



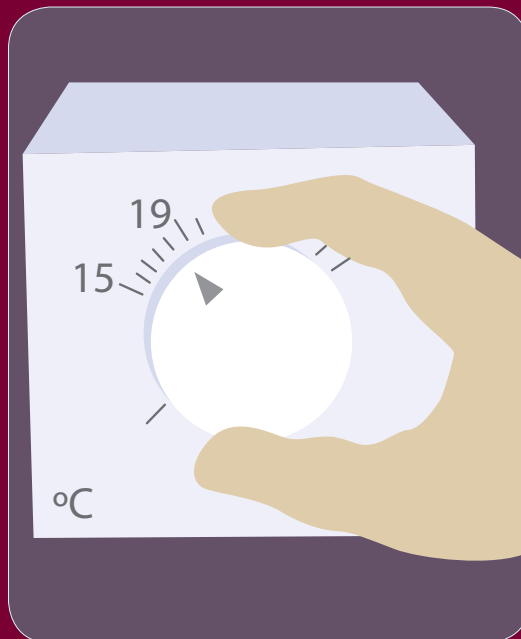
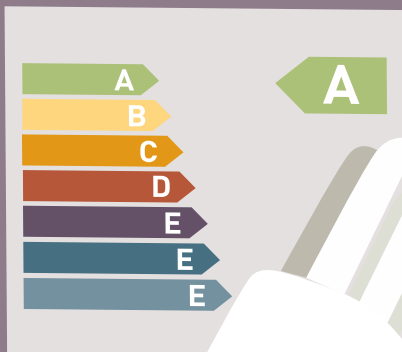
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# National Energy Efficiency and Savings Plan





## **Ministerial Foreword**

Sustainable development is at the heart of the Welsh Assembly Government's delivery. The National Energy Efficiency and Savings Plan will contribute to the environmental, economic and social wellbeing of the people of Wales. The actions identified here will: contribute to our target of annually reducing greenhouse gas emissions by three per cent; create opportunities for Welsh businesses; and help tackle fuel poverty.

Since I first consulted on this Plan we have published a separate Fuel Poverty Strategy, emphasising how our approach to tackling fuel poverty can deliver real sustainable development in Wales. We have also launched Arbed, which exemplifies our approach to improving Wales' energy performance. Aligning our environmental, economic and social goals allow us to deliver greater benefits, bringing together a greater number of partners and maximising the funding available.

This Plan is about how we deliver the policies that we have developed over the last two years. As can be seen, there are many actions currently underway, implementing the Climate Change Strategy, A Low Carbon Revolution, the Fuel Poverty Strategy and Economic Renewal: A New Direction.

A handwritten signature in black ink that reads "Jane Davidson". The signature is written in a cursive style with a large, looped initial 'J'.

**Jane Davidson**  
**Minister for Environment, Sustainability and Housing**

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# 1. Overview

## 1.1 Context

The Welsh Assembly Government's Sustainable Development Scheme: One Wales One Planet confirms that sustainable development will be the central organising principle of the Assembly Government, the focus of which is to improve the wellbeing of Welsh citizens over the long term.

Action on energy efficiency is fully consistent with that objective and the National Energy Efficiency and Savings Plan sets out the immediate, practical actions that we are taking to promote energy efficiency and secure the associated benefits for people, businesses and the environment in Wales.

The Plan will contribute to:

- Reducing fuel poverty and helping to deliver our Fuel Poverty Strategy;
- Reducing greenhouse gas emissions and helping to deliver our Climate Change Strategy;
- Creating jobs and business opportunities in one of the six sectors identified in Economic Renewal: A New Direction and supporting delivery of our Green Jobs Strategy;
- Improving the energy performance of buildings in Wales, raising the overall quality of building stock and cutting energy costs;
- Regeneration of communities in Wales both through improvement in the fabric of buildings and, importantly, through the creation of jobs and business opportunities which will lead to more cohesive, sustainable communities;
- Our wider energy policy, complementing the contents of Wales: A Low Carbon Revolution;
- Enabling and engaging people, organisations and businesses to reduce their energy consumption and become more energy efficient; and
- Supporting a more equal and socially just distribution of resources.

Our policies and investment decisions will reflect the energy hierarchy (below) which first considers reducing energy demand and looks next at minimising energy waste and using energy more efficiently before supply-side interventions.

