is minimised? Are there requirements to record; report and monitor food waste?

The Welsh Government's food and drink action plan



The Welsh Government's food and drink action plan, Towards Sustainable Growth: An Action Plan for the Food and Drink Industry 2014–2020, says that the NPS will be measured against increasing:

- the opportunities for food businesses to supply the public sector;
- the number of suppliers and volume/range of product supplied; and
- the benefits to food producers targeting this marketplace.

One of the plan's actions (action 30) relates to public procurement:

Enable public sector market opportunities to be developed for the food industry and in particular SME and micro food businesses.

There was also a suggestion that an overarching food strategy would be helpful to ensure balance between competing policy demands such as market-based growth strategies, sustainability and health. The importance of political will and continuity was emphasised. Furthermore, leadership is needed to move incrementally to more sustainable food systems and better public health nutrition.

Do you believe there would be any benefits for the NPS from having an overarching food policy?

What assessment has been made of the progress against action 30?

Do you think sufficient emphasis is placed on public procurement of food in Towards Sustainable Growth?

What would be the advantages or disadvantages for public procurement of food of having an overarching food strategy?

NPS food frameworks

We heard from the WLGA that there are some concerns about the appropriateness of procuring food and drink through a national framework. They told us:



There are however now concerns among officers that the issues experienced with the food category reflect some difficult truths; that food does not suit aggregation and needs to be an exception to the 'buying once for Wales' philosophy.

The Committee heard that some local authorities have decided not to participate in national frameworks for food procurement and will make their own arrangements.

Framework 1: Fresh Food and Drinks Products (NPS-Food-0068-16) has been in place since August 2017. How many organisations have indicated they will use this framework? How many member organisations have opted out? What is your view on the concerns expressed by local authorities about the use of the NPS for food procurement? What actions have been taken to address the concerns expressed by local authorities about the framework? What are your projections for spend under Framework 1: Fresh Food and Drinks Products for the next 2 years? How have these projections taken into account the spend during 2016-17 under the existing food frameworks? Do you believe that Framework 1: Fresh Food and Drinks Products provides sufficient flexibility for organisations to procure healthy, locally produced food?

Alternative procurement structures

The Committee was told that local authorities could work together, independently of the NPS, where they have common procurement needs. It was suggested that dedicated regional innovation budgets could be deployed to support innovative procurement. Shared solutions could allow more resources to be deployed and risks to be reduced.

Brexit

The potential impact and opportunities arising from Brexit was discussed with the Committee. Given that EU Directives relating to procurement have been



transposed into UK law, there is likely to be no immediate change to procurement law from the date the UK leaves the EU.

However, it was suggested to the Committee that it would be timely to review legislation relating to procurement to ensure appropriate arrangements are in place when the UK has exited the EU. It was suggested that the review should consider –

- Whether and how state aid rules might apply, particularly in the context of service concessions.
- Whether the legislation can facilitate more flexibility to allow local authorities to promote local suppliers.

On 12 September 2017 you issued a written statement, Repositioning of the National Procurement Service and Value Wales, setting out the refocusing of the NPS and Value Wales to ‘take advantage of any changes in procurement rules which follow Brexit’:

We will also work with businesses to explore all possible options to develop local supply chains and to fill any supply voids across Wales so that Welsh businesses are well-placed to compete and bid for public sector contracts here in Wales and further afield. And we will explore how we can best align infrastructure investment with our regional development funding programmes to maximise their impact and promote inclusive economic growth and prosperity across Wales.

What consideration is being given to how Brexit may impact on food procurement?

What work has been undertaken to develop local supply food chains or to support Welsh food businesses to bid for public sector contracts in Wales and further afield?

I would be grateful if you could respond to this letter by **2 February 2018**. I look forward to receiving your response.

