

Agenda – Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith

Lleoliad:	I gael rhagor o wybodaeth cysylltwch a:
Ystafell Bwyllgora 4 Tŷ Hywel a fideogynadledd drwy Zoom	Marc Wyn Jones Clerc y Pwyllgor
Dyddiad: Dydd Iau, 20 Hydref 2022	0300 200 6565
Amser: 09.40	SeneddHinsawdd@senedd.cymru

Rhag-gyfarfod preifat (09.15–09.40)

Cyfarfod cyhoeddus (09.40)

1 Cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau

(09.40)

2 Datgarboneiddio'r sector tai preifat – sesiwn dystiolaeth 3

(09.40–10.50)

(Tudalennau 1 – 68)

Paul Broadhead, Pennaeth Morgeisi a Thai – Cymdeithas y Cymdeithasau Adeiladu

Emma Harvey, Cyfarwyddwr Rhaglen – y Sefydliad Cyllid Gwyrdd

Matthew Jupp, Pennaeth, Polisi Morgeisi – UK Finance

Cenydd Rowlands, Cyfarwyddwr Eiddo – Banc Datblygu Cymru

Dogfennau atodol:

Briff ymchwil – Datgarboneiddio'r sector tai preifat

Datgarboneiddio tai – Canfyddiadau ymgysylltu

Papur – Cymdeithas y Cymdeithasau Adeiladu

Papur – UK Finance (Saesneg yn unig)

Papur – Banc Datblygu Cymru



Egwyl (10.50–11.00)

3 Datgarboneiddio'r sector tai preifat – sesiwn dystiolaeth 4

(11.00–12.00)

(Tudalennau 69 – 81)

Dan Wilson Craw, Dirprwy Gyfarwyddwr – Generation Rent

Gavin Dick, Swyddog Polisi – Cymdeithas Genedlaethol y Landlordiaid Preswyl

Timothy Douglas, Pennaeth Polisi ac Ymgyrchoedd – Property Mark

Dogfennau atodol:

Papur – Generation Rent (Saesneg yn unig)

Papur – Cymdeithas Genedlaethol y Landlordiaid Preswyl (Saesneg yn unig)

Papur – Property Mark (Saesneg yn unig)

Egwyl (12.00–12.10)

4 Datgarboneiddio'r sector tai preifat – sesiwn dystiolaeth 5

(12.10–13.20)

(Tudalennau 82 – 130)

David Adams, Ymgyngorydd Cynaliadwyedd – Cyngor Adeiladu Gwyrdd y DU

Gordon Brown MCIQB, Cadeirydd Pwyllgor Hwb Aelodau Cymru – Sefydliad Adeiladu Siartredig

Sam Rees, Uwch-swyddog Materion Cyhoeddus Cymru – Sefydliad Brenhinol y Syrfewyr Siartredig

Andy Sutton, Cyd-sylfaenydd a Phrif Swyddog Arloesi – Sero

Dogfennau atodol:

Papur – Cyngor Adeiladu Gwyrdd y DU (Saesneg yn unig)

Papur – Sefydliad Adeiladu Siartredig (Saesneg yn unig)

Papur – Sefydliad Brenhinol y Syrfewyr Siartredig (Saesneg yn unig)

Papur – Sero (Saesneg yn unig)

5 Papurau i'w nodi

(13.20)

5.1 Datgarboneiddio'r sector tai preifat

(Tudalennau 131 – 132)

Dogfennau atodol:

Llythyr gan y Cadeirydd at y Gweinidog Newid Hinsawdd mewn perthynas ag ymchwiliad y Pwyllgor i ddatgarboneiddio tai preifat yng Nghymru

5.2 Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru)

(Tudalennau 133 – 134)

Dogfennau atodol:

Llythyr gan Ffederasiwn Busnesau Bach Cymru at y Cadeirydd mewn perthynas â Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru) (Saesneg yn unig)

5.3 Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru)

(Tudalennau 135 – 136)

Dogfennau atodol:

Ymateb gan y Llywydd a Chadeirydd y Pwyllgor Busnes i lythyr y Cadeirydd ar 23 Medi mewn perthynas â Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru)

5.4 Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru)

(Tudalennau 137 – 138)

Dogfennau atodol:

Llythyr gan Gadeirydd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad at y Llywydd a Chadeirydd y Pwyllgor Busnes mewn perthynas â Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru)

5.5 Cyllideb Llywodraeth Cymru 2023–24

(Tudalennau 139 – 145)

Dogfennau atodol:

Llythyr gan y Cadeirydd at y Gweinidog a'r Dirprwy Weinidog Newid Hinsawdd, y Gweinidog Materion Gwledig, Gogledd Cymru, a'r Trefnydd, a'r

Gweinidog Economi mewn perthynas â chyllideb ddrafft Llywodraeth Cymru
2023–24

5.6 Rheoliadau Cynhyrchion Bioladdol (Iechyd a Diogelwch) (Diwygio) 2022

(Tudalennau 146 – 147)

Dogfennau atodol:

Llythyr gan y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
mewn perthynas â Rheoliadau Cynhyrchion Bioladdol (Iechyd a Diogelwch)
(Diwygio) 2022

5.7 Ffliw adar

(Tudalennau 148 – 149)

Dogfennau atodol:

Ymateb gan y Gweinidog Newid Hinsawdd i lythyr y Cadeirydd dyddiedig 9
Awst mewn perthynas â ffliw adar

5.8 Ymchwiliad Pwyllgor Materion Ewropeaidd Tŷ'r Arglwyddi i berthynas y DU a'r UE yn y dyfodol

(Tudalen 150)

Dogfennau atodol:

Llythyr gan y Cadeirydd at yr Arglwydd Kinnoull, Cadeirydd y Pwyllgor
Materion Ewropeaidd mewn perthynas ag ymchwiliad Pwyllgor Materion
Ewropeaidd Tŷ'r Arglwyddi i'r berthynas rhwng y DU a'r UE yn y dyfodol
(Saesneg yn unig)

5.9 Fferm Gilestone – adolygiad o fioamrywiaeth

(Tudalennau 151 – 173)

Dogfennau atodol:

Gohebiaeth gan Grŵp Cadwraeth Dyffryn Wysg ynghylch adolygiad o
fioamrywiaeth mewn perthynas â Fferm Gilestone (Saesneg yn unig)

6 Cynnig o dan Reol Sefydlog 17.42 (vi) a (ix) i benderfynu gwahardd y cyhoedd o weddill cyfarfod heddiw

(13.20)

Cyfarfod preifat (13.20–13.40)

7 Datgarboneiddio'r sector tai preifat – trafod y dystiolaeth a glywyd o dan eitemau 2, 3 a 4

8 Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru) – Trefn ystyried ar gyfer trafodion Cyfnod 2

(Tudalennau 174 – 175)

Dogfennau atodol:

Papur – Cyfnod 2 – trefn ystyried (Saesneg yn unig)

Mae cyfyngiadau ar y ddogfen hon

Datgarboneiddio Tai

Canfyddiadau'r rhaglen ymgysylltu

Hydref 2022

Fel rhan o ymchwiliad y Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith i *Ddatgarboneiddio'r sector tai preifat*, bu'r Tîm Ymgysylltu â Dinasyddion yn cyfweld â landlordiaid preifat a pherchnogion tai o bob rhan o Gymru. Mae'r papur hwn yn cyfleu canfyddiadau'r cyfweiliadau hynny.

Rhaglen Ymgysylltu

Cynhaliodd y Tîm Ymgysylltu â Dinasyddion gyfres o 14 o gyfweiliadau manwl yn ystod mis Awst a mis Medi 2022. Nod y cyfweiliadau oedd casglu barn landlordiaid preifat a pherchnogion tai, er mwyn deall ymhellach y rhwystrau gwirioneddol a chanfyddedig i ôl-osod mesurau effeithlonrwydd ynni yn eu heiddo.

Cyfranogwyr

Cafodd wyth perchennog tŷ a chwe landlord preifat eu cyfweld. Roedd y cyfranogwyr yn byw mewn eiddo neu'n rhentu eiddo a oedd yn amrywio o 200 i 20 oed. Roedd y cyfranogwyr yn dod o Dorfaen, Conwy, Caerdydd, Sir Fynwy a Phowys.

Cyflwynodd y cyfranogwyr amrywiaeth o brofiadau bywyd. Roedd y rhain yn cynnwys pobl sy'n gweithio yn y diwydiant adeiladu; pobl sydd wedi adeiladu estyniad i'w heiddo; a phobl sydd wedi addasu eu heiddo.

Diolch i bawb a gyfrannodd at y rhaglen ymgysylltu.

Methodoleg

Cynhaliwyd cyfweiliadau dros y ffôn, wyneb yn wyneb, ac ar Microsoft Teams. Dewisodd y cyfranogwyr y dull cyfweld a oedd fwyaf cyfleus iddyn nhw. Roedd fformat yr ymgysylltu yn y sesiynau gwahanol yn debyg i raddau helaeth ond yn amrywio rhyw fymryn er mwyn diwallu anghenion y cyfranogwyr a hwyluso sgwrs naturiol, ansoddol.

Gofynnwyd y cwestiynau ganlyn:

- a. Yn eich barn chi, beth yw'r rhwystrau i ôl-osod mesurau effeithlonrwydd ynni mewn eiddo preifat?
- b. Pa gymorth sydd ei angen er mwyn goresgyn y rhwystrau?
- c. Beth yw eich barn ynghylch sut y gallai cynlluniau yn y dyfodol ddylanwadu ar a/neu gymell perchnogion tai a landlordiaid y sector preifat i ôl-osod eu heiddo?
- d. A ydych yn meddwl bod/y bydd yr argyfwng costau byw yn effeithio ar landlordiaid preifat a pherchnogion tai wrth ystyried ôl-osod mesurau effeithlonrwydd ynni yn eu heiddo?

Roedd y cyfranogwyr yn cytuno mai'r argyfwng costau byw yw'r rhwystr mwyaf sylweddol sy'n wynebu landlordiaid a pherchnogion tai wrth ystyried a ddylid ôl-osod mesurau effeithlonrwydd ynni yn eu heiddo.

Mae'r ymatebion i gwestiwn e) wedi'u cynnwys ar wahân yn Adran 2: Costau byw

Crynodeb o'r argymhellion

Fe wnaeth y cyfranogwyr nifer o awgrymiadau a fydd, yn eu barn nhw, yn helpu i gael gwared ar y rhwystrau i ôl-osod mesurau effeithlonrwydd ynni mewn eiddo preifat. Awgrymodd y cyfranogwyr hefyd syniadau ar gyfer dull mwy cenedlaethol o sicrhau effeithlonrwydd ynni.

Argymhelliad 1. Sefydlu 'siop-un-stop' ddiuedd i ddarparu gwybodaeth ar lefel genedlaethol, sydd hefyd yn darparu rhestr leol o osodwyr dibynadwy ac yn hwyluso fforwm ar-lein i berchnogion tai a landlordiaid.

Argymhelliad 2. Darparu cyngor wedi'i deilwra ar gyfer eiddo unigol ar ddechrau unrhyw waith adeiladu neu ar gais drwy wasanaeth gwybodaeth canolog diduedd.

Argymhelliad 3. Sicrhau bod stamp 'gwlad tarddiad' i'w weld ar yr holl ddeunyddiau adeiladu cyn eu prynu er mwyn galluogi pobl i leihau eu hól troed carbon.

Argymhelliad 4. Darparu cymhellion ariannol i berchnogion tai preifat ôl-osod mesurau effeithlonrwydd ynni yn eu heiddo, gan gynnwys gostyngiad neu seibiant yn nhaliadau'r dreth gyngor neu gymorth ariannol tuag at y gost.

Argymhelliad 5. Darparu grantiau, benthyciadau di-log, a/neu gymorthdaliadau i bob landlord a pherchennog tai i ôl-osod mesurau effeithlonrwydd ynni yn eu heiddo.

Argymhelliad 6. Galluogi landlordiaid i adhawlio'r dreth ar fesurau effeithlonrwydd ynni a gyflawnwyd ar yr eiddo y maent yn ei rentu.

Argymhelliad 7. Sicrhau bod hyfforddiant Llywodraeth Cymru i landlordiaid yn cynnwys gwybodaeth a chanllawiau ar ôl-osod mesurau effeithlonrwydd ynni mewn eiddo.

Argymhelliad 8. Llywodraeth Cymru yn darparu hyfforddiant i landlordiaid i'w hannog i weld manteision busnes ôl-osod mesurau effeithlonrwydd ynni yn eu heiddo.

Argymhelliad 9. Gwneud gwaith ymchwil a datblygu ar effeithlonrwydd a hirhoedledd deunyddiau treftadaeth a dulliau i gefnogi'r stoc dai sy'n heneiddio yng Nghymru.

Argymhelliad 10. Datblygu systemau gwresogi cymunedol sy'n cyflenwi gwres i sawl eiddo o ffynhonnell wres gyffredin neu foeler cyffredin.

Argymhelliad 11. Ailwladoli asedau ynni ac ailfuddsoddi elw i ddatgarboneiddio stoc tai Cymru a lleihau biliau ynni.

Argymhelliad 12. Sicrhau bod Cymru yn cynhyrchu ynni adnewyddadwy drwy dechnoleg forol.

1. Y rhwystrau i ôl-osod mesurau effeithlonrwydd ynni mewn eiddo preifat

Cost

1. Roedd yr holl gyfranogwyr yn cytuno, ar ôl i'r argyfwng costau byw ddod i ben, mai'r gost gyffredinol yw'r rhwystr mwyaf arwyddocaol i ôl-osod mesurau effeithlonrwydd ynni mewn eiddo preifat.

Yn sicr, cost yw'r rhwystr mwyaf. Y system wresogi sy'n cael ei hargymell nawr yw'r pypiau gwres ffynhonnell aer, wel mae cost y rheini'n ofnadwy o uchel. Maen nhw tua phum gwaith yn ddrutach na'r boeleri nwy mwyaf effeithlon ar hyn o bryd. Felly doedd dim ffordd yn y byd y gallwn i fforddio hynny ar gyfer fy nhenant na fi fy hun.

Fe wnaethon ni ystyried gosod ffenestri newydd. Roedd rhai o'r ffenestri wedi torri a doedd y gwydro dwbl ddim yn wych. Yn sydyn iawn rydych chi'n sôn am rhwng £10,000 a £13,000. Felly fe wnaethon ni osod un neu ddwy o ffenestri newydd oherwydd doedden ni ddim yn gallu fforddio gwneud y cyfan.

Os nad oes unrhyw fantais i mi'n bersonol ac nad yw'n lleihau fy miliau gwres yna does dim budd imi o wneud hynny. Byddwn i wrth fy modd yn cael tŷ ecogyfeillgar ar gyfer fy holl denantiaid, ond mae cost i hynny.

2. Soniodd y cyfranogwyr hefyd am y rhwystrau y maent yn eu hwynebu wrth benderfynu pa ddulliau effeithlonrwydd ynni i'w prynu gan ystyried y gyllideb a oedd ar gael iddynt.

Roedd gennym fylchau mawr o dan yr estyll pren y gallem eu llenwi â choncrit, roedd modd gwneud hynny'n gyflym ac yn rhad. Fe gawsom wared ar yr holl reiddiaduron a gosod system wresogi o dan y llawr, gan lenwi'r bylchau â choncrit. Roedd hynny'n llawer mwy fforddiadwy a chost-effeithiol na phecyn cyllid gwerth £20,000 i roi paneli solar ar y to.

Rydym wedi gosod boeler newydd a deunydd inswleiddio ac iddo gefn ffoil, a oedd yn £60 y panel yn hytrach na £40. Roeddem yn gallu fforddio'r cynnydd hwnnw yn y pris felly roedd hynny'n iawn. Ond yna mae'r cyfan yn dechrau cronni. Roedd yn rhaid imi ystyried a allen ni roi'r paneli solar ar y tŷ o hyd. Roedd y to yn hen ac roedd angen ail-doi. Yna byddai'n rhaid imi feddwl am gost gychwynnol y paneli, y gwaith cynnal a chadw, a phopeth arall. Byddai wedi dod i tua £40,000. Felly bu'n rhaid imi roi'r gorau i'r syniad, ac roedd hynny'n drueni mawr.

- 3.** Dangosodd landlordiaid y rhwystr y maent yn ei ystyried o ran cost a budd.

O ystyried y dreth rwy'n ei thalu, a'r morgais rwy'n ei dalu heb unrhyw ryddhad treth, mae'r arian rwy'n ei gael yn ôl drwy rentu'r eiddo yn eithaf bach mewn gwirionedd. Rwy'n gweithredu fel cwmni cyfyngedig preifat ac felly rwyf hefyd yn talu treth gorfforaeth. Felly pan fyddaf yn codi er enghraifft £1000 y mis, dim ond tua £500 y byddaf yn ei gael ar ôl trethi ac ati ac yna mae'n rhaid imi roi hwnnw o'r neilltu rhag ofn y bydd angen atgyweiriadau. Y mis hwn roedd yn rhaid imi dalu £600 am atgyweiriadau ar un eiddo penodol. Mae'n rhaid imi wneud elw.

- 4.** Roedd llawer o'r cyfranogwyr yn dadlau bod rhoi'r cyfrifoldeb ariannol am ddatgarboneiddio'r stoc tai preifat ar y landlord preifat a'r perchennog yn unig yn rhwystr i ddatgarboneiddio'r stoc tai, gan ei wneud yn anghyraeddadwy.

Mae'n amlwg bod y llywodraeth am gael ei gweld yn ceisio gwneud pawb yn garbon niwtral, ond does ganddi ddim syniad sut i gyflawni hynny heb i berchnogion tai dalu amdano. A, gyda llaw, rydyn ni eisoes yn talu am bopeth arall.

Cymhellion a chymorthdaliadau

- 5.** Ystyriodd y cyfranogwyr sut y gellid cymell perchnogion tai a landlordiaid a rhoi cymhorthdal iddynt i'w hannog i ddatgarboneiddio eu heiddo. Teimlai rhai cyfranogwyr fod diffyg cymorth ariannol gan y Llywodraeth yn rhwystr i gyflawni'r nod datgarboneiddio.

Yr unig ffordd y byddwn i'n ystyried ôl-osod fy eiddo rhent yw pe gallwn i adennill rhywfaint o'r arian. Mae bod yn landlord yn golygu rhedeg busnes.

O ran unrhyw fenter lle y bu gofyniad i uwchraddio adeiladau, mae'r llywodraeth wedi darparu cymorth bob tro. Felly ar ôl yr ail ryfel byd, roedd llawer iawn o gymorth ar gael gan y llywodraeth i uwchraddio adeiladau. Os yw'r Llywodraeth wir eisiau inni uwchraddio adeiladau i fod yn ynni-effeithlon yna mae angen iddi gael polisi cynhwysfawr ac nid dim ond targedu enillion hawdd, fel perchnogion tai neu roi pwysau ar landlordiaid.

- 6.** Fodd bynnag, roedd y cyfranogwyr yn pryderu na fyddai cymorthdaliadau yn effeithiol nac ar gael iddynt.

Mae modelau prawf modd rhyw 20-30 mlynedd ar ôl yr oes! Does ganddyn nhw ddim syniad faint mae'n ei gostio.

Yn yr eiddo rwy'n eu rhentu, pan wnes i eu hadnewyddu fe wnes i gadw'r hen foeleri gan eu bod yn dal i gyrraedd y safon, ond dydyn nhw ddim yn wych. Pe bai cynllun wedi bod ar gael i helpu gyda 50% o'r gost, dyweder, byddwn i wedi gosod boeleri newydd. Rwy'n gwybod bod cynlluniau ar gael ond dw i ddim yn meddwl eu bod ar gael imi.

- 7.** Roedd rhai cyfranogwyr yn pryderu y byddai rheoliadau'n cael eu creu i orfodi perchnogion tai a landlordiaid i ddatgarboneiddio eu heiddo.

Allwch chi ddim gorfodi pobl i ôl-osod eu heiddo. Os yw rhywun yn byw mewn tŷ a oedd, pan gafodd ei brynu neu pan gafodd ei adeiladu, yn cydymffurfio â'r holl reolau adeiladu ar y pryd, allwch chi ddim newid y rheolau a gorfodi pobl i fodloni gofynion newydd. Yn y pen draw, fydd pobl ddim yn gallu talu.

Fel landlord, byddwn i'n ei chael hi'n anodd iawn pe bai ffon a dim moronen. Pe baech yn dweud wrthyf 'mae'n rhaid i'ch boeleri fod o safon benodol erbyn 2025', byddwn yn cyfrifo'r gost, ond rwy'n meddwl y gallai rhai landlordiaid ei chael hi'n anodd oherwydd ni fydd ganddyn nhw'r arian i wneud hynny. Ond os na fydd landlordiaid yn cael eu gwthio i newid, a fydden ni'n newid?

Cael gafael ar wybodaeth

- 8.** Roedd rhai cyfranogwyr yn cytuno bod gwybodaeth am ôl-osod eiddo ar gael. Fodd bynnag, roedd yr holl gyfranogwyr yn cytuno nad yw'n hawdd dod o hyd i'r wybodaeth honno.

Rwy'n gwybod bod yr holl wybodaeth ar gael ond oherwydd nad yw'r cyfan mewn un lle mae'n anodd iawn gwneud penderfyniadau yn y pen draw. Doedd hi ddim yn hawdd dod o hyd i'r wybodaeth.

- 9.** Aeth y cyfranogwyr ymlaen i ddisgrifio'r rhwystr y maent yn ei wynebu o ran deall y wybodaeth sydd ar gael a chymhwysu'r wybodaeth honno i eiddo unigol.

...mae'n rhaid i'r cyfan gyd-fynd â'r hyn rydych chi'n ei wybod, faint allwch chi ei fforddio, pa fath o dŷ sydd gennych, a beth allwch chi ei wneud i'r tŷ hwnnw. Mae cymaint o broblemau i'w goresgyn, ac mae'r problemau'n benodol i chi a'ch tŷ.

Oni bai bod gennych set sgiliau penodol iawn a phrofiad yn y maes adeiladu, efallai y byddwch yn cael trafferth deall beth sydd ar gael ichi a beth fyddai'n gweithio i'ch eiddo. Does dim digon o gymorth ar gael i helpu pobl i ddeall yr opsiynau sydd ar gael iddyn nhw.

10. Roedd landlordiaid yn cytuno y gellid gwneud mwy i roi gwybod iddynt am ddulliau ôl-osod, yn enwedig o ystyried yr hyfforddiant presennol.

Does dim gwybodaeth ar gael am y camau effeithlonrwydd ynni y gallwn i eu cymryd. Does neb wedi cysylltu â mi fel landlord i roi gwybodaeth imi am hynny. Fel landlord mae'n rhaid imi gymryd rhan yng nghwrs hyfforddi landlordiaid Llywodraeth Cymru, mae'n rhaid inni sefyll arholiadau a gwneud yn siŵr bod popeth a ddylai fod yn ein heiddo ni yno, fel larymau ac ati. Ond dydw i ddim yn gwybod llawer mwy na defnyddio bylbiau ynni-effeithlon.

Cael gafael ar wybodaeth ddiuedd

11. Roedd y cyfranogwyr yn cytuno nad yw'r wybodaeth a roddir iddynt gan gwmnïau sy'n gwerthu cynhyrchion arbed ynni yn ddibynadwy yn gyffredinol oherwydd mai nod y cwmni yw gwerthu ei gynnyrch.

Mae angen tryloywder. Dydw i ddim eisiau gweld gwerthwr ar garreg y drws yn dweud wrthyf mai ei gynnyrch ef yw'r gorau erioed. Rwyf eisiau cyngor gwirioneddol annibynnol a gwybodaeth dryloyw.

Rwy'n swyddog safonau masnach wedi ymddeol. Roedd yn rhaid imi orfodi deddfwriaeth defnyddwyr ac ymdrin â chwynion am waith gwael. Yn fy marn i, allwch chi ddim cael cyngor annibynnol a diduedd gan fasnachwyr fel arfer...oherwydd maen nhw eisiau'r gwaith ac maen nhw ar ôl eich arian chi. Dw i ddim yn gwybod am unrhyw asiantaethau sy'n rhoi cyngor diduedd ar wella cartrefi. Masnachwyr sy'n dod allan i roi cyngor ichi bob tro ond mae'n amlwg eu bod yn gwneud hynny gan eu bod yn awyddus i gael y busnes a gallai hynny olygu nad yw'r cyngor yn ddiuedd.

12. Aeth y cyfranogwyr ymlaen i ddangos yr angen am wybodaeth ddibynadwy ac annibynnol er mwyn deall arbedion ynni gwirioneddol a gwneud penderfyniadau ariannol.

Pe bawn i'n gwybod y gallwn roi paneli solar ar y to ac y byddai'n arbed swm penodol o arian imi, mae'n debyg y byddwn i'n gwneud hynny. Ond does dim gwybodaeth i brofi hynny. Dw i'n gwybod dim amdano, yn fwy nag y byddai gwerthwr yn ei ddweud wrthyf. Does neb annibynnol yn dweud dim wrthoch chi

Mae dibynadwyedd gwybodaeth yn rhwystr mawr. Pe na bawn i wedi gweithio i fanc, yn ariannu benthyciadau ar gyfer paneli solar, byddwn i wedi mynd yn syth at gwmnïau paneli solar i gael dyfynbrisiau. Efallai y byddwn i wedi cael pecyn cyllid mawr ar gyfer paneli nad ydyn nhw'n addas i'm tŷ.

Rhwystrau'n ymwneud â'r gweithlu

Diffyg arbenigedd

Rwy'n gweithio yn y diwydiant adeiladu a, heblaw am wella'r deunydd inswleiddio yn yr atig, diweddarau eich ffenestri, neu inswleiddio'r waliau, yn sicr dyw adeiladwyr cyffredinol ddim yn ymwybodol o gynhyrchion ôl-osod.

13. Soniodd bron pob un o'r cyfranogwyr am ddiffyg arbenigedd yn y diwydiant adeiladu. Roedd y rhan fwyaf o'r cyfranogwyr yn cytuno nad oes gan adeiladwyr cyffredinol, at ei gilydd, y wybodaeth angenrheidiol am y diwydiant i roi cyngor ar ôl-osod eiddo.

Does dim digon o ddealltwriaeth am y dulliau sydd ar gael. Doedd gan yr adeiladwr a wnaeth ein hestyniad ni ddim gwybodaeth o gwbl am ôl-osod mesurau effeithlonrwydd ynni, dim o gwbl. Ac wn i ddim am unrhyw adeiladwyr sydd â'r wybodaeth honno.

Prinder gweithlu

14. Mae bron pob un o'r cyfranogwyr o'r farn nad yw'r gweithlu sydd ei angen i ôl-osod eiddo rhent a chartrefi preifat ledled Cymru ar gael.

Mae cwmnïau adeiladu eisoes yn brysur. Dydyn nhw ddim yn gallu gwneud dim gwaith ichi. Os ydych chi eisiau estyniad ac addasu'r atig, yna mae 'na restrau aros o hyd at 9 mis. Gan fod pob un o'r cwmnïau adeiladu hyn eisoes yn boddi mewn gwaith, tybed ble mae'r llywodraeth yn mynd i ddod o hyd i gwmnïau i wneud gwaith ôl-osod ar filiynau o eiddo. Dyw'r gweithlu ddim ar gael i wneud hynny. Mae'n debyg y byddai'n cymryd degawdau.

Er mwyn gallu ôl-osod yr holl dai yng Nghymru, mae hyn yn dasg enfawr. Mae'n debyg i hyfforddi byddin.

Nid oes un ateb sy'n addas i bawb: Rhaid cael y dulliau a'r deunyddiau

cywir ar gyfer yr eiddo cywir

15. Disgrifiodd y cyfranogwyr sut y gall dulliau effeithlonrwydd ynni ar gyfer un adeilad, lleoliad, perchennog tŷ, neu landlord fod yn wahanol i un arall hyd yn oed os yw'r eiddo'n debyg.

Mae llawer o baneli solar yn perfformio'n wael oherwydd pethau sylfaenol iawn fel gwyllanod yn nythu o dan y paneli ac yn eu symud o'u lle neu bobl

sy'n byw mewn byngalos gyda choed mawr yn eu gerddi sy'n cyfyngu ar olau'r haul.

- 16.** Roedd y cyfranogwyr yn teimlo bod yr ansicrwydd ynghylch a fyddai dull penodol yn gweithio i'w heiddo nhw yn rhwystr.

Roeddwn i'n gweithio i fanc ar brosiect paneli solar. Roeddwn i'n dadansoddi a oedd paneli solar yn fforddiadwy ac a oeddent yn talu amdanynt eu hunain dros gyfnod penodol o amser. Felly ar gyfer pecyn cyllid deng mlynedd, faint o ynni yr oedden nhw'n ei gynhyrchu dros y deng mlynedd hynny ac a oedd y cwsmer mewn sefyllfa lle roedd yn cynhyrchu ei arian ei hun? Mae'n debyg bod tua dwy ran o dair wedi gwneud hynny, sydd ddim yn ganran uchel iawn.

- 17.** Rhoddodd rhai cyfranogwyr enghreifftiau o ddulliau a deunyddiau aneffeithiol yn cael eu hawgrymu neu eu defnyddio, gan ddangos y rhwystr a wynebir wrth ddeall y dull cywir i'w fabwysiadu ar gyfer eiddo.

Tua 15 mlynedd yn ôl roedd cynllun ar gael lle roedd peli bach polystyren yn cael eu pwmpio i mewn i waliau ceudod tai teras. Dyw topiau'r waliau ceudod ddim wedi eu cau, felly pan oedden nhw'n pwmpio'r deunydd roedd e'n hedfan allan o dop y wal, ac roedd Beddau yn nofio mewn peli bach polystyren! Wedyn roedd angen diwydiant cwbl newydd i dynnu'r deunydd yma o'r tai i gyd gan ei fod yn achosi lleithder. Roedd pwrpas i'r waliau ceudod, maen nhw'n gwneud rhywbeth, roedd yn rhwystr aer

Stoc tai sy'n heneiddio

Mae dulliau modern yn iawn mewn adeilad modern, ond os oes gennych waliau cerrig fydd dulliau modern ddim yn gweithio.

- 18.** Mae rhai cyfranogwyr o'r farn nad yw'r dulliau a'r deunyddiau gorau bob amser yn cael eu defnyddio wrth ôl-osod stoc tai sy'n heneiddio yng Nghymru er mwyn sicrhau hirhoedledd.

Alla'i ddim deall agwedd pobl sy'n meddwl "wel, mi fydd yn iawn am 10 neu 20 mlynedd", dydw i ddim eisiau trosglwyddo'r llanast hwnnw i fy mhlant. Mae yna ddywediad, "mae dynion doeth yn plannu coed derw gan wybod na fyddan nhw byth yn eistedd yn eu cysgod".

- 19.** Mae llawer o gyfranogwyr yn teimlo bod hyn yn rhwystr i ôl-osod eiddo preifat, gan y gall dewis gwael o ddulliau wneud difrod i'r eiddo a bydd angen gwneud gwaith i'w adfer.

Gwyddom am adeiladwr sy'n gwneud gwaith adfer ar dai yng Nghymoedd y De. Mae'n treulio ei fywyd yn dadwneud yr holl ddifrod. Rwy'n meddwl am bob un o'r tai a gafodd eu rendro tua 30 mlynedd yn ôl, wedi'u chwistrellu â sment. Bydd llawer o broblemau'n dechrau dod i'r amlwg.

Mae gan gartrefi newydd sy'n llai na 20 neu 30 oed waliau ceudod, sy'n defnyddio rhwystr anwedd, a Kingspan ac mae hynny'n iawn. Ond dyw hynny ddim yn wir am y rhan fwyaf o Gymru. Mae dŵr yn mynd y tu ôl i'r rendr sment a dyw e ddim yn gallu dianc. Wnewch chi byth atal y dŵr rhag mynd i mewn, bydd yn dod o hyd i ffordd i mewn felly mae'n rhaid ichi roi ffordd iddo ddod allan.

20. Roedd y rhan fwyaf o'r cyfranogwyr yn cytuno bod datgarboneiddio llwyddiannus yn gofyn am ddealltwriaeth fwy cyfannol o'r stoc dai a dulliau a deunyddiau wedi'u hystyried yn fwy gofalus i weddu i oedran yr eiddo.

Yr hyn sydd gennym yng Nghymru, hyd y gwn i, yn enwedig yn y cymoedd, yw llawer o hen dai. Maen nhw wedi'u hadeiladu o gerrig ac i ddechrau roedd mortar calch ynddyn nhw. Oni bai eich bod yn defnyddio'r dulliau cywir i inswleiddio waliau solet, byddwch yn gwneud mwy o ddrwg nag o les. Felly, os ydych am inswleiddio pob cartref yng Nghymru mae'n rhaid ichi edrych ar ddulliau treftadaeth os am osgoi difrodi'r adeiladau. Oherwydd mae'r rhan fwyaf o bobl yn byw mewn adeiladau treftadaeth yn y bôn.

Diffyg ymddiriedaeth

21. Dywedodd sawl cyfranogwr fod diffyg ymddiriedaeth, mewn perthynas â gwybodaeth a gweithredu polisiau, yn rhwystr iddynt wrth ystyried ôl-osod mesurau effeithlonrwydd ynni yn eu heiddo.

Y rhwystr mwyaf, fel landlord neu berchennog tŷ, yw ymddiriedaeth. Dyna'r un mawr. Fyddwn i ddim yn credu gair mae neb yn ei ddweud, fyddwn i ddim yn credu unrhyw un o arweinwyr y llywodraeth. Maen nhw i gyd yn dweud bod hyn a'r llall yn dod allan o'r amlen. Dw i ddim yn meddwl y byddai unrhyw landlord yn credu gair mae'r llywodraeth yn ei ddweud oni bai bod siec yn cyrraedd drwy'r post

2. Costau byw

Pe bai'r llygedyn lleiaf o obaith y gallai pobl fod wedi ôl-osod eu cartrefi yna mae Cost Argyfwng y Cyfnod Clo wedi chwalu hynny'n deilchion.

22. Roedd y cyfranogwyr yn teimlo mai'r argyfwng costau byw yw'r rhwystr mwyaf arwyddocaol i ôl-osod mesurau effeithlonrwydd ynni mewn eiddo. Fe wnaethant ddisgrifio eu hofnau am eu sicrwydd ariannol.

Mae pobl eisiau gwneud eu cartrefi'n ynni effeithlon. Maen nhw eisiau talu llai am eu hynni. Rydyn ni i gyd yn byw ar y blaned hon ac eisiau gofalu amdani. Ond mae'n rhaid ichi ddelio â'r pethau cyntaf yn gyntaf. Os na allwch chi fforddio cadw'ch tŷ yn gynnes neu dalu'ch biliau bwyd, sut mae ôl-osod byth yn mynd i fod yn flaenoriaeth?

Bydd yr argyfwng costau byw yn rhoi stop ar unrhyw fath o raglenni neu bolisiau effeithlonrwydd ynni. Dw i ddim yn meddwl y byddai neb yn malio oherwydd yr hyn sydd ar garreg eu drws ar hyn o bryd.

23. Dangosodd y cyfranogwyr eu dicter tuag at y sefyllfa a'r syniad o ariannu prosiect datgarboneiddio ar eu heiddo ar hyn o bryd

Mae'r llywodraeth yn byw ym mro breuddwydion os yw'n meddwl y gall ddibynnu ar gydwybod cymdeithasol pobl! Mae perchnogion tai yn cael trafferth gwneud unrhyw beth iddyn nhw eu hunain, does dim arian i'w sbario. Dyw e ddim yn mynd i ddigwydd.

Mae pawb yn poeni am sut maen nhw'n mynd i fwydo eu hunain a gofalu am ddyfodol eu plant. Does ganddo ddim i'w wneud â sut mae cyflawni polisi emosiynol i'r llywodraeth allan o fy mhoced fy hun.

Pobl sy'n gweithio fydd yn dioddef waethaf yn sgil hyn. Y bobl sydd â chwpl o gannoedd o bunnau yn weddill ar ddiwedd y mis, fydd yn cael dim help gan neb. Felly i feddwl y bydd y llywodraeth yn dweud "nawr rydym am ichi edrych ar ôl-osod eich tŷ", dw i ddim yn meddwl rhywsut.

24. Disgrifiodd rhai cyfranogwyr y dewisiadau y byddant yn eu hystyried i sicrhau y gallant barhau i dalu eu biliau.

Bydd yn rhaid imi ddod o hyd i arian neu newid fy ffordd o fyw er mwyn imi allu gwresogi fy nhŷ i'r un lefel ag yr wyf wedi'i wneud yn y gorffennol. Gallaf newid fy ffordd o fyw a defnyddio'r arian rwy'n ei wario ar bethau eraill i dalu cost y biliau uwch neu gallaf benderfynu peidio â gwresogi fy nhŷ i'r un lefel.