Reduce energy demand

Use energy efficiently

Renewable energy generation

Minimise carbon impact of other energy generation

## 1.2 The Challenge

Energy costs have been on a rising trend and are expected to continue to rise due to increasing global energy demands. This impacts on the ability of people to heat their homes affordably and adds to the cost burden on business.

The latest estimates, for 2008, indicate that 26 per cent of all households in Wales were fuel poor. This is an increase of 198,000 households, or 15 percentage points, since 2004.

Greenhouse gas emissions from direct energy and electricity use in existing housing and businesses in Wales account for approximately half of the emissions included in the Assembly Government's target to reduce greenhouse gas emissions by three per cent per year in areas of devolved competence. Promoting energy efficiency is a critical component of achieving this target and generally encompasses many of the most cost-effective greenhouse gas reduction measures.

Wales' housing stock currently has a relatively poor energy performance. There are a large number of solid wall homes and many rural properties in Wales are dependent on oil, coal, electric or liquefied petroleum gas for central heating. Tackling these hard-to-heat homes, and ensuring that the significant numbers of empty lofts and cavities are insulated properly, will save communities money, create jobs, encourage skills development, improve local areas, improve community cohesion, improve health and other indicators of wellbeing and directly reduce fuel poverty. Energy efficiency investment has one of the highest coefficients of employment to spend of any area.

### **1.3 The Opportunity**

Improving energy efficiency and generating low carbon energy presents an unmissable economic opportunity for Wales.

The Assembly Government's vision for a sustainable Wales is for a huge growth in businesses that supply the goods and services needed to support a sustainable economy, including within the third sector.

Energy and environment is one of six priority sectors identified to focus on in Economic Renewal: A New Direction. The Energy and Environment Sector Plan will provide more detail on how these opportunities will be maximised.

Analysis by others, including the UK Climate Change Committee, suggests that to reduce emissions from energy use by 80 per cent by 2050 our energy system (including heat and transport) will need to be driven primarily by low-carbon electricity. As this transition is driven across the UK, Wales need to ensure that it is in a position to take advantage of opportunities.

Reducing emissions from energy used in homes, communities, buildings and the public sector will contribute to delivering our Climate Change Strategy and associated emission reduction targets.

Maximising energy savings and energy efficiency will be essential to make producing the majority of the energy we need from low carbon sources more feasible and less costly. Generating some heat and electricity at a local level can also help by avoiding the significant energy losses associated with transporting electricity large distances across the country. In the case of local heat generation it also reduces losses from the conversion of electricity to heat.

By targeting our support for energy efficiency we can also reduce fuel poverty and help achieve the objectives of our Fuel Poverty Strategy. Our action on energy

efficiency must reflect the principles of social justice and equality, enhance wellbeing and reduce poverty and inequality.

There is also an opportunity for the public sector to show leadership. The Sustainable Development Scheme and the Climate Change Strategy confirm that the public sector has a key role to play, demonstrating leadership in reducing energy use and greenhouse gas emissions. This leadership is critical in encouraging others to act, and can deliver real cost savings which is critical as public sector budgets contract.

The Assembly Government and wider public sector can also influence emission reduction in business through the purchasing power of public sector procurement.

While this Plan focuses primarily on the areas under our direct control, we also outline the critical links that we need to make with relevant UK Government initiatives.

#### **1.4 What do we need to do to enable this transition?**

This Plan sets out the actions that we are taking to drive energy efficiency and low carbon energy in different energy consumption sectors – residential, business, the public sector and communities – but there are a number of key areas where action cuts across those sectors and progress in these areas will be critical to success overall. This section highlights those key cross-cutting areas and the action that we are taking.

##### ***Business opportunity and supply chain***

The Energy and Environment Sector Plan will set out how we will maximise the opportunities arising from this sector. We can also build on existing strengths in the manufacture of energy efficiency products and in the installation of these measures. For example, Arbed has worked with housing providers and Welsh manufacturers to increase opportunities for the supply chain.

##### ***Skills and training***

Skills at all levels are vital for economic growth and a fairer society. They contribute powerfully to productivity in businesses and social mobility for individuals. Skills are also central to Economic Renewal: A New Direction. This means that we are placing an ever greater emphasis on meeting employer and learner needs and aligning resources with national priorities.

The effective alignment of skills and training provision will require a partnership across a number of stakeholders, including employers and training providers. The aim being to ensure that we have the right training, qualifications and accreditation available to people in Wales. The network of Sector Skills Councils continue to provide a UK-wide remit under their Government licence in the delivery of specific activities associated with qualifications, labour market intelligence and employer engagement.