Yours sincerely,



Mike Hedges

Mike Hedges AM

Chair of Climate Change, Rural Affairs and Environment Committee



Mark Drakeford AM/AC
Ysgrifennydd y Cabinet dros Gyllid
Cabinet Secretary for Finance



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

1 February 2018

Dear Mike,

Rethinking food in Wales – Public sector Procurement

Thank you for your letter of 18 December 2017 highlighting the work undertaken by the Climate Change, Environment and Rural Affairs Committee as part of its inquiry into rethinking food in Wales, and specifically the role that public sector procurement of food and drink in Wales can play in the wider food and drink policy area.

You noted that the Committee heard evidence from Caerphilly County Borough Council (representing the WLGA); the NHS Wales Shared Services Partnership; Hybu Cig Cymru and the Food and Drink Wales Industry Board. The Committee also heard from Professor Roberto Sonnino, Professor of Environmental Policy and Planning, Cardiff University.

The Committee has identified a number of issues relating to the National Procurement Service. For ease of review I note these in the accompanying annex together with their respective responses. Some issues have been grouped where they refer to overlapping matters.

As the Committee is aware the NPS fresh food framework has only been in operation since September 2017 and the NPS packaged ambient products since November 2017. It is therefore inevitable that some of the answers will be tentative due to the early nature of the frameworks.

The NPS fresh and packaged ambient product frameworks have also been identified as one of a number of pilot exercises being supported by the Well being of Future Generations Commissioner to identify and share best practice in public sector procurement to support the well being of future generations. The NPS is therefore working closely with the Commissioner and other industry leading bodies.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Best wishes,



Mark Drakeford AM/AC

Ysgrifennydd y Cabinet dros Gyllid
Cabinet Secretary for Finance

Annex 1

Public sector food procurement spend

1. What is your view on whether this information should be published regularly?

The Public Sector Food Purchasing in Wales Report 2013, commissioned by the Welsh Government, estimated public sector food and drink spend at £74.4 million, with purchases from Welsh companies including producers and distributors accounting for 63% (£47.2 million).

The Public Sector Food Purchasing in Wales Report 2013 provided an estimate of public sector food and drink expenditure as well as the proportion spent with Welsh companies.

Today Welsh public sector procurement expenditure is captured through a spend analytics system, Atamis, funded by the Welsh Government. This allows for a wide range of category expenditure including food to be analysed and assessed.

The data from this system could be published regularly. A two year reporting cycle would allow the effective tracking of changes and the identification of emerging patterns.

2. What would be the advantages and disadvantages of making this information available publicly?

Making the information publicly available would help publicise the significant spending with Welsh suppliers and potentially encourage other local suppliers to consider bidding for future opportunities, or to supply local products as part of 2nd tier supply chain activity.

A potential disadvantage is that the data can only be analysed by spend with supplier and not further broken down by products supplied. It can only ever provide a high level overview of performance, without being able to capture Welsh produce being sourced through 2nd or lower tier activity. This could lead to misleading conclusions being drawn.

3. *How do the NPS food procurement frameworks align with initiatives such as Food for Life?*

The NPS frameworks have been influenced, designed and developed by a wide range of stakeholders drawn from across the Welsh public sector. These stakeholders include food policy specialists, nutritional experts, catering managers, food safety advisers, waste policy specialists as well as input from the food industry and the work with the Well being of Future Generations Commissioner.

The frameworks therefore embrace a wide range of policies and initiatives such as Food for Life and have been designed in a way that such initiatives can be fully supported.

4. *How do NPS food procurement frameworks support the procurement of healthy, locally produced food?*

The procurement of healthy, locally produced food is a key aim of the frameworks and this has been brought to the attention of the suppliers both through the framework documentation and the pre procurement engagement events that were held across Wales.

The NPS will work with suppliers and its public sector customers to identify and source a greater range of local produce where this is possible.

The framework has been designed in a way that allows the addition and promotion of new products.