Ond rwy'n 70 mlwydd oed felly dydw i ddim wir eisiau meddwl am yr ail ddewis, dw i eisiau cadw fy nhŷ yn dwym fel y bu erioed.

Cynnydd mewn costau llafur a deunyddiau

25. Disgrifiodd y cyfranogwyr sut y mae'r cynnydd yng nghostau llafur a deunyddiau, oherwydd yr argyfwng costau byw, yn rhwystr sylweddol pellach i ôl-osod eiddo.

Rwyf wedi adnewyddu dau eiddo yn ddiweddar, un eiddo ym mis Mai 2022 ac un a orffennais ym mis Mai 2021. Mae siŵr o fod wedi costio 25% yn fwy eleni oherwydd y cynnydd mewn costau byw.

Yn gyffredinol, mae cynhyrchion adeiladu ddwywaith neu deirgwaith y pris yr oedden nhw ddwy neu dair blynedd yn ôl. Os yw cost rhannau, llafur, a phopeth arall yn dal i gynyddu, yna does dim ots pa gynllun fydd yn cael ei roi ar waith oherwydd gallwch ychwanegu 20% at y gost wreiddiol yr oedd y cynllun yn mynd i'w thalu i ddechrau.

3. Goresgyn y rhwystrau i ôl-osod mesurau

effeithlonrwydd ynni mewn eiddo preifat?

Fe wnaeth y cyfranogwyr nifer o awgrymiadau a fydd, yn eu barn nhw, yn helpu i gael gwared ar y rhwystrau i ôl-osod mesurau effeithlonrwydd ynni mewn eiddo preifat. Awgrymodd y cyfranogwyr hefyd syniadau ar gyfer dull mwy cenedlaethol o sicrhau effeithlonrwydd ynni.

Mynediad at wybodaeth berthnasol, ddiuedd ac amserol

Argymhelliad 1. Sefydlu 'siop-un-stop' ddiuedd i ddarparu gwybodaeth ar lefel genedlaethol, sydd hefyd yn darparu rhestr leol o osodwyr dibynadwy ac yn hwyluso fforwm ar-lein i berchnogion tai a landlordiaid.

Byddai'n ddefnyddiol cael llinell gyngor neu gymorth i bobl lle mae arbenigwr ar ben arall y ffôn i roi cyngor ar yr hyn sydd ar gael ar hyn o bryd a sut i fynd ati i wneud y math hwn o waith. Gallai gyfeirio pobl at fasnachwyr a chwmnïau yn eu hardaloedd a all wneud y gwaith. Mae llawer o gynlluniau achredu yn y diwydiant gwella cartrefi. Ond gallai cyngor gan gymdeithas fasnach sy'n gallu rhoi cyngor diduedd am y masnachwyr a all wneud y gwaith fod yn ddefnyddiol.

Gofynnais i danysgrifio i fforwm landlordiaid, a dywedodd y cyngor wrtha'i nad oedd y fforwm wedi bod yn weithredol ers tua phedair neu bum mlynedd. Roeddwn i'n meddwl bod y fforwm yn syniad gwych, rhywle lle y gall landlordiaid siarad â'i gilydd am eu syniadau a chael gwybod am gynlluniau. Ond mae'n ymddangos fel nad yw ar gael bellach. Mae'n syniad a allai fod yn werth mynd ar ei drywydd.

Argymhelliad 2. Darparu cyngor wedi'i deilwra ar gyfer eiddo unigol ar ddechrau unrhyw waith adeiladu neu ar gais drwy wasanaeth gwybodaeth canolog diduedd.

Byddwn wedi hoffi gweld gwybodaeth reit ar ddechrau'r broses. Pan fyddwch chi'n gwneud cais am ganiatâd cynllunio, yn cael cynlluniau gan benseiri, ac yn ystod y cam pan fydd eich prosiect neu'ch tŷ yn cael ei ddylunio, dylai fod

rhyw fath o gyfrifoldeb arnyn nhw i ddweud wrthoch chi am y pethau y dylech eu hystyried o ran effeithlonrwydd ynni.

Dydw i ddim o blaid pobl â chlipfwrdd yn cerdded o amgylch eich eiddo, ond mae angen i bob adeilad unigol gael ei asesu cyn i unrhyw waith ddechrau, er mwyn rhoi gwybod i berchennog y tŷ beth y gellir ei wneud gyda'i adeilad a nodi manteision ac anfanteision yr holl dechnegau a dulliau. A hynny er mwyn i bobl wybod y dull gorau i'w fabwysiadu ar gyfer eu hadeilad.

Byddwn wedi hoffi cael rhywfaint o gyngor a gwybodaeth annibynnol i drafod fy opsiynau. Hyd yn oed os oedd anfon adroddiad effeithlonrwydd ynni ar gyfer eich tŷ yn costio £50. Byddai cael rhywbeth yn ei le sy'n dweud "mae'n rhaid ichi wneud hyn os ydych am i'ch eiddo fod mor ynni effeithlon â phosibl" wedi bod yn ddefnyddiol. Hyd yn oed pe na bawn i'n hapus gyda'r arweiniad byddai wedi bod yn ddefnyddiol gwybod beth oedd angen imi ei wneud.

Argymhelliad 3. Sicrhau bod stamp 'gwlad tarddiad' i'w weld ar yr holl ddeunyddiau adeiladu cyn eu prynu er mwyn galluogi pobl i leihau eu hól troed carbon.

Un peth yr oeddwn i'n ymwybodol iawn ohono oedd nad oedd unrhyw wybodaeth ynghylch tarddiad y deunyddiau. Er enghraifft, teils wal, pan fydd rhywun yn dechrau ymchwilio rydych chi'n canfod eu bod wedi cael eu gwneud yn yr Eidal neu Sbaen. Ond doedd dim labeli i fy helpu i ddewis a oeddwn i am leihau fy ôl troed carbon ai peidio drwy brynu deunyddiau wedi'u gwneud yn lleol. Dim ond pan edrychais i ar y bocsys ar ôl iddyn nhw gyrraedd yr oedd yn bosib imi ddarganfod tarddiad y deunyddiau. Mae hi braidd yn hwyr wedyn.

Cymorth ariannol effeithiol i bawb

Argymhelliad 4. Darparu cymhellion ariannol i berchnogion tai preifat ôl-osod mesurau effeithlonrwydd ynni yn eu heiddo, gan gynnwys gostyngiad neu seibiant yn nhaliadau'r dreth gyngor neu gymorth ariannol tuag at y gost

Pe bawn i'n optimistaidd byddwn i'n dweud pe baech am wneud y gwaith hwn, byddai angen ymrwymiad ariannol rhannol arnoch gan y llywodraeth, 50/50 er enghraifft. Neu egwyl o 5 mlynedd o dalu eich treth gyngor. Y lefel honno o ad-dalu pobl sydd ei hangen.

Argymhelliad 5. Darparu grantiau, benthyciadau di-log, a/neu gymorthdaliadau i bob landlord a pherchennog tai i ôl-osod mesurau arbed ynni yn eu heiddo.

Byddwn wedi ystyried pwmp gwres ffynhonnell aer pe bai grant ar gael. Pan fydd y gwaith bum neu chwe gwaith cost y dewis arall, nid oes unrhyw ffordd yn y byd y byddwn i wedi ei ystyried. Ond pe bai grant yn lleihau'r gost 30-50% yn fwy na'r dewis arall byddwn i wedi'i ystyried.

Mae'r boeleri ym mhob eiddo sydd gennyf i gyd yn llai na 10 mlwydd oed. Fe ddaw y dydd pan fydd angen eu newid. Pan ddaw, gallwn fod yn gosod boeleri mwy effeithlon. Ond bydd landlordiaid a pherchnogion tai yn mynd am y boeler rhatach, y boeler y mae eu cyllideb yn ei ganiatáu. Nid dyna'r boeler mwyaf effeithlon o reidrwydd. Felly efallai fod angen cynllun arnom i helpu pawb pan fydd angen iddyn nhw gael boeleri neu ffenestri newydd, er mwyn iddynt allu fforddio'r opsiwn mwyaf ynni effeithlon.

Argymhelliad 6. Galluogi landlordiaid i adhawlio'r dreth ar fesurau effeithlonrwydd ynni a gyflawnwyd ar yr eiddo y maent yn ei rentu.

Pe bai'r dyn treth yn cynnig cymhelliad efallai y byddwn yn ailystyried. Oherwydd, flynyddoedd yn ôl, roeddech yn gallu cael beth bynnag yr oeddech yn ei wario ar eich eiddo yn ôl drwy dreth.

Y ffordd y gall y llywodraeth gael landlordiaid preifat i roi system wresogi ynni effeithlon a phaneli solar, ac yn y blaen, yn yr eiddo y maent yn ei rentu yw drwy wrthbwyso hynny drwy dreth fel eich bod yn cael yr arian yn ôl gan y dyn treth.

Ymgysylltu â landlordiaid a rhoi gwybodaeth iddynt

Argymhelliad 7. Sicrhau bod hyfforddiant Llywodraeth Cymru i landlordiaid yn cynnwys gwybodaeth a chanllawiau ar ôl-osod mesurau effeithlonrwydd ynni mewn eiddo.

Mae'n debyg bod yr hyfforddiant i landlordiaid yn cymryd 7 awr, ac mae sesiynau diweddarau ar gael. Dyma gyfle i rannu gwybodaeth gyda landlordiaid. Mae'r hyfforddiant yn amhrisiadwy ac mae'n rhaid ichi ei wneud er mwyn gweithredu'n gyfreithlon. Felly os yw Llywodraeth Cymru yn rhoi hyn ar waith, yna defnyddiwch ef i rannu gwybodaeth a rhoi gwybod i landlordiaid am fanteision cudd ôl-osod.

Argymhelliad 8. Llywodraeth Cymru yn darparu hyfforddiant i landlordiaid i'w hannog i weld manteision busnes ôl-osod mesurau effeithlonrwydd ynni yn eu heiddo.

Efallai fod angen inni gyflwyno manteision ôl-osod i landlordiaid mewn ffordd wahanol a dangos iddyn nhw sut y byddai hynny o fudd iddynt. Ar ddechrau'r cyfweiliad hwn, dywedais nad oedd unrhyw fudd imi o ôl-osod fy

eiddo. Ond wrth feddwl am y peth nawr, oni fyddai'n wych dweud, dyma eiddo i'w rentu heb unrhyw filiau ynni! Gallai tenantiaid gynhyrchu eu hynni eu hunain drwy baneli solar ar y to. Dw i ddim wedi meddwl amdano felly o'r blaen. Byddai'n bwynt gwerthu da. Byddaf yn sicr yn ymchwilio i hynny. Fyddwn i byth wedi meddwl am hyn fel cyfle pe na bawn i wedi siarad â chi.

Mae gwybodaeth yn cael ei bwydo i landlordiaid ond dylai ymwneud yn fwy â syniadau a manteision cudd ôl-osod. Nid mater o wario arian ar baneli solar yn unig yw hyn. Mae hyn yn ymwneud â ffordd hollol newydd o drin eich tenantiaid a rhoi'r manteision iddyn nhw fel eu bod mewn gwirionedd eisiau aros a rhentu oddi wrthyh am yr 20 mlynedd nesaf. Y manteision i'r landlord yw bod gennych denantiaid hirdymor ac felly does dim rhaid ichi fynd i'r drafferth o hysbysebu, glanhau, colli misoedd o rent wrth hysbysebu ac ati. Mae'r buddion cudd hynny'n wirioneddol werthfawr a dylai melin drafod edrych i mewn i hyn i landlordiaid.

Datblygu deunyddiau a dulliau ar gyfer hirhoedledd

Argymhelliad 9. Gwneud gwaith ymchwil a datblygu ar effeithiolrwydd a hirhoedledd deunyddiau treftadaeth a dulliau i gefnogi'r stoc dai sy'n heneiddio yng Nghymru.

Mae angen mwy o ymchwil i'r gwahanol fathau o insiwleiddio a chanlyniadau defnyddio gwahanol ddeunyddiau fel eich bod yn gwybod am ganlyniadau hirdymor defnyddio'r gwahanol dechnegau a deunyddiau mewn gwahanol adeiladau. Fe wnaethom waith ôl-osod gan ddefnyddio corc - panel corc sydd wedi ei osod â rendr o galch a diatomit. Ar ben hynny, mae wedi i blastro â chalch a chywarch. Diben defnyddio calch yw ei fod yn gallu anadlu. Felly y syniad yw mai'r calch yn y wal sy'n cael ei aberthu ac nid y garreg. Mae'r calch yn feddalach na'r garreg. Gall anwedd dŵr fynd i mewn ac allan ohono.

Rwy'n meddwl bod angen inni edrych ar ddeunyddiau mwy naturiol. Gallai cywarch fod yn ateb i lawer o'n problemau. Mae'n tyfu'n gyflym, gellir ei ddefnyddio ar gyfer tanwydd, adeiladu, papur, ac ati. Mae angen i'r llywodraeth feddwl am yr holl wahanol ddulliau a deunyddiau sydd ar gael.

Systemau gwresogi cymunedol

Argymhelliad 10. Datblygu systemau gwresogi cymunedol sy'n cyflenwi gwres i sawl eiddo o ffynhonnell wres gyffredin neu foeler cyffredin.

Roeddwn i wedi bod yn edrych ar nweydddydd ers misoedd. Roedd Glofa'r Cwm yn arfer nweyddio ei glo. Ffoniais fy nhad a gofyn beth oedd y nwy, dywedodd wrthyf mai nwy glo oedd e'. Mae'r dechnoleg hon yn 150 mlwydd oed. Pan ddechreuon nhw gyflenwi gwres cymunedol a chyflenwad ynni i bobl am y tro cyntaf, dyna beth oedd e. Roedd gennych nweydddydd lleol a fyddai'n nweyddio glo neu bren a byddai'n cyflenwi nifer penodol o eiddo.

Credaf fod yr Almaen yn arwain y ffordd gyda nweyddio. Yn yr Almaen, maen nhw'n tueddu i fyw mewn tai aml-lawr, aml-genhedlaeth. Bydd ganddyn nhw nweydddydd 25 neu hyd at 40 cilowat yn yr islawr sy'n cael ei fwydo â phelenni. Mae ganddyn nhw hopran ar ei ben ac maen nhw'n llenwi'r system awtomataidd gyda phelenni sy'n rhedeg injan. Gallech gael is-orsaf leol ar gyfer eich trydan ar waelod y ffordd, sef dosbarthiad lleol. Byddai hyn yn darparu gwres a phŵer cyfunedig (CHP).

Fe wnes i rentu lle yng nghanol Llundain. Roedd ganddo foeler enfawr oddi tano a doedd dim rhaid inni dalu am ein gwres o gwbl. Roedd fy rhent ychydig bach yn uwch, ond pan symudais i'r lle nesaf, roedd yn rhaid imi ddechrau talu am wres ac roedd yn dalp mawr iawn o arian.

Ailwladoli asedau ynni

Argymhelliad 11. Ailwladoli asedau ynni ac ailfuddsoddi elw i ddatgarboneiddio stoc tai Cymru a lleihau biliau ynni.

Camgymeriad anferthol oedd preifateiddio popeth oherwydd erbyn hyn does dim rheolaeth gennym. Yr hyn ddylai ddigwydd yw bod ynni'n cael ei ail-wladoli. Yna gellir dargyfeirio'r cymorthdaliadau sy'n cael eu talu i bob un o'r cwmnïau hyn, sy'n mynd i bocedi cyfranddalwyr, i filiau ynni fel bod gennych ychydig o arian parod dros ben i'w ddefnyddio i ôl-osod eich tŷ.

Dylid cymryd adnoddau naturiol o ddwylo'r sector preifat a'u rheoli'n genedlaethol. Mae'n adnodd cyhoeddus sydd wedi cael ei gamreoli. Dylai fod un cyflenwr cenedlaethol. Hefyd, yn y gadwyn gyflenwi, mae'r cwmnïau echdynnu yn gwneud llawer iawn o elw, ond rydym yn talu am hynny yn nes ymlaen. Felly nid mater o wladoli'r ddarpariaeth yn unig yw hyn ond gwladoli'r broses echdynnu. Os yw'r cwmnïau mawr hyn a'u cyfranddalwyr yn gwneud cymaint o arian, pam nad ydym yn ailwladoli'r cynhyrchion hynny ac yn defnyddio'r cynhyrchion i newid i gynhyrchu mwy o ynni adnewyddadwy a buddsoddi mewn seilwaith?

Cymru yn cynhyrchu ei hynni ei hun

Argymhelliad 12. Sicrhau bod Cymru yn cynhyrchu ynni adnewyddadwy drwy dechnoleg forol.

Yn ddiweddar bu'n rhaid imi ymchwilio i ynni'r llanw. Pan ddechreuais i ymchwilio, byddai fy ngwaed yn berwi bob tro roeddwn i'n gwranddo ar newyddion neu bob tro roeddwn i'n clywed gwleidydd neu ymgyrchodd yn sôn am fod yn wyrdd. Dim ond am dyrbinau gwynt mae pobl yn sôn. Ni yw Saudi Arabia yn y maes ynni llanw. Yn afon Hafren, mae gennym yr ail amrediad llanw mwyaf ar wyneb y ddaear. Bron na allem fwydo ein hunain ag ynni'r llanw. Ddwywaith y dydd, bob dydd, byddai'r llanw'n darparu ynni. Llanw yw'r ateb ac mae'n ymddangos bod pobl yn fwriadol anwybodus o hyn.

Os yw'r llywodraeth yn gofyn cwestiynau am sut mae gwneud Cymru'n fwy carbon niwtral? Yna pam wnaethon nhw roi'r gorau i gynlluniau ar gyfer morlyn llanw yn Abertawe a morglawdd ar draws afon Hafren? Dyw hynny ddim yn gwneud synnwyr.

Mae gennych aber sydd ymhlith y deg aber â'r amrediad llanw mwyaf yn y byd a fyddai wedi darparu ynni glân ac adnewyddadwy. Y gyllideb gychwynnol oedd £11 biliwn, hyd yn oed pe baen nhw'n gwario pum neu chwe gwaith yn fwy na'r gyllideb mae'n dal i ddod o dan y gyllideb gorsaf ynni niwclear o £90 biliwn. Byddai'r morglawdd wedi talu amdano'i hun, wedi cynhyrchu ynni cwbl lân, heb unrhyw risg sy'n gysylltiedig â niwclear. A byddai wedi cynhyrchu mwy o ynni nag y gwnaeth yr adweithydd niwclear yn ôl eu rhagamcanion cychwynnol. Sut maen nhw'n gallu rhoi'r gorau i brosiect o'r fath? Efallai y gallai llywodraeth Cymru esbonio imi pam y gwrthododd greu morlyn llanw yn Abertawe?

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith / Climate Change, Environment and Infrastructure Committee

Datgarboneiddio'r sector tai preifat / Decarbonising the private housing sector

DH2P_13

Ymateb gan Cymdeithas y Cymdeithasau Adeiladu /
Evidence from Building Societies Association (BSA)

Cyflwyniad

Cymdeithas y Cymdeithasau Adeiladu (BSA) yw llais pob un o 43 o gymdeithasau adeiladu'r DU, yn ogystal â saith undeb credyd. Mae pencadlys tair o'r cymdeithasau hyn yng Nghymru (Principality, Sir Fynwy ac Abertawe), ac mae gan eraill ganghennau yng Nghymru. Gyda'i gilydd mae'r sefydliadau hyn yn gwasanaethu bron 26 miliwn o gwsmeriaid ledled y DU.

Mae'r rhan fwyaf o gymdeithasau adeiladu'n benthycu ar eiddo yng Nghymru. Mae ganddynt ddi-ddordeb cryf mewn tai o ansawdd uchel, sy'n cynnwys sicrhau bod yr eiddo hwn yn effeithlon o ran ynni, â dull ffabrig yn gyntaf.

Mae nifer o gymdeithasau adeiladu eisoes yn cynnig morgeisi gwyrdd a blaensymiau pellach gwyrdd. Yr olaf fydd yr un mwyaf perthnasol i ôl-osod eiddo sydd eisoes yn eiddo i rywun, gan ddarparu cyllid a asesir am fforddiadwyedd i ariannu costau ôl-osod a delir ymlaen llaw.

Camau y dylai Llywodraeth Cymru eu cymryd i ddatblygu rhaglen ôl-osod ar gyfer y sectorau hyn yn y tymhorau byr, canolig a hir;

Mae nifer o gamau i'w cymryd i helpu i greu amgylchedd sefydlog ar gyfer rhaglen ôl-osod.

Tymor Byr

I ddechrau, mae angen cynllun tymor hir (nifer o flynyddoedd) a gaiff ei gydlyn dros adrannau'r llywodraeth ac awdurdodau lleol. Rhaid cyfleu hyn yn glir i ddefnyddwyr, er mwyn i'r rhai sy'n gallu talu fod yn glir am unrhyw gymorth sydd ar gael a bod pawb yn gwybod yn glir beth ddylai ddigwydd ac erbyn pryd. Dylai unrhyw gymorth ganolbwyntio ar ddull 'ffabrig yn gyntaf' i sicrhau nad yw cartrefi'n gollwng ynni. Fel arfer, bydd hyn yn fwy fforddiadwy i ddefnyddwyr na buddsoddi mewn technolegau newydd, megis pŷmpiau gwres, a gall effeithio'n fwy uniongyrchol ar filiau ynni. Dylai'r cynllun hefyd ystyried y cartrefi hynny nad ydynt ar y grid ac sy'n dueddol o fod mewn ardaloedd mwy gwledig.

Mae Llywodraeth Cymru eisoes yn treialu nifer o brosiectau. Mae'r BSA'n partneru â'r Green Finance Institute. Yn ddiweddar, fe wnaethant gyhoeddi partneriaeth ag Awdurdod Cyfunol Manceinion Fwyaf i ddarparu dulliau ôl-osod sy'n seiliedig ar le. Gallai Llywodraeth Cymru ystyried y model hwn.

Tymor Canolig

Yn y tymor canolig, dylid canolbwyntio mwy ar ansawdd a safonau yn y gadwyn gyflenwi. Gwyddom fod Llywodraeth Cymru yn cefnogi TrustMark a dylid annog darparwyr gwaith ôl-osod i gofrestru i gael achrediad TrustMark er mwyn manteisio ar arian y Llywodraeth. Fodd bynnag, dylid dysgu gwersi o'r gwaith o gyflwyno'r Grant Cartrefi Gwyrdd, a greodd rwystr i gwsmeriaid rhag darganfod crefftwyr addas oherwydd yr amser sydd ei angen i sicrhau achrediad TrustMark.

Yn achos pob un o'r camau hyn, mae angen sicrhau cydbwysedd rhwng cyflymder datgarboneiddio a chost datgarboneiddio cartrefi. Dylai cynlluniau gydnabod mai unigolion yw perchen-feddianwyr ac y byddant yn gwneud eu penderfyniadau eu hunain ynghylch eiddo unigol. Yn sgil yr argyfwng costau byw presennol, mae'r gost a delir ymlaen llaw yn bwysicach o lawer erbyn hyn, â'r gost honno'n cydbwysu â chostau ynni cynyddol.

Prif heriau darparu rhaglen ôl-osod yn y sectorau hyn, gan gynnwys rhai ariannol, ymarferol ac ymddygiadol, a'r camau sydd eu hangen gan Lywodraeth Cymru (a'i phartneriaid) i'w goresgyn;

Dealltwriaeth defnyddwyr

Yn aml, bydd defnyddwyr yn ansicr o'r camau i'w cymryd i ddatgarboneiddio eu cartref yn benodol ac i bwy y dylid ymddiried y gwaith o wneud hyn. Mae'r Green Finance Institute (GFI) wedi llunio llawlyfr i fenthycwyr i esbonio'r gwahanol dechnolegau sydd ar gael ar hyn o bryd. Ar hyn o bryd, rydym yn cydweithio â'r GFI, UK Finance, Cymdeithas y Cyfryngwyr Morgeisi ac eraill i lunio llawlyfr brocera ar gyfer cyfryngwyr morgeisi ar yr un pwnc. Mae hyn yn bwysig, oherwydd dosbarthir tua 80% o forgeisi trwy law cyfryngwyr. Maes o law, bydd fersiwn i ddefnyddwyr yn cael ei lunio hefyd.

Cyllid i ddefnyddwyr

O ran ariannu, mae nifer cynyddol o forgeisi gwyrdd a blaensymiau pellach ar gael, naill sydd naill ai'n ariannu gwaith datgarboneiddio neu'n gwobrwyo drwy roi gwell sgôr Tystysgrif Perfformiad Ynni (EPC). Fodd bynnag, mae llawer yn dal heb gael gwybod am y cynhyrchion hyn ac mae hwn yn faes cynnyrch newydd i nifer o fenthycwyr.

Bydd y BSA yn cynnal arolwg Orlhain Eiddo chwarterol sy'n olrhain teimladau defnyddwyr. Ym mis Medi 2021, fe wnaetho ofyn cwestiynau am effeithlonrwydd ynni ac mae gennym ganlyniadau sy'n defnyddio data gan ymatebwyr o Gymru. Nid oedd y rhan fwyaf yn ystyried gwneud unrhyw welliannau o ran effeithlonrwydd ynni i'w cartref (63%). Y rhwystr fwyaf rhag gwella effeithlonrwydd cartrefi oedd talu'r costau ymlaen llaw cychwynnol (60%), ac wedyn y ffaith ei bod yn cymryd yn rhy hir i adfer y costau cychwynnol (52%) ac ansicrwydd ynghylch yr arbedion y gellir eu gwneud (46%).

Tystysgrifau Perfformiad Ynni

Mae Llywodraeth y DU yn ystyried bod y broses forgeisi yn gyfrwng posibl ai greu cymhellion i annog defnyddwyr i brynu cartrefi sydd eisoes yn rhai effeithlon o ran ynni.

Rydym wedi cyfrannu at nifer o dreialon perthnasol yn y maes hwn. Ynghyd â rhai o'n haelodau, gan gynnwys y Principality, rydym wedi cyfrannu at prosiect LENDERS sy'n ceisio sicrhau y caiff gostau ynni aelwydydd eu hadlewyrchu'n well mewn ceisiadau am forgeisi.¹ Mae Cymdeithas Adeiladu Sir Fynwy yn cymryd rhan yn y prosiect VALUER ar y cyd â Sero Homes, RICS a RightMove sy'n archwilio'r cysylltiadau rhwng cartrefi effeithlon o ran ynni a gwerth eiddo². Mae Cymdeithas Adeiladu Sir Fynwy hefyd yn rhan o'r consortiwm Ôl-osod er mwyn Optimeiddio, ynghyd â Chymdeithas Adeiladu Hinckley and Rugby a Sero Homes.

Mae gennym nifer o bryderon: yn benodol, na fyddai ymgorffori'r EPC yn y broses forgeisi yn y modd yr awgryma LENDERS yn creu'r anogaeth ymddygiadol y mae'r Llywodraeth yn ceisio'i chyflawni, oherwydd nid yw'r rhan fwyaf o fenthycwyr yn cymryd uchafswm y benthyciad sydd ar gael iddynt.

Mae risgiau yn gysylltiedig â gorfodi safon EPC ofynnol. Un o'r rhain yw'r risg o greu asedau sownd oherwydd, os yw'r gwaith i gyflawni rhyw lefel EPC benodol yn anfforddiadwy, gall pobl gael eu dal mewn cartref a bod mewn perygl o ecwiti negyddol neu o fynd yn garcharorion morgeisi. Mae'n hanfodol bod benthycwyr yn gallu cefnogi'r rhai sydd ag eiddo sy'n gollwng ynni i'w hól-osod ac na chânt eu cosbi am fod â llyfrau morgeisi sy'n cynnwys amrywiaeth o sgoriau EPC. Mae cyflawni trosglwyddiad teg i sero net yn hanfodol i'r gymdeithas.

Ceir pryderon hefyd ynghylch cywirdeb yr EPC a'r bwch rhwng defnydd ynni rhagfynegol a pherfformiad go iawn. Gall y sgôr effeithlonrwydd ynni yn yr EPC gosbi rhai mathau gwyrdd i ynni, megis pypiau gwres a bio-danwyddau, yn achos y rhai nad ydynt ar y grid, yn sgil cymharu biliau tanwydd. Gwyddom am ddefnyddwyr nad ydynt ar y grid sy'n cael cyngor i ddefnyddio tanwyddau carbon uwch megis olew oherwydd gall y rhain, mewn ffordd wyrdröedig, wella sgôr EPC.

¹ https://www.ukgbc.org/wp-content/uploads/2017/09/Lenders_Core_Report_1.pdf

² <https://sero.life/press-room/consortium-wins-welsh-government-funding-to-retrofit-1300-homes/>



Date: 22 August 2022

Sent to: SeneddClimate@senedd.wales

UK Finance is the collective voice for the banking and finance industry.

Representing more than 300 firms across the industry, we act to enhance competitiveness, support customers and facilitate innovation.

We welcome the opportunity to provide evidence in response to the [consultation](#) by the Climate Change, Environment, and Infrastructure Committee on decarbonising the private housing sector.

Summary

1. The UK mortgage industry is committed to greening UK housing and supporting the just transition to net zero for both private rental and owner-occupied homes.
2. The development and provision of green finance to aid homeowners in improving the energy efficiency of their properties has already begun. We anticipate that the mortgage lending sector will continue to ensure greater provision of mortgage finance in the future. This will encourage greener home ownership and investment in rental properties as well as the financing of green retrofitting and home improvement.
3. In their consultation last year BEIS outlined proposals for lender disclosure of EPC data and voluntary target setting on the greening of mortgage portfolios which would cover the whole of the UK. Lenders are keen to ensure that the best data possible is available and used to underpin policy making and is prepared to work with other stakeholders to make sure this happens.
4. The mortgage industry also has a part to play in increasing customer education and awareness on how to be a responsible green homeowner or landlord and is keen to work with stakeholders across the housing and energy industries to ensure joined-up messaging. More broadly we are willing to work with and encourage all stakeholders to create a greener, innovative UK housing market and ensure that there is a clear pathway to net zero with all the necessary measures to enable this in place.
5. Mortgage lenders have an important role to play but cannot be solely responsible for resolving societal issues or ensuring homeowners make changes to properties, not least because a significant portion of properties in the UK do not have mortgages. We want to see clear policies in place so that we have a roadmap for greening UK housing and reaching net zero once current energy efficiency ambitions have been reached.

6. This policy environment needs to include:
 - a. Collaboration on a large-scale consumer education and communication campaign involving all stakeholders – public and private - in the housing market driven forward by the government
 - b. Collaboration in development of high-quality EPC and environmental housing assessments covering both energy efficiency and actual carbon footprints for all properties, updated and published on a more frequent basis and which reflect property improvements in a cost-effective way
 - c. A large-scale increase in the amount of appropriate, good quality and cost-effective retrofitting and energy system installation available to consumers
 - d. Meaningful, comprehensive and long-term public funding and support for property owners who are unable to access other funding sources
 - e. The use of government measures which incentivise improvements for all property owners, including but not limited to tax incentives
 - f. New build housing built to net zero standards to draw a line in the sand without any reduction in build quality.

7. It is vital that we get this right. An improvement in the energy efficiency of homes in the near future will have cost implications for both landlords in the rental sector and homeowners. These need to be considered fully by government, regulators and lenders to avoid any unintended consequences.

8. We must have a just transition that ensures no-one, whether landlord or owner-occupier, is left behind and unable to green their property to the required standard and facing negative consequences for this failure. To ensure this homeowners need to be supported and there needs to be action taken to address a range of concerns that dampen demand.

Consultation questions

We have provided these comments/ responses to the issues on which the Committee particularly requested views in its consultation. In doing so, we expect policymakers will have regard to and build on the findings and key actions recommended in the [2019 Better Homes, Better Wales, Better World report](#) to Welsh Ministers on decarbonising existing homes.

The current approach to decarbonising housing in the private rented and owner-occupied sectors in Wales, including the effectiveness of existing programmes and support for retrofit

Retrofitting to reduce the carbon impact of privately-owned homes whether in the rented sector or the owner-occupied sector is potentially more challenging for policymakers as there is not the equivalent direct leverage of grant funding/ regulation that exists in the social rented/ RSL sector. Although in the PRS, there are local and national Welsh initiatives including licensing and registration including RentSmart Wales, that help to drive-up standards and landlord behaviour there is an opportunity for consideration of specific regulations and interventions focused on energy and environmental performance. In the owner-occupied sector, while there is some support for fuel-poor households, there is no comprehensive/ coherent pan-Wales approach to supporting decarbonisation in this sector, which means it can be more difficult to reach than the private or social rented sectors.

In 2020, the Business Energy and Industrial Strategy (BEIS) Department in Westminster consulted on proposals to improve the energy performance of PRS homes in England and Wales. The proposed targets were EPC “C” by 2025 for new tenancies and by 2028 for all tenancies.

The Department also consulted around this time on proposals for a new regime of disclosures and targets for mortgage lenders in relation to the EPC ratings of properties on their books – intended via first voluntary then mandatory disclosures to drive-up the energy performance of mortgaged homes. The proposals for England and Wales included setting a voluntary lenders’ target at a portfolio average of EPC Band C by 2030.

While supporting the principle of improving energy performance across all tenures UK Finance and lenders expressed concern about the proximity of the 2025 PRS target for new tenancies to achieve EPC “C” given that the supply chain and skills base together with landlord and tenant awareness are still underdeveloped.

Additionally, in the PRS, there are concerns about how improvements would be funded particularly in the context of rising cost pressures, materials shortages and increasing interest rates.

The BEIS Department has not finalised its proposals in this area, and formal responses to both consultations are awaited.

Until there is policy certainty on direction of travel in respect of the BEIS consultation proposals, the extent to which Wales-specific initiatives can be developed further might be limited.

Senedd members might wish to consider whether there could be other approaches developed within its competence/ powers to incentivise improvements to environmental performance in both owner-occupied and private rented homes.

The role of sector specific retrofit targets to help drive change

There is a role for sector-specific targets, in helping to focus attention of homeowners on timelines for improvement as well as the overall need for improvement. To drive positive homeowner behaviour, however, targets should be set realistically with homeowners having sufficient time, knowledge/ understanding and resources to achieve them.

In practical terms, this means there would need to be good supply chain and skills base readiness in advance of target dates alongside measures to promote consumer understanding/ education of the need for action in addition to clear funding routes for installation of appropriate measures.

Targets which are unrealistic, or which are perceived as unachievable by homeowners/ consumers and/ or targets which are enforced via a sanctions or penalties-based regime risk negative consumer responses with negative behaviours likely focussed on avoiding the target and any associated penalty rather than positive behaviours towards meeting or exceeding the target.

Actions the Welsh Government should take to progress a programme of retrofit for these sectors in the short, medium and long term

We suggest these broad areas of focus:

Short term – building consumer understanding and awareness; education and information programmes designed to increase and embed understanding of the need for change and a positive call to action by assessing current environmental performance of homes and measures which could realistically and affordably be taken to improve on base line. Actions in the short term should also be preparatory to consumer action – so, building supply chain and skills base readiness and

developing funding options which should include blended public-private finance. Shorter-term targets could be considered for property archetypes that are easier and affordable to improve.

Medium term – consideration of a regulatory and/ or targets-based framework to formalise a requirement to improve. This could be structured (as BEIS proposes for the owner-occupied sector) with voluntary targets which could become mandatory if the voluntary route is insufficient to drive the required changes in time. In respect of regulatory requirements, our suggestion would be for these to part of an incentives regime rather than one of sanctions and penalties so that positive consumer behaviour towards compliance is encouraged rather than avoidance behaviour. Medium term should see outcomes that deliver willing consumer action to meet realistically set targets through encouragement and incentives. Mid-term targets could be considered for property archetypes that are more complex/ less typical and require a range of interventions.

Long term – Consideration given to moving from a voluntary regime to mandated standards backed by enforcement if voluntary change is insufficient. All property archetypes are improved as far as they can be within/ towards target taking account of practical and financial considerations and improved/ available new technology.

The key challenges of delivering a programme of retrofit within these sectors, including financial, practical and behavioural, and action required from the Welsh Government (and its partners) to overcome them

Key challenges include not only developing appropriate and affordable blended funding options for landlords and owner-occupiers but also driving the right consumer behaviours to achieve target outcomes. This will require awareness-raising and education for example about what to expect and how to use and live-in a home with new/ unfamiliar technology installed, such as a heat pump. As above, it will also require action to ensure supply chain and skills base readiness. Overarching this are increasing cost challenges in terms of supply chain, skills, finance as well as installation/ running costs of measures for landlords and owner-occupiers.