Our approach is based on building a genuine partnership with employers on workforce skills, notably but not exclusively in Energy and Environment as an identified economic growth sector, and with Wales' Anchor Businesses, Regionally Improvement Businesses and those that demonstrate strong jobs and growth

potential. Our approach to skills seeks to support these priorities whilst also recognising that learning is vital for jobs and growth across the economy as whole.

We will also support the community sector to enable exchange of good practice, peer mentoring and skills development through such mechanism as timebanking, Comm:University and a peer mentoring scheme

### ***Funding***

The Assembly Government is maintaining its investment in domestic energy efficiency through the new all-Wales Fuel Poverty Scheme and Arbed.

Providing financial support for energy efficiency measures remains important but we must ensure that we achieve the best value for money possible while looking to secure as much additional investment as we can.

We will ensure that we target Assembly Government investment on those most in need, evaluate the effectiveness of delivery and make changes to programmes when the evidence shows that the money could be spent more effectively and equitably. We will also use that funding to secure additional investment from other sources and, through the leverage that funding provides, to ensure that other, wider benefits are secured, for example social cohesion, training or local job creation.

We will look to secure investment from other key programmes including those promoted by the UK Government and energy companies, building on the considerable success that Wales has enjoyed with the Community Energy Saving Programme.

The new Energy Company Obligation (ECO) and the Green Deal are two key UK Government initiatives that we must ensure work for Wales. When the proposals for the ECO and Green Deal are finalised, we will review our existing energy efficiency programmes to ensure that the support they provide complements, and does not compete with, these initiatives.

### ***Regulatory enabling***

We will look to remove regulatory barriers to energy efficiency and low carbon energy generation.

Significant activity has already been undertaken to support these measures through the planning system. For example by extending permitted Development Rights to allow a greater range of domestic microgeneration equipment to be installed without requiring planning permission, subject to specific criteria.

In addition we are updating the national planning policy framework as set out in Planning Policy Wales to ensure that planning authorities plan positively for low carbon energy projects and undertake an assessment of their potential for low carbon and renewable energy. This complements the revisions to Planning Policy Wales produced in 2010 along with Technical Advice Note 22 Planning for Sustainable Buildings which supports the Welsh Assembly Government 's aspirations that in the future all new buildings achieve a zero carbon standard.

In order to assist with these requirements we have produced a range of supporting information including:



## Improving Your Home – A Climate Change Guide

A series of booklets outlining the planning implications of different forms of low carbon and renewable energy technologies under the general title of “Generating Your Own Electricity”

## Planning for Renewable and Low Carbon Energy – A Toolkit for Planners

We will consult on changes to Building Regulations in this area in 2012.

### ***Research and evaluation***

Our action to promote energy efficiency must be based on sound evidence of what works and we will be constantly developing the evidence base, learning from evaluation of programmes.

We will also support the wider research and R&D agenda, encouraging Welsh institutions to make the most of opportunities but being clear that we will be drawing on the best quality research and advice to inform our decisions. We will support R&D activity that will deliver maximum economic impact and will work very closely with our sector panel and external partners to ensure we are developing capacity in the areas of most need (and potential impact). The Assembly Government has supported the development of new collaborative institutes in the higher education sector, including the Low Carbon Research Institute and Sustainable Places Institute.

We will look to expert groups, including the Wales Low Zero Carbon Hub to advise on the effectiveness of particular developments. Pilot work is underway through the Assembly Government social housing new build programme aimed at improving our understanding of what low carbon design will mean for housing design and specification. Evaluation will include selective energy monitoring and compliance assessment. The hub is developing a series of practical workshops aimed at disseminating the experience from these and other best practice developments.

We are carrying out research to help us target programmes and engagement on energy efficiency and low carbon generation more effectively. We are gaining a better understanding of what works when communities change behaviour to more pro-carbon reduction activities (Pathfinders programme) and collecting examples of practices others in Wales and wider can learn from. We are carrying out an evaluation of Arbed Phase I, which will inform the second phase of the programme and wider programmes with a housing, regeneration and fuel poverty focus.

We will be working with others to bring sound research on social justice and climate change to inform our and others policy.

### ***Behaviour change***

Enabling people to change their behaviour to cut energy consumption, stop wasting energy and become more energy efficient is critical to success.