5. *How do the NPS food procurement frameworks promote sustainability (e.g. food miles); freshness (e.g. how long from field to plate); and provenance (e.g. protected status)?*

As noted the NPS framework has been designed in a way allowing the addition of locally sourced products that will reduce food miles. To support freshness a 75% product lifecycle shelf life has been stipulated within the specification. Protected status products were embedded within the framework at the tendering stage and can also be added as the frameworks mature.

6. *How do the NPS food procurement frameworks ensure that food waste is minimised?*

7. *Are there requirements to record; report and monitor food waste?*

As part of the wider pilot work with the Well Being of Future Generations Commissioner, the NPS has worked closely with the Welsh Government funded WRAP waste minimisation programme and also waste policy advisers from within the Welsh Government. In addition the NPS has signed up to the Courtauld Commitment 2025, a voluntary agreement that brings together producer and consumer to make food and drink production and consumption more sustainable.

This has seen the frameworks fully embrace waste minimisation through requirements set out in the specification. Measurements will cover the following areas and allow for

the identification of trends and performance improvement.

- Greenhouse Gas (GHG) emissions
- Water consumption
- Food waste generated
- Packaging waste

The Welsh Government's food and drink action plan

8. *Do you believe there would be any benefits for the NPS from having an overarching food policy?*

As noted in my response to question three, the NPS frameworks have gone a long way in this regard and I would be happy to publish the work done to ensure key policies and initiatives have been embraced.

At this stage the NPS is focussing its energy on the implementation of a range of policies and initiatives and we are not attracted at this stage to diverting that attention to new policy development.

9. *What assessment has been made of the progress against action 30?*

Action 30 describes how public sector market opportunities should be developed for the food industry and in particular SME and micro food businesses. In developing its frameworks this was supported by the NPS through the measures described below.

- Delivery of twelve Wales located pre-procurement market engagement events designed to capture market issues and help smaller businesses prepare to bid.
- Delivery of how to tender workshops during the procurement aimed at helping smaller businesses more fully understand the tendering requirements.
- Implementing a geographical zone structure within the procurement that would allow smaller businesses to bid to supply at a local level.

A key measure of the success of these actions is evidenced by the fact that of the suppliers appointed to the NPS fresh food framework some 73% were Welsh SMEs.

10. *Do you think sufficient emphasis is placed on public procurement of food in Towards Sustainable Growth?*

In relation of the emphasis placed on public procurement in Towards Sustainable Growth the report described that some 10% of turnover amongst the 300 suppliers surveyed relates to supply to the Welsh public sector. The emphasis on public procurement of food in TSG was designed to reflect that matrix.

11. *What would be the advantages or disadvantages for public procurement of food of having an overarching food strategy?*

I have addressed this in my response to question eight.

NPS food frameworks

12. *Framework 1: Fresh Food and Drinks Products (NPS-Food-0068-16) has been in place since August 2017. How many organisations have indicated they will use this framework?*

To date, some twenty-five organisations are using or have indicated they will be using the framework in part or in full.

13. *How many member organisations have opted out?*

Two organisations formally opted out but have reserved the right to join the frameworks at a later stage.

14. *What is your view on the concerns expressed by local authorities about the use of the NPS for food procurement? What actions have been taken to address the concerns expressed by local authorities about the framework?*

The frameworks were designed by a stakeholder group drawn from across the Welsh public sector consisting predominately of Local Authority catering and procurement specialists. In addition the design was subject to peer review by the NPS Delivery Group, the providers of operational governance with representation from four senior Local Authority procurement leads. Concerns were expressed by the NPS delivery group in relation to the geographical zoning proposed and the lack of specific local authority supply zones. These concerns were addressed and the model changed to embrace local supply.

15. *What are your projections for spend under Framework 1: Fresh Food and Drinks Products for the next 2 years?*

In 2018/19 expenditure of £9 million is projected across the framework. Projections for 2019/20 will be made available as data further crystallises.

16. *How have these projections taken into account the spend during 2016-17 under the existing food frameworks?*

The projection has been based upon identifying those organisations who will transition to the NPS agreements when their existing agreements expire.

