

Progress made by the Welsh Government since the publication of the *Better Homes, Better Wales, Better World* report, and what its priorities should now be.

Chris Jofeh 8 April 2022.

The report made seven main recommendations, and each was amplified by a series of actions. In the table below I comment on the progress made by Welsh Government against each action and propose priorities for Welsh Government.

Covid-19 has adversely affected Welsh Government’s ability to act, as have staff shortages and changes. But greenhouse gas emissions don’t wait, so the tempo of action by Welsh Government must now increase. This may require changes to some of its internal processes.

Recommendation	Action	Progress	Priorities for Welsh Government
1 Strategic Commitment	1.1 The Welsh Government should publicly commit now to pursuing a 30-year residential decarbonisation programme	Welsh Government has committed to Wales achieving net zero by 2050	Publicly reinforce the important role of housing retrofit in achieving net zero and in reducing energy bills. A well-designed and well-tested communications programme will be needed.
	1.2 All political parties at the national and local level should make a clear commitment to supporting the achievement of the targets in Recommendation 2	Welsh Government has done this. It has also asked the decarbonisation implementation group if there is a better way to express the	

		target than by reference to SAP/EPC	
	<p>1.3 No later than 2025, all new homes in Wales must be built to be low carbon, energy and water efficient and climate resilient.</p> <p>Independent checks must be made to ensure these higher standards are delivered. This will prevent the challenge to retrofit homes becoming larger and more expensive. All homes built with public sector funding should meet these standards no later than 2021</p>	<p><i>Private homes</i> Building Regs are slowly being tightened <i>Homes built with public sector funding</i> Welsh Development Quality Requirements 2021 requires EPC A and forbids the use of fossil fuel fired boilers to provide domestic hot water and space heating.</p>	<p><i>Private Homes</i> Require new homes to be Net Zero ready for 2030. <i>Homes built with public sector funding</i> Require new homes to be Net Zero ready for 2030. ("ready for 2030" recognises the further grid decarbonisation that will be achieved by that date).</p>
	<p>1.4 The Welsh Government should urgently start developing the recommendations and actions in this report into an ambitious programme of action which is ready for implementation in 2021. This must be underpinned by behaviour change principles and a communications plan reflecting them.</p>	<p>With the exception of ORP, no substantial progress. Comms. has been poor.</p>	<p>For comms. see 1.1. For private homeowners (both occupiers and landlords) much more needs to be done by Welsh Government and others to ensure that private homeowners have the capability, opportunity and motivation to decarbonise their homes and to run them without wasting energy.</p>

2 Set Ambitious Targets	2.1 By 2050 the housing stock must be retrofitted to beyond SAP90 to achieve an EPC Band A rating, recognising that not all homes will be able to achieve this	<i>Social housing</i> Slow start. <i>Other sectors</i> Even slower.	See 1.4, 3.1 and 4.8. Welsh Government should also consider setting specific targets with penalties for failure to meet those targets.
	2.2 Lobby the UK government to support and encourage the further decarbonisation of the energy supply grids because Wales will not achieve the carbon reduction target without it.	I do not know if Welsh Government lobbied UK Government, but grid decarbonisation has continued and is forecast to continue.	
	2.3 The Welsh Government should urgently commence a 10- year programme to prioritise the retrofit of certain homes. (a) The Welsh Government should set a target of EPC Band A for homes in social ownership and homes in fuel poverty. (b) The Welsh Government should incentivise early adopters to retrofit homes to a target of EPC Band A	<i>Social homes</i> Good progress but completion by 2030 is uncertain. <i>Privately-owned homes</i> No action by Welsh Government to support early adopters	
3 Ensure Quality and Delivery across Tenures	3.1 The Welsh Government should fund the creation of and publicly promote a “Home Logbook” for every home to guide energy efficiency decisions and investments.	No progress. This is a serious blocker to progress.	Welsh Government should mandate and subsidise a programme in which every home in Wales is surveyed and its Building Renovation Passport (BRP) created by the end of 2025. (BRP is the

			Green Finance Institute's preferred name for Home Logbook).
	3.2 The Welsh Government should work with stakeholders and other interested organisations to create and fund an independent quality assurance regime that is appropriate for single homes as well as multi property projects.	Lessons will be learned from ORP which will inform the new quality regime.	Work with stakeholders and other interested organisations to create and fund an independent quality assurance regime that is appropriate for single homes as well as multi property projects, based upon the lessons learned during ORP.
	3.3 Ensure the new quality regime is appropriate and accessible to SMEs in Wales as well as larger firms and that all have access to the skills and training they need to take advantage of a 30-year retrofit programme.	<p><i>Quality regime</i> As above.</p> <p><i>Training</i> SMEs in Wales have been strong supporters of the apprenticeship programme in Wales, but as there are no clear frameworks in green skills, they are not prepared to provide engagement until a model exists.</p>	<p><i>Quality regime</i> As above</p> <p><i>Training</i> WG should create a simple skills matrix, what training is available where and the relevant qualification outcome. Suggest WG could work with MCS /Trustmark to develop a Wales Kitemark system. More than just technical training will be required:</p>

			this report contains sensible advice.
	3.4 Encourage and support businesses in Wales to deliver projects that will result in the best community benefits	ORP seeks to do this.	Act on lessons from each phase of ORP so that benefits are maximised across Wales
	3.5 Encourage and support social landlords to extend their residential upgrade activities beyond their own portfolios to help deliver improvements to homes owned by their occupiers and by private sector landlords.	No progress. ORP2 was to have involved work to homes owned by private landlords but this idea was dropped.	ORP3 should involve work to the homes of both owner-occupiers and private landlords.
4 Incentivising and Supporting Action	4.1 The Welsh Government must urgently undertake detailed modelling of the costs associated with the targets set out in Recommendation 2. This will inform priority early action according to tenure, archetype and geography and specifically to verify the 10-year targets.	Cost data is being collected in ORP1 and will continue to be collected in subsequent phases.	Publish lessons learned as soon as possible.
	4.2 Continue the WHQS for social landlords and the £108M per year funding associated with it, on the basis that they deliver against the stretching targets set out in Recommendation 2	It appears likely that the draft for consultation of WHQS2, expected in May 2022, will contain demanding targets for affordable warmth and environmental impact; and that Dowry and MRA funding will continue. There is still no WHQS funding for traditional RSLs.	See 4.4.