This is not just about the simple changes that result in cost and greenhouse gas emission savings, but encompasses a wider set of behaviours that are critical to ensuring that capital investment is effective. The installation of a new, more efficient boiler may not realise the anticipated reduction in energy use and costs without effort

going into ensuring that the householder understands how the system will work in their home and how to use the controls.

The Climate Change Strategy explains how we have adopted the Exemplify, Enable, Encourage, Engage model ('4 Es Model') to support behaviour change. We will develop a nationally-led, locally implemented behaviour change programme based on a social marketing approach. Energy behaviours will be one of the focuses of the programme, and we will pilot at least one new behaviour change intervention around energy behaviours to test and establish effective methodologies which can be replicated across Wales.

## 2. The Welsh Assembly Government's Vision

The Assembly Government's vision is that by 2020:

Many Welsh businesses are taking advantage of the opportunities arising from making Wales more energy efficient;  
Households, businesses and the public and third sectors across Wales have reduced their energy costs and the associated greenhouse gas emissions;  
Fuel poverty has been eradicated as far as reasonably practicable;  
Energy performance of buildings across Wales has improved; and  
Low carbon energy generation at micro- and community-scale is commonplace.

Our aims are to:

Create jobs, skills and business opportunities and the development of the supply chain within the energy and environment sector;  
Reduce greenhouse gas emissions to contribute to delivery of our Climate Change Strategy;  
Tackle fuel poverty in Wales, with a particular focus on improving the energy efficiency of the most inefficient homes in Wales;  
Improve the energy performance of buildings in Wales, raising the overall quality of building stock and cutting energy costs;  
Enable people, organisations and businesses to reduce their energy consumption and become more energy efficient;  
Enable communities to generate their own low carbon energy; and  
Enable a more socially just and equitable distribution of resources.

The key principles of the Assembly Government's actions under this Plan are:

We will concentrate Assembly Government funding on those that need our help the most;  
Where others have the powers to take action we will ensure that we play a proactive role in influencing their decisions;  
We will encourage everyone to play their part in reducing energy use;  
Our programmes will complement, not compete with, programmes funded from other sources, such as energy company obligations and Green Deal;  
We will adopt a 'whole house' assessment approach to energy efficiency measures in the domestic sector;  
We will support businesses, including small and medium enterprises (SMEs), to be more energy efficient and to take advantage of the opportunities afforded by this agenda;  
We will work with local communities across Wales to ensure that programmes are locally delivered and tailored to their needs and that social enterprises and communities have an opportunity to be part of the solution; and  
We will support the public sector in Wales to demonstrate leadership in delivering improved energy efficiency.

### **3. Energy efficiency for individuals and householders**

#### **Aim**

To empower individuals to make positive, informed choices about how they use the energy in their homes, enabling them to cut their energy bills and reduce greenhouse gas emissions.

#### **Role of Welsh Assembly Government**

The role of the Assembly Government is to:

- Support behaviour change to enable people to become more energy efficient;
- Provide funding to enable energy efficiency improvements in the homes of those most in need;
- Influence the design, scope and targeting of UK Government, energy company and other programmes and maximise the level of investment in Wales;
- Ensure that there is an enabling regulatory regime;
- Set high standards for the energy performance of new build;
- Invest in cost-effective solutions and ensure that we are securing value for money from all our activities through evaluation and maintaining an understanding of the market; and
- Provide evidence of what works through pilots and research.

We have:

- Funded the Home Energy Efficiency Scheme which has improved the energy efficiency of 124,000 households since 2001;
- Developed a new all-Wales Fuel Poverty Programme, which will be in place from April 2011, to replace Home Energy Efficiency Scheme which is better targeted on those most in need of support;
- Ensured that the new all-Wales Fuel Poverty Programme includes a comprehensive advice and referral service which covers advice on energy efficiency, income maximisation and tariffs;
- Improved the energy performance of up to 6,000 households in some of Wales' most deprived communities through Arbed Phase 1;
- With local authorities and housing associations, secured £10m investment from energy companies as part of the Arbed programme;
- Delivered a successful boiler scrappage scheme in 2010, targeted at householders over 60 years old, which enabled 4,700 householders to replace old and very inefficient boilers;
- Conducted a whole house assessment project to trial our new approach for the all-Wales Fuel Poverty Programme;
- Worked in close co-operation with local authorities to improve standards in the private sector, especially in Renewal Areas, which are housing-led and include significant improvements to the energy efficiency of homes, often as part of a wider improvement programme. The use of grants to improve the energy efficiency of the homes of first time buyers in Renewal Areas were piloted by 17 Local Authorities and over 230 first time buyers were assisted by the scheme;