How the right balance can be struck between influencing/incentivising home owners and private sector landlords to retrofit their properties and regulating to increase standards to drive progress

Please see our comments above about the need to incentivise rather than penalise consumer behaviour. Incentives are likely to drive more positive consumer behaviour while penalties and sanctions are likely to drive avoidance behaviour. As above, it might be appropriate to use an incentives-based approach in earlier stages of the journey to net zero and move towards mandated standards backed by penalties/ sanctions if the voluntary approach is insufficient. Policymakers should be mindful of unintended consequences, however, if penalties could have market effects such as preventing or delaying homes from being sold or let or driving down market values pending improvements. Such outcomes could suppress the market for unimproved properties leading to a two-tier market as well as having detrimental impacts on consumer finances.

How effective the Welsh Government is influencing decisions on reserved matters to support decarbonisation of these sectors.

The challenges of decarbonising energy supply at source and transmission (decarbonising the grid) remain, although progress is being made for example in relation to introducing hydrogen in the gas grid for use in hydrogen-ready hybrid boilers. There is more to be done, and we are aware

that Welsh Ministers are in active correspondence and dialogue with Westminster about reserved matters such as this. Similarly, Wales has constructive engagement and challenge on a range of net-zero pathway issues with the Climate Change Committee and it is encouraging to see in the Committee's reports how Wales is responding to those challenges within its powers. The CCC continues to actively challenge Westminster in respect of reserved matters, and we expect this challenge will continue alongside that provided by Welsh Ministers themselves.

If you have any questions relating to this response, please contact Matthew Jupp, Principal, Mortgages [REDACTED]

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Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
Datgarboneiddio'r sector tai preifat / Decarbonising the private housing sector
DH2P_33
Ymateb gan Banc Datblygu Cymru / Evidence from Development Bank of Wales

Datgarboneiddio tai: datgarboneiddio'r sector tai preifat – tystiolaeth gan Fanc Datblygu Cymru.

Medi 2022

1. Rhagarweiniad

Rôl Banc Datblygu Cymru yw datgloi potensial yn economi Cymru drwy gynyddu'r cyflenwad a hygyrchedd cyllid cynaliadwy, effeithiol. Rydym yn buddsoddi dros £100 miliwn y flwyddyn yn economi Cymru ac wedi bod yn weithgar ym maes datblygu eiddo, gan gefnogi datblygwyr BBaChau ers 2013. Ers ein lansio yn 2017, hwn yw ein maes gweithgarwch sy'n tyfu gyflymaf, gan arwain at fuddsoddiad o £159m a chymorth ar gyfer dros 1,300 o gartrefi newydd. Yn 2021/22, roedd buddsoddiad mewn eiddo yn cyfrif am 40% o'r cyllid a ddarparwyd gan y Banc Datblygu.

Un o'n hamcanion strategol craidd ar gyfer y pum mlynedd nesaf yw hyrwyddo dyfodol gwyrdd yng Nghymru gan gynnwys drwy ddatblygu offerynnau ariannol arloesol. Mae'r Banc Datblygu ar hyn o bryd yn ystyried chwe maes cymorth posibl gyda'r nod o ddatgarboneiddio mewn aliniad uniongyrchol ag uchelgeisiau Cynllun Sero Net Llywodraeth Cymru. Un o dri phrosiect tymor byr â blaenoriaeth o fewn y rhaglen waith hon yw datblygu cynnig ariannu hygyrch i gefnogi gweithgarwch ôl-osod ar gyfer perchnogion preswyl a landlordiaid sector preifat.

Mae ein hymateb i'r ymgynghoriad hwn yn canolbwyntio ar y rôl y gall arian cyhoeddus ei chwarae wrth ddatgarboneiddio'r sector tai a phwysigrwydd hwyluso gweithredu gan ddefnyddio'r ystod o fecanweithiau sydd ar gael. Mae ein ymateb yn edrych ar y cylch gorchwyl – pwyntiau 2 – 6.

I grynhoi, y meysydd allweddol y gall Banc Datblygu Cymru eu cefnogi a chael effaith ar y cam hwn yw:

- Parhau i ddatblygu cynnig ariannu, gan ddefnyddio allbynnau o gydweithrediad profi'r farchnad gyda Nesta i sefydlu cronfa beilot wedi'i thargedu i gefnogi ôl-osod yn y sector tai preifat yn 2022/23
- Ein gallu i ddarparu cymorth i Lywodraeth Cymru yn ôl yr angen, i gwmpasu opsiynau i sefydlu gwasanaeth ynni canolog yng Nghymru.
- Ein gallu i ddarparu cymorth i Lywodraeth Cymru yn ôl yr angen, i gwmpasu opsiynau i sefydlu gwasanaeth ynni canolog yng Nghymru.

- Parhau i ymgysylltu â phartneriaid ar draws y DU i sicrhau bod gwersi ac arfer gorau yn cael eu hymgorffori mewn camau gweithredu yng Nghymru.

2. Rôl targedau ôl-osod sy'n benodol i'r sector i helpu i ysgogi newid

- 2.1** Mae tai preswyl yn cyfrif am 10% o allyriadau Cymru. Mae gan Gymru rai o'r tai hynaf a lleiaf effeithlon yng Ngorllewin Ewrop gan fod 13% o stoc tai Cymru wedi'u hadeiladu yn y 30 mlynedd diwethaf. ¹ Mae ffynonellau oedran ac allyriadau yn y farchnad wedi arwain at set eang o ofynion ôl-osod i gyflawni Sero Net.
- 2.2** Agwedd bwysig ar ddatblygiad yn y maes hwn, felly, yw cydnabod na fydd dull "un maint i bawb" yn gweithio ac felly rydym yn croesawu dull sector penodol o dargedu newid.
- 2.3** Bydd yr hyn a ddysgwyd o'r Rhaglen Ôl-osod er mwyn Optimeiddio Llywodraeth Cymru yn bwysig wrth ddatblygu camau gweithredu yn y sector perchen-feddianwyr a'r sector rhentu preifat, ac eto mae'n rhaid cydnabod y gwahaniaethau hefyd. Er enghraifft, ansawdd cychwynnol gwahanol y stoc tai o gymharu â thai cymdeithasol.
- 2.4** Rhaid inni hefyd ystyried y sylfaen cwsmeriaid a phersonau gwahanol o fewn y farchnad perchnogion tai eang, yn amrywio o'r rhai sy'n debygol o weithredu waeth beth fo'r cymorth sydd ar gael a'r rhai y gallai fod angen mwy o gymorth arnynt, yn enwedig drwy gyngor ar ynni a mwy o gymhelliant.
- 2.5** Mae angen dull cyflawni wedi'i dargedu hefyd i ennill momentwm. Gall hyn fod fesul rhanbarth/Awdurdod Unedol, neu drwy ddadansoddiad o ardaloedd gyda dwysedd uchel o gyfraddau targed EPC. Gall cyflwyno cenedlaethol o'r dechrau wanhau effaith yn hytrach na thyfu mäs critigol.
- 2.6** I gefnogi hyn mae'r Banc Datblygu wedi cydweithio â Nesta i gynnal prosiect sy'n edrych yn benodol ar yr ystod o grwpiau defnyddwyr posibl. Mae'r gwaith hwn wedi'i wella gan astudiaeth mewnwelediad ymddygiad sy'n archwilio tueddiadau a theimladau mewn gwahanol gynigion ariannu a'u buddion canfyddedig. Bydd hyn yn helpu i ddeall ymddygiadau fel y rhai sy'n rhwystro gweithredu ar hyn o bryd a chymhellion posibl megis cysylltu â gwaith adnewyddu mwy lle mae cynnwrf gosod yn llai o broblem, er enghraifft.

Mae ymatebion gan sampl o 8,000 o berchnogion tai, 2,000 ohonynt yn Gymru, yn cael eu dadansoddi ar hyn o bryd a gellir rhoi adborth pellach yn sesiwn dystiolaeth y Pwyllgor ym mis Hydref.

¹ Financing Wales' Housing Decarbonisation, New Economics Foundation, 2021:
<https://neweconomics.org/uploads/files/Financing-Wales-Housing-Decarbonisation.pdf>

- 3. Y camau y dylai Llywodraeth Cymru eu cymryd i fwrw ymlaen â rhaglen ôl-osod ar gyfer y sectorau hyn yn y tymor byr, y tymor canolig a'r hirdymor**
- 3.1 Blaenoriaethau tymor byr** - Ar y cyd â Llywodraeth Cymru, mae Banc Datblygu Cymru yn canolbwyntio camau gweithredu tymor byr ar ddatblygu a lansio cynigion ariannu peilot a all brofi ac addasu wedyn i anghenion esblygol y farchnad. Mae anghenion cymhleth sy'n mynd i'r afael ag ôl-osod datgarboneiddio yn gofyn am dull symlach. Nid yw datrys yr holl faterion yn un ymarferol ac felly rydym o'r farn mai adeiladu cynyddrannol sydd â'r gallu i brofi a dysgu gwersi yw cam cyntaf y broses. Mae gwaith yn y maes hwn yn mynd rhagddo'n dda drwy gydweithio â Nesta a thrafodaethau parhaus â Llywodraeth Cymru ar ofynion ariannu. Bydd siapiro cynnig cyllid hybrid sy'n cyfateb elfen o grant gyda chyllid ad-daladwy yn cael ei gyflwyno i Lywodraeth Cymru ar ffurf Achos Busnes yn y misoedd nesaf yn unol â'u dymuniad i ymestyn y Rhaglen Ôl-osod er mwyn Optimeiddio i'r sectorau hyn.
- 3.2 Blaenoriaethau tymor canolig** - Er mwyn creu arlwy ymgysylltiol a chyfannol yng Nghymru, mae gwasanaeth cynghori ynni canolog yn gydran allweddol. Bydd hyn yn gofyn am adeiladu cylch gwaith gofalus, strwythuro, caffael, perchnogaeth, a chynllunio cyflawni sydd yn y pen draw yn awgrymu amserlen tymor canolig. Fodd bynnag, i gyflawni hyn, mae angen dechrau gweithredu ar unwaith. Gall y Banc Datblygu gefnogi datblygiad a chydlyniant y gwaith yma.
- 3.3. Blaenoriaethau hirdymor** - Cyflwyno map ffordd deddfwriaethol sy'n cryfhau'r gallu i effeithio ar nodau Sero Net mewn ffordd gyfiawn ac sy'n darparu cerrig milltir i ganolbwyntio ar gamau gweithredu.
- 4. Y prif heriau sy'n gysylltiedig â darparu rhaglen ôl-osod yn y sectorau hyn, gan gynnwys heriau ariannol, ymarferol ac ymddygiadol, a'r camau y mae'n rhaid i Lywodraeth Cymru (a'i phartneriaid) eu cymryd i'w goresgyn**
- 4.1** Mae nifer o heriau yn gweithredu fel rhwystrau i weithredu. Yn enwedig yng nghyd-destun defnydd effeithlon a doeth o arian cyhoeddus, mae'n hanfodol bod unrhyw gynnig o gymorth yn gadarn o ran ei effaith a'i ganlyniadau. Mae angen i'r rhwydwaith cymorth darniog presennol ddod yn fwy cydgysylltiedig gan gysylltu'r elfennau o gyngor, sgiliau, cyllid a chyflwyno. I gwsmeriaid, mae proses effeithlon a dealladwy yn hanfodol ar gyfer datgloi galw.
- 4.2 Gwasanaeth cynghori** - Un o'r gofynion allweddol wrth gyflwyno rhaglen ôl-osod gynhwysfawr yw'r ffaith bod cyngor cyson o ansawdd ar gael i helpu unigolion i ymdopi â chymhlethdodau'r technolegau a'r gofynion gosod. Mae peidio â gwybod ble i ddechrau yn broblem fawr ond atebol. Mae'r Alban yn gweithredu eu Gwasanaeth Ynni Cartref - sy'n cael ei redeg gan Energy Savings Trust - sy'n darparu adnodd canolog i unigolion sy'n cefnogi troi ymholiad a diddordeb yn weithredu. Os yw Cymru am gael effaith effeithiol yn y maes hwn, yna mae'n hanfodol bod adnodd cyngor canolog yn cael ei ffurfio. Yn yr amgylchedd presennol a chyfnod aeddfedrwydd y farchnad yn y maes hwn yng Nghymru, byddai'n briodol i hyn gael ei arwain gan Lywodraeth Cymru.

Fodd bynnag, mae gan hyn nifer o gyfyngiadau megis gofynion ariannu ac anghenion adnoddau. Er ei fod yn gost, bydd yn rhan annatod o ysgogi gweithredu yn y maes hwn. Rhai o'r materion a grybwyllwyd gan unigolion yw'r ddealltwriaeth a'r ymddiriedaeth yn y technolegau y maent yn eu gosod. Bydd cael 'stamp' gan y llywodraeth ar hyn yn helpu i leddfu pryderon. I gefnogi hyn mae angen dull clir a dealladwy o ymdrin â pholisi Llywodraeth Cymru yn y maes hwn gan nodi gweithgarwch cymwys. Ar gyfer y farchnad hon (perchnogion tai preifat a landlordiaid) cynigir bod hyn yn cael gwared ar unrhyw gefnogaeth ar gyfer gwella perfformiad presennol ynni o ffynonellau tanwydd ffosil ac yn canolbwyntio ar ddatgarboneiddio tŷ cyfan, gan gynhyrchu cynlluniau personol ar gyfer perchnogion tai gan fapio eu llwybr o ffabrig yn gyntaf hyd at gynhyrchu ynni. Rydym yn cefnogi'r gwaith sydd ar y gweill i ddatblygu pasbort adfer adeilad.

- 4.3 Cadwyn gyflenwi** - Mae cefnogi datblygiad y gadwyn gyflenwi trwy sgiliau a hyfforddiant yn fesur ymarferol y mae angen mynd i'r afael ag ef er mwyn meithrin arbenigedd yng Nghymru. Ochr yn ochr â hyn gall Banc Datblygu Cymru gefnogi microfusnesau i sefydlu neu ysgogi busnesau masnach presennol i feithrin gallu fel darparwr gosodiadau gwyrdd. Mae cynlluniau fel y Microgeneration Certification Scheme yn hanfodol ar gyfer lliniaru risg sicrwydd ansawdd. Mae angen i amddiffyniadau defnyddwyr fod yn ystyriaeth allweddol.

Mae'r adroddiad Y Llwybr at Sero Net Cymru, Adroddiad Cyngor 2020 gan y Pwyllgor Newid Hinsawdd yn nodi bod y 2020au yn gyfnod o ehangu. Mae'n rhaid i Gymru adeiladu cadwyni cyflenwi a marchnadoedd newydd ar gyfer cynigion carbon isel i ddefnyddwyr fel y gall y rhain ehangu o fod yn gynigion arbenigol i fod ar safon y farchnad.

- 4.4 Mesur effaith** - Wrth ddarparu cyllid cyhoeddus mae'n bwysig bod modd mesur effaith a chanlyniadau yn gywir. Mae angen i berchnogion tai gael mynediad at gymorth parhaus, ar ôl gosod, er mwyn sicrhau eu bod yn gwneud y defnydd gorau o dechnoleg ac mae angen ystyried sut y gellir ymgorffori systemau casglu data fel rhan o'r cynnig - a allai dyfais system ynni ddeallus fod yn amod o'r cyllid.

- 4.5 Argyfwng costau byw** - Mewn amgylchedd marchnad sefydlog mae'r baich dyled a'r ad-daliad hirdymor yn rhwystr. Gyda'r argyfwng costau byw ac ynni presennol mae hyn, i lawer, yn rhwystr llwyr i fuddsoddiad yn y maes hwn. I'r rhai sy'n dal i allu ymrwymo i welliannau datgarboneiddio mae hyn yn debygol o fod ar ben cyfoethocach y farchnad gallu talu. Os yw'r rhain yn darparu'r symudwyr cyntaf ni ddylid ystyried hyn yn negyddol.

Mae'n bwysig hefyd bod y cynnig yn ymateb i amodau'r farchnad ar y pryd. Er ei bod yn bosibl y bydd rhai'n gallu gosod gwaith uwchraddio sy'n canolbwyntio ar ddatgarboneiddio ar hyn o bryd, i'r mwyafrif llethol effeithlonrwydd ynni yw'r angen. Dylai darparu mynediad â chymorth at gyllid i gymryd camau i leihau biliau uniongyrchol fod yn rhan annatod o'r cynnig cynnar.

Yn ogystal, cyflwynir her bellach o ran lefel y cymorth sydd ei angen drwy arian cyhoeddus. Mae'n hanfodol bod cyfleoedd i integreiddio gwahanol fathau o gyllid yn cael eu harchwilio

gan gynnwys cyllid Rhannu Ffyniant ar lefel ranbarthol ar gyfer elfennau cyngor neu grant. Gall y Banc Datblygu gefnogi Llywodraeth Cymru yn yr ymgysylltiad hwn ag Awdurdodau Lleol.

5. Sut y gellir taro'r cydbwysedd cywir rhwng dylanwadu/cymell perchnogion tai a landlordiaid yn y sector preifat i ôl-osod eu heiddo a rheoleiddio i godi safonau i ysgogi cynnydd.

5.1 Hyd nes y cyflwynir deddfwriaeth, bydd y gallu i gymell ac ysgogi gweithredu yn y sector hwn yn gyfyngedig. Mae hyn yn rhannol oherwydd agweddion 'dim angen' i weithredu, yn enwedig lle mae angen gwariant personol ac yn rhannol oherwydd yr ansicrwydd ynghylch pa ddeddfwriaeth y gellir ei chyflwyno a gweithredu cyn y gellir deall hynny'n llawn.

Yn amlwg, bydd angen trawsnewid hyn, gan ganiatáu amser i berchnogion eiddo addasu, fodd bynnag po gyntaf y datblygir map ffordd ar ffurf deddfwriaeth yn y dyfodol, y mwyaf o hyder fydd gan unigolion i weithredu a pharatoi ar gyfer y dyfodol.

5.2 Yn y cyfamser, fodd bynnag, y sbardun allweddol ar gyfer dylanwadu a chymell gweithredu fydd trwy'r cynigion cyllid sydd ar gael i berchnogion tai yng Nghymru. Fel y darparwr conglfaen ar gyfer offerynnau ariannol i Lywodraeth Cymru, mae'r Banc Datblygu ar hyn o bryd yn asesu'r pecyn cymorth a fydd yn gweddu i anghenion marchnad Cymru. Mae angen ystyried hyn wrth ystyried yn uniongyrchol yr heriau a restrir yn 4 uchod.

Yn ddiamau, hyd yn oed gyda'r defnydd o fecanweithiau gan gynnwys gwyliau ad-dalu, benthycu cysylltiedig â thalu'n ôl, llog o 0% a chyfalaf cleifion hirdymor, bydd angen cataleiddio camau gweithredu drwy argaeledd cyllid grant ochr yn ochr â benthycu ad-daladwy. Yn enwedig ar y pwynt hwn lle mae gweithredu'n hanfodol i adeiladu momentwm, mae'n rhaid i Lywodraeth Cymru gydnabod y gofyniad i sicrhau bod cyllid cyfalaf craidd ar gael fel rhan o'r cynnig. Trwy ddyluniad, sicrhau mai dyma'r lleiafswm sydd ei angen i greu pecynnau cyllid hyfyw gan sicrhau gwerth am arian.

5.3 Gan gydnabod cymhlethdod yr her sydd o'n blaenau, bydd angen ystyried atebion pellach i adeiladu ystod o gymorth. Mae nifer o archdeipiau ymyrraeth y gellid eu treialu yn y sector perchen-feddiannwyr a'r sector rhentu preifat yng Nghymru uwchlaw'r model grant/benthycu hybrid arfaethedig, megis morgesei gwyrdd neu ryddhau ecwiti gwyrdd.

5.4 Dylai pwynt tyngedfennol ddod pan fydd costau technoleg yn disgyn ac yn cwrdd â gwerth cynyddol gwelliannau yn y farchnad ond nid yw hyn yn mynd i ddigwydd yn y tymor byr ac felly mae pecynnau cyllid cefnogol yn hanfodol i weithredu.

5.5 Bydd sefydlu neu alinio gyda set o egwyddorion cyflawni y cytunwyd arnynt yn ffactor pwysig wrth greu cynnig effeithiol a chytbwys. Mae egwyddorion cyllid ôl-osod y Sefydliad Cyllid Gwyrdd yn enghraifft dda o hyn lle amlygir pedair elfen gyflawni fel defnydd diffiniedig o enillion (neu gymhwysedd), gwerthuso a dethol prosiectau (effeithlonrwydd ynni wedi'i ddangos), rheoli enillion (olrhain offerynnau ariannol yn glir er mwyn sicrhau tryloywder) ac adrodd (amser real ac wedi'i wirio

5.6 Fel rhan o ddadansoddiad parhaus y Banc Datblygu o'r farchnad mae'n bwysig parhau i ymgysylltu â chyrff fel y UK Infrastructure Bank, y Carnon Trust, a'r Green Finance Institute yn ogystal â pharhau i nodi gwersi arfer gorau o gynlluniau mewn rhanbarthau eraill er budd Cymru – fel y cynllun llwyddiannus a sefydledig sy'n cael ei redeg gan KfW yn yr Almaen. Mae hyn hefyd yn amlwg yn cynnwys ymgysylltu'n agos â Llywodraeth Cymru ar yr hyn a ddysgwyd a'r canlyniadau o'r Rhaglen Ôl-osod er mwyn Optimeiddio.

6. Effeithiolrwydd y camau y mae Llywodraeth Cymru yn eu cymryd i geisio dylanwadu ar benderfyniadau ar faterion a gedwir yn ôl i gefnogi'r gwaith o ddatgarboneiddio'r sectorau hyn.

6.1 Un o'r cynlluniau a nodwyd fel rhan o'n hymchwiliad i'r hyn a ddysgwyd o ranbarthau eraill oedd y model Property Assessed Clean Energy model neu PACE. Mae hyn yn darparu model arloesol lle mae gwelliannau eiddo yn gysylltiedig â'r eiddo yn hytrach na'r unigolyn. Bydd y rhwymedigaeth ad-dalu felly yn trosglwyddo gyda pherchnogaeth yr eiddo yn mynd i'r afael â rhwystr allweddol sef bod perchnogion yn amharod i wneud gwelliannau os nad ydynt yn credu y byddant yn yr eiddo yn ddigon hir i elwa ar yr arbedion ar ôl ad-dalu.

Y mater fodd bynnag yw'r gofyniad i sianelu'r ad-daliad drwy lwybrau'r dreth eiddo, a'r mwyaf amlwg yw'r dreth gyngor. Mae hyn felly yn gofyn am lwfansau deddfwriaethol a phwerau datganoledig i greu mecanwaith i gyflawni hyn, yn ogystal ag adnoddau llywodraeth leol i weithredu.

Mae'r Banc Datblygu wedi cysylltu â'r Green Finance Institute ar eu gwaith yn y maes hwn a bydd yn parhau i wneud hynny wrth iddynt dreialu prosiect gyda'r Greater Manchester Combined Authority fel achos prawf.

Er mwyn i hyn ddod yn ddatrysiad gweithredol posibl i Gymru, fodd bynnag, mae'n bwysig i'r meysydd llywodraeth sy'n gallu, ystyried a dylanwadu ar yr ystyriaethau deddfwriaethol angenrheidiol ac yn cael eu dwyn i mewn i drafodaethau i ddeall dichonoldeb ac ymarferoldeb hyn. Byddwn yn barod i gyfrannu at y trafodaethau hyn fel y bo'n briodol.

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
Datgarboneiddio'r sector tai preifat / Decarbonising the private housing sector
DH2P_24
Ymateb gan / Evidence from Generation Rent

August 2022

Summary

Generation Rent welcomes the opportunity to contribute to this inquiry. We represent the 13 million people in the United Kingdom who live in the private rented sector (PRS), and campaign for affordable, safe and secure homes.

Private rented homes in Wales are less likely to have adequate energy performance than other tenures, though the evidence on this is patchier than in England, and it is difficult to see what effect Minimum Energy Efficiency Standards (MEES) have had (even though they are, in principle, an essential part of the policy solution).

Private renters are therefore more likely to live in poorly insulated homes and are more vulnerable to rising energy prices. A home with energy performance certificate (EPC) at Band E could cost a tenant £1309 more than a home with EPC Band C. There is little action the tenant can take to improve the quality of their home and reduce their energy use and bills.

There is little incentive for private tenants to ask for improvements to their property. Even if the landlord were to carry them out, or the tenant were eligible for a grant, there is little stopping the landlord from subsequently raising the rent or evicting the tenant to realise the improved value of the property.

While the Nest grant scheme appears to be relatively well-targeted at the PRS, with PRS homes overrepresented in its beneficiaries, it could be made more appealing for tenants to apply for. Grants are likely to be one of the only ways that it will be economical for many PRS homes to be retrofitted when minimum standards are increased. For this reason, tenants need assurance that applying for one is worthwhile, so need protection from no-fault eviction and unaffordable rent increases that could see the landlord capturing the benefits instead.

A more user-friendly grants system would act as something of a carrot for landlords, but the proposed stick of higher MEES must be made effective by making tenants eligible for compensation if they find themselves living in a home that fails the standards resulting in higher bills. The government should also consider making funding available to purchase homes with poor energy performance being sold by landlords, and to carry out targeted insulation projects on streets where economies of scale are possible.

For further information, please contact Dan Wilson Craw, Deputy Director of Generation Rent

The scale of the challenge

Public data tell us relatively little about the energy performance of buildings in Wales. According to StatsWales, just 42% of PRS homes had adequate energy performance – the same proportion of

owner-occupied homes and far fewer than the social sector where 69% were adequate according to the Welsh Housing Conditions Survey 2017/18.¹

StatsWales also provides a tenure breakdown of energy savings measures as at 2014-15. Private rented homes were less likely to have insulation compared with other tenures. Just 28% of PRS homes had insulated solid walls compared with 31% of owner-occupied homes, 62% had insulated cavity walls compared with 75% of owner occupied homes and 88% had loft or roof insulation compared with 95% in the owner occupied sector.²

The UK Department for Levelling Up, Housing and Communities produces live tables on energy performance of homes.

Of the 1,194,430 energy performance certificates (EPC) lodged for homes in Wales in 2009-21, 422,958 were rated A-C – or 35%. This figure increased from 35% of EPCs lodged in 2009 to 45% in 2021. However, there is no breakdown by tenure, so we cannot see what improvement has been made in the PRS in that time. (It is also not clear what relationship “adequate energy performance” from the Welsh Housing Conditions Survey has with EPC bands.)

We do know that there were 200,289 EPCs lodged for rental properties in Wales between 2013 and 2021.³

In comparison, the English Housing Survey tells us how many PRS homes have each EPC band, and we can see how this has changed over the years. We also have more up to date figures about how many PRS homes have characteristics such as central heating, solid walls, etc.

Requirement to provide an EPC

Landlords must provide an EPC to prospective tenants with a minimum of Band E in order to let the property. There is little evidence to date that indicates whether tenants are using EPC ratings to decide whether to apply for a tenancy, which might put landlords under pressure to make improvements. Prior to this year, energy costs, and the differences in energy costs between EPC bands, have been relatively small compared with the rent on a given property – typical costs being £100 per month on energy compared with £600 on rent (roughly the mean rent on a 3-bed home, according to StatsWales⁴).

This year and in the future, we may see more interest in EPC bands from prospective tenants now that average energy bills are heading towards £350 per month, and the Energy and Climate Intelligence Unit (ECIU) suggests that the difference in gas costs between an F and a C could reach £986 (£82 per month) based on current projections⁵.

One difficulty facing tenants who wish to make an informed decision is that it is not clear whether information on the EPC relating to estimated energy costs is reflective of the latest price cap, making it difficult to make a comparison.

¹ <https://statswales.gov.wales/Catalogue/Housing/Housing-Conditions/percentageofdwellingwithadequateenergyperformance>

² Tables available at <https://statswales.gov.wales/Catalogue/Housing/Housing-Conditions>

³ Tables D1 and D4b available here <https://www.gov.uk/government/collections/energy-performance-of-buildings-certificates>

⁴ <https://statswales.gov.wales/Catalogue/Housing/Private-Sector-Rents>

⁵ <https://eciu.net/media/press-releases/2022/poorly-insulated-homes-to-pay-1-000-more-on-gas-bills-this-winter>

Minimum Energy Efficiency Standards

It is difficult to know what impact the minimum energy efficiency standard (MEES) of E for private rented homes has had in Wales. We do know that in England, few councils have used their powers extensively to target landlords with F- and G-rated properties.⁶

Beyond their energy bills, there is little incentive for tenants to take an interest in whether their landlord is compliant with MEES. They are not protected from a no-fault eviction if they complain and there is no clear mechanism to seek compensation for paying excessive energy bills. Given how easy it is to find one's EPC online, this could be a powerful source of information if the right incentives are there.

Raising the MEES to Band C is essential and we are disappointed that the UK government has not confirmed the details of this, more than 18 months after its consultation on the proposal ended. According to the ECIU, the average energy bill savings available for bringing Band E properties up to C are £1,309 per year and £598 year for Band D properties.

We are concerned that exemptions based on landlords having to spend more than a certain cap in order to meet the MEES will leave tenants paying higher bills with no extra support. Although grants may be available for lower income households, this may not be clear to the tenants in question.

Grants

There are sources of funding for improving private rented homes. The ECO scheme was launched in 2013 and renewed in July 2022. Private renters in receipt of means-tested benefits (or vulnerable in some other way) and living in poorly insulated homes are eligible as well as home owners. There are no obligations on the landlord in terms of providing the tenant with extra security of tenure and keeping rent at the original level.

According to an answer to a parliamentary question in 2022, a total of 321,000 private rented homes had been improved under the ECO scheme since its launch. This amounted to 14% of the total number of homes improved under the scheme in Great Britain as a whole.⁷ As a proportion of the private sector housing stock PRS homes represent about 23%, indicating that the PRS is underserved by the ECO scheme. We do not have a breakdown for Wales.

The Welsh Government Nest scheme has been in place since 2011. It has similar eligibility criteria for private renters, but also requires that the tenant has been in the property for at least six months and will remain there for at least six months, and that the landlord does not raise the rent before 12 months is up. Landlords are also limited in terms of how many properties can be upgraded using the scheme.

According to Nest's latest annual report, 21% of households receiving a home energy efficiency improvement package were private renters. This is a higher proportion of the private sector housing stock than the proportion that the PRS comprises (17% according to StatsWales⁸).

It is therefore apparent that the Welsh government Nest scheme has been more effective than the industry-led ECO scheme at targeting the PRS.

⁶ https://www.generationrent.org/illegal_rentals_costing_tenants_321m_extra_in_energy_bills

⁷ <https://questions-statements.parliament.uk/written-questions/detail/2022-01-27/113044>

⁸ <https://statswales.gov.wales/Catalogue/Housing/Dwelling-Stock-Estimates/dwellingstockestimates-by-year-tenure>

However, we believe that the eligibility requirements of the Nest scheme do not have the tenants' best interests at heart. We have heard anecdotally that some landlords upgrade their properties using a Nest grant only to then evict the tenant after the fixed term of the tenancy ends (which can be as soon as six months). Under the Renting Homes (Wales) Act, a landlord could serve six months' notice to quit as soon as the tenant applies for the grant. This allows the landlord to then re-let the property at a higher rent or sell the property, pocketing the extra value that the grant has brought. We note that it is also possible to do this under the ECO scheme. In allowing this to happen, the schemes are funnelling money to unscrupulous landlords and the tenants lose out, particularly as they are then unable to access grants in a future property.

The possibility of being asked to leave so soon after getting your home retrofitted is likely to deter many tenants from applying for a grant in the first place. Many landlords would sooner sell the home than pay for the upgrades themselves, so giving tenants more reason to apply for grants is one of the most important things the government can do to retrofit the PRS. To give tenants certainty, they should enjoy a long period where their landlord cannot evict them on no-fault grounds. A five-year protected period, for example, would leave the tenant to enjoy reduced energy bills; most landlords would accept this if they were not planning to exit the market and would otherwise face a fine for failing MEES.

Another risk is that the landlord could seek the benefit of the grant by raising the rent to take advantage of the tenants' new found savings on utility bills. It may be possible to challenge this at Tribunal, which may take the grant into account when determining the rent, so that the landlord does not capture the benefit the grant provides. For example, the market value of a Band C property might be £700 per month, but the Tribunal could rule that because £100 of that value arose due to public money rather than the landlord's own investment, the rent for the tenant should be £600 per month. But it is not clear whether the Tribunal is indeed in a position to rule in this way. Guidance states that "The [Rent Assessment] Committee must ignore any effect that certain qualifying tenant's improvements would otherwise have on the rental value of the property. This is to prevent the landlord from benefiting from the improvements by way of a higher rent."⁹ But it is not clear whether grant-funded improvements would qualify.

Moreover, very few private tenants use the Tribunal, particularly as it is easy for landlords to use the threat of a no-fault eviction to raise the rent. The fear of the rent being increased is one of the most common concerns tenants have about energy efficiency improvements.¹⁰

Challenges and striking the right balance

There are several challenges facing a retrofit programme: compelling the landlord to act, understanding the scale of the problem, and making sure that public money is used to improve the quality of life of tenants rather than commercial landlords. These have been set out above but we will comment a bit further.

The main reason for the landlord to improve their property would be to avoid penalty as a result of enforcement. There are more positive reasons to act: providing better quality homes compared with their competitors will allow them to charge a higher rent, and if they decide to sell or remortgage,

⁹ See page 6 <https://residentialpropertytribunal.gov.wales/sites/residentialproperty/files/2021-05/RAC-G2.pdf>

¹⁰ Nearly half of private renters (48%) who took part in a Generation Rent research project said the threat of a rent increase would deter them from asking for energy efficiency improvements https://www.generationrent.org/heat_our_homes_not_the_planet

the value would be higher than if the property was still poorly insulated. But the benefits of this are not immediate and may not be obvious given the costs involved.

Although retrofitting PRS homes reduces energy use and carbon emissions, and although the Nest scheme in particular seems to be effective at targeting this at the PRS, the grant schemes are not targeted well enough at private renters in fuel poverty, given how easy it is for landlords to capture the benefits.

If there were clearer benefits for private renters, then more of them would seek out and claim the grants they are eligible for and both they and the planet would benefit. This would help more landlords comply with the new MEES requirements and so assuage fears that many have.

Even with a well-designed grant programme, once the new MEES is introduced many landlords may still decide to exit the market and sell up. This might include landlords whose tenants earn too much to qualify for grants. The first effect of this would be for the price of EPC Bands D-E (and F-G) properties to fall in relation to A-C properties. This would then make those lower-band properties more appealing to landlords with the capital to make their own investment in the property, or owner occupiers either with the savings to invest or the low income that made them eligible for the grant schemes. Given the inaccessibility of home ownership to huge sections of the population, we are sceptical that many potential buyers would qualify for grants, which would depress house prices further (though we believe Wales contains more areas with low incomes and affordable house prices than many English regions). However, there could be a role for public or philanthropic landlords to purchase the homes instead, particularly where there is a local need for more social housing.

Some landlords might switch to holiday lets, though we note recent Welsh government policies aimed at discouraging this. It is too early to tell whether they are sufficient to mitigate this risk.

Practically, we know that solid wall insulation is one of the most expensive measures to pursue as part of a retrofit, but that economies of scale mean that it is cheaper if more homes are treated at the same time, such as on terraced streets.

Recommendations

To address these challenges, the Welsh government should:

- Amend the Renting Homes (Wales) Act to prevent landlords whose property is upgraded with an ECO or Nest grant from evicting the tenant on no-fault grounds for an extended period (e.g. five years) to give the tenant assurance that getting the grant is worthwhile.
- Clarify whether, in the context of a market rent assessment at Tribunal, a retrofit grant protects the tenant from paying the full market rent on the property – and legislate to provide this protection if necessary.
- Introduce compensation to the tenant for living in a property that fails MEES. This could be based on the Rent Repayment Order that exists in England for licensing offences.
- Set aside public funds to purchase private rented homes at EPC Band D or below that are listed for sale, invest in retrofitting them and make them available as social housing.
- Develop a programme that upgrades solid wall properties street by street, providing grants or other incentives for property owners who take part, depending on tenure and their ability to pay.

Decarbonisation of housing: decarbonising the private housing sector

19th August 2022

About the NRLA

1. The National Residential Landlord Association (NRLA) thanks the committee for the opportunity to comment on the delivery of decarbonisation of housing in Wales.
2. The National Residential Landlords Association is the UK's largest membership organisation for private residential landlords, supporting and representing over 95,000 members. The association was created from the merger of the RLA and NLA in April 2020. NRLA members range from full-time landlords running property portfolios to those letting single bedroom flats.
3. We help our members navigate these challenges and proudly offer some of the most comprehensive learning resources and market-leading intelligence available in the sector. We seek a fair legal and regulatory environment for both landlord and tenant and actively lobby the Government on behalf of our members.
4. We thank the committee for the opportunity to answer the following questions.

