

19-21 Broad Street | St Helier Jersey | JE2 4WE

Constable Jackson Chair, EHI Panel BY EMAIL

28 March 2022

Dear Mike

Re: Draft Carbon Neutral Roadmap Review - Written Questions

Please see below responses to your questions received on 17 March 2022 as well as responses to your additional written questions received on 22 March 2022.

Response Statement - Strategic Policies

1. Considering that Strategic Policy 4 – Policy Programme and Development will commence immediately after the States Assembly has debated and approved P.74/2022 in April, how confident are you that the required resourcing will be available to ensure immediate commencing of the workstreams as outlined within the Roadmap's first delivery phase?

Officers within the Strategy and Innovation team within Strategic Policy, Planning and Performance (SPPP) will continue to work on the detailed design of the Carbon Neutral Roadmap (CNR) policies during the current period between the lodging of the CNR and its debate in April 2022.

This work will include the preparatory work around the new Programme Office, which will enable recruitment for the two new roles to commence immediately after the debate of the CNR, should it be adopted.

During the transition period and until the new officers are in post, existing policy officers will work with colleagues across Government of Jersey (GoJ), such as Commercial Services and Treasury, to progress the first transhe of policies assigned to delivery phase 1 to be ready for implementation in line with the Implementation Schedule.

2. The response statement notes that concern had been raised during the public consultation in respect of how the Policy Programme will be delivered on an ongoing basis. In response, it is our understanding that a Carbon Neutral Programme Office will be established within Strategic Policy, Planning and Performance to administer this. Although it is envisaged for the Programme Office to be responsible for coordination of the further design and delivery of the policy suite as well as governance, monitoring, reporting and evaluation of policy interventions in line with statutory and corporate requirements. How is it envisaged for independent oversight of the Programme Office to be achieved?

The Programme Office will be part of the Government of Jersey and, as such, the delivery of policies will be in accordance with the agreed CNR, as well as the the financial directions, ethical codes and corporate governance of the GoJ.

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The various workstreams within the CNR will be governed in accordance with established project management structures of the GoJ, including appointing Accountable Officers and the appropriate programme boards. The work carried out by the officer governance process will be overseen by the relevant Minister(s) as outlined in the implementation schedule.

The design of the policy interventions will be accompanied by the preparation of strategic outline business cases at the first stage of development and further iterated into full business cases. The Programme Office will sit within SPPP and report up through the Sustainability and Foresight team into the Strategy and Innovation Directorate.

Annual greenhouse gas monitoring is carried out for Jersey by an independent company who compile data for the UK government who hold responsibility for the Island's inventory. This process is used by the UK Government to track the Island's progress against its Kyoto Protocol commitments. If the CNR is adopted, this same process will be used for the Island's reporting requirements under the Paris Agreement.

In Figure 11 ('Summary of proposed commitment devices required for the Carbon Neutral Roadmap') on page 49 of the CNR <u>as lodged</u>, a standing Scrutiny Panel is also proposed to oversee the delivery of the CNR.

a. Can you outline the composition of the Carbon Neutral Programme Office and how the Office will be resourced?

The Carbon Neutral Programme Office will initially be composed of the Programme Manager and a Programme Officer. These are full time roles, and the aim is to have them in post from Q3 2022. They will report to the Head of Sustainability and Foresight and sit within the directorate of Strategy and Innovation within SPPP. Initial funding for the full-time roles for 4 years has been allocated - in the CNR as lodged, see Figure 22 ('Summary of policies funded under 4-year Climate Emergency Fund budget 2022-2025'),'Regulatory, Enabling and Programme'.

Policy development work associated with the delivery of the Strategic Policies within the CNR will continue to be undertaken by officers within the Sustainability and Foresight team that sit outside the Programme Office.

The Financing Strategy (SP2) will be bought to the States Assembly by Q3 2023 for inclusion in the Government Plan 2024. If agreed, the financing for the term of the Carbon Neutral Roadmap beyond the initial delivery period will be secured. At this point the scope and resourcing of the Programme Office will be reassessed as part of a far larger long-term work programme.

b. Will the Carbon Neutral Programme Office comprise a team that is dedicated to only the Carbon Neutral workstream?