Funded the Energy Saving Trust to trial an approach to helping local authorities to encourage private sector landlords to make energy efficiency improvements to their properties and to access available sources of funding;

Promoted the Welsh Housing Quality Standard in social housing, which specifies a minimum SAP rating of 65, equivalent to an Energy Performance Certificate rating of D;

Introduced the Code for Sustainable Homes as the assessment framework for new housing, requiring at least Code Level 3, and Code Level 4 energy standards, for all new housing in Wales;

Established the Wales Low Zero Carbon hub to act as a dissemination and engagement mechanism for stakeholders and a source of advice to Welsh Ministers on activities and actions needed to achieve the aspiration of zero carbon new build and the contribution to be made by the built environment that will help deliver the three per cent target;

Developed stronger relationships with energy companies and Ofgem through bilateral discussion and through the Energy Roundtable;

Highlighted the opportunities offered by Feed-in Tariffs and supported the development of the microgeneration supply chain;

Developed a business plan to draw down European Structural Funds to continue Arbed from May 2011. Arbed phase 2 will again focus on Wales' most deprived communities but will have a greater emphasis on private sector housing;

Developed a nationally-led, locally implemented behaviour change programme based on a social marketing approach. Energy behaviours will be one of the focuses of the new behaviour change pilot and will begin later in 2011;

Developed ways to encourage householders to buy the most energy efficient products and use them in more efficient ways; and

Developed our programmes in such a way that maximises the funding available from elsewhere (such as energy company programmes).

We will:

Consult on tightening the Building Regulations for new housing on energy performance in 2012 aimed at achieving a 55 per cent improvement on 2006 Building Regulations;

Continue to work with retailers to encourage them to promote the most energy efficient appliances in each category;

Ensure that all our advice provision is designed using a strong understanding of what is effective in helping people to adopt more energy efficient behaviours; and

Support the work of social enterprises as "trusted" agencies.

Working with our partners, we will:

Input into the development of the UK Government's Green Deal finance offer and, once it is launched, work with stakeholders to ensure that people in Wales can benefit from the packages available and have access to high quality advice on what option is best for them;

Influence the scope and design of the new Energy Company Obligation proposed by the UK Government;

Work with the UK Government and the Energy Saving Trust to explore possibilities for using Energy Performance Certificates proactively;  
Work with energy suppliers, Ofgem and the UK Government on the smart meter roll-out to ensure that householders receive appropriate advice on how their homes could benefit from energy performance improvements;  
Work with charity banks and other loan givers to explore sources of funding for householders to improve the energy efficiency of their homes; and  
Encourage local organisations and representative bodies to improve the energy efficiency of houses in the private rented sector.

## **4. Communities and Third Sector**

### **Aim**

To drive and support action at a community scale to reduce energy use, reduce greenhouse gas emissions and reduce the amount these communities need to spend to fulfil their energy needs.

### **Role of Welsh Assembly Government**

The role of the Assembly Government is to:

Enable and respond to communities and individuals reducing energy consumption and promote energy efficiency and low carbon energy generation, through behaviour change programmes that are locally delivered and tailored to their needs;

Champion community scale energy efficiency and energy generation projects; Ensure that advice considers the needs of individual communities (for example Welsh language needs) and is delivered in the most appropriate method for those communities;

Help remove barriers faced by communities in reducing energy use;

Ensure that issues of social justice and equity are part and parcel of the way we help deliver the change;

Provide evidence of what works so we can scale up good work and others can accelerate the work they do; and

Develop the capacity and the capability of groups.

The Assembly Government will work with communities and the third sector to build their capacity to promote uptake energy efficiency measures and renewable energy generation. For example, the Ynni'r Fro Programme provides technical development officer support to communities interested in developing community-scale renewable energy generation projects and we are developing a peer mentoring scheme so that communities can learn from trusted sources.