1. the current approach to decarbonising housing in the private rented and owner-occupied sectors in Wales, including the effectiveness of existing programmes and support for retrofit;
- The private rented sector is governed by Minimum Energy Efficiency Standards which are legislated for from Westminster. There was a consultation which closed in

January 2021 which looked at increasing the Minimum Energy Efficiency Standards alongside the introduction of a carbon metric.

- There currently is no minimum standard for decarbonisation for the private rented sector, the sector is regulated by Energy Efficiency, via the Energy Performance Certificate (EPC). The current target is an E for energy efficiency within the EPC. The consultation which closed last year has proposed either an Environmental Impact Rating of a C or an Energy Efficiency rating of a C for new tenancies from April 2025 and all tenancies from April 2028
- There is no programme for the private rented sector in relation to decarbonisation.
- There is limited support for those around energy efficiency, but this is based on low-income households. These support programmes are based on the tenant and not the building or landlord. In many situations a landlord will not know the finances of individual tenants, therefore will not apply.

2. the role of sector specific retrofit targets to help drive change;

- Properties change sector regularly; a private landlord may rent a property to a local authority, who use it for social housing. An RSL may use a property as a private rent then for social rent, equally a property may be rented out for a year because a person has a job overseas for a defined period such as a year, and then it will revert back to owner occupier. To have different targets for each sector could cause confusion and problems, especially when targets will be set outside of Welsh government competency.
- Clarity on targets short term and long term will be required to avoid inappropriate measure being installed and then needing replaced. This is not only expensive but losses support for decarbonisation.
- To set targets which will be dependent on other areas not covered by Welsh Government also poses a problem. The private rented sector is governed by the Minimum Energy Efficiency Standards, which are set in . This will look at the environmental (carbon) impact of properties, in the future. But to use a different target for different sectors will create confusion.
- This is still subject to the future energy grids strategy along with the future energy mix. With an unknown energy mix moving forward, it is a challenge to predict what specific targets will be required. We do support the improving of the fabric of building first before moving to heating systems. Thus, the retrofit target should be first looking at people moving the properties to the best fabric position they can be before looking at heating.

3. actions the Welsh Government should take to progress a programme of retrofit for these sectors in the short, medium and long term;

- There is a lack of knowledge of where every house is on the journey to zero carbon in Wales, or even energy efficient.
 - A survey of all housing in Wales should be undertaken. This would give a base line from which decisions can be made, which would be based on evidence from the survey. This would give an understanding of the scale of the retrofit challenge and allow for the development of the skills and resources that are required as well as an indication of scale of retrofit required.
 - It is only from doing this that a meaningful plan short, medium and long term can be made.
4. the key challenges of delivering a programme of retrofit within these sectors, including financial, practical and behavioural, and action required from the Welsh Government (and its partners) to overcome them;
- There is a lack of understanding of what the challenges are and what the move to decarbonisation will look like. That is why a property passport giving a road map for each property will allow people to understand what they need to do, and they can plan for this.
 - The issues such as finance, practicalities and behaviour change would flow from renovation passports as they will give an indication of what needs to happen. From this it will allow people to budget and plan for what the changes will be.
5. how the right balance can be struck between influencing/incentivising home owners and private sector landlords to retrofit their properties and regulating to increase standards to drive progress;
- Regulations for the private rented sector sit within MEES and we await the outcome of the consultation.
 - Any policy has to be balanced in the private rented sector between costs and affordability of the tenants. An increase in rents during a period of fiscal tightening would not be to the advantage of households in Wales.
 - A pathway to net zero needs to be made and how it will be funded and incentivised.
 - Tax breaks such as the landlord energy saving allowance needs to be re-introduced along with support around planning, building regulations and access.
 - Reform of the planning system to support change in building, to achieve the targets especially around windows and external wall insulation.

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
Datgarboneiddio'r sector tai preifat / Decarbonising the private housing sector
DH2P_23
Ymateb gan / Evidence from Property Mark

August 2022

Background

1. Propertymark is the UK's leading professional body of property agents, with over 18,000 members representing over 12,800 branches. We are member-led with an executive Board of practicing agents who we work closely with to ensure that we uphold high-standards of professionalism and are able to advocate for legislative change on behalf of the sector.

Questions

The current approach to decarbonising housing in the private rented and owner-occupied sectors in Wales, including the effectiveness of existing programmes and support for retrofit;

2. Propertymark supports the Welsh Government's aims of achieving net zero by 2050 and all new homes in Wales to be heated and powered from clean energy sources from 2025¹. However, support for private rented and owner-occupied sectors in Wales have not been effective. This is due to three factors. Firstly, despite owner-occupiers and private landlords owning more than 80% of all Welsh homes², the current retrofit approach in Wales has focused on social housing only through the Optimised Retrofit Programme.³ Secondly, support for the private rented sector has only focussed on low-income families through the Nest funding.⁴ Thirdly, unlike the UK Government's Green Homes Grant scheme, the Welsh Government have not provided any grant support to landlords to meet energy efficiency targets set out in law, and homeowners to make improvements. The Green Homes Grant scheme is only applicable to landlords in England, and there is no equivalent scheme in Wales.⁵ For the private rented sector in England and Wales under

¹ <https://gov.wales/all-new-homes-wales-be-heated-and-powered-clean-energy-sources-2025>

² <https://gov.wales/independent-review-decarbonising-welsh-homes-report>

³ <https://gov.wales/optimised-retrofit-programme>

⁴ <https://nest.gov.wales/>

⁵ <https://www.gov.uk/guidance/apply-for-the-green-homes-grant-scheme>

the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015⁶ and subsequent amended legislation, it is only four years since rules came into force to ensure all private rented tenancies meet Energy Performance Certificate (EPC) Band E, but the UK Government is now proposing going to Band C by 2025.⁷ This further increases the urgency to which support for retrofit needs to be enacted. The housing stock in Wales is the oldest in the UK with many properties dating from pre-1919, and of single wall construction. Both the Welsh Government and the UK Government must understand that private landlords and homeowners have little access to funding outside of their own income to make high-cost energy efficiency improvements to their properties. Consequently, ambition and setting targets for improving energy efficiency are meaningless if opportunities and support are not offered to achieve them.

The role of sector specific retrofit targets to help drive change

3. The introduction of sector specific retrofit targets must account for the diversity in housing stock across Wales including in urban and rural areas. Well-insulated property is very energy efficient and will need very little additional heating and cooling, but housing stock differs from region to region. The Climate Assembly UK report notes that, “different properties may need different solutions – e.g. old versus new houses’ and that energy efficiency ‘needs to be individualised – solutions need to suit different households’”.⁸ To this end, the Welsh Government need to approach requirements for decarbonising housing based on the properties’ age, location and construction. This way the Welsh Government can target grants and funding support based on the archetype of a property rather than its tenure.

Actions the Welsh Government should take to progress a programme of retrofit for these sectors in the short, medium and long term;

Short term

4. In the short term, the Welsh Government must do two things. Firstly, create a long-term policy framework and route map to 2050 for retrofitting property for the private rented and owner-occupied sectors. The route map must provide confidence and trigger private investment from property owners and financial institutions. Secondly, the Welsh Government must build up the supply chain in terms of materials and equipment as well as upskill the existing workforce

⁶ <https://www.legislation.gov.uk/uksi/2015/962/contents/made>

⁷ <https://www.gov.uk/government/publications/heat-and-buildings-strategy>

⁸ <https://www.climateassembly.uk/report/read/final-report.pdf>

to ensure the targets set out in the long-term policy framework can be delivered. In November 2020, it was acknowledged by the Welsh Government that 15,000 new jobs could be created to deliver a green low carbon economy in Wales.⁹

Medium term

5. In the medium term, the Welsh Government must embark on a national communications campaign for tenants, landlords and owner-occupiers. A central part of enabling a retrofit revolution on the path to net zero will be adequately conveying the wider benefits to homeowners and landlords. Aside from helping tackle the climate crisis, benefits of improving the energy efficiency of the nation's housing stock include the cost savings on household bills. The views of landlords and owner occupiers will play a significant role in the success of retrofitting – a challenge in this area includes the readiness of homeowners and landlords to go through the process in the first place. Whatever the benefits of retrofit are in the long term, many people would be concerned with the more immediate and medium-term impacts on their lives. Results from Climate Assembly UK's findings into public perceptions of retrofitting homes showed that, in addition to the costs involved, major concern lay with the scale of disruption they would experience throughout the process.¹⁰

Long term

6. In the long term, the Welsh Government must do three things. Firstly, create customer demand for retrofitting by introducing a mechanism for landlords and owner occupiers to understand building renovation plans for their properties. This should include linking incentives to retrofit with other works or points of major renovation at a property. Secondly, introduce sustained finance through grants and delivery programmes. Thirdly, create and enforce an industry culture that ensures all jobs are done to high standards.

The key challenges of delivering a programme of retrofit within these sectors, including financial, practical and behavioural, and action required from the Welsh Government (and its partners) to overcome them;

7. We believe there are four challenges of delivering a programme of retrofit within these sectors. Firstly, in areas with low-viability properties the greatest challenge is with

⁹ <https://gov.wales/written-statement-optimised-retrofit-programme-2020-21>

¹⁰ <https://committees.parliament.uk/publications/5171/documents/52521/default/>

incentivising landlords and homeowners to take up the task of retrofitting their properties. Retrofitting, and the prices involved in doing so, remain the same regardless of geography. However, what does not is the value of property. Putting this into perspective, the same energy efficiencies demanded by the transition to a net zero economy, including wall insulations and heat pump fittings, will need to be undertaken to an equal extent in a terrace house located in Ebbw Vale with an average house price of £115,972 as one in Cowbridge with an average price of £461,417. Given the costs of retrofitting are in the tens of thousands, if the challenge of how to effectively to support retrofit properties in low value areas is not met, a divide risks being created. Secondly, there is the challenge of boosting local economic growth and place prosperity through providing opportunities for high-skilled green jobs as well as boosting local SME involvement in retrofit. Thirdly, there appears to be low awareness of current and past retrofit targets, as well as a lack of clear and concise information on how to meet these targets and the support available in doing so. Fourthly, there is a split incentive in that because landlords do not pay energy bills themselves, they do not benefit directly from the energy savings that would justify undertaking the task of retrofitting. Adding to this are the high upfront costs, which significantly impacts those landlords owning properties with lower value.

Action required

8. There are three actions the Welsh Government and its partners can take to help overcome these challenges. Firstly, provide clearer incentives and long-term clarity on timelines to ensure retrofitting can be achieved in the private rental sector and for homeowners. For example, Rent Smart Wales¹¹ have a knowledge of the makeup of the private rented sector in Wales. They are ideally positioned to build on the best practice from Welsh Government's Optimised Retrofit Programme and produce a map of the skills and work required to retrofit the private rented housing stock in Wales. Secondly, provide details of a localised funding mechanism for retrofit to help authorities in areas with low-viability housing achieve targets. For instance, the Development Bank of Wales¹² could provide loans, learning the lessons from the Green Deal that interest rates are not set too high and that the savings from the works should contribute towards the loan repayment. Thirdly, the strategy the Welsh Government takes to retrofit the private rented and owner-occupied sectors must be coordinated with planning decisions and form part of a joined-up approach to the nation's housing stock.

¹¹ <https://rentsmart.gov.wales/en/home/>

¹² <https://developmentbank.wales/>

How the right balance can be struck between influencing/incentivising homeowners and private sector landlords to retrofit their properties and regulating to increase standards to drive progress;

9. We believe that the right balance can be struck by taking a localised approach to tackling the retrofit challenge. This way the Welsh Government can develop a place specific understanding of the requirements for retrofit and identify opportunities to support homeowners and private sector landlords as well as upskill and retrain the local labour market to enter this market and emerging low carbon markets that will be a cornerstone of the net zero economy.

How effective the Welsh Government is influencing decisions on reserved matters to support decarbonisation of these sectors.

10. It is difficult for the Welsh Government to influence decisions and policy led by the UK Government such as the energy efficiency regulations. However, we urge the UK Government and the Welsh Government to continue to communicate and work together to provide solutions that account for localised needs.

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
Datgarboneiddio'r sector tai preifat / Decarbonising the private housing sector
DH2P_26
Ymateb gan Cyngor Adeiladu Gwyrdd y DU / Evidence from UK Green Building Council

UKGBC response to Welsh Government Call for Evidence

22 August 2022

Introduction

UK Green Building Council (UKGBC) is an industry network with a mission to radically improve the sustainability of the built environment, by transforming the way it is planned, designed, constructed, maintained and operated. As a charity with close to 700 member organisations spanning the entire sector, we represent the voice of the industry's current and future leaders who are striving for transformational change. We also work closely with local authorities across the country to support their efforts to decarbonise their built environment and in particular their housing stocks.

We welcome the opportunity to give evidence to the Climate Change, Environment and Infrastructure Committee.

- ***The current approach to decarbonising housing in the private rented and owner occupied sectors in Wales, including the effectiveness of existing programmes and support for retrofit;***

We welcome efforts by the Welsh Government to decarbonise homes, particularly the 'Optimised Retrofit' programme which seeks to support RSLs and LAs to decarbonise their own housing stock. We believe this represents a good model for England to follow. We also understand that there are plans to evolve the Optimised Retrofit programme to enable it to support the owner occupied sector and private rented sectors. We believe this approach is vital as currently we are unaware of any government led activities in place for those sectors. This means that even those homeowners/landlords that are motivated to act, and have means or access to finance, frequently fail to improve their homes' energy performance - a fundamental problem but also an opportunity (see below).

We recognise that the Welsh Government is dependent on Westminster for much policy in this space (such as Minimum Energy Efficiency Standards (MEES) legislation. However we believe there are actions that the Welsh Government can undertake to drive forward action on retrofit, as well as lobbying Westminster to provide a the necessary policy framework at the national level.

- ***The role of sector specific retrofit targets to help drive change;***

UKGBC sees a vital role for sector specific retrofit targets to help drive change in this sector. The built environment is responsible for 1 in 5 tonnes of carbon emissions in the UK and the Committee on Climate Change estimates that nearly 2 homes every minute will need to be retrofitted between now and 2050 across the UK.

Spiralling energy bills and the cost of living crisis have brought into sharp focus the need to retrofit existing homes, in order to insulate householders from further price rises, as well as meet our net zero targets.

Furthermore the recent heatwaves have highlighted the need to ensure our homes are fit for habitation in a rapidly changing climate with a greater frequency of extreme weather events.

We are calling on Westminster to introduce the following regulatory measures:

- A clear trajectory for improving the MEES for the domestic private rented sector to EPC Band C (or equivalent) by 2030;
- A mandatory minimum EPC (or equivalent) rating of C for owner-occupied homes at the point of sale.

We also believe that work is needed to identify the optimum percentage reduction in space heating demand by archetype alongside the optimum ways of providing powering and heating homes through renewable energy.

Without this underlying analysis of our housing stock and a comprehensive 'National Retrofit Strategy', each local authority, housing association, landlord and individual householder is left to work out for themselves how far they should be going on retrofit to achieve 'best carbon/energy saving bang for buck'.

The Welsh Government could undertake this analysis in advance of the UK Government and develop a Welsh Retrofit Strategy. This would ensure that all policy making and target setting is underpinned by technical analysis, and a clear understanding of the role of home retrofit in meeting Wales's Net Zero target, as well as other relevant targets around fuel poverty, job creation etc.

- **Actions the Welsh Government should take to progress a programme of retrofit for these sectors in the short, medium and long term;**

The Welsh Government should take steps to ensure there will be long term householder demand for retrofit, and build the necessary skills to deliver retrofit in tandem with rising demand. This is especially important as the retrofit industry has been badly damaged by stop-start programmes and funding streams and needs to be rebuilt.

In 2019 UKGBC and partners launched '[Accelerator Cities](#)', a programme designed to support local and combined authorities to take a lead on home retrofit, by providing a range of resources and opportunities for collaboration. We see local authorities as being critical to the delivery of retrofit. The complexity and technical nature of delivery, the need for a 'trusted' partner to give householders reassurance and the need for high levels of co-ordination across multiple actors means that local/combined authority leadership will be essential to deliver action on home retrofit.

Accelerator Cities is built on an extensive consultation in 2019 which identified the barriers and opportunities in region or city-wide retrofit strategies. We know from work done to date that a retrofit programme should include the following component parts:

- 1 - Setting out a comprehensive strategy for retrofit including undertaking a baseline assessment of local building stock and setting targets for retrofit
- 2 - Undertaking a skills map and needs assessment in the local area and supporting the development of training
- 3 - Developing/supporting 'one-stop-shops' for householders, to provide accredited advice and access to contractors, and guide and support them through the retrofit process
- 4 - Coordination of blended public and private funding sources, thereby bringing all households into the 'able to fund' sector regardless of tenure or individual circumstances

5 - Engaging with householders and landlords with messages that resonate with them as individuals to encourage them act

6 - Engaging with the supply chain for quality assured interventions, and working with the industry to build capacity and the supply chain in tandem with householder demand for retrofit.

In 2020, UKGBC and partners developed a [Retrofit Playbook](#) which is guidance for local authorities on how to develop retrofit programmes. The Playbook was well received, but many local authorities fed back that while they wanted to do more on retrofit, they felt unable to due to constrained capacity and resources.

Therefore UKGBC ran a series of workshops in March 2022 to better understand why most local authorities were struggling to act on retrofit. The workshops revealed that:

- There is a significant lack of capacity within most local authorities to work on home retrofit. Most local authorities do not even have one full time (equivalent) officer with responsibility for developing and supporting retrofit initiatives.
- The boom-bust nature of past grant funding programmes has resulted in little supply chain delivery capacity and limited retrofit knowledge / experience within local authorities.
- Many local authorities do not have programmes which can take advantage of the retrofit funding available from central government (in England).
- In most areas of the country there are not the businesses (supply chain) locally to undertake low energy retrofit, beyond basic measures, even where the homeowners are motivated to act.
- Should national government decide to provide, or stimulate, investment in low energy retrofit, many areas simply do not have the local authority experience and capacity nor supply chain to deliver.
- Existing builder, contractor and installer companies can be trained and supported to provide the needed retrofit services.
- Where local authorities have leadership buy-in and allocated resource, effective retrofit programmes have been delivered to low income and fuel poor households.
- Examples where local authorities have successful facilitated/supported owner occupier retrofit delivery do exist.
- Local authorities are ideally placed to engage with local groups that facilitate the development of the retrofit supply chain.
- Local authorities are keen to work together.

In order to try and overcome the barriers above for owner occupiers the UKGBC is developing two complementary approaches. The first is creating the essential capacity building blocks via Local Authority Facilitated Mass Scale Retrofit initiative. The second is advocating for an Energy Saving Land Transaction Tax Incentive to provide a long-term demand driver, a structural nudge.

1) Local Authority Facilitated Mass Scale Retrofit

UKGBC and partners have developed proposals to 'break the deadlock' on retrofit, and take the first step towards delivering mass scale retrofit programmes. We aim to:

- 1) Help 20 or 30 keen, but capacity limited, local authorities to encourage low energy retrofit service provision initially focused on the two most readily delivered approaches:
 - Identified small local area, multi tenure retrofit delivery (street by street) - utilising existing grant funding.

- A wider area scheme focused on homeowners, and landlords, that are motivated and have means or access to finance – without being reliant on government grant funding programmes

Once these are firmly established, widen and deepen the target markets and scale.

- 2) Provide easy to adopt materials and ‘in person’ support to help local authorities recruit and train retrofit officers, develop the strategic business cases and, as appropriate, support the procurement and mobilisation of a retrofit facilitation service provider.
- 3) Raise ‘surge funding’ to support the retrofit facilitation service during its early years and, potentially provide funding to cover some local authority retrofit officer salary costs in the first year.
- 4) Facilitate a straight-forward application process for local authorities by making the successful completion of the programme milestones the ‘gateways’ for securing the surge funding, and maintaining continued project manager support.

For more information about our proposed way forward see our appended document ‘Local Authority Facilitated Mass Scale Retrofit Brief’

2) Energy Saving Land Transaction Tax (LTT) Incentive

Structural-incentives provide flexible solutions and allow innovation. Introduction of long-term ‘structural-incentives’, such as Stamp Duty/Land Transaction Tax, would create the market conditions to create a thriving energy efficiency market giving householders and home buyers choice and becomes part of the existing home improvement culture.

Whereas the short-term nature of past grant schemes, operating in isolation, has resulted in a ‘boom-bust’ market and failed to leverage significant private finance, a structural driver would overcome this. Further, as a structural driver need not be a burden on the Treasury it can reasonably be expected to remain in place as, and when, administrations change providing the long-term demand so essential for success and lowest costs.

Structural-incentives and subsidy working together:

An Energy Saving LTT Incentive, combined with grants for lower value homes, would be a workable and effective structural solution, working seamlessly with existing green finance arrangements and policies as well as driving innovative new approaches to delivering home upgrades.

How would the Energy Saving LTT Incentive work?

- First, the energy demand of the home is calculated from the independently produced Energy Performance Certificate (already a requirement of a house sale).
- The LTT to be paid is then adjusted up or down based on the home’s calculated energy demand - the better the energy performance, the lower the tax paid.
- If the purchaser undertakes low energy improvements within 2 years, and obtains an updated EPC, a rebate would be paid as if the improvement had been made before purchase;
- The government could increase the value of the rebate paid to lower value homes to help subsidise the costs of the installed energy performance measures.
- Any recognised improvement in a home’s energy efficiency would reduce the LTT paid.

Key benefits of the Energy Saving LTT Incentive:

- Provides confidence that a home’s energy performance will be reflected in its selling price;
- Encourages homebuyers to seek advice, determine the potential energy improvements to a home, understand the costs and develop a plan at the time of purchase – alongside other renovation plans;

- Embeds necessary improvements to a home's energy performance in the wider discussion about financing the purchase together with any other improvements the homebuyer may be considering;
- Recognises most homeowners undertake significant improvement works shortly after they move in – combining these with energy improvements reduces the faff, time and disruption;
- Rewards homebuyers that improve the energy performance of their homes;
- It 'nudges' homebuyers to take action on energy efficiency in a way that is proportionate to the home's value, and doesn't impede housing sales, affordability or social mobility;
- Is not a subsidy. The Stamp Duty Incentive itself would be revenue neutral for government – i.e. stamp duty rises are off-set by stamp duty reductions. However, it is capable of being blended with grant funding for those that are struggling;
- Helps establish a stable home retrofit market creating a sustainable supply chain, jobs, and skills;

For more information see the Energy Saving Land Transaction Tax Incentive brief attached. An illustrative ESLTT Incentive calculator is available from the UKGBC.

UKGBC would be delighted to discuss these proposals in more detail with the Welsh Government. We believe adopting such an approach would achieve the crucial balance of building the market for retrofit, alongside the supply chain and capacity of the industry to deliver.

- **the key challenges of delivering a programme of retrofit within these sectors, including financial, practical and behavioural, and action required from the Welsh Government (and its partners) to overcome them;**

Please see barriers listed above in the previous section.

In addition, a number of market failures currently curtail private investment flows to decarbonise homes and make them climate resilient. Barriers to unlocking private investment have been set out by the [Green Finance Initiative](#) in their table below. Key cross-cutting themes are the upfront costs of retrofit, lack of available financial support, unclear government signals, as well as certain supply chain constraints.

- **Unclear government signals:** This can be done through confirming regulatory timelines for minimum energy efficiency standards for all housing tenures (including tightening standards in the private rented sector and gradually introducing measures for owner occupiers) and the phase-out of fossil heating systems. Measures like requiring mortgage lenders to disclose the average energy efficiency of their lending portfolio could spur innovation and interest in financial products like green mortgages.
- **High upfront costs:** Research shows that retrofitting on average costs £25k per home (with a wide distribution around the average).

Government subsidies for low-to mid income households will be essential for supporting poorer families with the upfront costs of retrofit, and can help 'pump prime' the market for heat pumps, helping lower the costs for all households. As well as grants, the government can consider partial subsidies and blended finance through loans offered through the UK Infrastructure Bank. Financial products and services like property-linked finance and salary sacrifice schemes could help spread the upfront costs of retrofit over time. Business models like heat-as-a-service can also help overcome the challenge of high upfront costs.

- **Lack of available financial support:** More can be done to support innovation of new financial products and services to ensure that across the different housing tenures, and the cross-section of households within each.

Table 1: Key financial and non-financial barriers to action and investment in greener homes

	Upfront costs	Lack of financial support	Unclear Government signals	Supply chain	Other
Owner Occupied (first-time buyers, mortgaged homeowners, outright homeowners)	Higher up-front costs of low-carbon heating systems vs traditional gas boilers; costs of whole house retrofit	Lack of financial products and incentives; first-time buyers seek to minimise outgoings, highly leveraged, have limited options for further borrowing	Long-term uncertainty on schemes, nothing on efficiency for 'able to pay'. Regulatory clarity for heat, but lack of clarity on efficiency	Fragmented market and access to trained installers	Lack of access and accessibility of quality, trusted advice and information
Private Rented (small and large landlords, asset managers)	High upfront costs, particularly for multi-property portfolios; currently unable to aggregate demand	No financial incentives or support; limited capacity to leverage credit, limited awareness for acquiring finance	Lack of long-term certainty Ambiguity on new standards	Fragmented market and access to trained installers	Landlord-tenant split incentive District Heating: size of market, lack of regulatory environment

Social Rented (Including Housing Associations and local councils)	High upfront costs to decarbonise large portfolios	Higher cost of borrowing for Housing Associations than local authorities; many social landlords close to borrowing limits	Lack of long-term policy certainty and capital investment from central government	Supply chain maturity Stock often dispersed	Short-term grant profile difficult to reconcile with long-term objectives District heating: size of market, lack of regulatory environment
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We believe that the following actions from the Welsh Government and its partners could help unlock these barriers:

- Lobbying Westminster to introduce structural incentives to increase demand for retrofit, such as differential stamp duty based on energy efficiency. Further information about the proposed SDLT incentive is provided below.
 - Lobbying Westminster to provide clarification on forthcoming MEES policy.
 - Expanding the scope of the Optimised Retrofit programme to include support for the owner occupied and private rented sector
 - Adopting a model of supporting local authorities to build their capacity to drive retrofit across tenures
- **how the right balance can be struck between influencing/incentivising home owners and private sector landlords to retrofit their properties and regulating to increase standards to drive progress;**

As outlined above, to drive retrofit forward, we need a suite of regulatory drivers, incentives and subsidies, as well as support for householders and supply chains. We recognise that many of these levers reside with Westminster, and therefore we would urge the Welsh Government to lobby for their implementation:

Regulation

Industry, consumers and the market need long-term signals in order to shift behaviour at scale and pace. It is critical that timelines are published for minimum energy efficiency standards for all housing tenures (including tightening standards in the private rented sector and gradually introducing measures for owner occupiers) and the phase-out of fossil heating systems.

Measures like requiring mortgage lenders to disclose the average energy efficiency of their lending portfolio can also spur innovation and interest in financial products like green mortgages.

Incentives

Structural incentives to drive household action and investment are vital.

Introducing an *Energy Saving Stamp Duty Incentive*. As described above, this incentive would motivate homeowners to upgrade the energy performance of their homes at the point of sale of a property or shortly afterwards - a time when capital is released from equity and people commonly consider the most significant home improvements. It can also be used to drive more sustainable new homes.

Homeowners can be incentivised - nudged but not told - to improve their own homes to allow funding to be directed to those that don't have means or access to finance.

It will ensure that installation of vital energy efficiency measures become part of the house purchase process, acting as a driver for discussions with banks or other lenders about funding. The incentive will encourage people to actively think about the energy performance of the home they are considering purchasing, about potential improvements, consider any retrofit costs and plan ahead to realise the rebate, reducing the cost of retrofitting under-performing homes.

The adjustment can provide a long-term, revenue neutral, structural driver for change at scale and over time. The long term, stable character of the measure will be critical in rebuilding business confidence to invest, skill up and scale up.

This intervention is backed by groups ranging from: Consumer finance organisations, consumer facing groups, retailers, builders / installers and manufacturers.

Removing the legacy policy costs from electricity bills and moving them to general taxation. These policy costs, especially the legacy element raise the price of electricity disproportionately relative to gas. Removing these policy costs will lower bills immediately while also encouraging a switch to clean electric heating.

Targeted public funding

The cost of living crisis means that millions more households are now in critical fuel poverty. It is urgent that they are supported to reduce their gas waste and therefore bills. A new support mechanism begun this year ahead of winter would give hope and a lifeline to help struggling families to upgrade their homes. Expanding ECO to include a new "ECO Plus" scheme giving families on lower incomes access to subsidised energy efficiency measures delivered by their energy companies. With £1bn per year of additional government funding, ECO Plus could support up to 2.1m households over three years. The scheme would be only part-subsidized, and will therefore also act as an incentive to leverage private finance.

Advice and information and awareness raising

Raising public awareness of the benefits of home retrofit and making the process understandable and straightforward will be critical to drive demand and underpin successful delivery. A series of local 'one stop shops' should be supported, giving customers independent advice on energy saving measures and guiding them through choosing the right steps, finding local suppliers, and accessing relevant support. The UK has a model which could be scaled in the Home Energy Scotland service.

Skills and supply chain investment

To scale up the number of home retrofits possible a huge programme of upskilling and investment is needed across the industry. However, there is no point in training vast numbers of retrofit contractors if there is not sufficient demand for their services. Demand creation and building the supply chain need to go in tandem, as highlighted above. We believe our model can support this.

Retrofit finance options

For households that want to invest further, a number of attractive green finance options are needed, as proposed by the [Green Finance Institute](#).

- **how effective the Welsh Government is influencing decisions on reserved matters to support decarbonisation of these sectors.**

Question not answered

Energy Saving Stamp Duty / Land Transaction Tax Incentive

There is broad consensus on the requirement for net zero carbon emissions by 2050, and the Government has set itself a target of a 78% reduction in UK Greenhouse Gas emissions by 2035. However, over the last 6 years, emissions from buildings have increased, rather than fallen, with the heating and powering of the UK's 29 million homes accounting for 20% of UK carbon emissions.

Similarly, the UK's homes have been long recognised as some of the leakiest and most costly to heat in Europe - wasting vast amounts of heat. Significant increases in energy costs over the last 12 months have brought this into sharp focus.

It is recognised that the net zero homes challenge is both significant and complex. It must be delivered with the utmost efficiency.

- ⇒ **The scale** of delivery required is significant: approximately two low energy home retrofits are needed every minute, for the next 25 years.
- ⇒ **The total cost** is between £300bn and £500bn (circa £20bn per year), equivalent to 5 HS2s or 25 Crossrail projects. Whilst a huge cost, it is not so different to the increase in the value of the UK's housing stock over the last 12 months: about £450bn or 9%

The answer isn't simply more grants but a blend of investment:

Whilst targeted subsidy programmes form a part of any net zero strategy, at this scale and cost, private finance will have to be deployed to deliver the majority of improvements. So how to stimulate such a significant level of private investment? A market-based approach is required which gives householders and home buyers choice and becomes part of the existing home improvement culture.

Structural-incentives provide flexible solutions and allow innovation:

Introduction of long-term 'structural-incentives', such as Stamp Duty/Land Transaction Tax, would create the market conditions to create a thriving energy efficiency market. Whereas the short-term nature of past grant schemes, operating in isolation, has resulted in a 'boom-bust' market and failed to leverage significant private finance, a structural driver would overcome this. Further, as **a structural driver need not be a burden on the Treasury** it can reasonably be expected to remain in place as, and when, administrations change providing the long-term demand so essential for success and lowest costs.

Structural-incentives and subsidy working together:

An Energy Saving SD/LTT Incentive, combined with grants for lower value homes, would be a workable and effective structural solution, working seamlessly with existing green finance arrangements and policies as well as driving innovative new approaches to delivering home upgrades.

How would the Energy Saving SD/LTT Incentive work?

- ⇒ First, the energy demand of the home is calculated from the independently produced Energy Performance Certificate (already a requirement of a house sale).
- ⇒ The SD/LTT to be paid is then adjusted up or down based on the home's calculated energy demand - the better the energy performance, the lower the tax paid.
- ⇒ If the purchaser undertakes low energy improvements within 2 years, and obtains an updated EPC, a rebate would be paid as if the improvement had been made before purchase;
- ⇒ The government could increase the value of the rebate paid to lower value homes to help subsidise the costs of the installed energy performance measures.
- ⇒ Any recognised improvement in a home's energy efficiency would reduce the SD/LTT paid.

Key benefits of the Energy Saving SD/LTT Incentive:

- ✓ Provides confidence that a home's energy performance will be reflected in its selling price;
- ✓ Encourages homebuyers to seek advice, determine the potential energy improvements to a home, understand the costs and develop a plan at the time of purchase – alongside other renovation plans;
- ✓ Embeds necessary improvements to a home's energy performance in the wider discussion about financing the purchase together with any other improvements the homebuyer may be considering;
- ✓ Recognises most homeowners undertake significant improvement works shortly after they move in – combining these with energy improvements reduces the faff, time and disruption;
- ✓ Rewards homebuyers that improve the energy performance of their homes;
- ✓ It 'nudges' homebuyers to take action on energy efficiency in a way that is proportionate to the home's value, and doesn't impede housing sales, affordability or social mobility;
- ✓ Is not a subsidy. The Stamp Duty Incentive itself would be revenue neutral for government – i.e. stamp duty rises are off-set by stamp duty reductions. However, it is capable of being blended with grant funding for those that are struggling;
- ✓ Helps establish a stable home retrofit market creating a sustainable supply chain, jobs, and skills;
- ✓ Reduces home energy use and carbon emissions, making a major contribution to national policies on net zero, energy security, and Levelling Up;
- ✓ If running for 8 years or more, could see over 3 million homes, across the UK, upgraded to a decent level.

If the government made an announcement or **statement of intent** now, with implementation in 18 months to 2 years, homeowners considering selling would have time to act, should they wish, and businesses and government would have the time to prepare. Introducing the policy in this way would smooth roll-out and allow companies to ramp-up capacity and delivery – ensuring a quality retrofit programme for all, in the knowledge there is market demand at the end.

Organisations supporting an Energy Saving Stamp Duty include:



For more information, please contact:

David Adams, EEIG SDLT spokesperson at david@theeeig.co.uk or,
 Sarah Kostense-Winterton, EEIG Chairman on sarah@theeeig.co.uk

June 2022

Local Authority Facilitated Mass Scale Retrofit Brief

Context

In response to the Climate Emergency, the Government has set itself a target of achieving a 78% reduction in all UK Greenhouse Gas emissions by 2035 and our homes across the UK will have to be “net zero” by 2050. To achieve this, homes will need to use as little energy as possible, and the energy that is used, be clean and renewable.

However, the reality is that emissions from our existing homes have increased over the last 6 years. The heating and powering of the UK’s 29 million homes accounts for circa 20% of UK carbon emissions.

Similarly, the UK’s homes have been long recognised as some of the ‘leakiest’ and energy inefficient in Europe and expensive to heat, adding to financial pressures on our bills. Combined with the significant increases in energy costs over the last 12 months, this issue has been brought into stark focus for both the government and public.

Whilst national government has some programmes to improve the energy performance of fuel poor and low-income homes, uptake varies across the country. There are no policy drivers or programmes to encourage the ‘able to pay’ homeowners to upgrade the fabric of their homes. Where the fabric of a home is of adequate standard, there is grant support for owner occupiers and landlords to switch from gas and oil fired boilers to heat pumps.

Even those homeowners that are motivated to act, and have means or access to finance, frequently fail to improve their homes’ energy performance - a fundamental problem but also an opportunity.

There are circa 19m owner occupiers in the UK. 54% don’t have a mortgage.

Most local authorities, particularly those that have declared a climate emergency, have recognised that homes are a significant source of carbon emissions, but many do not have the capacity, resources or experience to establish programmes in their areas.

Building on the UKGBC’s Retrofit Playbook developed in 2020, the UKGBC, MCS Foundation, leading local authorities and other parties joined forces to identify successful retrofit approaches and address the barriers to adoption with the aim of catalysing ‘Mass Scale Retrofit’ programmes across the country.

Key observations gathered from five stakeholder workshops in early 2022

- There is a significant lack of capacity within most local authorities to work on home retrofit. Most local authorities do not even have one full time (equivalent) officer with responsibility for developing and supporting retrofit initiatives.
- The boom-bust nature of past grant funding programmes has resulted in little supply chain delivery capacity and limited retrofit knowledge / experience within local authorities.
- Many local authorities do not have programmes which can take advantage of the retrofit funding available from central government.
- In most areas of the country there are not the businesses (supply chain) locally to undertake low energy retrofit, beyond basic measures, even where the homeowners are motivated to act.
- Should national government decide to provide, or stimulate, investment in low energy retrofit, many areas simply do not have the local authority experience and capacity nor supply chain to deliver.
- Existing builder, contractor and installer companies can be trained and supported to provide the needed retrofit services.