Yes, the team will be dedicated to the CNR only.

c. Is it envisaged for the Programme Office to report to the States on an incremental basis regarding progress updates for the Carbon Neutral Roadmap workstream and, if so, can you outline the intended reporting process?

The CNR includes a commitment to report on progress in delivering its policies in 2026 ahead of the next term of Government. This will allow the next Government to set their

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priorities in the subsequent Common Strategic Priorities and in the context of a long-term financing Strategy (SP2).

Within a year, the progress in delivering the CNR will be reported via the normal GoJ reporting framework, including the use of Perform, a corporate project and portfolio management software used at the executive level for reporting, governance and actionable intelligence.

As outlined in the response to question 1, there is also reporting on the greenhouse gas inventory on an annual basis. The Island's overall decarbonisation progress will be monitored by the UK Government via the Island's commitment to feed into the UK's national communications under the Paris Agreement.

Response Statement – Transport

3. It is our understanding that in response to the public consultation on the draft Carbon Neutral Roadmap that policy TR2 – Vehicle Scrappage Incentive has been removed from first delivery phase of the Roadmap (2022-2025) and may be reconsidered in the future. It is noted that the 2022-2025 budget (£410,000) that had been attributed to the policy will be reallocated. Can you confirm where the budget will be reallocated to?

The £410,000 initially allocated to policy TR2 ('Vehicle Scrappage Incentive') has been distributed across HT3 ('Energy Performance Certificates'), TR1 ('Speeding up adoption of electric vehicles), and TR3 ('Supporting transition fuels').

- 4. As part of the work that will be undertaken to investigate the policy position on the suitability of renewable content fuels in Jersey (TR3b), a list of areas that will be considered by the Government, as part of the research, are provided in the response statement.
 - a. As part of this workstream will research and market analysis be carried out on the compatibility, or otherwise, of renewable content fuels in respect of the vehicles in use in Jersey (for example type and age of vehicle)?

Yes, research and market analysis will be undertaken.

b. As part of this workstream will research and market analysis be carried out on potential fuel additive products with regard to their benefit, or otherwise, in relation to potential associated carbon emissions reduction?

Yes, research and market analysis will be undertaken.

Response Statement – Heating

5. An additional £70,000 has been allocated to Policy HT3 – Energy Performance Certificates (EPC) to cover additional development work (domestic EPC review and tool development) that was highlighted as a requirement through the public consultation process. Has this additional funding been reallocated from the funding that was previously allocated to the Vehicle Scrappage Incentive (£410,000), or otherwise?

See response to question 3.

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6. The Citizens' Assembly made the following recommendation which was noted as 'Under Active Consideration' in the Minister's response to the Citizens' Assembly recommendations.

'Immediately revise residential tenancy law to ensure that costs of energy efficiency measures may not be passed on to the tenant and to ensure that the tenant does not have legal powers to oppose energy efficient refurbishment'

It is our understanding that the Minister for Housing and Communities is undertaking a review of the (Residential Tenancy Jersey) Law –

a. Can you confirm whether the Minister for Housing and Communities has been made aware of this recommendation?

The Minister for Housing and Communities will be aware of this recommendation via their officer team.

b. Is the Minister for Housing and Communities considering whether any steps are needed to protect tenants from unreasonable transfer of costs associated with improving energy efficiency of residential buildings as part of this review as alluded to in the Minister for the Environment's response to the recommendation made?

The Minister for the Environment cannot respond on behalf of the Minister for Housing and Communities.

However, the Minister for the Environment has asked his officers to continue to work with key stakeholders, including colleagues within the Housing and Environmental Health teams, the Consumer Council, and relevant associations to consider the implications of this recommendation as relevant to all three of the heating policies in Delivery Phase 1.

As was the case with historic work on energy efficiency improvements for socio-economic individuals who live in rented properties, it is possible to protect tenants from the unreasonable transfer of costs as described. This will be considered in the next phase of policy development.