We have:

Established a Climate Change grant programme to support groups wishing to take action on climate change, which will run for three years to 2013/14;

Established a Pathfinder Project that is testing whole community approaches to carbon reduction. This is a research-based programme which will run for two years to 2012/13;

Through the European Structural Funds, established the Ynni'r Fro programme to provide support for community scale energy generation projects. The programme includes development officer support to build community capacity, preparatory grants, and project funding;

Sought to assist community driven renewable energy projects by identifying the potential for such projects in Planning Policy Wales;

Provided funding towards the Ennereg project in Wales. The project will demonstrate how regions of all types and sizes can be a driving force in fulfilling the European 20-20-20 goal (20 per cent renewable energy, 20 per

cent energy savings and 20 per cent reduction in greenhouse gas emissions by 2020); and  
Developed a mechanism for supporting key leaders from the community sector to explore how we scale up their work (Community University).

We will:

Encourage communities to take advantage of the Feed in Tariff and Renewable Heat Incentive by using existing mechanisms of Community Network events, our and others development officers, and by distribution of accessible information that is appropriate to the needs of diverse groups;  
Further develop Community University to support among other work, community energy groups to develop a collective voice for the sector;  
Provide advice and training in successfully developing behaviour change programmes;  
Establish a programme of training and support to help community practitioners build on their capacity to create effective change towards sustainable energy use;  
Work with energy suppliers and banks to encourage a more easy flow of resources and funding;  
Work with banks to enable easier access to loan funding by community groups;  
Work with the third sector leaders and organisations and key others like community councils to support the greatest take up of incentives and resources;  
Showcase examples of good work done by communities; and  
Support rewards and awards that recognise excellent in community and third sector.

Working with our partners, we will:

Work with the UK Government to deliver a two year research programme, supporting four communities in Wales to deliver community led low carbon initiatives;  
Provide policy directions to Dormant Accounts fund to be made available for community action;  
Influence others like the Big Lottery to support greater climate change action;  
Support social enterprises to work with community groups to take full advantage of the framework produced by the Green Deal; and  
Encourage communities and social enterprises to promote Green Deal, and potentially even become Green Deal providers or installers.



## 5. Businesses

### Aim

To help Welsh businesses take advantage of opportunities around improving Wales' energy performance and to become more efficient in the way that they use energy.

### Role of Welsh Assembly Government

In Economic Renewal: A New Direction, the Assembly Government identifies the energy and environment sector as a key sector with strong growth potential. The energy and environment sector has growth potential across low carbon energy, energy efficiency, energy storage and infrastructure, pollution control, environmental management, research and consultancy.

With the potential for some £50 billion or more of investment over the next 10 to 15 years, low carbon energy is recognized as being one of the highest investment sectors in Wales.

The sector's priorities will be to:

- Develop an action plan with a vision of growing an international and competitive energy environmental services sector, with a diverse mix of energy sources, with particular expertise in transformational energy efficiency and low carbon energy technologies;

- Develop an approach to improve the attractiveness of the energy and environment sector in Wales to potential investors;

- Define the key strategic enabling issues to be addressed, namely

  - Infrastructure** - development and expansion of the grid, ports, sites and premises, road and rail.

  - Skills** – developing the skills base including the promotion of STEM subjects and workforce development.

  - Supply chain and procurement** – identifying and maximising opportunities; developing the capacity of indigenous companies to respond; and driving value along and through the supply chain

  - Innovation, R&D, commercialisation** – examining the opportunities focusing on target sub sectors and supporting in an integrated manner

  - Inward investment** - defining target markets/sources of potential foreign direct investment and appropriate technologies, pursuing realistic opportunities

  - Regulatory and fiscal barriers** - utilising the whole government approach to encourage/facilitate change in areas that potentially constrain growth.

- Define priorities for action - spatially, per sub sector and per key project;

- On the basis of defined priorities, identify short, medium and long term actions in order to derive maximum benefits; and

- Develop the 'one to many' approach to business support in a manner appropriate to the sector, other provision and the priorities adopted.

We have:

Funded the Carbon Trust in Wales to support businesses to cut carbon emissions and capture the potential of low carbon technologies. Services include:

- A free helpline offering advice to businesses of any size;
- Interest-free loans provided to SMEs for replacing existing equipment with more energy efficient equivalents;
- Visits and energy surveys by expert consultants to advise businesses with energy bills over £50,000 per year on how to cut their energy bills;
- Website with an easily accessible action plan tool; publications including sector specific advice and advice to help investors understand the implications of climate change;
- Grants for research and development projects that demonstrate a potential to reduce greenhouse gasses and low carbon technologies; venture capital – co-investment in the low carbon technology field; and
- A carbon management service, provided to companies and public sector organisations who are prepared to take carbon management to a strategic level.