- Where local authorities have leadership buy-in and allocated resource, effective retrofit programmes have been delivered to low income and fuel poor households.
- Examples where local authorities have successful facilitated/supported owner occupier retrofit delivery do exist.
- Local authorities are ideally placed to engage with local groups that facilitate the development of the retrofit supply chain.
- Local authorities are keen to work together.

Approach

- 1) To help 20 or 30 keen, but capacity limited, local authorities to encourage low energy retrofit service provision initially focused on the two most readily delivered approaches:
 - Identified small local area, multi tenure retrofit delivery (street by street) - utilising existing grant funding.
 - A wider area scheme focused on homeowners, and landlords, that are motivated and have means or access to finance – without being reliant on government grant funding programmes

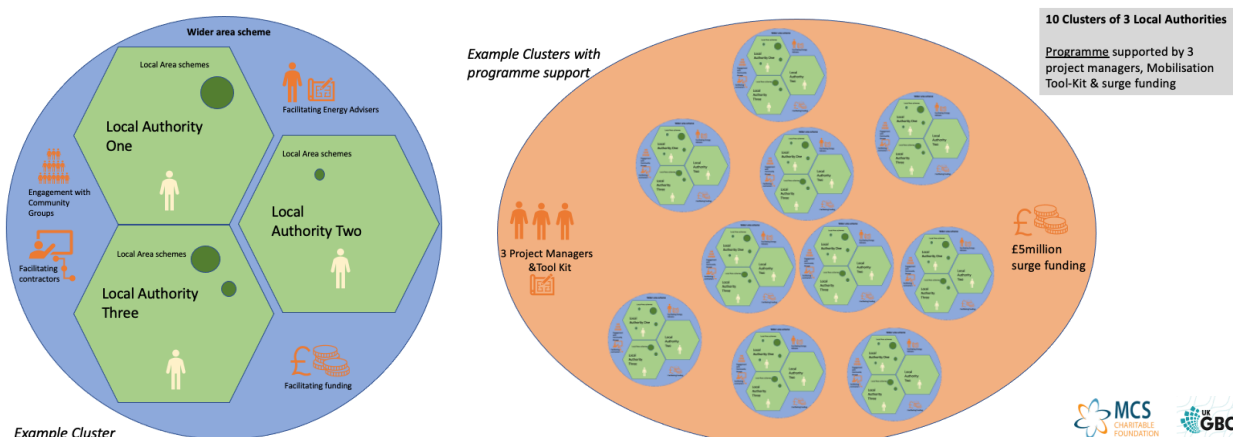
Once these are firmly established, widen and deepen the target markets and scale.

- 2) Provide easy to adopt materials and ‘in person’ support to help local authorities recruit and train retrofit officers, develop the strategic business cases and, as appropriate, support the procurement and mobilisation of a retrofit facilitation service provider.
- 3) Raise ‘surge funding’ to support the retrofit facilitation service during its early years and, potentially provide funding to cover some local authority retrofit officer salary costs in the first year.
- 4) Facilitate a straight-forward application process for local authorities by making the successful completion of the programme milestones the ‘gateways’ for securing the surge funding, and maintaining continued project manager support.

Broad structure

Clusters of local authorities come together to procure, or provide themselves, a retrofit facilitation service for owner occupiers.

Each will commit to employing a full-time (equivalent) retrofit officer who is responsible for engaging and coordinating with all the appropriate parties within the Local Authority. Utilising resources currently in development the retrofit officer will develop the business case, drawing heavily on template documents and support from programme project managers, for the wider area retrofit delivery programme, and work with colleagues to apply for government funding for the local area retrofit scheme delivery.



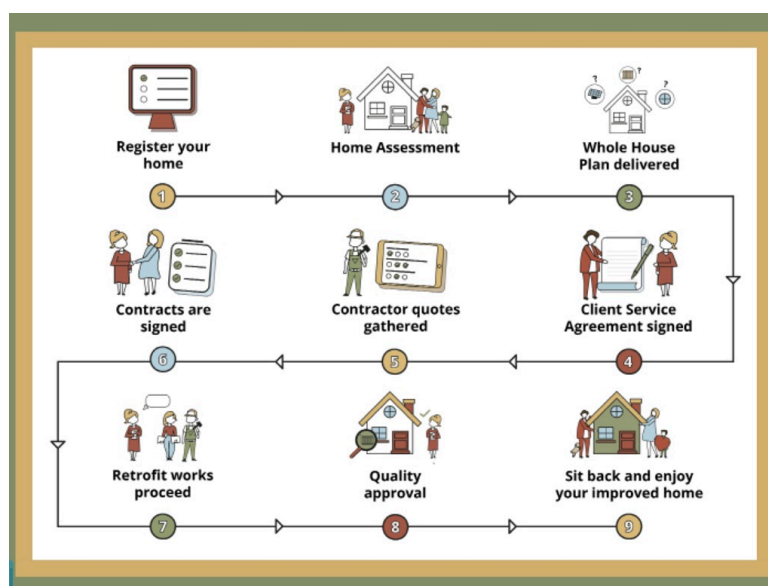
Wider Area Retrofit scheme

To provide a sufficient pipeline of owner occupiers that are 'early adopters' - circa 400k to 500k homes – across 3 or 4 local Authorities work together to form a cluster and procure, or set up, a Retrofit Facilitation Service.

The Retrofit Facilitation Service has a number of key roles:

- Co-designing the service, together with the local authority, with strong engagement with local groups and businesses, to meet local needs and aspirations.
- Engaging with potential householders, often via existing trusted community groups, and helping these households on their retrofit journey.
- Identifying, and working with local businesses to develop retrofit design & delivery skills/capacity.
- Providing householder support and independent advice throughout the retrofit journey.
- Providing quality assurance.
- The local authorities in the cluster would determine if the retrofit facilitation service also undertakes retrofit works, although this has additional implications and may place it in unhelpful competition with potential local providers.

An example customer journey is shown below:



Courtesy of RetrofitWorks

Experience suggests that, after a very strong initial surge of pent-up demand, interest grows modestly.

A conservative estimate is year 2 circa 50 retrofits per annum rising to circa 600pa in year 5 per cluster. The recent increases in energy costs may well increase this if prices stay at current levels.

Local Area Scheme

A tried and tested approach is the delivery of retrofit to small defined local areas consisting of typically 100 to 200 poor performing homes, in low income areas and across all tenures.

Needing full or high level of grant funding, these schemes are often financed through a combination of central government, energy company obligation and local authority (historically through EU support) money. Despite the track record of success, many local authorities currently do not have the capacity of bandwidth to engage with these programmes.

The 'other half' of the local authority Retrofit Officer's role would be to support, coordinate and drive the application and delivery of local area schemes so at a minimum one programme is 'in delivery' at any one time. A sustained programme of delivery is required to build capacity, drive down cost and drive-up quality. It is better to have three schemes running in series than three delivered concurrently.

The customer journey is similar to that with the wider area scheme, but much more can be done as a community together from initial engagement through to handover. Indeed, one of the most effective approaches to household engagement is to employ keen local residents, develop their retrofit skills and knowledge and have them undertake many of the engagement tasks with appropriate support. This is not only more efficient but also invests in the local community and leaves a legacy to keep initiatives running after the work has finished.

Once a base of capacity is established scaling can be undertaken by running programmes concurrently as well as in series provided funding can be maintained. Experience from the energy company obligation CESP schemes, Welsh Governments ARBED amongst others, again shows it is perfectly possible to run multiple schemes concurrently once supply chain capacity is established. Subject to funding, it is entirely possible to consider 4 schemes concurrently from year 5 at circa 800 homes per year per cluster.

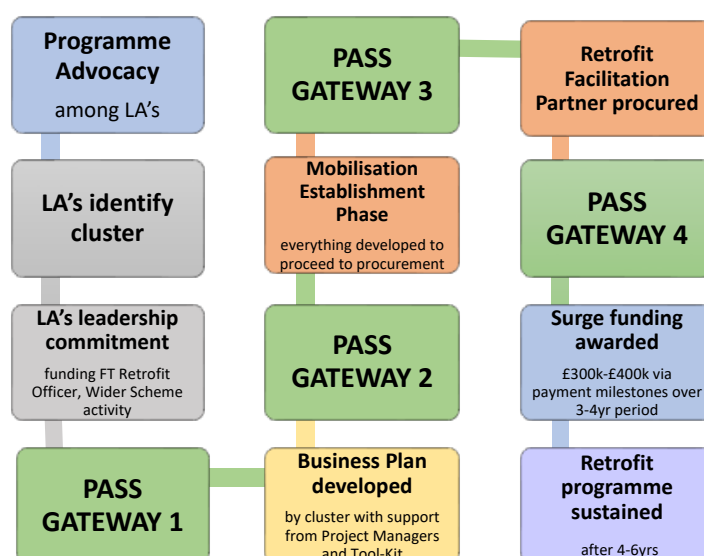
Overall impact

In year 5 a conservative estimate is 600 retrofits per year from the wider area scheme and up to 800 homes per year, subject to funding, for the local area scheme. A total of 14,000 homes pa across 10 clusters. If scaled up to all local authorities in the country that would be 140,000 homes pa, of which 60,000pa would not be dependent on grant funding.

Clearly the 140,000, let alone the 60,000 'able to pays', per year is not sufficient to deliver net zero by 2050. Policy drivers will be required to scale demand to the necessary levels. What the mass scale retrofit programme is intended to deliver is the early supply chain capacity and local authority knowledge building which is an essential step in achieving the established local foundations required for incentivised scaling to launch from.

Local authority Mass Scale Retrofit programme journey

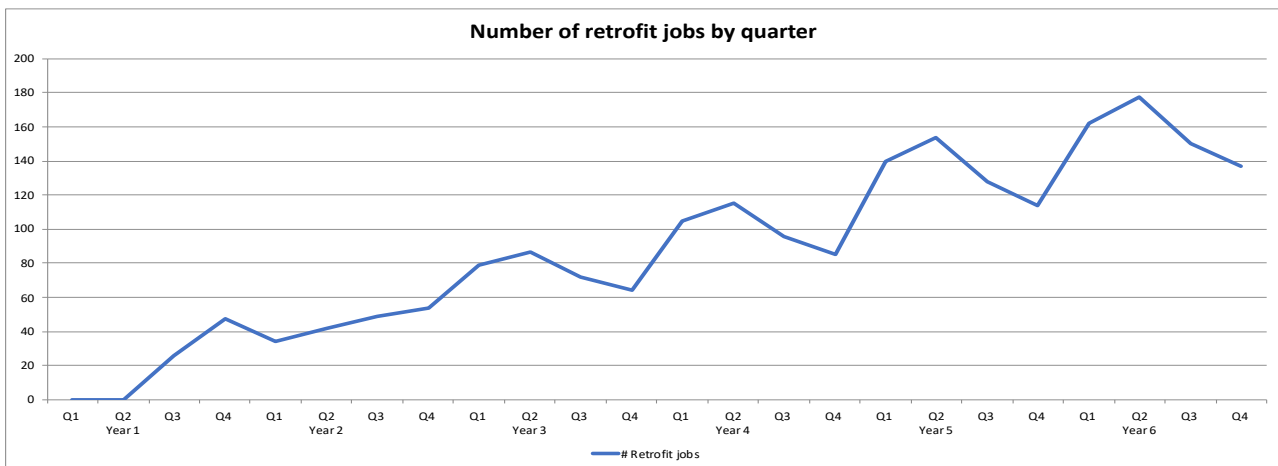
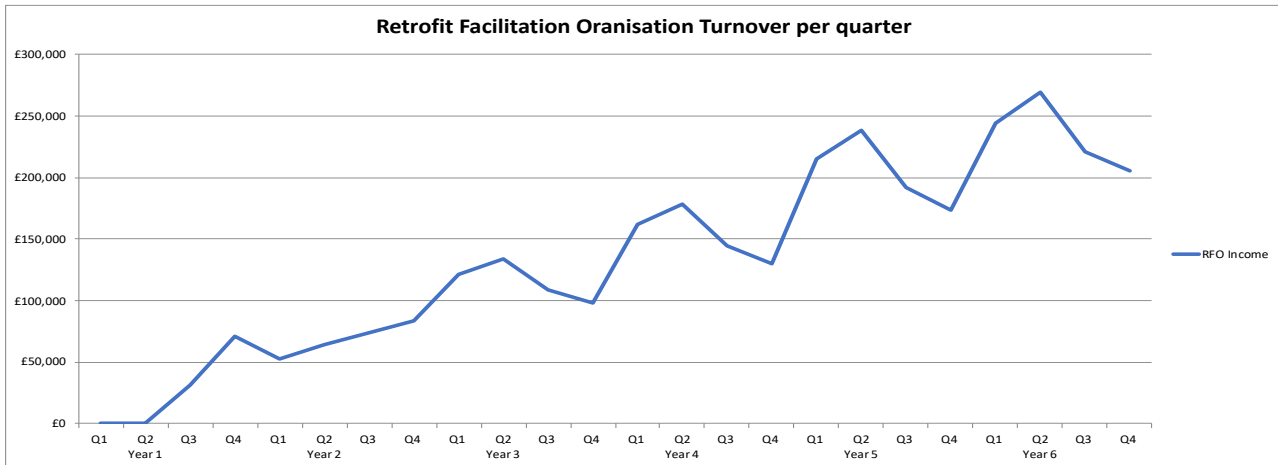
The intention is for the application process for local authorities is very simple, using a series of gateways to trigger additional support and ultimately the surge funding. Throughout the process the local authorities are supported by project managers and resource tool kits.



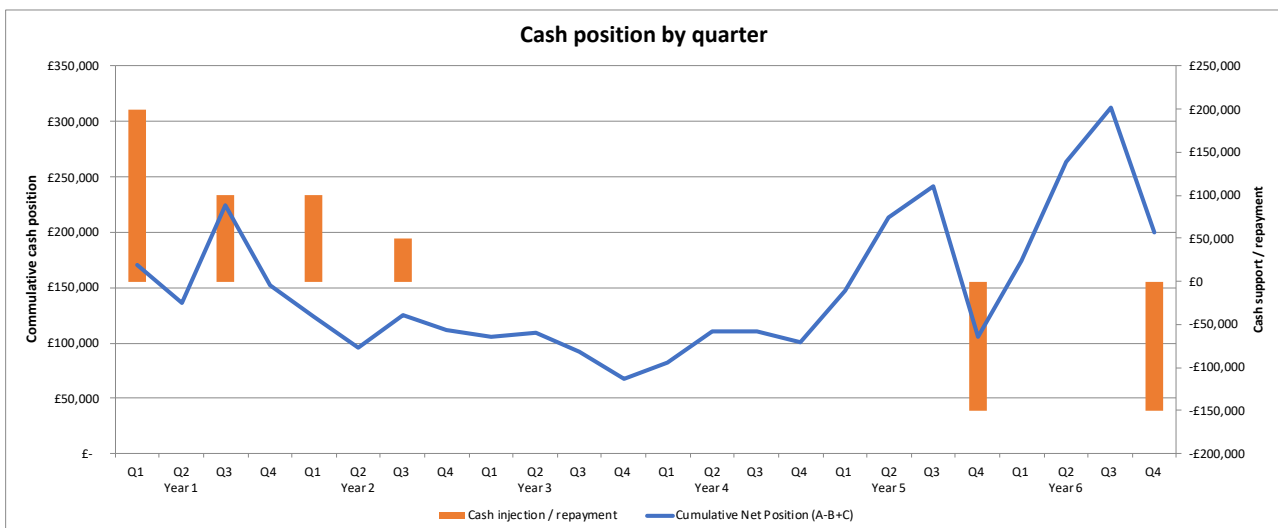
Model Retrofit Facilitation Service financials

Drawing on, and compiling, cost and revenue data from existing schemes a model cash flow has been developed to illustrate the wider area retrofit scheme economics from initial setup to self-sufficiency.

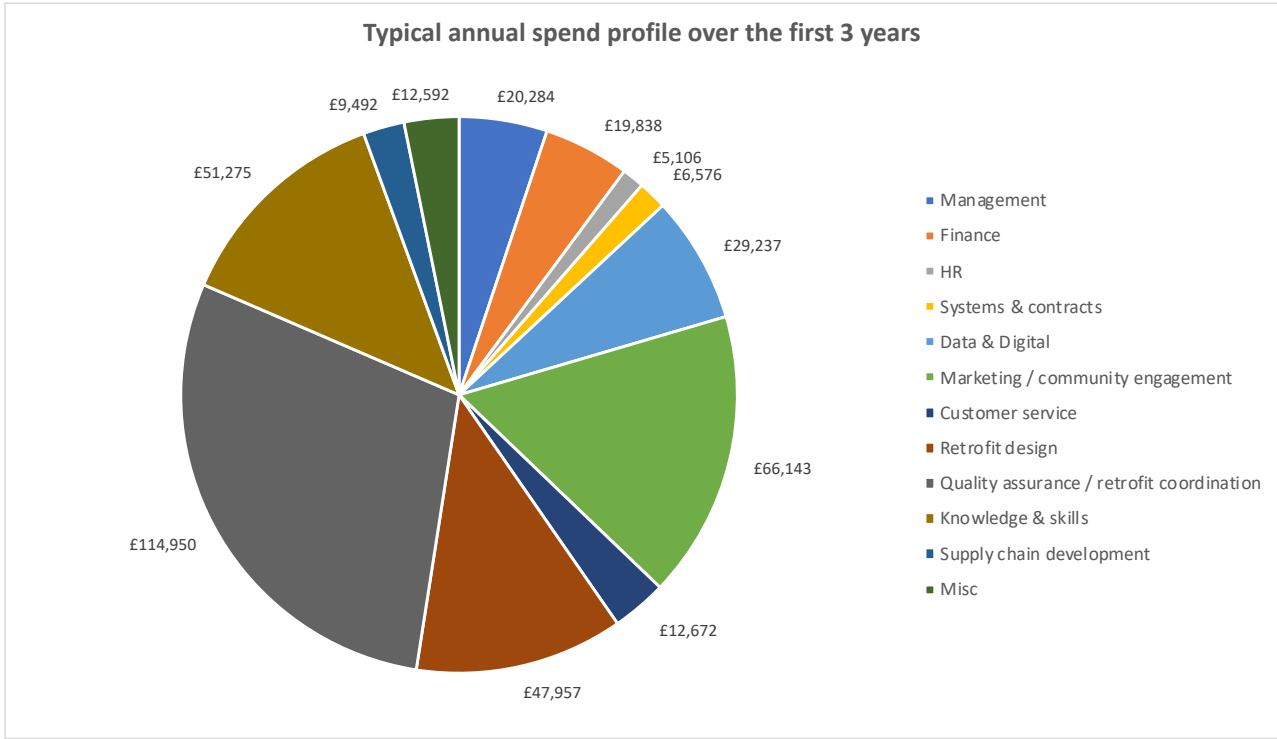
Turnover steadily builds as increasing work is undertaken.



Cash support is required to cover initial set up and while volume of work builds. Year 3 and 4 run at break even and a surplus is made from year 5. From year 5 it is anticipated that the initial finance would be either reinvested, repaid to a lender or into a revolving fund to re-invest in further start up clusters.



An example spend profile is shown below. Note the costs of works are not included as the retrofit contracts are between the householder and contractor and do not flow through the retrofit facilitation organisation.



Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
Datgarboneiddio'r sector tai preifat / Decarbonising the private housing sector
DH2P_22
Ymateb gan Y Sefydliad Adeiladau Siartredig (CIOB) /
Evidence from Chartered Institute Of Building (CIOB)

Introduction to the Chartered Institute of Building (CIOB)

The Chartered Institute of Building (CIOB) is the world's largest and most influential professional body for construction management and leadership. We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, and we've been doing that since 1834. We have over 1,500 Welsh members that work in the development, conservation, and improvement of the built environment, and thousands more worldwide.

Y Sefydliad Adeiladu Siartredig (CIOB) yw corff proffesiynol mwyaf a mwyaf dylanwadol y byd ar gyfer rheoli ac arwain adeiladu. Mae gennym Siarter Frenhinol i hyrwyddo'r gwyddoniaeth a'r arfer o adeiladu er budd cymdeithas, ac rydym wedi bod yn gwneud hynny ers 1834. Mae gennym dros 1,500 o aelodau o Gymru sy'n gweithio ym maes datblygu, gwarchod a gwella'r amgylchedd adeiledig, a miloedd yn fwy dros y byd i gyd.

We accredit university degrees – including at Wrexham Glyndwr University, with more institutions and courses in Wales pending accreditation – educational courses, apprenticeships, and training. Our professional and vocational qualifications are a mark of the highest levels of competence and professionalism, providing assurance to clients and authorities who procure built assets.

Rydym yn achredu graddau prifysgol – gan gynnwys ym Mhrifysgol Glyndŵr Wrecsam, gyda mwy o sefydliadau a chysiau yng Nghymru yn aros i gael eu hachredu – cyrsiau addysgol, prentisiaethau a hyfforddiant. Mae ein cymwysterau proffesiynol a galwedigaethol yn arwydd o'r lefelau uchaf o gymhwysedd a phroffesiynoldeb, gan roi sicrwydd i gleientiaid ac awdurdodau sy'n caffael asedau adeiledig.

Our [Welsh Manifesto](#) outlines our policy goals for the construction sector in Wales, and we have a significant programme of work covering an array of policy areas. These include climate change and sustainability; equality, diversity, and inclusion (EDI), and mental health. Much of our policy work supports the aims of *The Wellbeing of Future Generations Act*.

Mae ein [Maniffesto Cymreig](#) yn amlinellu ein nodau polisi ar gyfer y sector adeiladu yng Nghymru, ac mae gennym raglen waith sylweddol sy'n cwmpasu amrywiaeth o feysydd polisi. Mae'r rhain yn cynnwys newid yn yr hinsawdd a chynaliadwyedd; cydraddoldeb, amrywiaeth a chynhwysiant (EDI), ac iechyd meddwl. Mae llawer o'n gwaith polisi yn cefnogi nodau Deddf Llesiant Cenedlaethau'r Dyfodol.

The role of sector specific retrofit targets to help drive change

While targets set by UK government are welcome as a display of ambition in the context of climate change, these centrally set targets often belie the detail required to achieve them at the local level. For instance, for the Boiler Upgrade scheme the maximum grant available to most of the public is £5,000, or £6,000 for rural areas. This still leaves thousands of pounds to pay which, given the current cost of living crisis, and with exponentially rising energy costs, many people are unable to afford.

Actions the Welsh Government should take to progress a programme of retrofit for these sectors in the short, medium and long term

Short Term

In the short term the Government can be a market maker for retrofit by re-examining the tax treatment of green building processes. For instance, council tax rebates, or deferring the land transaction tax (formerly stamp duty) on properties that have been purchased – by individuals, groups or businesses - with the sole purpose of improvement.

While finance is crucial, evidence suggests that simply granting money to retrofit without grappling with consumer sentiment does not deliver significant results.¹ For investment to have a meaningful impact, policy should be informed by the heterogeneity of household preferences.

The tax system is frequently used to achieve desired policy outcomes in the built environment. For instance, In Ireland, tax exemptions for refurbishing vacant property, refurbishing properties in city centres, and tax-free incentives for occupiers to rent out rooms in their property have been trialled in recent years.² In Northern Ireland there is tax relief on spending on research and development by construction firms to encourage innovation and increase productivity in the sector.

Furthermore, there is precedent for making alterations to stamp duty specifically to achieve national policy goals. A stamp duty holiday was introduced in the UK in 2020 to incentivise transactions in the property market during the COVID-19 pandemic. Buyers completing a purchase on a property for less than £500,000 before 1 July 2021 did not have to pay stamp duty.³ The government introduced the holiday in the hope of maintaining transactions and driving economic growth.

Given that the tax system – and stamp duty in particular – is frequently used as a lever to achieve wider policy goals, could reductions in Land Transaction Tax in Wales now be used in the context of carbon emissions and sustainability policy?

¹ Tensay Hadush Meles, Lisa Ryan, Sanghamitra C. Mukherjee, Heterogeneity in preferences for renewable home heating systems among Irish households, *Applied Energy*, Volume 307, 2022, 118219, ISSN 0306-2619, <https://doi.org/10.1016/j.apenergy.2021.118219>.

² <https://www.revenue.ie/en/property/stamp-duty/claiming-a-stamp-duty-refund/residential-development-refund-scheme/index.aspx>

³ <https://www.comparethemarket.com/mortgages/content/stamp-duty-holidays/>

Medium term

The CIOB has consistently argued that for any policy initiative in the built environment to be successful, it needs to be accompanied by appropriate resourcing. We urge Welsh Government to publish a resourcing plan to accompany the Optimised Retrofit Strategy.

There is some evidence that retrofit supply-side actors are overlooked or marginalised in retrofit policy design.⁴ We therefore urge Government to engage with industry as they develop policy in this area. Given the risk averseness of the retrofit and renovation sectors, policy needs to offer incentives and solutions that reflect the installer's business motivations. CIOB advocates increased dialogue between policy makers and private businesses, in terms of what is realistically deliverable. Research has found that the most effective policy programmes in the USA engaged with supply contractors on an ongoing basis, so that the perceived benefits of participating in a programme outweigh their costs and compared favourably with a business as usual approach.⁵

Long term

An equivalent Welsh Housing Quality Standard for the private housing sector will need to be established, with a focus on adaptability and retrofitting of properties. Similar pathways to the Target Energy Pathways outlined in the WHQS2023 would be prudent to implement, to give homeowners, landlords, and tenants a clear picture of what they need to do to decarbonise their properties.

This could link with a duty on local authorities to carry out an increased frequency of Housing Health and Safety Rating System ([HHSRS](#)) inspections to ensure that these are being implemented, and that properties remain safe for occupants.

If changes to the tax system to incentivise retrofitting are to be effective, any changes made need to be long term. During the construction process, the investor incurs costs; hence, uncertainty about the continuation of a tax scheme creates risks and disincentivises investment.⁶

The key challenges of delivering a programme of retrofit within these sectors, including financial, practical and behavioural, and action required from the Welsh Government (and its partners) to overcome them

As outlined, the financial challenges are significant and as such policy strategy on retrofit must be accompanied by an appropriate resourcing plan. Furthermore, the costs of greener heating

⁴ Gooding, Luke Michael and Mehreen Saleem Gul. "Energy efficiency retrofitting services supply chains: A review of evolving demands from housing policy." *Energy Strategy Reviews* (2016): 29-40.

⁵ Aaron Gillich, Minna Sunikka-Blank & Andy Ford (2018) Designing an 'optimal' domestic retrofit programme, *Building Research & Information*, 46:7, 767-778, DOI: 10.1080/09613218.2017.1368235

⁶ Neuhoff, Karsten & Amecke, Hermann & Novikova, Aleksandra & Stelmakh, Kateryna & Deason, Jeff & Hobbes, Andrew. (2011). Using Tax Incentives to Support Thermal Retrofits in Germany.

technologies are significant, and any policy initiative should target a scaled up approach in order to achieve economies of scale.

Practical problems will also need to be overcome: trusted installers for new heating technologies are hard to identify. A lack of public knowledge on the installation of heat pumps, for example, may lead rogue traders to take advantage of people and install a heat pump in a property where it is not appropriate. This is especially a risk for older or other vulnerable people. CIOB Academy already runs several courses on sustainability in construction. CIOB also accredits Higher Education Degrees on topics related to sustainability in the built environment. We would be happy to work with Welsh Government and Senedd Committees to create a ‘badging’ system, creating CPD for the installation of new retrofit heating technologies to ensure that this is seen as a mark of trust.

From a behavioural perspective retrofitting Wales’ housing stock will require a cultural shift, both by industry and by consumers. CIOB recently published a discussion paper on how a cultural shift by industry towards retrofit and away from demolition can be engendered by changes to the tax system.⁷

From a consumer perspective, the benefits of the heating technology, such as lower running costs in the future despite high up front spending, need to be at the forefront of any Welsh Government promotion. Given consumers’ historical reluctance to embrace retrofit, we would recommend a comprehensive national awareness and demand generation campaign. There are significant costs associated with retrofitting a home. Awareness of the benefits is part of addressing this but tapping into existing habits around consumer spending on construction also needs to be part of the strategy.

As part of a public information campaign, organisations such as CIOB, its partners, and third sector organisations in Wales could help Welsh Government share success stories from Optimised Retrofit Programme (ORP), and from private sector properties

To align consumer sentiment and to ensure funding is effective in creating uptake for retrofit the CIOB is proposing a ‘Help to Fix’ loan scheme, which would involve the provision of interest free loans by Government directly to owner occupiers for a large range of measures which, while predicated on improving energy efficiency, would also extend to other measures including loft conversions, extensions, annexes and home improvements. This would leverage the already high demand for home improvements in the economy to improve the energy efficiency of Wales’ housing stock.

There are also well-known issues with Staffing and Recruitment in the industry. The Construction Industry Training Board (CITB) estimates that 12,000 new recruits will be needed in Wales by 2028, most of whom will “deliver improvements to existing buildings to reduce energy demand”⁸, which means training should start now.

Professional bodies like CIOB stand ready to work alongside Government to decarbonise the sector and embrace ways of working that better adhere to the principles of the circular economy. However,

⁷ <https://www.ciob.org/news/scottish-government-urged-to-protect-scotland%E2%80%99s-built-environment-from-unnecessary-and-%E2%80%98cheap%E2%80%99-demolition>

⁸ https://www.citb.co.uk/media/bdrbdlmo/b06414_net_zero_report_wales_v7.pdf (p. 2)

the industry faces several challenges in so doing. To realise the sector-wide shift to embrace the circular economy, a long-term, collaborative strategy will be needed to address skills shortages, consumer preference and awareness, and the existing barriers to embracing circular economy principles.

From an industry perspective, perpetual volatility in demand for construction has led firms, particularly SMEs, to curb capital and education investment because spending on research and development (R&D) brings high fixed costs that are difficult to cut in an economic downturn. Accordingly, the lack of available finance is a major stumbling block for SMEs investing in tools and skills that could help to improve waste management and mitigation and decarbonise work practices. Creating a Green Skills Fund to channel low-cost, long-term loans to SMEs specifically for investment in formal, sustainability focussed R&D would address this and lead to sector-wide improvements in sustainable practices. A similar fund exists in Holland, where the MKB+ (Innovation Fund for SMEs) gives construction firms access to finance to embed innovative new products, services, and processes in their business.

How the right balance can be struck between influencing/incentivising home owners and private sector landlords to retrofit their properties and regulating to increase standards to drive progress

Regulation and influencing the decision to decarbonise owner-occupier tenures should be a balancing act. Greater regulation will likely be needed for the Private Rented Sector (PRS), however. For the former, we have already outlined our view of the possibility of LTT reductions in Wales to encourage retrofit measures, and arguably similar measures could be implemented to encourage improving the EPC ratings of properties.

It is unrealistic to expect every property in Wales will be able to reach EPC A without demolishing and rebuilding some older properties. As such, targets for lower EPC (or alternative rating systems due to issues with SAP/EPC), should be set with regard to the specific nature of the building in questions, rather than having a blanket EPC A policy. While this is admirable as an aspiration, it does not reflect the reality that it is not feasible for many buildings to achieve EPC A. For example, there are many heritage buildings which simply cannot be brought up to A rating, and policy needs to reflect this.

Due to this, we are reluctant to say that every property should reach one specific EPC rating, especially given the difficulties for a property to score higher than EPC B appropriate energy generation and storage systems⁹. It is also questionable whether every property in the private sector will be able to afford the measures needed to reach a higher EPC rating without significant financial intervention from UK and Welsh Governments. As such, it may be more prudent for regulations to include mandatory target energy pathways, unique to individual properties, as we have already outlined and that form a part of the WHQS2023. This may change when technology necessary for decarbonisation, such as solar panels and heat pumps, become cheaper thanks to increased demand and economies of scale.

⁹ https://gov.wales/sites/default/files/consultations/2022-05/draft-whqs_3.pdf (p. 26)

There should be a UK-wide push to ensure all properties are insulated, with Government funding made available to do so. This would hopefully make other energy efficiency measures more affordable for the majority of households. But interest free loans, council tax reductions, and further grants should be on offer to encourage homeowners and landlords to undertake these measures.

Failure to implement energy efficiency measures in a property line with its target energy pathway by a predetermined date should lead to regulatory implications, such as higher LTT when selling an energy inefficient property, or not being able to sell a property until some measures have been undertaken. For properties that successfully undertake measures outlined in their pathways, or that go beyond these to improve council tax reductions or lower LTT could also be made available.

We have, however, already outlined how Welsh Government messaging should shift to ensure that the benefits of retrofit are front-and-centre, and that should equally be the case for – and go alongside – EPC rating improvements. We know that energy efficient properties will be more financially efficient as well, with households spending less on their energy bills in more efficient properties: ensuring that this is common knowledge across Wales is likely to create a behavioural shift and make more people install greener heating technology and take advantages of funding to do so.

On the other hand, stronger regulation for the private rented sector (PRS) will be integral to the success of the private housing sector. The Chartered Institute of Housing's Tyfu Tai¹⁰ report states that:

- The PRS sector accounts for 16% of Wales' housing stock, and is the worst tenure type for energy performance;
- Tenant and landlord engagement, a lack of targeted information & advice for both landlords and tenants, and low trust and communication between tenants, letting agents, and landlords, is likely to drive disengagement;
- Landlords are also prone to "split incentive", where landlords do not receive the benefits – financial, comfort, or otherwise – from energy efficiency measures, so may be less willing to front the cost for their rented properties to do so.

With that in mind, incentivisation for landlords to decarbonise their housing stock is less likely to be successful when compared with owner-occupier tenures. As such, we recommend implementing changes to the Minimum Energy Efficiency Standard (MEES) and bringing the minimum EPC rating landlords much achieve up. Currently MEES guidelines only require an EPC E minimum. To ensure success, MEES regulations will need more regulation, with appropriate financial sanctions for landlords that fail to improve the energy efficiency of their properties.

¹⁰ <https://www.cih.org/media/zbccclbu/0510-ttc-decarbonising-wales-private-rented-sector-v5.pdf> (pp. 2-3)

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
Datgarboneiddio'r sector tai preifat / Decarbonising the private housing sector
DH2P_28
Ymateb gan Sefydliad Brenhinol y Syrfewyr Siartredig (RICS) /
Evidence from Royal Institution of Chartered Surveyors (RICS)



Committee Response

Decarbonisation of housing: decarbonising the private housing sector

Response by the Royal Institution of Chartered Surveyors (RICS) to the Senedd Climate Change, Environment, and Infrastructure Committee.



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Introduction

On behalf of the Royal Institution of Chartered Surveyors (RICS), can we begin by thanking you for the opportunity to respond to this important consultation that addresses one of the major roadblocks towards Wales achieving its net zero ambition.

The decarbonisation and energy performance improvement of Welsh housing is critical to tackling climate change and as you will see through our response, will also play a role in helping to address the current cost of living crisis and drive-up quality and comfort standards in homes.

About RICS

Established in 1868, RICS is the largest organisation of its kind in Wales for professionals in property, construction, land, and related environmental issues. With 2,500 members in Wales, our professionals work daily to drive up standards in housing, create more energy-efficient homes and measure the effects of climate change.

Our work to support the decarbonisation of housing in recent months includes:

- Advising the Welsh Government Decarbonisation Implementation Group on exploring the role of mass retrofit assessments to target decarbonisation and energy performance works.
- Supporting the Welsh Government with the expansion of Building Passports across the medium-to-high rise building sector, which will enable RMI, safety and sustainability upgrades to be planned holistically – saving money, disruption and increasing transparency for tenants.
- Calling on UK Government to [cut VAT on home improvement works](#), to create parity on new builds and shift the focus to retrofitting existing buildings rather than demolition and construction – reducing the carbon footprint of the sector and preserving historic properties.
- Developing the [RICS Low Carbon Homes Consumer Guide for Wales](#) to provide impartial advice on the services and simple steps available to create more energy efficient homes and reduce carbon and published our '[Retrofitting to Decarbonise](#)' [policy paper](#).
- Collaborating with several Welsh brands (including Monmouthshire Building Society, Sero Homes and Rightmove) and housing bodies to explore the incentivisation of retrofitting and energy efficacy in the private housing sector – helping to identify the existence of a green premium in higher rated EPC properties.

Summary of recommendations

Recommendation 1 – The Welsh Government should review, as a priority, the criteria for any future advice and fiscal support created by the Warm Homes Programme with an estimate 69% of Welsh households potentially in fuel poverty by 2023. This will help support the decarbonisation of homes, and the cost-of-living crisis.