17. *Do you believe that Framework 1: Fresh Food and Drinks Products provides sufficient flexibility for organisations to procure healthy, locally produced food?*

As I noted in response to question four, the framework has been designed in a way that

allows the addition and promotion of new healthy and locally produced products.

Brexit

18. What consideration is being given to how Brexit may impact on food procurement?

As you noted I issued a written statement on 12 September 2017, the Repositioning of the National Procurement Service and Value Wales. Part of this review will allow Wales to take advantage of any changes in procurement rules. The review is currently on going and I will report initial findings in due course.

In addition the Welsh Government will soon be publishing a document that considers the potential impact of Brexit on the rural economy.

19. What work has been undertaken to develop local supply food chains or to support Welsh food businesses to bid for public sector contracts in Wales and further afield?

As I described within the response to question nine, the NPS has undertaken significant work in this area with the positive early indicator that 80% of the Fresh food framework providers are Welsh based and 73% are Welsh based SMEs.

In addition, the Welsh Government Food division continues to provide significant support for the Welsh food industry through supply chain support and introduction to wider markets. Numerous business support packages has seen investment in innovation, marketing and people. The Food Business Investment Scheme has investment approved of nearly £30 million for thirty four expanding businesses. In terms of innovation, Project Helix is encouraging a culture of innovation and entrepreneurship and, supported by an investment of £21 million, practical support is delivering new products and processes to meet market demand and maximise value. The business cluster programme revolves around six key clusters and special interest groups, involving over four hundred businesses actively engaged in important business areas of the food and drink action plan. As common interest groups, clusters are a powerful engine for driving growth, opening new opportunities, adding value and creating stronger supply chains.

Ein cyf/Our ref MA/P/LG/0181/18

Mike Hedges AM
Chair
Climate Change, Environment and Rural Affairs Committee

6 February 2018

Dear Mike

Thank you for your letter of 19 December regarding the Bovine TB Eradication Programme. As you are aware, our refreshed TB Eradication Programme, which now includes a regionalised approach to disease eradication, took effect from 1 October.

You refer to my Written Statement of 12 December which concerned the publication of targets for TB eradication for each of the TB Areas and for Wales as a whole. I welcome a future discussion at the Climate Change, Environment and Rural Affairs Committee on the subject of targets.

In your letter you ask for clarification on a number of aspects of the TB Eradication Programme. I will respond to these points in the order in which they have been raised.

TB Testing

The Welsh Government is committed to utilising the latest science and technology to advance and benefit our TB Eradication Programme. This, of course, includes the latest developments and research into new TB tests. I recognise work on the development of a number of new tests is currently being undertaken in the UK by a number of individuals and organisations. I take a keen interest in all developments in respect of new TB tests.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I am familiar with the work of Dick Sibley in Devon on the phage and Polymerase Chain Reaction (PCR) tests. Professor Christianne Glossop, the Chief Veterinary Officer for Wales, has a good working relationship with Dick and has visited the farm in Devon where this work is taking place. Christianne has been in contact with Cath Rees on the subject of the phage test for some time. Under a shared TB research budget, Defra and Welsh Government have invested in the development of diagnostic tests to detect *M.bovis* in badger faeces. Most recently, under Defra Project Code SE3289, a study was funded to comparatively assess diagnostic methods for detection of *M.bovis* in badger faeces. The research found no test met the pre-defined criteria for test performance, although a PCR test developed by Warwick University was the best overall performing test. However, its borderline performance against some criteria highlight areas which may need further assessment and validation to fully understand the performance characteristics and utility of the test and hence determine if, and how, it could be best applied in the field.