Developed Arbed as a coordinating programme bringing together Assembly Government, UK Government and energy supplier funding to create areas of demand in some of Wales' poorest communities;

Through Arbed from 2009 we have:

- Made targeted recruitment and training core to contracts, requiring grantees to deliver 156 trainee weeks for every £1m spent. This work has been supported by local job brokerages such as Jobmatch in the Heads of the Valleys.
- Arranged opportunities for smaller contractors to meet buyers and larger suppliers and, through a parallel scheme, helped local contractors gain installer qualifications / accreditation where appropriate
- Required grantees to attend learning events hosted by the Assembly Government and its Arbed partners

Funded a programme to enable SMEs to gain accreditation under the Microgeneration Certification Scheme for renewable energy installation, which includes coordination of advice and support from the Energy Saving Trust, interest-free loans from the Carbon Trust and the development of an Installers Network;

Through the procurement for the new Fuel Poverty Programme, ensured that the contract would deliver benefits to the Welsh economy, with an emphasis on working with SMEs and providing local training opportunities. We expect this approach to procurement to be replicated in the organisations with which we partner for these projects;

Worked with the Low Zero carbon hub to identify barriers to establishing effective and responsive skills and business support to the sector;

Supported a collaborative project with the Sector Skills Council's aimed at Delivering Low Carbon Skills for Wales, to support the development of new skills and training provision aimed at addressing future skills needs associated with transition to a low carbon economy;

Supported a pilot project with Energy and Utility Skills to develop the skills and abilities of women working in the energy and utilities sector with a view to also helping address the gender imbalance by making the sector more attractive to female entrants in the future;

Piloted the delivery of essential health and safety skills and knowledge training to the waste management industry;

Supported the Centre for Regeneration Excellence Wales, who have a brief to provide an integrative role in regeneration in Wales, to provide a coordinating role to ensure that the green skills issue associated with regeneration professionals in Wales is developed in a unified way with collaboration between key agencies; and

As part of Glastir, Wales' new agri-environment scheme, launched the Agricultural Carbon Reduction and Efficiency Scheme (ACRES) which provides capital grants to farmers to improve the energy efficiency of equipment on farms.

We will:

Develop a Sector Plan for Energy and Environment;

Develop and deliver a detailed plan of action for skills development in the energy efficiency and renewable energy sector; and

Support the Environment Agency in its work to help businesses understand the requirements of the Carbon Reduction Commitment Energy Efficiency Scheme.

Working with our partners, we will:

Input into the development of the UK Government's Green Deal finance offer and, once it is launched, work with businesses to ensure that they can benefit from the packages available and have access to high quality advice on what option is best for them;

Encourage business to consider becoming Green Deal providers or installers;

Work with the UK Government to investigate how commercial tenants and landlords can be encouraged to improve energy efficiency, particularly in properties occupied by small businesses;

Consider the benefits of the cluster approach to working with SMEs, targeting support at specific sectors;

Work with the UK Government to help shape the development of the Green Investment Bank to ensure Wales can gain the maximum benefit from investments in the energy sector;

Inform any accreditation schemes developed as part of the Green Deal to ensure that they do not disadvantage Welsh businesses;

Develop programmes to engage employees in action to reduce emissions and improve sustainable practice, which can be replicated across Wales;

Continue investment as part of the Workforce Development Programme as the gateway through which we deploy the broad suite of services available to enhance the skills of the working population, namely: support for Leadership and Management skills development; Basic Skills in the Workplace; pre-employment training and Apprenticeship delivery;

Until the end of 2011, continue the intervention being made as part of the projects with Sector Skills Councils to ensure long-term capacity is built within the education and training sector to respond to the future skills challenges of employers;

As part of Economic Renewal: A New Direction, engage with the Sector Panels to ensure a whole Government approach is taken in the development of the Energy and Environment sector;

Work with Sector Skills Councils to ensure future activities associated with qualifications, labour market intelligence and employer engagement reflects the drivers associated with investment in energy efficiency and renewable energy in Wales;

Provide continued support to the Centre for Regeneration Excellence Wales to promote integrated regeneration throughout Wales; sharing experience, good practice and regeneration skills across all the professions that contribute to the regeneration process; and

Scope the need for additional support and advice for SMEs in reducing energy use and emissions.