Recommendation 2 – The Welsh Government should consider immediate provision of support to improve the energy performance (not just emergency funding to support the cost-of-living crisis such as the Energy Bills Support Scheme. By UK Government) of EPC E, F and G homes in Wales, who are at risk of seeing an almost £1000 difference in energy bills than an EPC C property.

Recommendation 3 – Clarity on future remits of the Optimised Retrofit Programme should be sought to understand how greater cooperation with the private sector can be expanded following the lack of significant involvement to date.

Recommendation 4 – The Welsh Government should explore opportunities for mandating professionally delivered retrofitting assessments (also known as Whole Home Surveys/Assessments) on properties likely to receive public funding towards decarbonisation and energy improvement works to ensure adequate measures are installed. RICS are currently working on [BS 40104 Assessment of dwellings for retrofit](#) to support this.

Recommendation 5 – All devolved governments and UK Government should

work together to develop a consistent approach towards energy measurement and target setting – with both the Scottish and UK Government’s already reviewing their own EPC improvement plans.

Recommendation 6 – The Welsh Government should call on UK Government to deliver clarity on any proposed energy performance portfolio targets for the financial sector, which will strengthen calls to act and encouraging retrofitting.

Recommendation 7 – The Welsh Government needs to develop a strategy to address properties at risk of becoming ‘trapped assets’ – for example properties identified as uneconomical by landlords for improvement works, disposed of, and then purchased by homeowners with low levels of disposable income in a limited housing market – increasing fuel poverty risks and failing to decarbonise.

Recommendation 8 – The Welsh Government should review the use of exemption registers in a targeted market to ensure data, and the quality of such data, suitably justifies a property being on the register.

Recommendation 9 – The Welsh Government should launch an emergency energy usage reduction fund to support individuals in installing adequate heat proofing and ventilation measures, reducing CO2 emissions and in turn, energy bills.

Recommendation 10 – The government should create an advice service that proactively reaches out to vulnerable private homeowners, rather than one that is reactive and based on inbound interest,

potentially delivered by local authorities, and based on a preferred supplier list for installers to ensure quality.

Recommendation 11 – The Welsh Government should set a clear strategy for the decarbonisation of housing in Wales, including target numbers and dates for properties to meet certain energy performance ratings.

Recommendation 12 – Reform of the planning process should be undertaken to strengthen the need to demonstrate why demolition is the preferred choice for a building over investment in retrofitting. If it is simply an economic choice with marginal differences, the government should explore the potential use of a levy on demolition.

Recommendation 13 – The Welsh Government should create parity with the rest of the UK and offer Degree Apprenticeship funding for those skills that will have an influential role in delivering retrofitting and decarbonisation – not just installers but also surveyors, planners, and architects.

Recommendation 14 – The Welsh Government should review future building regulations to look at the possibility of mandatory Solar PV (and other measures) on new build properties.

Recommendation 15 – Opportunities should be explored to introduce several funding schemes to help the private housing sector. This can include work with the Development Bank of Wales on potential funding and equity schemes, or simply funding retrofit work, as recommended by the Future Generations Commissioner for Wales, due to the savings on investment through GDP, energy costs and health benefits.

Recommendation 16 – Alongside scaling up the number of retrofit assessments undertaken as suggested in ‘Recommendation 4’, the Welsh Government should also look at implementing a large-scale Building Passport programme to help homeowners know what is required and to better target funding.

Recommendation 17 – Planning systems need to reform to remove the need for approval on simple measures such as the installation of a heat pump. The government should also explore the use of street-wide approved schemes to maximise environmental and economic benefits, such as community heating schemes.

Recommendation 18 – The Whole Life Carbon Assessment, and similar tools, should be utilised by government and local authorities to measure and report on decarbonisation progress.

Recommendation 19 – The Welsh Government should look at the powers it has to introduce target improvements and MEES-style regulation/penalties for owner occupier homes, which would be a catalyst for behavioural change and education.

Recommendation 20 – The Welsh Government should look to incentivise traditional energy installers to upskill and switch to greener technologies, potentially through grants.

Recommendation 21 – Any future retrofit incentive programme should take a comprehensive approach to energy improvement and not target one simple measure, supported by a retrofit assessment to identify priority works.

Recommendation 22 – A review of greater regulation and professional competency of retrofit and decarbonisation professionals should occur, with cooperation by all developed and UK governments.

Recommendation 23 – The Welsh Government should review the Barnett Formula to understand if it is a suitable model for funding decarbonisation based on the demographic of Welsh housing and homeowners.

Recommendation 24 – The Welsh Government should use the ongoing inquiry into upfront property information to review opportunities to understand how consumer awareness can increase about energy performance. For example, in the private rental sector, there could be scope to inform potential tenants about wider costs than just rent and council tax, such as average energy consumption, and thus cost.

The current approach to decarbonising housing in the private rented and owner-occupied sectors in Wales, including the effectiveness of existing programmes and support for retrofit.

- The current approach toward decarbonisation in housing in Wales is severely fragmented - in terms of regulation, support, and financing. To date, a significant amount of investment by Welsh Government has focused on the social housing sector (through initiatives such as the Optimised Retrofit Programme) and those most vulnerable to increasing energy bills (classed in Arbed as having an EPC E, F or G rating). Outside of Minimum Energy Efficiency Standard (MEES) regulation, little has been introduced for the private housing sector in Wales.
- Resources need to be prioritised towards the 1.2 million private homes in Wales – where the greatest carbon footprint is found in the built environment – along with growing energy usage, costs, and comfort challenges. Improved building regulations now mean new build properties already perform above average, and in 2020/21, almost 90% of new build properties were averaging EPC A or B ratings.

As the statistics below demonstrate, only 1 in 5 owner occupied homes in Wales even achieve EPC C or higher – a worrying figure when considering that homes with an EPC E or F rating could pay on average almost £1,000 more a year in energy bills than a similar property with an EPC C rating.¹

Percentage of Welsh houses achieving EPC C or higher

Existing owner occupier	20.82
Existing private rent	30.16
Existing social rent	55.69
New owner-occupied	96.63
New private rent	80.43
New social rent	99.69

Source: [ONS Energy efficiency of Housing, England and Wales, country and region March 2021](#)

- While schemes like Arbed and Nest provided a valuable service, especially for those in the private sector, Audit Wales reported that between April 2018 to March 2021, an estimated 16,042 received free energy efficiency advice (and even less had actual measures installed) – representing only 1% of the total housing market. With recent estimates suggesting almost 69% of Welsh households could be in fuel poverty by the start of 2023, there will be a significant increase in demand for such services.
- Those services, especially Nest, where the current scheme is scheduled to end March 2023, operate in a means testing method that would exclude many of the new households entering fuel poverty, for example, private homeowners in employment, but with little to no disposable income due to increasing cost of living pressures.

¹ Data provided by the [Energy and Climate Intelligence Unit \(ECIU\)](#).

- Similarly, the most significant Welsh Government programme currently active in Wales towards residential decarbonisation, the Optimised Retrofit Programme (ORP), is focused almost exclusively on the social housing sector, which represents c16% of the Welsh housing sector. In comparison, the owner occupier sector, which has virtually no non-private sector support towards decarbonisation or even meaningful regulation, represents c69% of the housing market in Wales.²
- It is understandable that ORP is targeting the social housing sector – not only because tenants are often the most vulnerable to financial pressure, but it is also one of the easiest tenures to regulate and deliver change - as demonstrated through the Welsh Housing Quality Standard. One of the objectives of ORP from its commencement was to develop best practice, supply chains and consumer behaviour understanding that would cascade to the wider private sector.

The second iteration of ORP originally sought to explore opportunities for PRS properties to utilise ongoing work to social homes – however this ultimately failed to yield meaningful results, in part, because many landlords had already taken action due to incoming MEES regulations or because simply, many were not planning any upgrade works at that time – despite the potential for long-term cost savings.

- Where publicly funded schemes for private sector decarbonisation, retrofitting and energy improvements do exist, questions remain on the suitability of what improvements result from such works. For example, in England, the Green Homes Grant did not require a form of retrofit assessment – so it was difficult to evaluate if certain measures installed were done so to optimum levels and at the right stage of the property journey e.g., new heating sources without first having suitable and adequate ventilation and insulation.

This has improved slightly with the current heat pump grant provided by UK Government, which requires no outstanding insulation requirements. Indeed, the Welsh Government Warm Home Fund required a heat pump to be recommended in a retrofit assessment, and ready to be installed, as part of its requirement before releasing funding.

- MEES regulation in the PRS is having an impact based on data, with recent Rent Smart Wales statistics showing approximately 5000 homes with an EPC rating of F and G, out of 205,000. Anecdotal evidence from RICS residential insight points to a change in landlord behaviour – with many opting to undertake improvement works (given the relatively low cost of moving up one EPC rating in a poor performing house) and giving greater consideration to future property investments.
- Questions also remain over the effective use of energy measurement, specifically the current EPC methodology. Although not a devolved matter, it is important to acknowledge limitations in the current SAP EPC framework given a large number of Welsh Government decarbonisation and retrofit programmes are developed and targeted around EPC ratings.

While reform of the EPC process is ongoing, and SAP 10.2 and SAP11 address elements of the challenge, EPCs were never designed to be an energy improvement tool for government – in

² Figures based on March 2020 StatsWales data - <https://statswales.gov.wales/Catalogue/Housing/Dwelling-Stock-Estimates/dwellingstockestimates-by-localauthority-tenure>

part, given domestic ratings are set by estimated usage and cost – rather than real time data. Furthermore, it is important to acknowledge that certain properties, such as historic and listed buildings, naturally have lower EPC grades due to the nature of their structure and fabric – although overall energy performance may exceed that of more modern builds (1919 – 1950/60 housing).

Recommendation 1 – The Welsh Government should review, as a priority, the criteria for any future advice and fiscal support created by the Warm Homes Programme with an estimate 69% of Welsh households potentially in fuel poverty by 2023. This will help support the decarbonisation of homes, and the cost-of-living crisis.

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Recommendation 5 – All devolved governments and UK Government should work together to develop a consistent approach towards energy measurement and target setting – with both the Scottish and UK Government's already reviewing their own EPC improvement plans.

The role of sector specific retrofit targets to help drive change.

- Data is demonstrating that minimum sector retrofit targets, and indeed minimum standards, are helping to drive change in Wales. The more regulated the tenure, the higher the performance. Almost 60% of existing social homes in Wales achieve an EPC A-C, driven by strict retrofit and improvement standards, compared to just 20% in a poorly targeted and regulated existing owner-occupier sector.
- MEES regulation in the PRS is having an impact based on data, with recent Rent Smart Wales statistics showing approximately 5000 homes with an EPC rating of F and G, out of 205,000. Anecdotal evidence from RICS residential insight points to a change in landlord behaviour – with many opting to undertake improvement works (given the relatively low cost of moving

up one EPC rating in a poor-performing house) and giving greater consideration to future property investments.

- RICS research and polling (as seen on page 11) suggests the need for sector-specific targets to drive forward change, especially in the owner-occupier sector. Homeowners know they should act, and indeed many have a basic understanding of some of the measures to take, however, given the significant upfront costs of retrofitting (even with government support), it is difficult to see large-scale uptake by consumers without the introduction of targets and potential penalties.
- RICS also advocates for a greater 'carrot and stick' approach towards support and targets for retrofitting. In many cases, financial incentives alone will not be sufficient to encourage mass-scale retrofitting. As an example, there are growing calls for the introduction of a green stamp duty levy (one of the few fiscal powers the Welsh Government has at their disposal). The principle is simple – a poor-performing home has a higher rate of stamp duty, and if that home increases to a higher energy performance within a set period after purchase, they will get a rebate and potentially additional financial rewards.
- However, while the green stamp duty rewards consumers for retrofitting, the financial return against the cost of installing measures would not be a sufficient motivator in the view of RICS. Given the significant upfront costs of retrofitting required to benefit from the financial return of such stamp duty, homeowners could just pay the increased amount and fail to undertake the work. That said if owner-occupier targets and regulations were introduced, then this would give an additional incentive to act.
- UK Government has also been exploring opportunities to encourage large-scale retrofitting by creating targets for the lending market. Initial proposals by UK Government would see financial lenders give annual declarations of the EPC portfolio of their mortgage book, with a target of 2030 for lenders to achieve an average of EPC C. In the view of RICS, this would be one of the strongest levers UK Government could use to target and drive forward change – and will significantly increase the importance of communication, consumer awareness and the need to act. It will also allow for greater opportunities for green lending products. However, since the consultation closed in February 2021, there has been no update on progressing these plans.
- While RICS advocates the introduction of targets as a stimulus to drive change, we urge the government to consider the unintended consequences, such as the creation of trapped assets or the pushing of homeowners with low levels of disposable income into poor-performing homes - resulting in increased energy costs. Meaningful exemption registers (with a review of the quality of EPC assessments) and increased financial support for improvement work for at-risk properties should be considered. This will be important as it will also help limit risks of entering fuel poverty, increase comfort and quality of life, and reduce potential health challenges resulting from damp and cold homes.

Recommendation 6 – The Welsh Government should call on UK Government to deliver clarity on any proposed energy performance portfolio targets for the financial sector, which will strengthen calls to act and encouraging retrofitting.

Recommendation 7 – The Welsh Government needs to develop a strategy to address properties at risk of becoming ‘trapped assets’ – for example properties identified as uneconomical by landlords for improvement works, disposed of, and then purchased by homeowners with low levels of disposable income in a limited housing market – increasing fuel poverty risks and failing to decarbonise.

Recommendation 8 – The Welsh Government should review the use of exemption registers in a targeted market to ensure data, and the quality of such data, suitably justifies a property being on the register.

Actions the Welsh Government should take to progress a programme of retrofit for these sectors in the short, medium and long term.

Short term

- Wales and the UK is suffering from a significant squeeze on the cost of living, with an estimated 69% of Welsh households expected to be in fuel poverty by the start of 2023. This is exacerbated by Wales having some of the oldest housing stock in Western Europe, and some of the lowest median incomes in the UK too.

The Welsh and UK Governments are currently investing heavily in short term interventions to support the cost-of-living crisis, such as the £150 council tax rebate and the Energy Bills Support Scheme. However, while these are short term interventions to help with rising fuel bills, further government support should be launched to reduce the cause of high energy usage to begin with, and in turn, the carbon footprint of the home.

For example, the Energy Saving Trust estimate that a typical semi-detached home, could have cavity wall insulation installed (if suitable) for £1,200, saving energy costs c£300 per year and importantly also reducing CO₂ emissions by an average of 670kg³. As a recent RICS survey showed, consumers are having to prioritise immediate financial costs, even though long-term benefits would support them.

- Advice and support services are limited in Wales, with Arbed now closed and the current Nest scheme running until March 2023. There is a need to undertake a targeted support service approach and the creation of a Wales-wide, open to all programme too.

A targeted support service should be created to help those most vulnerable in the private housing market to show them what advice and financing is available – as well as delivering the works. RICS is thinking of pensioners who may own their home outright, but without proactively approaching support themselves, may well fail to take action to decarbonise their home, and be faced with higher energy costs. Such a service could be administered by local authorities and use a network of trusted and preferred installers to deliver such works.

³ <https://energysavingtrust.org.uk/advice/cavity-wall-insulation/>

Recommendation 9 – The Welsh Government should launch an emergency energy usage reduction fund to support individuals in installing adequate heat proofing and ventilation measures, reducing CO2 emissions and in turn, energy bills.

Recommendation 10 – The government should create an advice service that proactively reaches out to vulnerable private homeowners, rather than one that is reactive and based on inbound interest, potentially delivered by local authorities, and based on a preferred supplier list for installers to ensure quality.

Medium term

- Wales lacks a decisive political targets for decarbonisation of private housing. Net Zero Wales sets out an ambitious programme of activity in the residential sector, but actual targets for retrofitting and energy performance is reserved for the social housing sector and new builds - especially through improved building regulations. This is not simply a Welsh problem, even at a UK level the ambition for the owner occupier sector is simply 'as many homes as possible EPC C by 2035, net zero by 2050'. Without tangible targets, it will be difficult to plan, fund and resource decarbonisation strategies.
- In the UK, there is a considerable tax imbalance where VAT applies for most repair, maintenance and improvement works, yet removed entirely in cases of demolition and new build. This goes strongly against the principles of the circular economy and ambition to reduce embodied carbon where simply upgrading and retrofitting an existing property is preferable. While VAT is not devolved, the Welsh Government and planning authorities can use their powers to strengthen the need for a business case for demolition over retrofitting to be presented first.

Furthermore, with in-action by UK Government on the matter, the Chartered Institute of Building (CIOB) recently published a report in Scotland that looked at the challenge facing the Scottish Government on this matter and recommended that a potential levy be introduced for demolition to create a limited form of parity.⁴

- Education remains a significant challenge for decarbonising house. While RICS welcomes the creation of retrofitting academies in Wales and the introduction of the Built Environment GCSE and A Level, there remains a significant education deficit and disparity. For example, Degree Apprenticeships in surveying, planning and architecture - skillsets that have a significant role to play in decarbonisation - do not receive funding in Wales, yet do in England – despite a climate emergency declaration. As a result, RICS have cases where students have simply sought education and employment outside of Wales, further exhausting the future skills required for this work.
- Simple reforms to planning regulations can also achieve decarbonisation. While approximately 90% of new build homes are achieving EPC A or B, many, despite being in favourable locations, still fail to have simple measures such as Solar PV installed. For developers, the lack of Solar PV by default is simple in many cases – it is not reflected in increased property values to offset additional costs. In contrast, the EU is set to make Solar PV installation, where possible, mandatory for all domestic and non-domestic new build properties within the next few years.

⁴ <https://www.ciob.org/industry/policy-research/levelling-playing-field>

Recommendation 11 – The Welsh Government should set a clear strategy for the decarbonisation of housing in Wales, including target numbers and dates for properties to meet certain energy performance ratings.

Recommendation 12 – Reform of the planning process should be undertaken to strengthen the need to demonstrate why demolition is the preferred choice for a building over investment in retrofitting. If it is simply an economic choice with marginal differences, the government should explore the potential use of a levy on demolition.

Recommendation 13 – The Welsh Government should create parity with the rest of the UK and offer Degree Apprenticeship funding for those skills that will have an influential role in delivering retrofitting and decarbonisation – not just installers but also surveyors, planners, and architects.

Recommendation 14 – The Welsh Government should review future building regulations to look at the possibility of mandatory Solar PV (and other measures) on new build properties.

Long term

- Financing remains one of the most significant challenges to overcome. The Future Generations Commissioner for Wales predicts that a national programme of investment in decarbonisation of housing will be required – at a cost of £15bn by 2030. In return, that investment is estimated to save over £8.3bn in energy costs (with that figure based on pre-April 2022 data), generate £19.32bn in additional GDP and save over £4.4bn in associated health, social and environmental benefits.⁵
- A regular theme among homeowners RICS has engaged with to understand attitudes towards decarbonisation is cost. Many do not have the funds to pay for the work up front, overall energy cost reductions don't result in financial benefit, and the only return on investment is currently in property sales, where RICS estimates that on average, improving a home's EPC rating by two or more, can typically increase sale value by 12%. That said, there is a significant geographic discrepancy too – where £25,000 spent on retrofitting in Southeast England could see a similar uplift in value, such a cost in parts of Wales would not be reflected.
- The Welsh Government could explore financing opportunities it possesses, such as equity schemes and the Development Bank of Wales. For example, the government could offer to fully subsidise retrofitting costs, with costs reclaimed as a % of value at a future sale, or the release of equity in a set period – like the Help to Buy Wales scheme.
- The lack of data is a major challenge for decarbonisation. At present, many homes have retrofit work installed but without a holistic, independent retrofit assessment delivered first. This can cause problems in the quality of the work. Furthermore, if the government

⁵ <https://www.futuregenerations.wales/wp-content/uploads/2021/07/ENG-Exec-Summary-Financing-the-decarbonisation-of-housing-in-Wales.pdf>

embarked on a large-scale retrofit assessment programme, the results would enable government to greater target at risk properties, those easiest to retrofit and allocate sufficient funding. Such a large-scale retrofit assessment programme could also generate Building Passports, which will create a central location for information to a specific building – helping to support current and future homeowners, policy makers, and as you will see below, planning.

- Several popular retrofit measures currently require a degree of planning permission, such as heat pump installation and in cases of conservation and listed properties, some forms of insulation – increasing pressures on under-resourced planning authorities. Opportunities should be investigated to loosen permitted development rights on retrofit measures to ease the pressure on the planning system.
- As referenced above, there are opportunities to utilise data, large-scale retrofit assessments and Building Passports within planning. This is because, in many cases, retrofitting makes more economic and environmental sense when incorporating multiple dwellings and units. For example, in a row of terrace houses, solid wall insulation, which can often have the biggest cost and carbon benefit of any type of insulation, is most effective if the entire terrace has the work undertaken at the same time. Building passports could help identify where such opportunities are possible, allowing for automatic planning approval, and to support funding the entire works at once.
- There is an important need to also ensure adequate measurement and tracking of decarbonisation work occurs, in part to record the effectiveness of retrofit work on a property, but to ensure it is net zero verified. RICS have developed the [Whole Life Carbon Assessment](#) guide to support professionals in measuring decarbonisation and net zero verification. The guide, already used, by the Mayor of London's office for tracking decarbonisation, and the Welsh Government have recommended its use in the ongoing Welsh Housing Quality Standard. The Welsh Government should look to expand its use to ensure effective tracking of future decarbonisation strategies.

Recommendation 15 – Opportunities should be explored to introduce several funding schemes to help the private housing sector. This can include work with the Development Bank of Wales on potential funding and equity schemes, or simply funding retrofit work, as recommended by the Future Generations Commissioner for Wales, due to the savings on investment through GDP, energy costs and health benefits.

Recommendation 16 – Alongside scaling up the number of retrofit assessments undertaken as suggested in 'Recommendation 4', the Welsh Government should also look at implementing a large-scale Building Passport programme to help homeowners know what is required and to better target funding.

Recommendation 17 – Planning systems need to reform to remove the need for approval on simple measures such as the installation of a heat pump. The government should also explore the use of street-wide approved schemes to maximise environmental and economic benefits, such as community heating schemes.

Recommendation 18 – The Whole Life Carbon Assessment, and similar tools, should be utilised by government and local authorities to measure and report on decarbonisation progress.

The key challenges of delivering a programme of retrofit within these sectors, including financial, practical and behavioural, and action required from the Welsh Government (and its partners) to overcome them.

- RICS recently commissioned a large UK-wide survey to examine consumer attitudes towards retrofitting and decarbonisation, with over 4,300 respondents helping identify where the significant challenges sit relating to financial, practical and behavioural thinking in the private housing sector. The key findings include:

- When asked why a homeowner has not installed energy efficient upgrades and undertaken retrofitting of their home, **51% (46% in Wales) stated that the cost was too high. 41% (54% in Wales) also said that the need to prioritise finances** on the current cost of living was a priority.
- Only **8% of respondents highlighted that retrofitting being complicated** to understand was the reason they have not acted yet.
- **55% of respondents** in Wales and the UK, would be more encouraged to undertake decarbonisation and retrofitting works if it **made their property more attractive towards prospective buyers.**
- When asked how much a homeowner would expect to pay to make their home greener if it made the property value more attractive, **55% (59% in Wales) would pay up to £5,000.**
- **79% of respondents** in Wales and the UK would want to see retrofitting and decarbonisation **works undertaken on their property imminently if it meant a reduction in energy costs** and support towards the cost-of-living crisis.

Source: RICS YouGov Polling June 2022

- As highlighted above when discussing the role of targets, the lack of significant regulation and penalties makes focusing consumer minds on acting to retrofit difficult. Although financial products and loans are already available, take up is minimal. If, however, greater regulation came into force, such as the requirement for lenders to achieve EPC C averages by 2030, this will be a major catalyst for change – due to the risk of struggling to remortgage or secure a new mortgage without committing to retrofitting within a certain time, or the risk of devaluing your home.
- The lack of regulation and legislated targets also makes communicating the need to act harder for those who can influence a consumers' thinking. For example, an RICS surveyor, when undertaking a home survey, will flag risks to the property. At present, flagging the need to retrofit a home rarely is a priority to a new buyer – however highlighting that failing to retrofit will damage future values and mortgage access, would carry greater strength – but only if in regulation. Similarly, when purchasing a property, lenders and mortgage brokers will be in a stronger position to communicate the benefits of green products – something which could change with a growth in upfront property information. This, however, depends on UK Government taking decisive action on lender reform.

- A growing number of governments and organisations are now of the opinion that without large-scale intervention, little progress will be done. The Future Generations Commission for Wales has said that without significant public funding, little progress will occur. Other governments are taking radical action too – such as in Italy where the government has introduced a ‘superbonus’ scheme, offering 110% funding for retrofit works – with the last 10% for offsetting taxes. This was done in response to the need to stimulate the economy in a property market with a large number of older homes, but also recognising its aging population, low incomes, and growing fuel poverty.
- The skills required to deliver this programme of retrofit is essential to address. Education, such as the Built Environment GCSE and calls for greater Degree Apprenticeship funding is important, but so is upskilling and change within the supply chain.

The Social Housing Decarbonisation Fund Demonstrator by UK Government highlighted the extent of the skills and supply chain scale in the UK and Wales – with 17 local authorities signed up, 9 failed to deliver any retrofit and only one achieved its goal. Access to materials and labour was the most significant challenge to those local authorities, with a review of the scheme finding:

- UK Government estimated there were upwards of 4,000 heat pump installers in the UK – a report by the Independent Networks Association show’s there is actually less than 1,200.⁶
- 70% of air source heat pumps are currently imported and only one manufacture currently makes ground source heat pumps in the UK.⁷
- Many traditional installers and boiler manufacturers still focus on traditional fossil fuel systems – with investment in upskilling, new supply chains and production methods not offset by the current demand for greener products. Furthermore, while UK Government have removed VAT on the installation cost of certain retrofit products, supply chain VAT for manufacturing this technology is still in place. New building regulations on the use of fossil fuel heating systems could be a catalyst for this change, but this will need to be monitored closely.
- The Green Homes Grant Voucher Scheme review by the National Audit Office should help the Welsh Government understand the challenges facing any future mass-scale, private sector retrofit programme. Key findings include:
 - Delays in issuing vouchers (i.e., cash grants), resulted in delays and withdrawal of applications – 52% of applications were withdrawn or rejected.
 - Certified installers were difficult to secure – out of 880 TrustMark registered retrofit installers, only 248 registered to participate in the Green Homes Grant – with most citing the difficulty in recertification and registration process, and limited window for applying as the reason for not joining.

⁶ <https://www.building.co.uk/news/less-than-half-the-number-of-qualified-heat-pump-installers-than-government-claims-report-finds/5112269.article#:~:text=The%20Department%20for%20Business%2C%20Energy,pump%20installers%20in%20the%20UK.>

⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/943712/heat-pump-manufacturing-supply-chain-research-project-report.pdf

- The scheme gave priority to installing low carbon heat technologies and not installing energy efficiency doors, windows, and insulation – something Nesta commented on in an insight workshop with RICS, as one of the easiest and cheapest measures to install and deliver increased thermal comfort.
- No retrofit assessment was required ahead of placing an application, meaning there was an increased risk to installing the wrong measures in a home, or not prioritising another works such as insulation and ventilation.

While the Green Homes Grant Voucher Scheme did not apply in Wales, it does help to highlight the scale of the challenge in any potential green incentive.

- RICS is also concerned about the lack of professional qualifications, independence, and regulation in the retrofit market. At present, many homeowners only seek the advice on an installer of a certain measure, rather than taking a whole home assessment first. The installer, naturally, will prioritise their product and work over other measures. This is leading to problems already, with unsuitable measures being installed in certain properties such as spray foam insulation. As an example, homeowners will typically employ an RICS Surveyor to undertake a Home Survey, which identifies the risks to a property and can provide an independent valuation of the home. Surveyors must declare any conflict of interest, are regulated by RICS, and must adhere to strict CPD requirements. No such requirements exist for retrofit assessors and experts.
- The British Standards Institution is currently developing BS 40104 Assessment of dwellings for retrofit as a benchmark for the standard in retrofit assessment, however this will need to be mandated by government for all suitable professionals to follow when doing the work. While regulation of such a marketplace will and should sit with UK Government (in part due to the considerable number of cross-border businesses), it is certainly an area Welsh Government could call for action on for greater consumer and taxpayer protection.

Recommendation 19 – The Welsh Government should look at the powers it has to introduce target improvements and MEES-style regulation/penalties for owner occupier homes, which would be a catalyst for behavioural change and education.

Recommendation 20 – The Welsh Government should look to incentivise traditional energy installers to upskill and switch to greener technologies, potentially through grants.

Recommendation 21 – Any future retrofit incentive programme should take a comprehensive approach to energy improvement and not target one simple measure, supported by a retrofit assessment to identify priority works.

Recommendation 22 – A review of greater regulation and professional competency of retrofit and decarbonisation professionals should occur, with cooperation by all developed and UK governments.

- RICS have already commented on several occasions in our response to the need for greater regulation and incentives together.
- MEES in the private rental sector is having an impact, with a growing number of properties now meeting regulations, and only an estimated 5000 failing to meet

requirements or being placed on an exemption register. It is also important to note that alongside MEES, landlords can also benefit from the boiler upgrade scheme.

- A 'carrot and stick' approach is needed, as demonstrated in our example of a green stamp duty – which without regulation, could simply see homeowners simply pay more tax rather than act.
- It is important to ensure that regulation does not simply result in asset sell-off, and shifting poor-performing, and expensive houses to upgrade to the lower end of the market. RICS has already seen evidence that some social and private landlords have simply disposed of inefficient and expensive-to-retrofit housing stock, thus helping on paper to meet regulations, but not actually decarbonising the housing stock. The nature of the housing market in recent years and the limited stock, has also meant that consumers desperate to get on the housing ladder, may have ended up purchasing those disposed of homes due to the price and availability – and now facing high energy bills and usage, as well as calls to retrofit.

How effective the Welsh Government is influencing decisions on reserved matters to support decarbonisation of these sectors.

- There are varying degrees of influence on reserved matters the Welsh Government are effective at. Within the private rental sector, MEES, while set by UK Government, has been delivered in Wales with the support of Rent Smart Wales – helping to drive compliance and direct resource and advice to landlords. Within the owner occupier sector, outside of building regulations, there has been little influence on reserved matters.
- The Welsh Government can set energy performance targets and regulations, but funding any incentives or programmes will either need to be drawn down from the existing Welsh Government budget or secured through UK Government.
- One of the most powerful levers to driving change in the owner occupier sector will be the reforms on mortgage lenders to meet EPC C averages by 2030. However, UK Government has not made any formal announcement of these plans, and despite its potential to both incentives and regulate the market, Welsh Government has little say on this matter. Indeed, many of the private financing solutions to decarbonisation will sit at a UK level.
- Proposed changes in upfront property information required at a point of sale, driven by the Levelling Up & Regeneration Bill and the Law Society, could present opportunities for the Welsh Government to review consumer information in Wales on energy performance and decarbonisation needs.
- When looking at any public schemes, the Welsh Government will still require significant funding from UK Government to finance any major improvement programme. Further research will need to be undertaken to understand if the Barnett Formula is the correct funding model to use, given Wales has a disproportionately high number of older homes and lower levels of disposable income.

- There are certain matters RICS recommends will require a joined-up approach between governments, to ensure consistency and supply chain access. For example, any reforms to EPCs should be done at a UK-wide level to ensure a consistent methodology is created, even though targets can vary between nations. Any investment in upskilling and supply chain incentives should also consider that many firms will work across the UK. RICS talked about the importance of creating a more regulated, qualified marketplace for retrofitting and installers, this again should be delivered at a UK level due to the high proportion of cross-border work.
- There are also a growing number of homeowners who have switched to 'green energy tariffs,' thinking in part it can help to remove their reliance on fossil fuel energy in their homes but are also seeing their energy bills increase significantly. This is in part due to the nature of the National Grid and apportioning costs from their overall source. This is important because although it is a UK-level influence, it means there is no financial incentive for homeowners in Wales to switch to a greener provider.

Recommendation 23 – The Welsh Government should review the Barnett Formula to understand if it is a suitable model for funding decarbonisation based on the demographic of Welsh housing and homeowners.

Recommendation 24 – The Welsh Government should use the ongoing inquiry into upfront property information to review opportunities to understand how consumer awareness can increase about energy performance. For example, in the private rental sector, there could be scope to inform potential tenants about wider costs than just rent and council tax, such as average energy consumption, and thus cost.

For Attention of: The Climate Change, Environment and Infrastructure Committee

Welsh Parliament,
Cardiff,

BY EMAIL ONLY: SENEDDCLIMATE@SENEDD.WALES

RE: DECARBONISATION OF PRIVATE HOMES – CALL FOR EVIDENCE

Friday, 19 August 2022

Your Ref.:

Our Ref.: 22-08-18_WG Decarbonisation of Private Homes Call for Evidence

To Whom It May Concern,

Sero was founded in Wales in 2017, and we are a “B-Corporation” business headquartered in Cardiff with a mission to deliver Net Zero Carbon in homes. We provide digitally-led, technical expertise that offers solutions for creating and retrofitting net zero homes, and operating these homes efficiently to support ongoing net zero carbon and minimise energy costs. Sero received £5.5m joint investment from Legal & General’s Clean Energy Fund and Hodge Bank at the end of 2021, further enabling our ongoing scale-up to support delivering the decarbonisation of homes. Our team of more than 80 people are currently actively supporting nearly 1,000 new build homes and 6,000 retrofit homes across all tenure types (a pipeline growing for 2023 and beyond). We also undertake collaborative research to help tackle the barriers to wider and faster adoption of net zero carbon in homes.

In this context, we are grateful of the chance to respond to Welsh Government’s call for evidence, and would welcome the opportunity to support with more detailed information on any of the topics outlined on the following pages.

Your sincerely,



Andy Sutton ^{RIBA}

CoFounder & Chief Innovation Officer

CC: James Williams, CoFounder & Chief Executive Officer, Sero

Enc.:



Welsh Government's call for evidence has been framed around six questions, and we have endeavoured to structure our responses to reflect these.

The current approach to decarbonising housing in the private rented and owner occupied sectors in Wales, including the effectiveness of existing programmes and support for retrofit;

The Energy Company Obligation Scheme 3 (ECO3), recent Heat and Buildings Strategy heat pump grant, and forthcoming ECO4 are administered UK-wide, whilst Wales has the ongoing schemes such as ARBED and NEST endeavouring to operate outside of social homes. Whilst Wales's schemes have largely been commendable in their intent to tackle those at greatest risk of [fuel] poverty, the schemes overall have not delivered at the scale that is urgently required or with the genuine impact on measured carbon emission reductions. Furthermore, with limited coordination between all the Welsh and UK government initiatives, there has been significant opportunity for confusion.

In short, there is much opportunity for Wales to provide an enlarged, coordinated, and clearer programme in the future, building from valuable lessons learnt from past efforts.

The role of sector specific retrofit targets to help drive change;

Wales has around 1.4m homes currently in existence, and in the period to 2050 is likely to build slightly in excess of ¼ million new homes at current rates. Of these existing and new build homes, we estimate just under 1.4m will be private owner/occupiers or private landlords in 2050. With typical homes currently emitting 3-4 tonnes CO₂^{eq}, this means that private homes emit more than 5 million tonnes CO₂^{eq} annually.

Our work to anticipate sector/tenure specific retrofit activities in Wales forecasts social landlord retrofit activities growing most rapidly to around 28,000 homes per year in 2030 (driven by Welsh Housing Quality Standards); private landlords having a slower delivery (largely due to non-compliance with limited enforcement through local authorities and Rent Smart Wales) peaking at 8,000 homes per year through the decade of the 2030's despite Minimum Energy Efficiency Standards (MEES) requirements already in place UK-wide for 2025/2028 and anticipated ratcheting standards subsequently. Owner/occupiers are divided in our modelling into mortgaged and unmortgaged, due to the different levers required, with mortgaged owner/occupiers increasing adoption to a plateau of 22,000 homes from 2032 until nearly 2050. Unmortgaged owner/occupiers are expected to be later movers, only peaking around 2040 at similar rates of homes.

Sector, or tenure, specific targets should be considered in the context of these forecast adoption rates. Firstly, such targets should only be used provided the underlying metric used is not tenure specific. Our experience shows that homes change tenures over their lifespan, and whilst sector/tenure specific targets may drive that sector, some homes will change tenure during the period. We are currently seeing evidence of this with social homes, where divestment strategies around "hard to treat" properties by some social landlords move these homes into the private landlord or private owner/occupier tenures. This is a potentially undesirable outcome given their respective capacities to reliably decarbonise homes.