	4.3 Provide guidance and support to social landlords to enable them to meet the challenging new targets in Recommendation 2	I am not aware of any guidance published yet. CEW is producing guidance as part of ORP1.	
	4.4 Find a financial solution for traditional RSLs who do not currently receive WHQS resources to enable them to meet the stretching targets described in Recommendation 2.	No progress.	This should be a priority
	4.5 Ensure existing public sector funding programmes that support the improvement of homes are amended to align with the outcomes and targets recommended in this report	The Warm Homes programme funds energy efficiency improvements to eligible households, but I am unaware if its targets and outcomes are aligned with the report's recommendations.	Warm Homes processes and improvements should be in accordance with the requirements of WHQS2.
	4.6 Make resources available to fund the development of Home Logbooks, detailed in Recommendation 3, and the funding of uptake by homeowners.	<i>Social sector</i> These are being trialled in ORP. <i>Privately-owned homes</i> No progress	See 3.1.
	4.7 The process for homeowners applying for financial support should be as straightforward as possible, and be linked to the need for a Home Logbook described in Recommendation 3	No progress	The Development Bank of Wales should play a key role in developing and supporting this process.
	4.8 Urgently create financial support mechanisms to enable owner-occupiers and private landlords who wish to improve the energy efficiency of their	<i>Owner-occupiers</i> No progress. <i>Private landlords</i>	The Development Bank of Wales should play a key role in supporting the

	<p>properties. Press the UK Government for financial support.</p>	<p>Landlords can apply through ECO/ NEST if they are aware of a tenant's financial position (the tenant must be on specific benefits). UK Government funding was allocated to English local authorities through the Local Authority Delivery (LAD) scheme, to improve the energy efficiency of homes of low-income households, help reduce fuel poverty and phase out high carbon fossil fuel heating. There should have been some consequential funding for Wales, but I am not aware that this was provided.</p>	<p>development of financial support mechanisms for owner-occupiers and private landlords. The importance and urgency of tackling climate change require urgent action and some risk taking by DBW.</p>
	<p>4.9 Longer term and/or more innovative non-financial solutions need to be quickly identified, piloted, field-trialled and, if successful, rolled out.</p>	<p><i>Social sector</i> ORP is doing this <i>Privately-owned homes</i> No progress, though it is expected that some lessons from ORP will be transferable.</p>	<p>See 4.8</p>

5 Data and Knowledge	5.1 All relevant information, including energy consumption data from before and after retrofit activities, should be used to inform the measurement of progress, policy development and investment. The data collection process will need to inform the Low Carbon Delivery Plan	ORP will provide very valuable data, but data from privately-owned homes is also needed	Welsh Government should engage with BEIS and the Data Communications Company, which holds smart meter data, to press for the availability of aggregated LSOA-based* month by month energy consumption data.
6 Test and Rollout	6.1 Establish a fund of at least £100 million to continue until 2030 to pay for the development of small and large-scale testing of innovative solutions, not limited to technical issues, which will help to decarbonise Welsh homes. The Welsh Government's successful Innovative Housing Programme (IHP) provides a model for this	ORP is an exemplary programme and is in its second year. Welsh Government has made a multi-year funding commitment to the end of this Senedd term.	See 3.5
7 The Importance of Communities	7.1 Encourage and support community involvement in the development and delivery of a new programme	I am unaware of any progress in this area.	Welsh Government should begin by organising workshops with relevant communities, networks, associations and third sector organisations to a) review expectations and create a common understanding of the scope, resources and timeline of a national

			programme of residential decarbonisation and b) identify the roles that different parties could play.
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*LSOA (Lower Super Output Area) is the geographic unit used in the Welsh Index of Multiple Deprivation. There are 1,896 LSOAs in Wales each with a population of about 1,500 people.

One further priority.

Current Welsh planning [guidance](#) forbids the installation of an ASHP within 3m of the boundary of a property. That will cause serious problems for a very large number of Welsh homes. The equivalent distance in English planning guidance is 1m. Welsh Government should urgently revise its planning guidance to allow ASHPs much closer to a property boundary, or an openable window, provided the appropriate acoustic criteria are met.

An all-Wales building stock model.

The Committee may not be aware that an all-Wales building stock model is being created by a team at the UCL Energy Institute. A building stock model is a computer-based ‘digital twin’ of all the buildings in an area. Such models already exist for London and Sheffield. South-east Wales will be the first area to be modelled.

Building stock models can be used to assess energy demand in large numbers of buildings in relation to a range of variables, including built form, age, construction and activities. Poorly performing buildings can be identified, and the potential for retrofit evaluated. Policies for addressing fuel poverty can be evaluated by making links to confidential socioeconomic data on occupants. In conjunction with building energy-simulation tools, scenarios can be investigated for retrofit, the potential for renewables and issues in demand-side management.

Building stock models can also be used to identify homes eligible for ECO4 funding, to explore area-based approaches, to help with large-scale cost estimates, to begin the process of creating building renovation passports, to identify potential local demand for skilled trades, materials and products, and to help coordination with other area-based decarbonisation and infrastructure activities.

The home surveys called for in 3.1 will enrich the stock model and improve its usefulness.