## **6. Public sector**

### **Aim**

To ensure the public sector leads by example in making improvements in energy efficiency, and in the delivery of energy efficiency programmes.

### **Role of Welsh Assembly Government**

One Wales: One Planet, the Sustainable Development Scheme, makes sustainable development the central organising principle for the Assembly Government and confirms that we will encourage and enable other organisations in Wales to make sustainable development their central organising principle – through our Sustainable Development Charter. The Welsh Assembly Government will support the public sector in Wales to demonstrate leadership, provide strategic direction and deliver locally.

We have:

- Committed to reducing greenhouse gas emissions from the Assembly Government Estate by at least 30 per cent by 2020, from a 2011 baseline;
- Signed up to the 10:10 campaign (a 10 per cent reduction in emissions from its administrative estate and travel during between July 2010 to July 2011);
- Committed to an ongoing reduction in emissions in its Green Dragon Objectives and Targets;
- Invested in public sector carbon reduction projects through the Salix invest to save fund (£4.5m in 2009/10 and £2.9m in 2010/11) with repayments being recycled within the public sector;
- Developed guidance and resources, including the Sustainable Procurement Assessment Framework and the Sustainability Risk Assessment, to help the wider public sector embed sustainability criteria in to procurement decisions;
- Put in place Local Service Boards (LSBs) to strengthen local leadership for innovation across public service organisations, by sharing capacity and resources; a number of LSBs see energy efficiency and asset management as key opportunities for pan public service action;
- Identified regional low carbon priorities under the Wales Spatial Plan and started putting in place ways to addressing them, for example the South West Wales Low Carbon Route Map;
- Supported Local Authorities, through the Carbon Trust's Local Authority Carbon Management programme;
- Funded the Energy Saving Trust's Local Authority and Housing Association Support Programme which provides support, advice and information for local authorities and housing associations and raises awareness of climate change and the need to take action;
- Worked with LSBs and the Carbon Trust to share good practice from successful projects; and
- Worked on the preparation of community scale energy strategies for the city of Bangor and Rhyl, identifying where renewable technologies could be sited, and how they could serve public and private sector buildings.

We will:

Develop and implement a carbon reduction strategy targeting to reduce emissions from the Assembly Government Estate by at least 30 per cent by 2020;

Take action to improve measurement, progress monitoring, benchmarking and performance reporting of emissions across all Assembly Government activities;

Update the Local Authority Energy Measures Report (previously published jointly with the UK Government in 2008) as a means of highlighting the measures available to Local Authorities in tackling climate change;

Replace the requirement to report on the Home Energy Conservation Act with an encouragement to deliver outcomes that contribute to building an effective response to climate change under the Outcome Agreement framework;

Support the Environment Agency in ensure that public sector organisations are fully compliant with, and understands their responsibilities under the Carbon Reduction Commitment Energy Efficiency Scheme;

Demonstrate leadership by fully complying with the Carbon Reduction Commitment Energy Efficiency Scheme;

Support the Carbon Trust in its work to help public sector bodies improve their environmental performance, reduce their carbon footprint and deliver financial savings; and

Encourage local authorities to consider becoming Green Deal providers.

Working with our partners, we will:

Encourage the public service organisations to work through existing partnerships, forums and resources (such as the Carbon Action Network and the Consortium of Local Authorities in Wales) to identify and publicise examples of successes and best practice in the public sector;

Through our new all-Wales Fuel Poverty Scheme we will work with local authorities to increase the effectiveness and targeting of energy efficiency programmes;

Encourage local planning to consider consequential improvements in energy performance or the resilience of a building to climate change impacts when dealing with applications for extensions and other work; and

Through our funding of the Energy Saving Trust's Local Authority and Housing Association Scheme, improve capacity and skills of local planning and building control.

## **7. Measuring Progress**

We will measure our progress against this plan through:

The Monitoring and Evaluation arrangements to be developed as part of our Fuel Poverty Strategy;

Evaluation of the Arbed Programme;

Our annual reporting on the Climate Change Strategy and the associated Delivery Plans;

The Home Energy Efficiency Database, which will enable us to see the extent of energy supplier obligation delivery in Wales; and

Monitoring of the Energy and Environment Sector Plan, including monitoring of the Green jobs Strategy.

We do not propose to develop separate monitoring and evaluation arrangements for this plan. However, the plan and the actions within it will be reviewed periodically to ensure continuing relevance.