

Julie James MS
Minister for Climate Change

26 July 2023

Dear Julie,

Decarbonising the private housing sector – update on progress

In responding to the Committee's report, Decarbonising the private housing sector, you committed to providing us with six-monthly updates on progress towards taking forward several of our recommendations.

In anticipation of the first update, due on 27 August 2023, the Committee agreed I should write to request that you also address the specific questions set out in this letter.

A residential housing decarbonisation route map

Recommendations 3 and 4 in our report relate to the development of the 'residential housing decarbonisation route map for Wales'.

In responding to these Recommendations, you told the Committee:

"Welsh Government officials are working with the Decarbonisation Implementation Group in setting up and implementing a residential housing decarbonisation route map for Wales. The Decarbonisation Implementation Group are at the initial stage of identifying relevant themes and actions at a strategic level. Task and finish groups will then contribute to the development of a route map which will give direction and drive progress towards decarbonising Wales existing homes.

The route map, will set the direction of travel required for residential decarbonisation in the short, medium and long-term."

We understand the Decarbonisation Implementation Group ('the DIG') has been unable to progress work on the route map at the speed it would have liked. Furthermore, we understand the Welsh

Government, at the highest level, has failed to engage effectively with the DIG's work, for example, by not responding to correspondence. This is deeply concerning.

1. We would welcome an explanation of the above and seek assurance that you and senior officials within your Department will commit to improving engagement with the DIG to facilitate its work.
2. As previously agreed, please can you:
 - provide an update on progress towards the development of the route map; and
 - clarify the timescales you are working towards, including whether these have been agreed with the DIG?

We understand that, unlike other groups set up by the Welsh Government to take forward work on decarbonisation, for example, the Heat Strategy Group, the DIG is not funded.

3. Can you outline the rationale for the different approaches to funding such groups?

We seek assurance that sufficient funding will be made available to the DIG to ensure it can carry out its role efficiently and effectively.

New Warm Homes Programme

We are aware that, in June 2023, you issued a [policy statement on the new Warm Homes Programme](#). According to the statement, the Welsh Government's intention is "to continue to take a fabric, worst and low carbon first approach, delivering measures to improve the energy efficiency of the least thermally efficient low-income households in Wales". The statement says this will be achieved in two parts:

Part 1 involves bringing forward the procurement of a replacement demand-led service.

Part 2 involves the development of an integrated approach across all tenures and income levels to drive decarbonisation.

4. You have said the replacement demand-led service will be in place for winter. Please could you provide more exact timings?

The statement explains that, for the replacement demand-led service, "eligibility for support with energy efficiency measures...will be based on a low income threshold, rather than means tested benefits".

5. When and how will you determine what the 'low income threshold' will be?

The original Programme comprised a demand-led scheme (Nest) and an area-based scheme (Arbed).

6. Can you clarify whether and how the new Programme will make provision for an area-based approach to improving home energy efficiency? If not, why not?

The statement focuses on Part 1 and the replacement demand-led service, providing limited information about Part 2.

7. When will you be in a position to provide a more detailed explanation of Part 2 of the Welsh Government's approach to improving home energy efficiency?

All-Wales building stock model

Recommendation 12 in our report relates to using UCL Energy Institute's all-Wales building stock model as a means of identifying households eligible for ECO funding and for any future grant funding to support energy efficiency retrofit.

In responding to this Recommendation, you told the Committee:

"Welsh Government are in discussion with TrustMark with regards to an All-Wales stock model that will allow identification of households that can utilise other funding channels such as ECO funding or future funding arrangements that target support towards energy efficiency retrofit."

8. Please can you provide an update on your discussions with TrustMark, including any outcomes? Can you clarify when and how an All-Wales stock model will be utilised to identify households?

Housing Net Zero Carbon performance Hwb

Recommendation 24 relates to the Housing Net Zero Carbon performance Hwb ('the Hwb'), which has since been launched. You previously told the Committee, "after the first year, it is anticipated the services offered by the Hwb will be expanded to help private landlords and homeowners". However, in response to our Recommendation, you told us:

"The Net Zero Carbon Performance Hwb has an agreed budget allocation for the first three years and therefore any additional asks of the Hwb will require additional funds to meet those additional requirements. My officials will work the Net Zero Carbon Performance Hwb steering group and the delivery partner to ensure that the Hwb and its associated website is available and provides insight and advice to all tenures as soon as is practically possible."

9. Please can you clarify when the services offered by the Hwb will be expanded to support private landlords and homeowners and the additional funding required to meet the cost of this?

Financial solutions for the 'able to pay'

Recommendation 28 relates to financial solutions for the 'able to pay', including Property Linked Finance and zero/low-interest loans.

10. Please can you provide an update on progress towards the development of financial solutions for the 'able to pay', including Property Linked Finance, since your response to our report in April 2023.

Heat Strategy for Wales

Finally, on a separate, but related matter, Net Zero Wales Carbon Budget 2 (2021-25) includes a commitment to "publish a heat strategy for Wales in 2023".

11. Please can you provide an update on progress made towards the development of a heat strategy? Can you confirm the Welsh Government will be publishing the strategy before the end of 2023?

I look forward to receiving a response from you as soon as possible and by **27 August** at the latest.

Yours sincerely,



Llyr Gruffydd MS,
Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. / We welcome correspondence in Welsh or English.