While keeping a watching brief on the development of new TB tests under development, it is the responsibility of the industry to arrange for validation of these tests. Under the Tuberculosis (Wales) Order 2010 (as amended) Welsh Ministers can approve another form of diagnostic test in addition to the skin test (or the gamma interferon test, which is approved as a supplementary test by the European Union). However, clearly, Welsh Ministers cannot approve another form of testing without scientific evidence to support its accuracy. There would be risk of legal challenge concerning use of the test and the grounds on which cattle could be slaughtered if it reacts positively to an unvalidated test.

It is for the developers and manufacturers of diagnostic tests to fund the validation of their new tests to the standards required by the OIE (the World Organisation for Animal Health). The Animal and Plant Health Agency (APHA) has explained the steps in the validation process and offered assistance with sample collection and expert advice to all manufacturers of potential tests for TB in cattle (and other species of interest). Notwithstanding the need for test validation, while the United Kingdom remains in the European Union and has an approved TB Eradication Plan in place, the UK is constrained on the test it can use to establish Officially TB Free (OTF) status in a herd to those approved for use by the EU. Those currently approved include the tuberculin skin test and gamma interferon blood test. Other antibody tests (which have been validated) are in use but these are not permitted to establish OTF status in a herd.

Your question if I have given consideration to whether there is sufficient flexibility within the current testing regime and the potential for using different tests at different stages of the Eradication Programme. I believe there is sufficient flexibility within our TB testing programme and we already routinely vary the sensitivity and interpretation of the skin test to take account of epidemiological conditions and, where it is appropriate to do so, incorporate the gamma interferon blood test into our testing programme. Additionally, we also vary the TB testing regime for persistent TB breakdowns lasting longer than 12 months and based on advanced epidemiological understanding of the disease picture within a herd and the wider area. The Committee will be aware herds in the Intensive Action Area (IAA), are currently subject to 6 monthly TB testing. We already have considerable flexibility in the current testing regime and, as I have previously explained, we need to work within the confines of our legal framework when it comes to utilising validated TB tests.

In terms of on farm health and safety, I agree handling and working with livestock will always be potentially very dangerous to anyone involved. These risks are, of course, not restricted to TB testing but are more general to farming and working with large animals. Firstly, it is important to point out farmers are required, by law, to provide appropriate facilities and assistance to enable a TB test to be carried out. If the tester, when making an assessment of the testing facilities provided by the cattle keeper, believes it is too dangerous to start or to continue a TB test, they are at liberty to abandon the test on the grounds of health and safety concerns.

The Veterinary Delivery Partners operating in Wales, Iechyd Da (Gwledig) Ltd and Menter a Busnes, are required to comply with health and safety requirements as part of their contracts. Additionally APHA provides guidance in this area and have their own health and safety procedures and protocols in place to mitigate against the risks. Both the Delivery Partners and APHA monitor, record and report incidents which have occurred during the course of TB testing. The Health and Safety Executive (HSE) also produces guidance on health and safety in Agriculture and there is a legal requirement for certain accidents and incidents to be reported to the HSE. The three Regional Eradication Delivery Boards regularly hold best practice events across Wales and these include practical guidance in terms of health and safety.

Last year I attended a workshop organised by the Wales Farm Safety Partnership (WFSP) which is a partnership between all the key agricultural stakeholder organisations in Wales. The role of the WFSP is to help raise awareness of the dangers of working on farms to reduce the risk of injuries and accidents to humans in particular, but also stock. This was one of a series of training workshops organised by the WFSP, in collaboration with Farming Connect. Eligible farmers who are registered with Farming Connect can undertake an e-learning module covering on farm health and safety.

Informed Purchasing (Risk Based Trading)

I recognise Informed Purchasing/Risk Based Trading schemes have made a significant contribution to TB eradication in New Zealand and Australia. In my Oral Statement in June 2017 I explained the Welsh Government would continue with a voluntary scheme in the short to medium term, encouraging farmers to provide, and markets to display TB related information. I also stated the Welsh Government would explore ways in which a mandatory scheme might be introduced in the longer term to ensure cattle sellers provide TB information at the point of sale and this work is ongoing.