Specific targets should also ideally be relative not absolute in nature: They should recognise the technical limitations to retrofit measures that exist, and judge homes relative to the possible retrofit works which could be undertaken. This is counter to an absolute measure that takes no account of how technically appropriate it is for homes, such as Listed properties, to achieve a nationally determined level. A relative target resolves many of the issues currently causing concern around the EPC approach, though it will require work to support digital building passports and assessments of how far a home can be improved.

Target success metrics for decarbonisation must therefore align across all tenures/sectors, even if target timescales do not, whilst recognising the unique nature of Welsh homes. The success metric for decarbonisation should be measured (not modelled) via the smart meter and grid carbon intensity for each home, delivering an actual carbon footprint of CO₂^{eq} per year. This is the most achievable and accurate

mechanism available, with measured readings via smart meter deployment already outpacing coverage compared to modelled solutions such as Energy Performance Certificates. This measured carbon target is transferrable between tenure/sectors, as well as aligning with wider Wales Net Zero measurements, Greenhouse Gas Scope 1/2/3 protocols and Climate Change Commission reporting.

Sector/tenure specific targets for retrofit within the above qualifications do provide the opportunity to accelerate the scale up of home retrofits, and in doing so enable the supply chain to become familiar with the retrofit measures required. Our work leading the Optimised Retrofit Pathfinder collaboration investigated these skills under “Decarb Army” work with SMEs and training providers. A notable part of the reported skills gap relates to familiarity rather than lack of fundamental skills, and as such a staged scale up through staggered targets may help tackle this.

Actions the Welsh Government should take to progress a programme of retrofit for these sectors in the short, medium and long term;

Our research work and practical application of retrofit at scale suggests Welsh Government would most benefit the acceleration of retrofit in amongst private landlords and owner/occupiers by focusing on the following areas:

Public awareness of Net Zero, particularly related to homes

From our engagement work, most residents do not realise that their home is likely to be the largest part of their overall carbon footprint. Many are keen to “do their bit” insofar as they feel able, but this lack of awareness means private landlords and owner/occupiers are not aware to begin to consider action. This is most galling amongst private landlords, who are less than 4 years from MEES regulatory requirements, yet a significant number still demonstrate no knowledge of even these comparatively low performance requirements.

Welsh Government is well placed to put in place a sustained, wide-reaching public information campaign about the drive to Net Zero Carbon across all walks of life. This should include the impact of homes, and the journey that each Welsh home needs to go on in order to help tackle the climate emergency. Our work suggests this general awareness barrier is the first hurdle to progressing retrofit in private homes.

Clear, measurable, long term targets with defined consequences

The requirement for an independently verifiable “success metric” measured in $\text{KgCO}_2^{\text{eq}}$ per year has been made above, set against a relative target appropriate to each home. This should be an integral part of any awareness campaign. In parallel, Welsh Government should initially research, then pilot, and then publicise the penalties for homes which do not achieve the necessary relative carbon targets by the defined long-stop date. Much work has been done historically on taxation levers including land value transaction tax, council tax and others, and this should be reviewed with Welsh data as a starting point.

Our work with Rightmove, the Royal Institution of Chartered Surveyors and Monmouthshire Building Society in our VALUER project (more later) gave us further opportunity for insights into the market behaviours for private homes. This suggested to us that market behaviours will be further and more rapidly influenced by clear signals of future regulatory/tax penalties on housing, even if those are consequences are many years or decades in the future (even as far as 2050). It is therefore theoretically possible that Welsh Government may drive the change in market behaviours in the next few years by simply declaring a long-term financial consequence to inaction in future decades: By the date of the deadline, it is conceivable very few homes will actually be impacted by this.

The key challenges of delivering a programme of retrofit within these sectors, including financial, practical and behavioural, and action required from the Welsh Government (and its partners) to overcome them;

Consumer habits have changed drastically over the past two years, as was evidenced during the VALUER project which ran from March 2020 to March 2022. Our Welsh Government partners Rightmove tracked the popularity of

green terms via their online portal's key word search feature. They were able to evidence that consumers are actively seeking terms such as 'Solar Panels' and 'Heat Pump' with staggering increases in popularity. Solar Panels went from ranking 499th in November 2020 to 160th in November 2021 (and continues to increase). Equally, Heat Pump was ranked >1000th in November rising to 209th 12 months later. One of the most popular key word search criteria was Electric Car Socket, indicating that the electrification of our vehicles is having the biggest impact on our housing choices.

Another of Rightmove's data findings was that advertised properties which included green terms (in this instance homes listed with double/triple glazing versus those without) sold on average within 36 days in May 2021 compared to 45 days for homes not containing these terms within the listing.

Evidence strongly suggests that prospective purchasers are more willing to pay a premium for a home that already has energy efficient measures installed as they are able to immediately benefit from them without having to endure the procurement, financing and installation process itself. This was highlighted when Rightmove studies 200,000 pairs of property transactions where each home was initially sold with a lower EPC then re-emerged onto the market with a higher EPC. They were able to identify a clear correlation between the improvement in energy efficiency and an increase in resale value in excess of market trends. The study removed overt changes to the 200,000 homes, such as a change in floor area, to help reduce other factors that may have influenced the value of the homes. A table of findings demonstrated that on average increasing a home's efficiency by:

- 1 EPC band = 6.7% increase above market trends
- 2 EPC bands = 12.1% increase above market trends
- 3 EPC bands = 19.5% increase above market trends
- 4 EPC bands = 22% increase above market trends

During the VALUER project, RICS hosted a roundtable event at Parliament Square, where industry professionals summarised current barriers and how we as a sector could address them;

1. With the enforcement of National Trading Standards Material Information part A in May 2022, progress is being made regarding the quality of property listings and the valuable information contained within them. However, an increase in upfront information at the point of a property sale should be explored as a method to inform potential buyers of the current energy performance as well as expected future improvements required. This could take the form of a building passport and would likely help assist consumers in making more informed decisions when buying a home.
2. To ensure green measures being installed within a home are appropriate, a retrofit assessment and detailed plan for net-zero should be sought by the homeowner. This would ensure inappropriate measures weren't inadvertently funded, potentially detrimentally affecting the value and efficiency of the property as well as requiring further funds to correct. This would also lead to peace of mind for the homeowner, protecting them from rogue installations and instilling confidence that they are undertaking appropriate works to their property.
3. Investigations into the benefits of creating a minimum standard and level of training to competently advise on retrofit measures would be immensely beneficial. This will support a drive towards quality and accountability, with professional bodies such as the RICS ready to assist. Organisations such as TrustMark and their Data Warehouse can further support the administration and promotion of those qualified to undertake retrofitting works.
4. The VALUER project largely focused on owner-occupiers with a mortgage, however as previously noted within this document, an estimated 56% of the private homeowner sector own their home outright. This proportion of property owners will need to be driven by other means, be that taxation for the inefficiency of their home or the adverse impact to the resale value should it be marketed without the appropriate energy efficiency measures.

5. In order to make decarbonisation universally accessible, there will need to be a variety of products and repayment mechanisms to support homeowners (both owner occupier and landlord) in retrofitting their homes. This in turn needs to be underpinned with a strong supply chain and competent trusted installers.
6. Those engaging with consumers at the early stages of a sale/purchase such as mortgage advisors and estate agents should review how they communicate the need to invest in residential energy efficiency improvements. Purchasers should be made aware of any immediate and/or future financial risks such as limited mortgage options (a lender refusing to approve a mortgage on an EPC E home without a commitment by the buyer to invest in energy improvement works) or future market value and saleability.

How the right balance can be struck between influencing/incentivising homeowners and private sector landlords to retrofit their properties and regulating to increase standards to drive progress;

Sero are already working with a growing number of mortgage providers, including Hodge Bank, Hinkley & Rugby, Principality and Monmouthshire Building Societies, to pilot how independent, expert digitally-led support can be provided to private landlords and mortgaged owner/occupiers through their mortgage provider. This is intended to be provided alongside access to novel financial products that will facilitate the able-to-pay homeowners to access suitable secured or unsecured lending to undertake the appropriate retrofit improvements to their home in the right order, over a series of coordinated interventions spaced over a number of years. These planned measures comprise a “Pathway to Zero” for the home, and are digitally stored securely for the homeowner to access, amend and record progress over time.

Our work with these pilots, together with wider activities with social landlords in Wales and England, suggests to us any moves to incentivise homes to decarbonise should be carefully focused on the most vulnerable in society. Wider incentives will be unaffordable to the public purse if offered fairly to all, and if offered on an ‘early adopter’ basis they have historically tended to unduly favour the middle/upper income bands (such as was shown with the feed-in tariff incentive). Welsh Government’s incentives should therefore look to homes that will be unable to access finance privately, which is likely to comprise either those on very low household incomes and/or those with homes in very low value areas where retrofit measures will form a significant proportion of the overall homes' value even post-improvement. Identifying these homes, and designed incentive schemes to support them, should be Welsh Governments’ priority.

For homes not falling within the above, the reality is these homeowners must be deemed ‘able to pay’ as public financial incentivisation en-masse would require dramatic changes to public finance levels to secure sufficient funds. However, the net value of resident property in the UK is estimated at more than £6 trillion, and there is considerable money in the capital markets actively seeking ‘green’ investment opportunities – indeed there is more money than opportunities at this time. Together, these can be combined to resolve the financial barrier, with Welsh Governments role here to create the predictable, long term regulatory environment that allows the market to connect the large scale private investment to the private homeowners, thus influencing the wider market. The key levers to create this long term environment are:

- Public awareness of Net Zero, particularly related to homes and their need for improvements
- Clear long term carbon targets, ideally relative, measured in-use in KgCO₂ per year
- Defined consequences, likely comprising taxation, for non-compliant homes at the deadline

How effective the Welsh Government is influencing decisions on reserved matters to support decarbonisation of these sectors.

In our view, the Welsh Government should be actively lobbying Central Government for additional legislative powers to accompany the devolvement of the Building Regulations, the power to set standards should be widened to include the provision of other decarbonisation interventions. Welsh Government has for many decades been at the forefront of wider sustainability issues such as the incorporation of BREEAM and Code for Sustainable Homes energy requirements as part of National Planning Policy, and we believe it

should redouble its efforts to engage and push for targets and powers to continue this trend. Without these additional powers the drive to Net Zero will be dictated by the snail like pace of Westminster and the lobbying of those with access to central government to slow the pace.

Without further devolvement of powers, the Welsh Government should explore options for introducing additional requirements as part of National Planning Policy that exceeds the requirements of the proposed Future Homes Standards, to something that is more akin to what Net Zero really is, and not lesser standards dictated by National House Building organisations.

Julie James AS
Y Gweinidog Newid Hinsawdd

6 Hydref 2022

Annwyl Weinidog,

Fel y gwyddoch, mae'r Pwyllgor yn cynnal ymchwiliad i ddatgarboneiddio cartrefi sy'n eiddo preifat yng Nghymru ar hyn o bryd. Er mai megis dechrau mae'r ymchwiliad o hyd, un o'r materion sy'n dod i'r amlwg yn y dystiolaeth a gawn yw'r angen (neu fel arall) am strategaeth genedlaethol ar gyfer datgarboneiddio tai.

Rydym yn ymwybodol o'ch ymateb diweddar i adroddiad y Pwyllgor Cydraddoldeb a Chyfiawnder Cymdeithasol, sef, Tlodi tanwydd a'r Rhaglen Cartrefi Clyd, sy'n nodi eich bod yn "datblygu strategaeth a chynllun cyflawni cynhwysfawr [ar gyfer datgarboneiddio] sy'n ymgorffori gwaith ar draws deiliadaethau tai."

Yn ystod y cyfarfod ddoe, cawsom dystiolaeth gan amrywiaeth o dystion i lywio ein hymchwiliad, gan gynnwys rhai sy'n gweithio'n agos gyda Llywodraeth Cymru yn y maes polisi hwn. Gofynnwyd iddynt am eu rhan yn natblygiad y strategaeth a'r cynllun cyflawni hyd yma. Dywedasant wrthym nad oeddent yn ymwybodol o gynlluniau Llywodraeth Cymru i ddatblygu'r naill na'r llall o'r rhain.

Byddai'r Pwyllgor yn croesawu rhagor o wybodaeth gennych am y strategaeth a'r cynllun cyflawni. Yn benodol, hoffem pe baech yn rhoi sylw i'r cwestiynau a ganlyn.

1. Ar ba gam ydych chi yn natblygiad y strategaeth a'r cynllun?
2. Pa sefydliadau sydd wedi bod yn gysylltiedig â datblygu'r strategaeth a'r cynllun cyflawni hyd yma?
3. A fyddwch yn ymgynghori ar y strategaeth a'r cynllun cyflawni cyn iddynt gael eu cwblhau?
4. Pa amserlen yr ydych yn gweithio tuag ati ar gyfer cyhoeddi'r strategaeth a'r cynllun cyflawni terfynol?

Rydym yn bwriadu defnyddio rhan o'n sesiwn graffu Weinidogol nesaf, a drefnwyd ar gyfer 24 Tachwedd 2022, i'ch holi ynghylch y materion sy'n dod i'r amlwg o'n hymchwiliad.

Edrychaf ymlaen at gael ymateb gennych cyn gynted â phosibl ac erbyn **4 Tachwedd 2022** fan bellaf.

Yn gywir,



Llyr Gruffydd AS,
Cadeirydd, Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Climate Change, Environment & Infrastructure Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

October 2022

Dear Chair,

Firstly, I would like to express our thanks for inviting the Federation of Small Businesses to give evidence to the Climate Change, Environment and Infrastructure Committee on the draft Environmental Protection (Single-use plastics) Bill. SMEs represent more than 99% of businesses in Wales and so will be a significant stakeholder in achieving Net Zero and plastic pollution aspirations.

We listened with interest to the evidence session with the Minister for Climate Change in the Committee oral evidence session on Thursday 29th September. We feel however that the Minister's suggestion that businesses who are unaware of the proposals "must have been living under a rock" reflects a particularly unhelpful and concerning sentiment.

The list of proposed prohibited items has itself been a continuing evolution. In 2020, the Welsh Government undertook a full consultation to explore the banning of nine single-use plastic items through secondary legislation. However, officials then indicated an intention in 2022 to expand the remit of the proposals to include wet wipes containing plastic and plastic carrier bags. The opportunity to gather and provide evidence at this point was extremely limited and this was a concern we expressed to the Minister in a letter sent to her. More recently, the Welsh Government has again broadened the scope of the legislation. As such, presuming that small businesses will be aware of the complex changes is a mistaken starting point and it is vital that Welsh Government play their part in proactively communicating what is expected of businesses.

As you will be aware, small businesses across Wales have encountered unprecedented difficulties over recent years. From business closure through the pandemic to spiralling energy costs and supply chain disruption, SMEs have been forced to weather significant challenges with many business owners experiencing a significant personal toll too. Against this backdrop, comments of this nature are counterproductive and may serve to undermine the positive attitudes towards responsibility that Wales' small business community feels around sustainability.

Our research consistently demonstrates that the overwhelming majority of SMEs recognise the role that they will have to play in achieving climate targets. However, in an FSB Wales 2021 survey only 24% felt they 'know enough' about the Welsh Government's policy on the environment, which indicates a substantial knowledge gap - a gap which the Government should be actively seeking to fill. This also demonstrates the need for a much clearer articulation of such policies for business - including this Bill.

Within the context of this legislation, there is a clear need to communicate the complexity of provisions effectively - through a targeted information campaign - and to support small businesses to understand and explore alternatives to the prohibited materials. By the Welsh Government's own admission in the Explanatory Memorandum and Regulatory Impact Assessment, the veracity of



Arbenigwyr mewn Busnes
Experts in Business

evidence for some items is stronger than others – demonstrating an uneven landscape of understanding, even by experts.

As indicated by the WLGA in their written evidence to the Committee, the implementation of minimum pricing legislation was preceded by around 2 years of Welsh Government and local authority planning and collaboration on a “communications strategy, mailings to businesses and training for enforcement officers. Once the legislation was implemented, local authorities (trading standards teams) conducted targeted education and inspection work. This allowed for face-to-face discussion with businesses, who could obtain further advice and help to secure compliance with the new requirements.” It should be recognised that the proposed legislation on single-use plastics is more extensive, yet the assurances around support and public awareness remains unclear.

We look forward to hearing the Committee’s view on the conclusion of the evidence gathering into these measures and we hope those conclusions will inform the way in which Welsh Government proceeds and seeks to engage the business community.

Yours sincerely,

Brett John
Deputy Head of Policy (Wales)

Llyr Gruffydd AS
Cadeirydd Pwyllgor Newid Hinsawdd, yr Amgylchedd a
Seilwaith

6 Hydref 2022

Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru)

Annwyl Llyr,

Diolch am eich llythyr dyddiedig 23 Medi 2022 ynghylch yr amserlen arfaethedig ar gyfer Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru). Trafododd y Pwyllgor Busnes eich ymateb ac amserlen arfaethedig Llywodraeth Cymru yn ein cyfarfod ar 27 Medi.

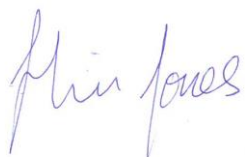
Rydym yn gwerthfawrogi'n fawr y gwaith craffu y llwyddodd eich Pwyllgor ei wneud dros yr haf ar ôl i'r Llywodraeth gyhoeddi'r Bil drafft. Yng ngoleuni'r gwaith hwnnw, a'r sicrwydd yr oeddech yn gallu ei roi, felly, ynghylch y gwaith craffu a gynhaliwyd gennych ar y Bil, cytunodd y Pwyllgor Busnes i amserlen arfaethedig y Llywodraeth ar gyfer craffu ar y Bil, gan gynnwys peidio â'i gyfeirio at Bwyllgor cyfrifol i ystyried ei egwyddorion cyffredinol. Nodir y rhesymau llawn dros ein penderfyniad yn ein **hadroddiad**, a osodwyd yn y Swyddfa Gyflwyno.

Wrth ddod i'r penderfyniad hwn, gwnaethom nodi'r pwyntiau a wnaed yn eich llythyr na ddylid ystyried bod y dull a ddefnyddir mewn perthynas â'r Bil hwn yn cyfateb i, nac yn disodli'n ddigonol, waith craffu ffurfiol gan Bwyllgor Cyfnod 1.

Mae eich llythyr hefyd yn nodi bod gan y Llywodraeth fwyafrif cynhenid ar y Pwyllgor Busnes. Er bod hyn yn gywir o ran aelodaeth y Pwyllgor, mae hefyd yn wir bod Aelodau nad ydynt fel arall yn cael eu cynrychioli gan grŵp plaid yn gallu dod i gyfarfodydd y

Pwyllgor Busnes a bwrw pleidlais lle bo angen. Mae Jane Dodds AS yn dod i gyfarfodydd y Pwyllgor Busnes yn rheolaidd, a phan fydd hi'n bresennol, bydd nifer y pleidleisiau sydd gan y Llywodraeth a'r grwpiau eraill yn gyfartal. O dan yr amgylchiadau hynny, bydd yn ofynnol i mi arfer fy mhleidlais fwrw yn unol â'r Rheolau Sefydlog.

Cofion cynnes,



Y Gwir Anrh. Elin Jones AS

Y Llywydd a Chadeirydd y Pwyllgor Busnes

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Elin Jones AS
Y Llywydd
Cadeirydd y Pwyllgor Busnes

3 Hydref 2022

Annwyl Lywydd,

Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru)

Yn dilyn ein sesiwn dystiolaeth heddiw gyda Julie James AS, y Gweinidog Newid Hinsawdd, rydym yn parhau i fod yn ansicr ynghylch y rhesymau dros y penderfyniad i fabwysiadu gweithdrefn gyflym yn y Senedd ar gyfer ystyried Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru). Ni allai'r Gweinidog ei hun ddweud wrthym ba resymau a roddwyd i'r Pwyllgor Busnes gan Lywodraeth Cymru.

Byddem yn ddiolchgar pe gallai'r Pwyllgor Busnes ein hysbysu o resymau Llywodraeth Cymru dros geisio proses gyflym ar 12 Gorffennaf, 20 a 27 Medi 2022, a rhesymau'r Pwyllgor Busnes dros benderfynu o blaid proses gyflym.

Ar bwynt cysylltiedig, byddem hefyd yn ddiolchgar pe gallem gael copi o adroddiad y Pwyllgor Busnes, mewn perthynas ag ystyried y Bil, o dan Reol Sefydlog 26.10A.

Rydym hefyd yn nodi'r llythyr gan Llyr Gruffydd AS, Cadeirydd Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith, dyddiedig 23 Medi 2022, a byddem yn croesawu cael copi o ymateb y Pwyllgor Busnes.

Byddem yn ddiolchgar o gael y wybodaeth hon erbyn dydd lau 7 Hydref fel y gall ein hadroddiad adlewyrchu'r materion yn llaw mewn pryd iddo gael ei osod gerbron y Senedd ar gyfer dadl Cyfnod 1 ar 11 Hydref.

Rwy'n anfon copi o'r llythyr hwn at Gadeirydd Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith.

Yn gywir,

Huw Irranca-Davies

Huw Irranca-Davies

Cadeirydd



Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith

Climate Change, Environment, and Infrastructure Committee

Julie James AS, y Gweinidog Newid Hinsawdd
Lee Waters AS, y Dirprwy Weinidog Newid Hinsawdd
Lesley Griffiths AS, y Gweinidog Materion Gwledig,
Gogledd Cymru a'r Trefnydd
Vaughan Gething AS, Gweinidog yr Economi

10 Hydref 2022

Craffu ar Gyllideb Ddrafft 2023-24

Annwyl Weinidogion

Mae Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith wedi dechrau paratoi ar gyfer y gwaith craffu ar Gyllideb Ddrafft Llywodraeth Cymru ar gyfer 2023-24.

Rydym yn deall y bydd y gyllideb ddrafft yn cael ei chyhoeddi ar 13 Rhagfyr 2022, ac felly rydym yn rhagweld y byddwn yn cynnal sesiwn graffu gyda chi yn gynnar yn 2023. Bydd y tîm Clercio yn cysylltu â'ch swyddfa maes o law i drefnu dyddiad addas ar gyfer y sesiwn.

Er mwyn helpu'r Pwyllgor gyda'i baratoadau, byddwn yn ddiolchgar pe gallech ddarparu gwybodaeth i fynd i'r afael â'r materion a nodir yn Atodiad 1 cyn y sesiwn graffu. Yn amlwg, nid oes rhaid ichi gyfyngu eich ymateb i'r cais hwn, ac mae croeso ichi fynd i'r afael ag unrhyw faterion eraill y byddent, yn eich barn chi, o gymorth i'r Pwyllgor wrth ei waith.

Byddem yn hapus i dderbyn un ymateb cydgysylltiedig, neu os byddai'n well gennych, ymatebion ar wahân yn mynd i'r afael â'r materion o fewn eich meysydd cyfrifoldeb unigol.

Rwyf wedi gofyn i'r tîm Clercio gysylltu â'ch swyddogion ynghylch terfyn amser pendant.

Yn gywir



Llyr Gruffydd AS

Cadeirydd Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith

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



Gwariant ataliol

Manylion am gyfran cyllideb y portffolio a ddyrannwyd ar gyfer camau gwariant ataliol a sut y mae'r gyfran wedi cynyddu o'i chymharu â chyllideb y llynedd.

Manylion am ba bolisiau neu raglenni penodol yn y portffolio y bwriedir iddynt fod yn ataliol.

Llunio polisiau yn seiliedig ar dystiolaeth

Eglurhad o sut rydych wedi defnyddio tystiolaeth wrth flaenoriaethu dyraniadau eich cyllideb ddrafft a sut y byddwch yn monitro ac yn arfarnu rhaglenni i sicrhau eu bod yn rhoi gwerth am arian ac yn llywio prosesau pennu cyllidebau yn y dyfodol.

Manylion am sut y mae'r gwaith o ddatblygu'r gyllideb ddrafft wedi'i lywio a sut y dylanwadwyd arno o ganlyniad i ymgynghori â rhanddeiliaid.

Deddf Llesiant Cenedlaethau'r Dyfodol

Enghreifftiau o sut mae'r Ddeddf wedi llywio penderfyniadau ar ddyraniadau penodol yn y gyllideb.

Manylion am sut mae'r broses asesu effaith wedi dylanwadu ar y gwaith o ddatblygu'r gyllideb ddrafft, gan gynnwys enghreifftiau o ble mae penderfyniad wedi cael ei asesu yn erbyn amcanion llesiant Llywodraeth Cymru.

Cydraddoldeb, y Gymraeg ac asesu hawliau plant

Manylion am sut rydych wedi ystyried effaith y gyllideb ddrafft ar grwpiau â nodweddion gwarchoddedig ac ar y Gymraeg, gan gynnwys manylion am unrhyw asesiadau effaith perthnasol.

Manylion am sut y mae hawliau plant wedi cael eu hystyried yn y penderfyniadau cyllideb ar gyfer y portffolio.

Ymateb i'r argyfwng costau byw

Eglurhad ynghylch a yw ymateb Llywodraeth Cymru i'r argyfwng costau byw wedi llywio eich dyraniadau cyllideb ddrafft, a sut.

Deddfwriaeth

Dyraniadau'r gyllideb ar gyfer gweithredu deddfwriaeth newydd a deddfwriaeth arfaethedig, gan gynnwys:

- Bil Diogelu'r Amgylchedd (Cynhyrchion Plastig Untro) (Cymru);

- rheoliadau i gyflwyno Cynllun Dychwelyd Ernes a Chyfrifoldeb Estynedig Cynhyrchwyr dros ddeunydd pacio plastig;
- y Bil Diogelwch Tomenni Glo arfaethedig;
- y Bil Aer Glân arfaethedig;
- y Bil Cydsynio Seilwaith Cymru arfaethedig.

Y Rhaglen Lywodraethu

Eglurhad o sut mae dyraniadau'r gyllideb yn eich portffolio yn cyd-fynd ag ymrwymïadau a blaenoriaethau'r Rhaglen Lywodraethu.

Ymateb i'r argyfyngau hinsawdd a natur

Eglurhad o sut mae datganiad Llywodraeth Cymru o argyfyngau 'hinsawdd' a 'natur' wedi dylanwadu ar y broses o bennu'r gyllideb eleni.

Eglurhad o sut rydych wedi gweithio gyda'ch cydweithwyr yn y Cabinet i sicrhau bod yr amgylchedd, colli bioamrywiaeth a newid hinsawdd wedi bod yn ganolog i'r broses o bennu'r gyllideb.

Datgarboneiddio

Eglurhad o sut mae dyraniadau'r gyllideb yn cefnogi'r gwaith o gyflwyno'r polisiau a'r cynigion yn Cymru Sero Net, sy'n berthnasol i gylch gwaith y Pwyllgor hwn.

Eglurhad o'r gwaith a wnaed i amcangyfrif effaith carbon y penderfyniadau gwario a sut mae hyn wedi dylanwadu ar y dull o ddyrannu.

Y diweddaraf am y gwaith i gysoni'r cyllidebau cyllidol a charbon.

Strwythur y gyllideb

Dadansoddiad o gyllideb ddrafft 2023-24, ac unrhyw gyllidebau dangosol yn y dyfodol, fesul Maes Rhaglen Wariant, Cam Gweithredu a Llinell Wariant yn y Gyllideb, o ran referniw a chyfalaf, ynghyd â dyraniadau Cyllideb 2022-23 fel cymhariaeth.

Disgrifiad naratif o'r meysydd polisi a ariennir drwy bob Llinell Wariant yn y Gyllideb.

Crynodeb o unrhyw newidiadau a wnaed yn strwythur a chyflwyniad y gyllideb o'i gymharu â blynyddoedd blaenorol, gan gynnwys manylion am sut y mae unrhyw Feysydd Rhaglen Wariant newydd neu a ad-drefnwyd, Camau Gweithredu Llinellau Gwariant yn y Gyllideb yn ymwneud â'r rhai a ddefnyddiwyd yn 2022-23, a sicrhau y gellir cymharu dyraniadau 2023-24 â blynyddoedd blaenorol.



Trafnidiaeth

Sut y mae'r gyllideb ddrafft yn cefnogi blaenoriaethau trafndiaeth Llywodraeth Cymru, yn enwedig cyflawni Strategaeth Drafnidiaeth Cymru a'r cynlluniau cyflawni a strategaethau cysylltiedig, gan gynnwys sut rydych wedi blaenoriaethu cyllid, fforddiadwyedd eich blaenoriaethau ac unrhyw feysydd sy'n peri pryder.

Sut y mae'r gyllideb ddrafft yn darparu ar gyfer:

- Adfer trafndiaeth gyhoeddus yn dilyn y pandemig, gan gynnwys cymorth i weithredwyr ac effaith y pandemig Coronafeirws ac adferiad ohono, gan gynnwys cymorth i ddarparwyr trafndiaeth.
- Cyflwyno'r fasnachfaint rheilffyrdd.
- Cyflwyno Metros Gogledd-ddwyrain Cymru, De-orllewin Cymru a De-ddwyrain Cymru.
- Cyflawni blaenoriaethau Llywodraeth Cymru ar gyfer seilwaith rheilffyrdd.
- Datblygu Trafnidiaeth Cymru – gan gynnwys dadansoddiad o ddyraniad cyllideb **llawn** Trafnidiaeth Cymru ar gyfer y flwyddyn, gan nodi ei gyllideb gorfforaethol ochr yn ochr â dyraniadau ar gyfer darparu rhaglenni penodol.
- Argymhellion Comisiwn Trafnidiaeth De-ddwyrain Cymru.
- Buddsoddi yn y rhwydwaith cefnffyrdd a thraffyrdd. Yn benodol, sut y mae canlyniad yr adolygiad ffyrdd wedi llywio'r dyraniadau, a sut y mae unrhyw gyllid ffyrdd wedi'i ailddyrannu.
- Cyflwyno polisi teithio llesol – gan gynnwys tabl sy'n manylu ar gyfanswm y dyraniadau a dyraniadau fesul pen o'r boblogaeth ar gyfer teithio llesol ar gyfer 2023-24, o gymharu â phob un o'r tair blynedd flaenorol. Dylai dyraniadau referniw a chyfalaf fod yn glir ac wedi'u nodi yn ôl ffrwd ariannu unigol (cronfa teithio llesol, cronfa trafndiaeth leol, llwybrau diogel mewn cymunedau ac ati).
- Cymorth ar gyfer gwasanaethau bysiau a thrafnidiaeth gymunedol, gan gynnwys tabl sy'n manylu ar gyfanswm y dyraniadau a'r dyraniadau fesul pen o'r boblogaeth ar gyfer 2023-24 o gymharu â phob un o'r tair blynedd flaenorol. Dylai dyraniadau referniw a chyfalaf fod yn glir a dylai'r tabl gael ei rannu yn ôl ffrwd ariannu unigol (Grant Cymorth ar gyfer Gwasanaethau Bysiau, BES2, Tocynnau Teithio Rhatach ac ati).
- Cefnogi blaenoriaethau trafndiaeth lleol.

Ynni a gwella effeithlonrwydd ynni

Sut y mae'r gyllideb ddrafft yn darparu ar gyfer:

- Polisiau a rhaglenni i gefnogi datgarboneiddio yn y sector tai, gan gynnwys dyraniadau ar gyfer Rhaglen Cartrefi Clyd Llywodraeth Cymru a'r Rhaglen Ôl-osod er mwyn Optimeiddio.
- Cyflwyno rhaglenni ynni adnewyddadwy ac effeithlonrwydd ynni'r sector cyhoeddus, gan gynnwys cyllid ar gyfer Gwasanaeth Ynni Cymru.
- Gweithredu argymhellion a champau gweithredu sy'n deillio o waith ymchwil manwl Llywodraeth Cymru ar ynni adnewyddadwy.
- Datblygu cynigion ar gyfer Ynni Cymru.

Yr amgylchedd

Sut y mae'r gyllideb ddrafft yn darparu ar gyfer:

- Cyflwyno'r Cynllun Gweithredu Adfer Natur, gan gynnwys rheoli a monitro'r Rhwydwaith Safleoedd Cenedlaethol.
- Rhaglen Rhwydweithiau Natur, Lleoedd Lleol i Natur, y rhaglen Gweithredu Mawndiroedd Cenedlaethol a Natur am Byth.
- Canlyniadau gwaith ymchwil manwl Llywodraeth Cymru i fioamrywiaeth a'r ymrwymadau a ragwelir yn COP15.
- Gweithredu'r gwaith 'Adferiad Gwyrdd', gan gynnwys y Gwasanaeth Natur Cenedlaethol.
- Llenwi bwch cyllid LIFE yr UE yn dilyn ymadawiad y DU â'r UE.
- Datblygu'r Parc Cenedlaethol newydd i gynnwys Bryniau Clwyd a Dyffryn Dyfrdwy.
- Cyflawni'r Cynllun Aer Glân.
- Gweithredu Strategaeth Coetiroedd i Gymru, gan gynnwys Strategaeth y Goedwig Genedlaethol.
- Gweithredu'r Strategaeth Genedlaethol ar gyfer Rheoli Perygl Llifogydd ac Erydu Arfordirol, gan gynnwys y rhaglen Rheoli Perygl Arfordiroedd.



- Datblygu trefniadau llywodraethu amgylcheddol parhaol, a gwaith yr Asesydd Dros Dro ar gyfer Diogelu'r Amgylchedd.
- Cyflawni'r Cynllun Rheoli Rhwydwaith Ardaloedd Morol Gwarchoddedig.

Cyfoeth Naturiol Cymru

Manylion am ddyraniadau'r gyllideb ar gyfer Cyfoeth Naturiol Cymru, gan gynnwys:

- sut y mae datblygiad y gyllideb ddrafft wedi'i lywio a'i ddylanwadu gan unrhyw ganfyddiadau sy'n dod i'r amlwg o'r adolygiad sylfaenol, a
- chyllid ar gyfer y Rhaglen Ynni Adnewyddadwy ar y Môr.

Seilwaith digidol

Manylion am gyfanswm cyfraniad Llywodraeth Cymru i'r cynllun i olynu Cyflymu Cymru, gan gynnwys targedau contract perthnasol ar gyfer BT/Openreach a pherfformiad tuag at y targedau hyn.

Manylion am y cyllidebau a ddyrennir i gynlluniau cysylltedd eraill Llywodraeth Cymru (gan gynnwys Allwedd Band Eang Cymru a'r Gronfa Band Eang Lleol) a thargedau cysylltedd sydd gan y cynlluniau hyn.

Manylion am unrhyw gyllideb a ddyrennir i wella cysylltedd symudol.

Gweithredu Strategaeth Ddigidol i Gymru a'r cynllun cyflawni, a'r dyraniad ar gyfer y Ganolfan Gwasanaethau Cyhoeddus Digidol.

Targedau cyffredinol band eang a chysylltedd symudol, ac a yw'r cyllid cyfun gan Lywodraeth Cymru a Llywodraeth y DU yn ddigonol i gyrraedd y targedau hyn.

Comisiwn Seilwaith Cenedlaethol Cymru

Manylion am y dyraniadau cyllideb ar gyfer Comisiwn Seilwaith Cenedlaethol Cymru.

Eitem 5.6

Lesley Griffiths AS/MS

Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd



Llywodraeth Cymru
Welsh Government

Llyr Gruffydd AS

Cadeirydd,

Y Pwyllgor Newid Hinsawdd, yr Amgylchedd a'r Seilwaith
Senedd Cymru

Llyr.Gruffydd@senedd.wales

10 Hydref 2022

Annwyl Llyr,

Rwy'n ysgrifennu i hysbysu'r Pwyllgor o'r bwriad i gydsynio i Lywodraeth y DU wneud a gosod Rheoliadau Cynhyrchion Bioladdol (Iechyd a Diogelwch) (Diwygio) 2022 erbyn 18 Hydref 2022.

Derbyniodd fy rhagflaenydd lythyr gan Chloe Smith AS, y Gweinidog Gwladol blaenorol dros Bobl Anabl, Iechyd a Lles yn gofyn am ganiatâd ar gyfer y Rheoliadau hyn. Mae'r Rheoliadau'n croestorri polisi datganoledig a byddant yn berthnasol i Gymru. Bydd y Rheoliadau yn ymestyn i Gymru, Lloegr a'r Alban ac mae cais tebyg am ganiatâd wedi ei anfon at Weinidogion yr Alban.

Bydd y Rheoliadau'n cael eu gwneud wrth arfer y pwerau a roddir gan adran 8(1) a pharagraff 21 o Atodlen 7 o Ddeddf Ewropeaidd (Ymadael) 2018.

