

Sustainability Committee

SC(3)-09-07 (p.4): 8 November 2007

Sustainability Committee Inquiry into Carbon Reduction in Wales

Purpose

1. This paper provides a briefing to assist members of the Committee in understanding issues related to the residential section of its inquiry into carbon reduction in Wales.

Summary / Recommendations

2. That the Committee considers the contents of the briefing paper at Annex 1.

Background

3. The Department of Environment Sustainability and Housing Portfolio contributes to the Sustainable Development agenda through a number of themes that are contained in One Wales (A progressive agenda for the government of Wales).

4. This briefing sets out Welsh Assembly Governments position with regard to the residential sector (new and existing) in respect of achieving the energy efficiency and carbon reduction objectives in 'One Wales'

Action for Subject Committee

5. The Committee is invited to note the contents of this paper.

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Annex 1

Carbon Reduction in Housing in Wales.

Carbon Reduction in New Homes

In February 2007 the then Minister for the Environment announced the aspiration that all new buildings in Wales should be Zero Carbon by 2011 and that any development that the Assembly Government has influence over, be it via grant or land disposal, will have to be built to achieve a Sustainability Rating i.e. Building Research Establishment Environmental Assessment Method (BREEAM) rating of excellent or equivalent with immediate effect. Also that a minimum standard is in place for a recycled content of at least 10% of the total value of material used.

There are two main works streams currently looking at how the policy can be implemented with regard to the residential sector;

Social Sector Housing

The introduction of an immediate requirement for BREEAM excellent or equivalent in housing that the Assembly can influence and the developing of a strategy to allow ramping up of standards via step changes culminating in the goal of zero carbon by 2011. (Currently in Wales housing associations are being encouraged to aim for BREEAM excellent).

Once a decision on the way forward is made new standards for social sector housing will be implemented by amending Development Quality Requirements (DQR) to include a sustainability rating.

Higher standards will represent significant improvements over the current building regulations.

I have asked Sue Essex to head up a Task and Finish Group to advise the Welsh Assembly Government on how the regulatory and operational framework for Registered Social Landlords (RSLs) in Wales could be improved in order to facilitate the delivery of the 'One Wales' goals for affordable, sustainable homes.

Private Sector

Policy is currently being developed, based on devolution of the Building Regulations, which will ultimately provide a level playing field aimed at achieving the aspiration for all new homes in the public and private sectors to be zero carbon by 2011.

To achieve the goal of zero carbon in all homes in Wales by 2011, 5 years ahead of England, mandatory standards will be required to be in place sooner than in England. Welsh Ministers have always taken the view that housing standards should be the same in public and

private sectors and that this could only be achieved through legislation and not a reliance on voluntary codes

Associated Costs

The introduction of higher standards will result in an increase in the cost of new homes. For example building homes to achieve BREEAM excellent would add in the region of 6% to the cost of new homes. The current additional estimated cost of building a zero carbon home varies between 13 and 30%.

The costs are less predictable as standards get closer to zero carbon due to the element of choice in meeting the standard and the reliance on the use of renewables and new technology.

Use of Renewables

Achieving code zero carbon will certainly require the use of renewable energy technology. This could cause problems on small sites where the use of renewables may be impractical or uneconomic or require some form of offsite power generation.

The Welsh Assembly Government has always encouraged and promoted the use of renewable energy in social sector housing. For example solar water heating, biomass boilers and solar panels have been installed in conjunction with several housing associations.

Carbon Reduction in Existing Homes

The introduction of the Welsh Housing Quality Standard (WHQS) in 2002 provides a common target standard for the physical condition of all existing social housing in Wales to be achieved by 2012. WHQS provides for the annual consumption of space and water heating to be estimated using the SAP (Standard Assessment Procedure) method and specifies the minimum ratings to be achieved.

I have recently approved a pilot scheme managed by the Building Research Establishment (BRE) Wales to assess the sustainability standards it is possible to achieve for refurbishment of housing in Wales.

The work will consist of refurbishing five houses in South Wales in a sustainable manner and appraising the work against current and best practice solutions. BRE Wales will be monitoring the environmental improvements in relation to cost in order to ascertain a methodology and a measurement tool that could be used to gauge the environmental performance of refurbishment programmes and inform future standards.

Improvements in energy efficiency in existing homes are driven at UK and Wales level by a range of regulation, advice and incentives. Local Authorities are required to improve the energy efficiency of their own properties as part of the Welsh Housing Quality Standard. They also play an important role in advocating to landlords and local residents the benefits of improving the energy efficiency of their own properties.

The Energy Saving Trust provides advice to householders on actions they can take to save energy at home. Vulnerable households can receive energy efficiency measures through the Home Energy Efficiency Scheme (HEES) programme. Energy companies also offer their customers discounted energy efficiency measures through their Energy Efficiency Commitment Programmes.

Development of Sustainable Energy

Microgeneration is defined as the small scale production of heat and/or electricity from a low carbon source, and is key to development of sustainable energy sources. The development of an indigenous microgeneration industry in Wales was one of the top ten commitments of the Sustainable Development action plan.

Welsh Assembly Government has developed a microgeneration action plan, compatible with the UK microgeneration strategy which includes benchmark targets demonstrating Assembly Governments commitment to expanding the micro generation market.

As well as being vital in delivering higher energy targets in new homes the use of renewable energy solutions has an important role in relation to improving efficiency in the existing housing stock and in policies and programmes aimed at tackling fuel poverty.