We are aware, through epidemiological investigation of TB breakdowns, cattle movements and buying practices are key risk factors in the spread of bovine TB. We have been encouraging farmers to make wise buying decisions through a variety of initiatives such as ibTB and the provision of grants to markets to enable them to purchase or update their display facilities. Although the low uptake of the grant was disappointing, we continue to work with market operators to make best use of the facilities. We also support the Cattle Health Certification Standards TB voluntary health schemes, known as CHeCS. CHeCS assigns participating herds a level (1-10) depending on the number of years they have been free of TB. This, in turn, enables buyers to minimise the risk of introducing the disease. Additionally, participating herds classified as the lowest risk will be exempt from some of our controls, for example cattle keepers in the Low TB Area buying from CHeCS level 10 herds will not be required to Post-Movement Test the animals on arrival.

I have not ruled out a voluntary Informed Purchasing Scheme. However, it is extremely disappointing some farmers are still not taking advantage of the information available to inform wise purchasing decisions despite the ongoing work with the industry in this area. We know through movement records and epidemiological investigation farmers are still buying from higher risk herds in endemic TB areas and behaviours do not appear to be changing. It is also disappointing feedback from markets indicates a large number of farmers are not supplying or indeed asking for TB information about the cattle being sold. This evidence and feedback leads me to believe a move to a mandatory scheme to require farmers to provide information on the TB status of their herd at the point of sale may be the only way we can deliver a successful scheme that works for the industry. Having the information provided at the point of sale will not in itself change some farmer behaviour unless there are clear incentives for businesses to source lower risk cattle in order to reduce the risk of introducing bovine TB. We will continue to work with stakeholders to encourage the provision and display of appropriate information, highlighting the importance of wise purchasing.

As to the conditions which would need to be met to require a mandatory approach, as outlined in the TB Eradication Delivery Plan, a mandatory scheme is a longer term objective of our Programme. The monitoring of ibTB can only be undertaken through consideration of the number of 'hits' on the website. Further analysis and breakdown of who is looking at ibTB is not currently possible due to the website being open access and publically available. CHeCS is industry-led and uptake is monitored through CHeCS themselves and the companies which deliver the service. We are closely monitoring cattle movements and trends and investigating where cattle are sourced from and using this as a marker for behavioural change. Alongside this, progress against our published targets and milestones are likely to influence developments in this area. These aspects will drive our thinking and next steps in terms of implementing a mandatory Informed Purchasing scheme in Wales. It is too early in the development of this policy, to assess the likely impacts of a mandatory scheme versus a voluntary scheme and work to evaluate this aspect is ongoing.

In terms of regional reporting arrangements under the refreshed approach, the TB Dashboard, updated on a quarterly basis provides detailed regional analysis of the key disease statistics and trends. An objective of regionalisation is to encourage farmers in each region to take ownership of the disease, not only in their immediate locality, but in their wider area. The Regional Eradication Delivery Boards are supporting this approach and have initiatives in place, such as evening meetings and best practice events to convey pertinent information to farmers in their areas, not just in terms of Informed Purchasing, but information about the wider TB Eradication Programme.

Governance

The TB Eradication Programme has been based on the fundamental principle of partnership working from the outset. Bovine TB can only be eradicated if all affected parties pull together and I fully recognise the importance of involving these parties in the policy making process and engaging with them throughout. Partnership working is a core value of the Animal Health and Welfare Framework which underpins our policies associated with raising standards of animal health and welfare in Wales.

Your letter refers to Governance arrangements in place in Australia and New Zealand. Clearly the industry in Wales is very different to those in both these countries and, as a result, it is not appropriate to extrapolate the approaches in these countries and apply them in Wales when there are such stark differences.

We would welcome stronger leadership and genuine collaborative working from the farming industry and others involved in our Programme. We maintain an active and open dialogue with a range of stakeholders in order to assist in shaping the development of policy and to ensure effective implementation and communication. The New Zealand model has firm responsibility and cost sharing at the heart of its Programme. I would be interested in hearing the Committee's views on such an approach, particularly in light of the uncertainties around the UK's departure from the European Union, and whether a similar approach would assist our goal of improving collaboration within our Programme.

