



Llywodraeth Cymru
Welsh Government

From:

Energy and Decarbonisation
Division

Cleared by:

Date:

18 March 2021

MINISTERIAL ADVICE

For decision by: Lesley Griffiths MS, Minister for Environment, Energy and Rural Affairs

Subject	Decarbonisation and Energy Finance 2021/22.
100 word summary	The below advice sets out the intention to spend across all of the division's work priorities, as well as outline proposed changes to the divisions finance structure following the appointment of a new deputy director for Clean Energy.
Timing	Normal course of business
Recommendation	<p>The Minister is asked to agree:</p> <ol style="list-style-type: none"> 1. the proposed new financial structure for the Energy and Decarbonisation divisions as outlined in the advice; 2. to officials committing expenditure in line with budgets as set out in this advice. 3.
Decision report	This decision does require a Decision Report, which may be published at any point.

ADVICE**Background**

1. The Energy and Decarbonisation Division recently split in two, with the appointment of an additional Deputy Director who is responsible for Clean Energy. This advice covers both areas of responsibility. Due to this restructure we propose to amend the current financial structure of the divisions as detailed below, to better manage and monitor expenditure through the financial year.

New Proposed Financial Structure

2. The proposed financial structure is detailed in the table below.

SPA/ Action	BEL	Title	WBS / Activity Code
CLFPO : Dev/imp climate change energy efficiency & Green Growth	1270: Fuel Poverty Programme		
	2809: Welsh Government Energy Service		
	3770: Clean Energy		
		Community Energy Wales Sponsorship	
	3771: Climate Change Action		

Summary of changes to structure

3. **BEL 1270:** there are no proposed changes to the structure of the Fuel Poverty Programme.
4. **BEL 2809-** Welsh Government Energy Service
 - a.
 - b.
 - c.
5. **BEL 3770 -** Clean Energy:
 - a.
6. **BEL 3771-** Climate Change Action
 - a.
 - b.
 - c.

Programme of Work: Summary

7.

RevenueFuel Poverty Programme – (BEL 1270)

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Welsh Government Energy Service - (BEL 2809)

- Capacity for public sector to implement net zero
- Implement WGES recommendations for low carbon heat

- WGES 2022 and Beyond
- Wales Funding Programme op costs
- Welsh Government Energy Service Community and Local Energy

Clean Energy – (BEL 3770)

- Policy and Guidance
- Community Energy Wales Sponsorship - £45,000

Financial support for Community Energy Wales, a not for profit membership organisation which provides assistance and a voice to community groups working on energy projects in Wales. Includes core funding and production of a State of the Sector report.

- NDR Relief for Hydro Power
- Fossil Fuel and CCUS Regulation
- TRACER Horizon 2020 project
- Local Energy Grants
- Energy Delivery

Climate Change Action – BEL 3771

- Decarbonisation Programme
- Conference of Parties 26
- Decarbonisation Innovation Smart Living Catalysing Whole System development
- Emissions Trading Scheme

- Adaptation
- Net Zero Public Sector

Capital

Fuel Poverty Programme – (BEL 1270)

- Warm Homes Programme – Arbed
- Warm Homes Programme – Nest

Welsh Government Energy Service

- Welsh Government Energy Service
- WGES Local Energy Fund
- Decarbonisation Innovation - Smart Living Whole System Business Research & Innovation [WBRID]

Legal Issues and Policy Obligations related to this advice.

1. Environment (Wales) Act. The Environment (Wales) Act 2016 sets a legal target of reducing emissions by a minimum of 80% by 2050, with detailed targets laid in regulation. Following advice from the Climate Change Committee, new regulations were made on 16 March 2021 to reflect the new 'Net Zero' ambition. This increased ambition reinforces the need for cross government action.
2. Well-being of Future Generations Act. The Well-being of Future Generations Act sets the context for improving the social, economic, environmental and cultural well-being of Wales.
3. The Environment (Wales) Act complements the climate change provisions in the Wellbeing of Future Generations Act and goes further by establishing a clear statutory basis for decision making, which fully recognises the central importance of climate change.
4. The case for action on climate change is clear and, as recognised by the Goals within the Wellbeing of Future Generations Act, it is fundamental to our prosperity going forward and to the resilience of our society.

5. Government of Wales Act. Section 60 of the Government of Wales Act 2006 Act empowers the Welsh Ministers to do anything which they consider appropriate to achieve the promotion or improvement of the economic, social and environmental well-being of Wales.
6. Taking Wales Forward and Prosperity for All. Taking Wales Forward and Prosperity for All make substantial commitments to decarbonising Wales, in line with the Environment (Wales) Act and the 2030 public sector carbon neutrality target. Most projects supported are on an 'invest to save' basis, supporting long term cash savings for public bodies in Wales.
7. Section 15(1) of the Social Security Act 1990 (as amended by section 142(1) of the Housing Grants, Construction and Regeneration Act 1996) provides the Secretary of State may make, or arrange for the making of grants towards the cost of work or advice to improve thermal insulation or otherwise to reduce or prevent energy wastage in dwellings. These functions were transferred to the National Assembly for Wales by virtue of article 2 of and schedule 1 to, the National Assembly for Wales (Transfer of Functions) Order 1999. These functions are now exercisable in relation to Wales by the Welsh Ministers by virtue of section 162 of and paragraph 30 of Schedule 11 to, the Government of Wales Act 2006.
8. Welsh Language Standards. All programmes and projects across the Decarbonisation and Energy agenda take into account Welsh language standards when producing documentation and communicating to stakeholders and the public.
9. Equality and Human Rights. No specific issues arise in this regard; projects deliver invest to save benefits, enabling public bodies to focus their budgets on services which better meet these requirements.
10. The United Nations Convention on the Rights of the Child (UNCRC). No specific issues arise in this regard; projects deliver invest to save benefits, enabling public bodies to focus their budgets on services which better meet these requirements.

Financial Implications.

11.

Annex 1: ASSURANCE AND COPY RECIPIENTS**CLEARANCE TRACKING**

Aspect	Tracking	Yes	No	N/A	Clearance no.
Finance	Financial implications over £50,000?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Cleared by Group Finance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Cleared by Strategic Budgeting?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Cleared by Local Government Finance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Legal	Legal issues?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Cleared by relevant lawyers?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Governance	Novel and contentious issues?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	Cleared by Corporate Governance Unit?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

DEPUTY DIRECTOR, STATEMENT OF ASSURANCE

In clearing this MA, I confirm that I, xxx and I xxx have quality assured this advice, ensuring it is provided on the basis of evidence, accurately presents the options and facts and I am accountable for the recommendations made

I am satisfied that the recommended decision or action, if agreed, would be lawful, affordable and comply with all relevant statutory obligations. Welsh Government policy priorities and cross portfolio implications have been fully considered in line with delivery of the government objectives.

I have fully considered the statement of assurance contained in the MA guidance to ensure all relevant considerations have been taken into account and that the actions and decisions take account of regularity, propriety and value for money.

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