





9th August 2022

Annwyl Llyr Gruffydd,

The Welsh Government recently published its proposals for the future of the Welsh Quality Housing Standard - WHQS2023. The proposals include the ambitious decarbonisation target of achieving EPC A on all social housing by 2033.

The social housing sector in Wales has grave concerns about the Welsh Government's proposals as they are not deliverable. We have written to the Minister for Climate Change to set out these concerns.

The proposals require the social housing sector to achieve a higher EPC standard ahead of other parts of the UK with no long term funding available. The proposals would place colossal unfunded pressures on social landlords which would have a significant impact on services and the ability to build new homes. Furthermore, the sector is currently experiencing significant supply chain pressures which the WHQS proposals would almost certainly exacerbate.

These proposals will impact a number of sectors including housing associations, local authorities, tenants and tenant support groups, the construction industry, and finance lenders for decades to come.

As social landlords we are determined to meet the challenge of net zero and understand the key role that housing plays in supporting the Welsh Government to reach the 2050 target. Achieving this however requires a fully funded and deliverable plan, which takes advantage of changes in technology, maximises the opportunity to build a Welsh based supply chain and provides an economic boost to Welsh communities.

We would like to see the WHQS reflect an ambitious but achievable target date. The 10-year programme was initially proposed in very different economic conditions to the one facing tenants and social landlords today. We would like to work with the Welsh Government to develop an alternative roadmap which prioritises investment to provide support to fuel poor households and balances further investment over a deliverable time period that allows the supply chain and workforce/skills provision to scale- up alongside the demand.

Secondly, **this must be accompanied by a long term grant programme**. We understand that the cost of decarbonisation is huge and will require a blended approach. However, significant long term investment must be part of this and it is impractical for a standard to be

introduced without a funding mechanism in place. As the proposals stand now, they would place colossal unfunded pressures on social landlords.

Thirdly, we recognise that the forthcoming net zero skills strategy provides an opportunity to build our Welsh based skills and supply chains to support this work. However, this simply will not be achieved in time to meet the targets currently set out in the consultation. **Smoothing the delivery over a longer time period, alongside a complementary skills strategy** enables Wales to reap the full economic and environmental benefits of retrofit.

Finally, we know that **this has to be something that is done with tenants.** The Optimised Retrofit Programme has rightly required that methods for effective tenant engagement be integrated into programmes so that the learning acquired can feed into future programmes. We are still learning how best to engage with tenants on decarbonisation and this process cannot and should not be rushed

This standard is being consulted on in an incredibly challenging environment. The cumulative impact of excessive costs for development and maintenance, rising workforce costs and pressures, and increasing social pressures as a result of global events and a rising cost of living is having a significant impact on social landlords and their tenants. As the Chair of the Climate Change, Environment and Infrastructure Committee we would welcome the opportunity to discuss these challenges and ideas with you. Please let us know if it would be helpful to organise a briefing session or meeting.

Yours sincerely,

Stuart Ropke, Chief Executive, Community Housing Cymru Matt Dicks, Director, Chartered Institute of Housing Cymru

Sam Parry, Chair, Housing Leadership Cymru