Views on the Governance of our TB Eradication Programme were sought in the consultation on a refreshed Programme undertaken last year. This included views on the TB Eradication Programme Board and Regional Eradication Board structures in place. It was disappointing very few respondents addressed this aspect of the consultation. Despite this, the Welsh Government, in conjunction with the Programme Board and Regional Eradication Delivery Boards, has reviewed the Governance arrangements of the Programme. It was agreed the current structure, membership and Terms of Reference of the TB Eradication Programme Board would be retained. The Terms of References of the Regional Eradication Delivery Boards have been reviewed in light of the new regionalised approach to TB eradication and it was recommended an independent Secretariat is appointed to support the Boards. The membership of the Regional Eradication Delivery Boards was also retained as it was deemed the Boards contained the right mix of individuals and representative organisations. I look forward to maintaining a good working relationship with the Boards and hearing their views and recommendations in the future, building on the work already undertaken.

Brexit

The Welsh Government appreciates the significant contribution EU veterinary surgeons (defined as vets who graduated from non-UK, EU vet schools, some are now British nationals, probably most are not) make to the veterinary profession in Wales, in a number of roles, including in private veterinary practice and in government veterinary services. In particular, our Government veterinary services, APHA and the Food Standards Agency (FSA), are particularly dependent on EU veterinary surgeons. In terms of bovine TB, EU vets contribute significantly to our TB Eradication Programme in Wales both as Official Veterinarians and as members of APHA staff.

Currently, veterinary registration and recognition of qualifications is governed by EU Directive, implemented into UK law as a reserved power, delivered by Defra and the Royal College of Veterinary Surgeons (RCVS). It is likely there will be impacts from Brexit on our veterinary workforce, not only through potential changes to recognition of qualifications and rights to live and work here, but also through personal choices and the attractiveness of Wales and the UK as a place to work and live.

Although the potential impact of Brexit on those in the veterinary workforce involved in bovine TB has yet to be fully assessed, as this is an issue not specific to Wales. The Welsh Government is fully aware of and is engaged in addressing the potential challenges we may face. We are doing this in association with other UK administrations and with the relevant professional bodies, the RCVS and the British Veterinary Association (BVA), through a new forum called the Veterinary Capability and Capacity Project (VCCP). Our aim is to ensure Wales has the veterinary workforce it needs, both now and in the future, and the contributions of both EU and home-grown vets are fully recognised.

It is worthwhile pointing out, as part of the Veterinary Delivery Partnership Project contract, one of the stipulations of the contract was the provision of veterinary services in rural Wales. This included the requirement for bidding companies to have a working knowledge of the livestock industry, TB epidemiology and the variety of policies applicable within the area for which they were bidding, including familiarity with farm locations sufficient to provide an efficient service to the industry. Companies bidding for the lots in Wales also had to demonstrate how they would meet the Welsh language standards in the delivery of their service.

Reporting on progress

In terms of reporting on progress to the Committee and indeed wider, I am content to report to the Assembly as a whole on an annual basis. However, I will need to seek the advice from epidemiologists and statisticians on the timing of such a report. TB statistics are published 2-3 months in arrears due to the time it takes for bacteriological culture results to return and for the statistics to be cleansed and analysed. There may indeed be a case to report on a calendar year basis for consistency with the published National TB statistics and TB surveillance reports. I am sure the Committee will wish to receive the most up to date, meaningful and comprehensive update on progress and I will give further consideration to the most appropriate timing for providing an annual report to the Assembly.

Regards
Lesley

Lesley Griffiths AC/AM

Ysgrifennydd y Cabinet dros Ynni, Cynllunio a Materion Gwledig
Cabinet Secretary for Energy, Planning and Rural Affairs

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