Response Statement - Other On and Off - Island Emissions Policies

7. The Response statement to Policy OE4 – Emissions from Waste and Water Management notes that the waste strategy will be based on a circular economy principle which will be recognised by the Circular Economy Strategy. For clarity purposes can you briefly outline the circular economy principle?

The first step in the development of this policy will be to scope the requirements and ambition that is appropriate for the Island's context using a circular economy principle. The objective is to identify the steps for the reduction of waste and to establish an ambitious and credible long-term path for waste reduction, management and recycling. A cross departmental working group will be meeting to define how this approach will be adopted in the development of this important policy work. The development of the policy will require extensive stakeholder engagement and will be the subject of public consultation in line with the usual processes.



The circular economy can be described a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible¹. In this way, the life cycle of products is extended.

8. Can you please confirm whether any climate laws or Jersey legislation formalises government processes in relation to the Carbon Neutral Roadmap and whether iterative cycles for policy-making, planning and progress monitoring as well as assigning responsibilities are enshrined within Jersey legislation in any way in respect of the Carbon Neutral Roadmap?

The CNR does not propose any overarching legislation around Jersey's greenhouse gas emissions reduction targets or the processes for policy-making, planning and progress monitoring to achieve them.

It does propose a number of pieces of key legislation to deliver carbon savings, including that to prohibit the importation, registration and sale of petrol and diesel vehicles that are new to Jersey and changes to the buildings regulations that will include the prohibition against installing new oil and gas boilers from 2026 and new Energy Performance Certificate legislation that will require property owners to complete energy audits of their properties and bring in sequentially increasing minimum energy standards for existing buildings.

If not, can you please provide the reasons for not proposing to enshrine the processes outlined above in law to date and whether this has been considered in any way?

During the development of the CNR, the Carbon Neutral Steering Group (see page 70 of the CNR as lodged for its composition and remit) considered a number of different commitment devices to ensure that the Island's ambitious emissions reduction targets were delivered across different terms of government. This included legislation along similar lines to the UK's Climate Change Act. The conclusion was that the development of such primary legislation was disproportionate to the size of the Island, and that the work involved in getting such legislation passed would distract decision makers and islanders from the rapid decarbonisation that is required in the coming years.

With agreement to request that the Paris Agreement be extended to the Island, it was felt that this high profile, international commitment, coupled with the proposed CNR governance processes, ought to be sufficient in holding the Island to account in delivering its emissions reduction targets.

As a retiring Minister, I am of the mind that in future there could be a case for introducing a law, especially if it can be progressed in conjunction with the establishment of a portfolio for Energy and Climate Change. However, this work is very much a task for my successor and the new Council of Ministers to consider and should not in any way hinder the crucial first step that is the CNR when it comes to our addressing climate change.

9. The Carbon Neutral Roadmap notes the following:

With the agreement of the Carbon Neutral Roadmap the outputs of the programme and expenditure increase substantially. Accordingly, revised programme governance and management arrangements have been put in place. This includes a new programme office in SPPP and a review planned for 2026.

Can you please outline the purpose and scope of the review planned for 2026?

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¹ Circular economy: definition, importance and benefits | News | European Parliament (europa.eu)



The proposed review of the CNR in 2026, ahead of the next term of Government, will have the goal of assessing what has been achieved within the first period of delivery of the CNR from 2022-2025 within the currently agreed £23 million initial budget.

It will consider progress against all the strategic and delivery policies and examine the impact the policies have had on the key measurable targets, including the Island's overall greenhouse gas emissions inventory data.

Also, it will consider the impact the policies have had on the Just Transition objective set in the CNR and assess impacts on overall income inequality. Furthermore, it will include engagement with the local community to understand whether the policies were successful or not.

As a result of this review, the policies will be critically evaluated and, where needed, amendments proposed.

I hope the above responses are of use to the Panel as part of their review.

Yours sincerely

Deputy John Young

Minister for the Environment

D +44 (0)1534 440540

E j.young@gov.je