Rhaid i gynhyrchion bioladdol gael eu hawdurdodi gan y Gweithgor Iechyd a Diogelwch sy'n gweithredu fel yr awdurdod cymwys ar ran Gweinidogion Cymru. Bydd y gwelliannau yn gosod terfynau amser cyfreithiol newydd ar gyfer awdurdodi cynhyrchion bioladdol wrth brosesu ôl-groniad o geisiadau. Trwy ymestyn y dyddiad cau dros dro am bum mlynedd, gall cynhyrchion bioladdol awdurdodedig sy'n bodoli eisoes aros ar y farchnad tan iddynt gael eu hawdurdodi o dan Reoliadau Cynnyrch Bioladdol Prydain Fawr. Mae'r Offeryn Statudol yn ddarostyngedig i'r weithdrefn gadarnhaol ac mae disgwyl iddo gael ei osod gerbron y Senedd ar 18 Hydref 2022 gyda dyddiad cychwyn ar 31 Rhagfyr 2022.

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Correspondence.Lesley.Griffiths@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Tudalen y pecyn 146
We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Er mai egwyddor gyffredinol Llywodraeth Cymru yw y dylai'r gyfraith sy'n ymwneud â materion datganoledig gael ei gwneud a'i diwygio yng Nghymru, y tro hwn, fe'i hystyrir yn briodol i sylwedd y gwelliannau fod yn gymwys i Gymru gan fod y Rheoliadau yn dechnegol eu natur ac nad ydynt yn cynnwys unrhyw newid polisi. Felly, nid oes unrhyw ymwahaniad polisi rhwng Llywodraeth Cymru a Llywodraeth y DU yn y mater hwn. Mae hyn yn sicrhau llyfr statud cydlynol a chyson gyda'r rheoliadau'n hygyrch mewn un offeryn. Rwyf o'r farn na fyddai deddfu ar wahân i Gymru y ffordd fwyaf priodol i'r newidiadau angenrheidiol gael effaith nac ychwaith yn ddefnydd doeth o adnoddau Llywodraeth Cymru o ystyried blaenoriaethau pwysig eraill.

Mae Llywodraeth Cymru yn aelodau craidd o'r Bwrdd Cyflawni Bioladdol (BDB) sy'n rhan o strwythurau llywodraethu Fframwaith Gyffredin Cemegau a Phlalladdwyr. Mae'r diwygiadau deddfwriaethol arfaethedig wedi eu trafod a'u cymeradwyo gan y BDB.

Nid oes gan y Rheoliadau hyn oblygiadau ar gyfer y Rhaglen Lywodraethu. Mae awdurdodi cynhyrchion bioladdol yn cefnogi'r mwyafrif o nodau llesiant "Cymru iachach" a 'Cymru wydn' ynghyd ag effeithiau cysylltiedig ar y nod o "Gymru sy'n gyfrifol yn fyd-eang" lle caiff cynhyrchion sy'n niweidiol i fywyd dynol neu annynol eu rheoleiddio'n iawn.

Rwyf wedi ysgrifennu llythyr debyg at Huw Irranca-Davies AS, Cadeirydd y Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad.

Yn gywir

A handwritten signature in black ink, reading "Lesley Griffiths". The signature is written in a cursive, flowing style with a large initial 'L' and 'G'.

Lesley Griffiths AS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd

Eitem 5.7

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change



Llywodraeth Cymru
Welsh Government

Llyr Gruffydd AS
Cadeirydd
Y Pwyllgor Newid Hinsawdd, Amgylchedd a Materion Gwledig
Senedd Cymru
Caerdydd
CF99 1SN

04 Hydref 2022

Annwyl Llyr,

Diolch am eich llythyr dyddiedig 9 Awst, yn gofyn am yr wybodaeth ddiweddaraf am y camau mae Llywodraeth Cymru yn eu cymryd i fynd i'r afael â'r achosion presennol o Ffliw Adar Pathogenig lawn (HPAI) yng Nghymru.

Mae poblogaeth adar môr Cymru o bwysigrwydd rhyngwladol. Rwy'n ymwybodol o'r cynnydd digynsail yn nifer yr achosion o HPAI a welwyd mewn poblogaethau adar gwyllt eleni, a'r marwolaethau torfol cysylltiedig a welwyd mewn llawer o rywogaethau adar môr sy'n bwysig o ran cadwraeth yn y DU, Ewrop a Gogledd America. Fel y nodwyd yn eich llythyr, mae'r achosion a gadarnhawyd ymhlith huganod ar Ynys Gwales yn peri pryder penodol inni, ac yn dangos bod y risg o'r clefyd hwn yn effeithio ar nythfeydd adar môr Cymru yn parhau.

Er mwyn ymateb i ganlyniadau positif i brofion HPAI ar Ynys Gwales, mae Cyfoeth Naturiol Cymru (CNC) wedi atal yr holl fodrwyo adar môr a chofnodi nythod adar môr yng Nghymru, o 5 Awst, nes y dywedir fel arall. Mae'r gweithgareddau a ataliwyd yn cynnwys modrwyo a chofnodi adar nad ydynt yn adar môr mewn nythfeydd adar môr. Mae lleihau'r tarfu ar yr adar drwy osgoi rhyngweithio diangen rhwng pobl ac adar gwyllt yn cynyddu eu cydnherthedd a'u gallu i oroesi'r clefyd.

Ym mis Mehefin, gan gydnabod y risgiau i nythfeydd o adar môr yng Nghymru, sefydlodd fy swyddogion weithgor rhanddeiliaid, a oedd yn cynnwys CNC, Iechyd Cyhoeddus Cymru, y Gymdeithas Frenhinol er Gwarchod Adar, Ymddiriedolaeth Adareg Prydain, y Gymdeithas Frenhinol er Atal Creulondeb i Anifeiliaid, Ymddiriedolaethau Bywyd Gwyllt Cymru, a wardeiniaid gwarchodfeydd, er mwyn rhannu gwybodaeth ac arbenigedd, monitro'r sefyllfa a datblygu camau gweithredu ar sail tystiolaeth mewn ymateb i'r bygythiad mae HPAI yn ei beri i'n poblogaethau adar gwyllt. Mae camau a gymerwyd wedi cynnwys gweithio i godi ymwybyddiaeth y cyhoedd o'r HPAI hwn drwy hyrwyddo a chyhoeddi cyngor ar gyfer y cyhoedd mewn perthynas ag unrhyw adar môr marw a welir (<https://llyw.cymru/rhoi-gwybod-am-adar-marw-au-gwaredu>).

Mae swyddogion hefyd yn gweithio gyda Llywodraethau eraill y DU, gan gynnwys Asiantaeth Iechyd Anifeiliaid a Phlanhigion (APHA) y mae ei system gwyliadwriaeth adar gwyllt yn profi am achosion posibl o HPAI mewn modd strategol. Mae natur fudol a

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Gohebiaeth.Julie.James@llyw.cymru
Correspondence.Julie.James@gov.Wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Tudalen y pecyn 148
We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

chyrhaeddiad posibl ein hadar môr yn gwneud cydweithio a monitro effeithiol ar draws ein gweinyddiaethau yn hanfodol er mwyn inni allu olrhain a deall lledaeniad y feirws.

Ar 31 Awst, cyhoedd Llywodraeth Cymru, ar y cyd â DEFRA, 'Strategaeth Liniaru ar gyfer Ffliw Adar mewn Adar Gwyllt yng Nghymru a Lloegr' (<https://llyw.cymru/strategaeth-liniaru-ar-gyfer-ffliw-adar-mewn-adar-gwyllt-yng-nghymru-lloegr>). Mae'r Strategaeth hon yn amlinellu canllawiau ar bolisiâu a dulliau presennol ledled Cymru a Lloegr, a bydd yn helpu rhanddeiliaid i ddeall y rhain, gan ddarparu senarios clir mewn perthynas ag adar gwyllt. Bydd y rhain yn galluogi elusennau cadwraeth a rheolwyr tir i ymateb i fflw adar mewn adar gwyllt mewn ffordd effeithiol a chyson.

Yn anffodus, mae'r tebygolrwydd y gallai fflw adar beri marwolaethau torfol i adar môr yng Nghymru, fel y gwelwyd yn yr Alban a Lloegr, yn parhau i fod yn uchel. Mae hefyd yn bosib y gallai fflw adar beri marwolaethau torfol mewn adar gwyllt a phoblogaethau o rydyddion yn ystod yr hydref a'r gaeaf.

Yn y tymor hwy, rwyf wedi ymrwymo i gyflwyno Strategaeth Gwarchod Adar Môr Cymru a fydd yn nodi camau gweithredu lefel uchel i gefnogi'r gwaith o warchod adar môr yng Nghymru. Mae fy swyddogion yn gweithio'n agos gyda rhanddeiliad i ddatblygu camau gweithredu sy'n seiliedig ar dystiolaeth drwy asesu pa mor agored mae rhywogaethau o adar môr i bwysau a bygythiadau.

Yn gywir



Julie James AS

Y Gweinidog Newid Hinsawdd

Eitem 5.8

**Pwyllgor Newid Hinsawdd,
yr Amgylchedd a Seilwaith**

**Climate Change, Environment,
and Infrastructure Committee**

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Lord Kinnoull
Chair of the European Affairs Committee

13 October 2022

Dear Lord Kinoull,

Thank you for your letter, dated 23 August 2022, drawing our attention to your Committee's inquiry into the UK's future relationship with the EU. While we are not in a position to contribute to the inquiry we are keen to follow its progress.

We would welcome the opportunity to meet with your Committee during your visit to Cardiff early in the new year. I have asked Committee officials to liaise with your Clerk to identify a mutually convenient date and time.

We look forward to meeting with you and to developing a constructive working relationship with your Committee during the remainder of this Parliamentary term.

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.



To: The Climate Change, Environment and Infrastructure Committee, The Senedd

Gilestone Farm

The Usk Valley Conservation Group has pleasure in sending you a copy of a report published today, that it has commissioned from an independent ecologist. You are reminded also that the special video which supports this report is available at

<https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.youtube.com%2Fwatch%3Fv%3DKZjJgqd4xUc&data=05%7C01%7CSeneddClimate%40senedd.wales%7Ce0db e3a9b5ed442c695308daa3d26066%7C38dc5129340c45148a044e8ef2771564%7C0%7C0%7C638002421216524473%7CUnknown%7CTWFpbGZsb3d8eyJWljoimC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6lk1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=F2wz8jdOPLvJX9xwLRcHQi%2Far4ZKwaoZpxUHxh%2F7gDw%3D&reserved=0>

The sheer number and variety of wildlife and plants recorded on and around Gilestone farm is an important reminder of how special this part of the Usk Valley really is.

The fact that Welsh Government itself has designated 44 of these species as being of "Principal Importance" for the purpose of maintaining and enhancing biodiversity is further evidence of the value and sensitivity of the farm and its environs. In particular, the Environment (Wales) Act requires Ministers to take 'all reasonable steps to maintain and enhance these species and to encourage others to take such steps'.

However, we should not focus only on those species that are most protected or most at risk and the farm is important for many animals and birds loved by the public, such as otter, hedgehog, kingfisher, curlew, red kite and cuckoo, to name but a few.

The Upper Usk Valley at Talybont is a destination for nature lovers seeking quiet enjoyment of the countryside. This low impact tourism with low intensity farming practice has created a wildlife haven in which many rare and sensitive plants and creatures thrive. It is up to us all, Welsh Government Ministers, the local community, and visitors, to ensure our local environment continues to be protected and that Talybont remains an attractive destination for quiet enjoyment of the countryside.

We are at loss to understand why the Welsh Government chose this particular farm when the mounting evidence including now irrefutable evidence of the richness of its wildlife, demonstrates its unsuitability as a 'permanent home' for the Green Man festival.

Yours sincerely,
Peter Seaman and Phil Darbyshire
Co-chairs
Usk Valley Conservation Group
Registered charity number 1199730

Gilestone Farm - A Review of Biodiversity



Report prepared by the Usk Valley Conservation Group
Charity number: 1199730
October 2022

More information about the work of the Usk Valley Conservation Group can be found at www.uvcg.org, including a link to a short video highlighting some of the local wildlife.

Cover images

A	B
C	D

- A Otter – hard to spot, but one of the most significant species on the farm
- B Osprey – a spectacular bird of prey frequently recorded in the area in recent years
- C Curlew – a rapidly declining species much loved for its haunting call
- D Lesser Horseshoe Bat – the area is one of the last strongholds in Europe for this sensitive species

Introduction

Nature is in crisis. Species and habitat are being lost daily and with it our own survival is at risk. In 2021 the Welsh Government declared a Climate and Nature Emergency and committed to increase protection of 30% of Welsh land for nature by 2030. In 2022 the Welsh Government purchased Gilestone Farm to ensure the Green Man art and music festival has a permanent home in Wales.

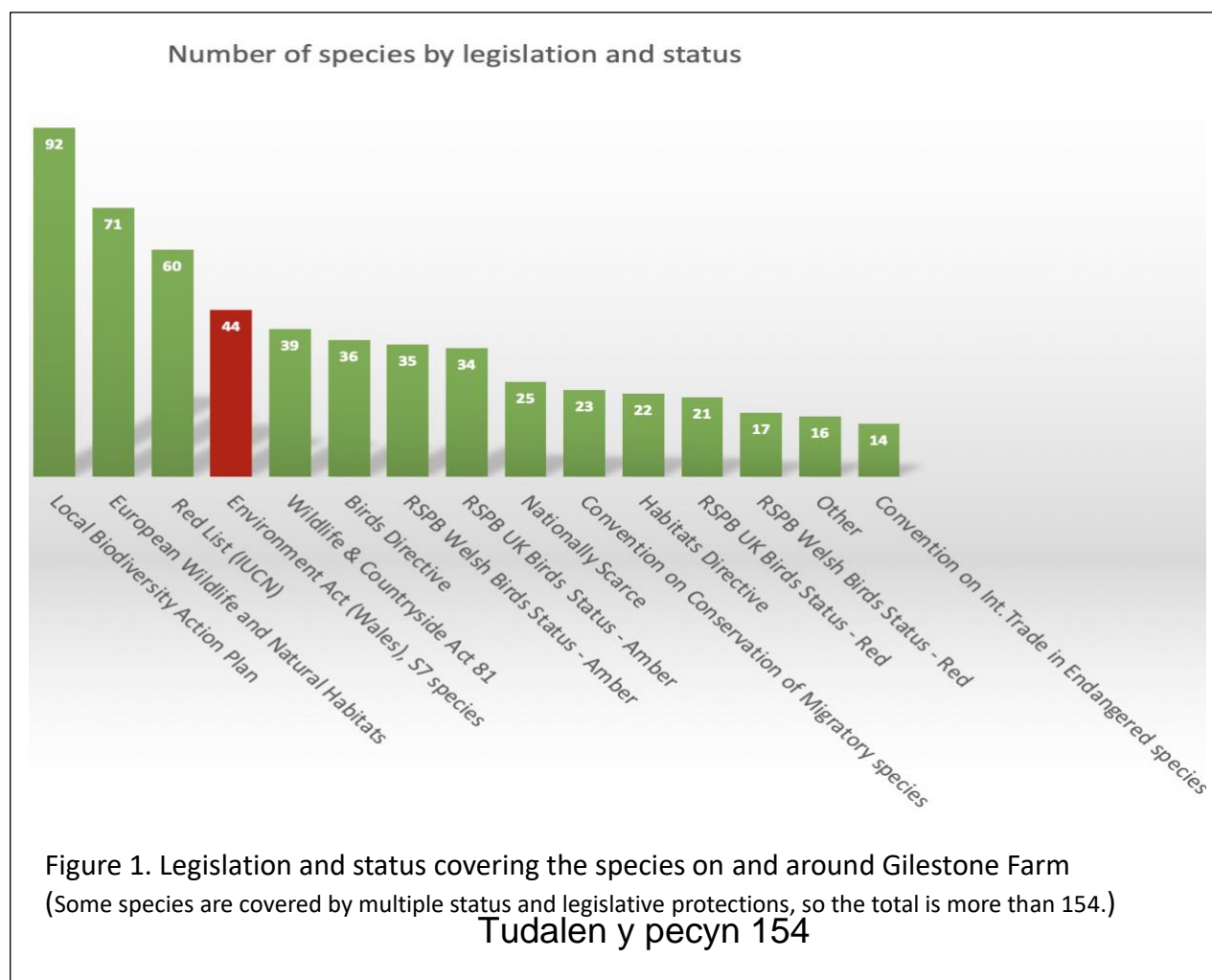
The Usk Valley Conservation Group commissioned a Consultant Ecologist to review existing biodiversity data to alert the Government to the fact that Gilestone Farm is sited in a biodiverse valley supporting many legally protected, rare, scarce, or locally important species.

The review draws on authoritative national and local datasets including those held by the Biodiversity Information Service (BIS), the National Biodiversity Network (NBN) and Natural Resources Wales (NRW). The key findings are summarised below, and the consultant's report is presented as an Appendix.

What did the review find?

The Upper Usk 'Site of Special Scientific Interest' and 'Special Area of Conservation' form the eastern boundary of the farm. The valley setting hosts 5 roosts of the internationally important lesser horseshoe bat and is included in one of the 'Important Curlew Areas' listed in the Wales Action Plan for the Recovery of the Curlew.

Records of some 1,341 different species were located. Of these, 154 are identified as legally protected, rare, scarce or locally important and are found on or in the vicinity of the farm. All 154 are covered by some form of conservation legislation or assigned a conservation status as summarised in Figure 1.



Forty-four of the most important and legally protected species are listed in Section 7 of the Environment (Wales) Act (2016). This means they have been defined by Welsh Government, as being of "Principal Importance" for the purpose of maintaining and enhancing biodiversity in Wales. Table 1 illustrates the breadth and variety of these species.

Group	Number of protected species	Species
Bats	5	Brown Long-eared, Common Pipistrelle, Lesser Horseshoe, Noctule, Soprano Pipistrelle,
Other mammals	5	Brown Hare, European Otter, European Water Vole, Polecat, West European Hedgehog
Birds	21	Common Reed Bunting, Cuckoo, Curlew, Dunnock, Eurasian Bullfinch, Eurasian Skylark, Grasshopper Warbler, Grey Partridge, House Sparrow, Kestrel, Lapwing, Lesser Redpoll, Linnet, Long-tailed Tit, Marsh Tit, Nightjar, Song Thrush, Western Yellow Wagtail, Willow Tit, Wood Warbler, Yellowhammer
Aquatic	6	Atlantic Salmon, Brown/Sea Trout, European Eel, River Lamprey, Freshwater Pearl Mussel, White-clawed Crayfish
Reptiles and amphibians	3	Common Toad, Grass Snake, Slow-worm
Insects	3	Rosy Rustic Moth, Southern Silver Stiletto-fly, Southern Yellow Splinter
Plants	1	Large-flowered Hemp-nettle
Total	44	

Table 1. Welsh Government's section 7 species of 'Principal Importance' supported by the farm.

In addition to the 'Section 7' listed birds, Osprey are frequently recorded using the farm and feeding in the river. The farm and its environs support at least three nationally rare species and 25 nationally scarce species.

What do we think?

The sheer number and variety of wildlife and plants recorded on and around the farm is an important reminder of how special this part of the Usk Valley really is.

The fact that Welsh Government itself has designated 44 of these species as being of "*Principal Importance*" for the purpose of maintaining and enhancing biodiversity is further evidence of the value and sensitivity of the farm and its environs. In particular, the Environment (Wales) Act requires Ministers to take 'all reasonable steps to maintain and enhance these species and to encourage others to take such steps'.

However, we should not focus only on those species that are most protected or most at risk and the farm is important for many animals and birds loved by the public, such as otter, hedgehog, kingfisher, curlew, red kite and cuckoo, to name but a few.

The Upper Usk Valley at Talybont is a destination for nature lovers seeking quiet enjoyment of the countryside. This low impact tourism with low intensity farming practice has created a wildlife haven in

which many rare and sensitive plants and creatures thrive. It is up to us all, Welsh Government Ministers, the local community, and visitors, to ensure our local environment continues to be protected and that Talybont remains an attractive destination for quiet enjoyment of the countryside.

Further work is clearly needed, and we suggest that a detailed (phase 1) survey is undertaken to update existing habitat data and an environmental impact assessment is needed to ensure the overall impact of any changes are properly considered.

We hope this report will encourage the new owners of the farm to value the natural capital in the valley and ensure that protections are put in place to prevent species loss and to realise the potential of this site to make a valuable contribution to increasing biodiversity in Wales.



Appendix

Biodiversity Data for Gilestone Farm An assessment of available biodiversity data

Mike Lush, 21 September 2022
Consultant Ecologist

Introduction

The Usk Valley Conservation Group commissioned the author to undertake an assessment of the existing biodiversity data associated with Gilestone Farm, Talybont-on-Usk. This report documents the approach used and results this assessment, with technical details as appendices. It is intended as an initial assessment, as it is clear from the volume of data obtained and the clear biodiversity interest that a more detailed account is needed.

Methodology

A range of biodiversity data from the following sources were collated, reviewed and analysed in this assessment:

- Biodiversity Information Service for Powys & Brecon Beacons National Park (BIS)
- National Biodiversity Network (NBN) Atlas
- Natural Resources Wales
- Vincent Wildlife Trust
- Data extracted from Sinnadurai, Jones and Ormerod (2016)

BIS undertook a data search based upon the boundary of Gilestone Farm, plus a 1,000 m buffer. The search identified designated sites, habitats and species occurring within the search area. Only priority species, species of conservation concern, including invasive non-native species, and species that are locally important were included in the results. Some records from outside the buffer were included in the results due to a separate taxon related buffer applied to these records by BIS. A total of 2,290 records of 333 species were included in the results. Twenty-five invasive non-native species were excluded from further analysis.

Species records were also obtained from the National Biodiversity Network (NBN) Atlas for the same search area. Unconfirmed, absence and records licenced for non-commercial use only were excluded, resulting in 6,766 records of 1,341 species. The names of the original source organisations are provided in

Annex 1: Providers of the NBN Atlas data used.

Further information was sought from other sources. The Vincent Wildlife Trust provided a report on a bat survey they had undertaken on Gilestone Farm in 2012 (Sedgeley, 2014), the records from which were also included in the BIS data search. Information on beetle assemblages was extracted from Sinnadurai, Jones and Ormerod (2016). Electrofishing data was requested from the Wye & Usk Foundation but had not been received at the time of writing. Many species are very mobile, whilst others are more sedentary. The distance between Gilestone Farm and the closest record of each species was therefore determined. The mobility and proximity of each species was then considered to determine the likelihood that it occurred on Gilestone Farm or adjacent habitats.

Pantheon (Webb *et al.*, 2022) was used to analyse the many invertebrate species included in the results. This is a standard online tool developed by Natural England and the Centre for Ecology & Hydrology to analyse invertebrate sample data. The primary aim was to identify important invertebrate assemblages that may be relevant to Gilestone Farm or adjacent habitats.

Protected sites data were obtained from Natural Resources Wales to assist interpretation.

Results

Sites

Two Sites of Special Scientific Interest (SSSI) were located within the search area:

- The river Usk (Upper Usk)/Afon Wysg (Afon Wysg Uchaf) SSSI forms the eastern boundary of Gilestone Farm. It was designated primarily for its aquatic vegetation, Otters, fish and rare craneflies. The SSSI has numerous other features that add to its conservation importance.
- Part of the Afon Wysg (Isafonydd) / River Usk (Tributaries) SSSI occurs immediately to the south of Gilestone Farm. It was designated primarily for otters and fish.

Both SSSIs form part of the River Usk/ Afon Wysg Special Area of Conservation (SAC). SACs are protected under the Conservation of Habitats and Species Regulations 2017 in Wales and fall within the highest tier of sites designated for nature conservation. Primary reasons for designation are the fish Sea Lamprey, Brook Lamprey, River Lamprey, Twaite Shad, Atlantic Salmon and Bullhead, and Otters. Further qualifying features are Water-crowfoot dominated aquatic vegetation and Allis Shad.

Gilestone Farm is also largely contained within a B-lines area. These are non-statutory, landscape scale designations developed by Buglife used to identify opportunities for the creation and restoration of a national network of wildflower-rich wildlife habitats, with a view to reversing pollinator decline.

Habitats

Few habitats of interest were identified by the BIS data search. Gilestone Farm appears to be largely arable and improved grassland from the aerial photography, with limited semi-natural habitat area.

The BIS data search and aerial photography identified a small area of Ancient Semi-Natural Woodland between the farmhouse and the canal. Ancient Woodland is considered irreplaceable, due to the centuries that it would take to re-establish the full woodland ecosystem if it were damaged or destroyed.

Several invertebrate species recorded in the area (see below) are regarded as saproxylics, or associated with decaying wood, but the extent to which these will occur within the Ancient Woodland is unclear. The presence of this assemblage is more likely to relate to the presence of decaying wood in the landscape, rather than at Gilestone Farm specifically. Many will relate to the presence of veteran trees, which are here regarded as a distinct habitat. The only veteran or ancient trees in the Ancient Tree Inventory (ATI) within the vicinity of Gilestone Farm are several along the canal and one beside the river, but others may be unrecorded due to lack of access rather than absence of veteran trees within the site. There are many trees within the field boundaries within the site, some of which may be veteran.

Other than woodland habitats, there is a small area of semi-improved grassland that was reported by the BIS data search and is visible on aerial photography. The BIS data search also reported an area of marshy grassland, though this appears to have been lost to succession to scrub and conversion to arable. Part may also have been converted to a pond, though the map data are not accurate enough to determine whether the marshy grassland was at this location. A survey would be required to determine whether any marshy grassland remains and the conservation importance of this area.

Species

In total, 311 legally protected, rare, scarce or locally important species had been recorded within the search area. A shortlist of the 154 species that were considered most likely to be relevant to Gilestone Farm are presented in Table 1. These include those species that had been recorded within or on the boundaries of Gilestone Farm, and those species that are mobile and are likely to utilise habitats on and adjacent to Gilestone Farm.

Note that Black Poplar has been recorded from Gilestone Farm but has been removed from the list. It was regarded as Least Concern in the last Red List but remains a rare species.

Table 1. Selected species of conservation concern recorded on or in the vicinity of Gilestone Farm, excluding invasive non- native species. Red = species recorded within Gilestone Farm; orange = Species recorded on the boundaries of and likely to be affected by activities on Gilestone Farm; white = species recorded in the local area that are likely to utilise Gilestone Farm and bordering habitats. Sources: BIS = Biodiversity Information Service for Powys & Brecon Beacons National Park; NBN = National Biodiversity Network Atlas; SJO = Sinnadurai, Jones and Ormerod (2016). Statuses: CITES = Convention on International Trade in Endangered Species of Wild Fauna and Flora; HDir = Habitats Directive ; Bern = Convention on the Conservation of European Wildlife and Natural Habitats (the Bern Convention); BDir = Birds Directive; CMS = Convention on the Conservation of Migratory Species of Wild Animals; OSPAR = Convention for the Protection of the Marine Environment of the North-East Atlantic (the 'OSPAR Convention'); WCA = Wildlife and Countryside Act 1981; S7 = Environment Act (Wales) Section 7 Species; NRWP = Natural Resources Wales Priority Species; LBAP = Local Biodiversity Action Plan Species; RL = Red listing based on 2001 IUCN guidelines; NR = Nationally Rare; NS = Nationally Scarce; BirdR = UK Bird Population Status – Red; BirdA = UK Bird Population Status – Amber; WBR = RSPB Welsh Red listed birds; WBA = RSPB Welsh Amber listed birds; LI = Locally Important Species (as identified by local specialists)

Latin name	English name	Year last recorded	Source	Status
<i>Bembidion lunatum</i>		2011	SJO	NS
<i>Bembidion monticola</i>		2011	SJO	NS
<i>Bembidion prasinum</i>		2011	SJO	NS
<i>Bracteon litorale</i>		2011	SJO	NS
<i>Riolus subviolaceus</i>		2014	BIS, NBN	NS
<i>Hilara albiventris</i>		1997	BIS, NBN	NS
<i>Lipsothrix nervosa</i>	Southern Yellow Splinter	1997	BIS, NBN	S7, LBAP
<i>Oxycera terminata</i>	Yellow-tipped Soldier	1997	NBN	RL, NR
<i>Clorismia rustica</i>	Southern Silver Stiletto-fly	2020	BIS, NBN	S7, LBAP, NS
<i>Spiriverpa lunulata</i>	Northern Silver-stiletto	2005	BIS, NBN	LBAP, NS
<i>Hydraecia micacea</i>	Rosy Rustic	2020	BIS	S7
<i>Calopteryx splendens</i>	Banded Demoiselle	2020	BIS, NBN	LI
<i>Calopteryx virgo</i>	Beautiful Demoiselle	2020	BIS, NBN	LI
<i>Potamophylax rotundipennis</i>		2017	NBN	RL, NS
<i>Austropotamobius pallipes</i>	White-clawed Crayfish	No date	BIS, NBN	HDir, Bern, WCA, S7, LBAP, RL
<i>Anguilla anguilla</i>	European Eel	2009	BIS, NBN	OSPAR, S7, RL
<i>Salmo salar</i>	Atlantic Salmon	2009	BIS, NBN	HDir, Bern, OSPAR, S7, LBAP, NS

<i>Salmo trutta</i>	Brown/Sea Trout	2009	BIS, NBN	S7, LI
<i>Salmo trutta subsp. fario</i>	Brown Trout	1998	BIS, NBN	LI
<i>Cottus gobio</i>	Bullhead	2017	BIS, NBN	HDir, LBAP
<i>Bufo bufo</i>	Common Toad	2020	BIS	Bern, WCA, S7, LBAP
<i>Rana temporaria</i>	Common Frog	2012	BIS	HDir, Bern, WCA, LBAP
<i>Accipiter gentilis</i>	Goshawk	2020	BIS, NBN	CITES, CMS, WCA, LBAP, RL
<i>Accipiter nisus</i>	Sparrowhawk	2020	BIS, NBN	CITES, CMS, LBAP, RL, BirdA
<i>Buteo buteo</i>	Buzzard	2022	BIS, NBN	CITES, CMS, LBAP
<i>Pandion haliaetus</i>	Western Osprey	2022	BIS, NBN	CITES, BDir, CMS, WCA, RL, BirdA, WBA
<i>Anas acuta</i>	Pintail	2000	BIS	CITES, BDir, WCA, RL, BirdA, WBA
<i>Anas crecca</i>	Teal	2019	BIS, NBN	CITES, BDir, CMS, RL, BirdA, WBA
<i>Anas platyrhynchos</i>	Mallard	2022	BIS, NBN	BDir, CMS, RL, BirdA, WBA
<i>Anser anser</i>	Greylag Goose	2019	NBN	BDir, CMS, WCA, RL, BirdA
<i>Aythya fuligula</i>	Tufted Duck	2018	BIS	BDir, LBAP, RL, WBA
<i>Bucephala clangula</i>	Goldeneye	2019	BIS	BDir, WCA, LBAP, RL, BirdA
<i>Cygnus olor</i>	Mute Swan	2022	BIS, NBN	BDir, CMS, LBAP, RL, BirdA
<i>Mergus merganser</i>	Goosander	2021	BIS, NBN	BDir, CMS, LBAP, RL
<i>Spatula clypeata</i>	Shoveler	2007	BIS	CITES, BDir, LBAP, RL, BirdA, WBA
<i>Apus apus</i>	Swift	2021	BIS, NBN	RL, BirdR, BirdA, WBA
<i>Caprimulgus europaeus</i>	Nightjar	2000	BIS	Bern, BDir, S7, LBAP, RL, WBA
<i>Charadrius dubius</i>	Little Ringed Plover	2019	BIS, NBN	Bern, CMS, WCA, LBAP
<i>Vanellus vanellus</i>	Lapwing	2014	BIS, NBN	BDir, CMS, S7, LBAP, RL, BirdR, WBR
<i>Actitis hypoleucos</i>	Common Sandpiper	2020	BIS, NBN	CMS, RL, BirdA, WBR
<i>Gallinago gallinago</i>	Snipe	2019	BIS	BDir, LBAP, RL, BirdA, WBA
<i>Lymnocyptes minimus</i>	Jack Snipe	2019	BIS	BDir, LBAP, RL, WBA
<i>Numenius arquata</i>	Curlew	2022	BIS, NBN	BDir, CMS, S7, LBAP, RL, BirdR, WBR
<i>Tringa totanus</i>	Redshank	2000	BIS	BDir, LBAP, RL, BirdA, WBA
<i>Ardea alba</i>	Great White Egret	2020	BIS	CITES, Bern, LI
<i>Ardea cinerea</i>	Grey Heron	2021	BIS, NBN	CMS, RL, WBA

<i>Columba oenas</i>	Stock Dove	2019	NBN	BDir, RL, BirdA
<i>Columba palumbus</i>	Woodpigeon	2019	NBN	BDir, RL, BirdA
<i>Streptopelia decaocto</i>	Collared Dove	2016	NBN	BDir, RL
<i>Alcedo atthis</i>	Kingfisher	2021	BIS, NBN	Bern, BDir, WCA, LBAP, RL, BirdA, WBA
<i>Cuculus canorus</i>	Cuckoo	2018	BIS, NBN	S7, RL, BirdR, WBR
<i>Milvus milvus</i>	Red Kite	2022	BIS	CITES, BDir, WCA, LBAP, RL, WBA
<i>Falco subbuteo</i>	Hobby	2019	BIS, NBN	CITES, Bern, CMS, WCA, LBAP
<i>Falco tinnunculus</i>	Kestrel	2013	BIS, NBN	CITES, Bern, CMS, S7, LBAP, RL, BirdA, WBR
<i>Perdix perdix</i>	Grey Partridge	1995	BIS	BDir, S7, LBAP, RL, WBR
<i>Fulica atra</i>	Eurasian Coot	2018	BIS	BDir, RL, WBA
<i>Gallinula chloropus</i>	Moorhen	2018	NBN	BDir, CMS, RL, BirdA
<i>Acrocephalus schoenobaenus</i>	Sedge Warbler	2019	BIS, NBN	BirdA, LI
<i>Acrocephalus scirpaceus</i>	Reed Warbler	2014	BIS, NBN	LBAP
<i>Aegithalos caudatus</i>	Long-tailed Tit	2020	BIS, NBN	WBA
<i>Alauda arvensis</i>	Eurasian Skylark	2010	BIS, NBN	BDir, S7, LBAP, RL, BirdR, WBA
<i>Certhia familiaris</i>	Treecreeper	2020	BIS, NBN	Bern, LBAP
<i>Cinclus cinclus</i>	Dipper	2019	BIS, NBN	Bern, LBAP, RL, BirdA, WBA
<i>Coloeus monedula</i>	Jackdaw	2019	NBN	BDir, RL
<i>Corvus corax</i>	Northern Raven	2020	BIS, NBN	LI
<i>Corvus corone</i>	Carrion Crow	2019	NBN	BDir, RL
<i>Corvus frugilegus</i>	Rook	2019	NBN	BDir, RL, BirdA
<i>Garrulus glandarius</i>	Jay	2019	NBN	BDir, RL
<i>Pica pica</i>	Magpie	2019	NBN	BDir, RL
<i>Emberiza citrinella</i>	Yellowhammer	2020	BIS, NBN	Bern, S7, LBAP, BirdR, WBR
<i>Emberiza schoeniclus</i>	Common Reed Bunting	2019	BIS, NBN	Bern, S7, LBAP, BirdA, WBA
<i>Acanthis cabaret</i>	Lesser Redpoll	2018	BIS, NBN	S7, LBAP, BirdR, WBA
<i>Carduelis carduelis</i>	Goldfinch	2021	BIS, NBN	Bern, LBAP
<i>Chloris chloris</i>	Greenfinch	2021	BIS, NBN	Bern, LBAP, RL, BirdR, WBA

<i>Fringilla montifringilla</i>	Brambling	2013	BIS, NBN	WCA, WBA
<i>Linaria cannabina</i>	Linnet	2020	BIS, NBN	Bern, S7, LBAP, RL, BirdR, WBR
<i>Loxia curvirostra</i>	Red Crossbill	2019	BIS	Bern, WCA, LBAP
<i>Pyrrhula pyrrhula</i>	Eurasian Bullfinch	2021	BIS, NBN	S7, LBAP, BirdA, WBR
<i>Spinus spinus</i>	Siskin	2021	BIS, NBN	Bern, LBAP
<i>Delichon urbicum</i>	Common House Martin	2020	BIS, NBN	Bern, LBAP, RL, BirdR, BirdA
<i>Hirundo rustica</i>	Swallow	2020	BIS, NBN	Bern, LBAP, WBA
<i>Riparia riparia</i>	Sand Martin	2021	BIS, NBN	Bern, LBAP, WBA
<i>Locustella naevia</i>	Grasshopper Warbler	2019	BIS, NBN	S7, LBAP, BirdR, WBR
<i>Anthus pratensis</i>	Meadow Pipit	2020	BIS, NBN	Bern, BirdA, WBA
<i>Motacilla alba</i>	Pied Wagtail	2022	BIS, NBN	Bern, LBAP
<i>Motacilla cinerea</i>	Grey Wagtail	2022	BIS, NBN	Bern, LBAP, RL, BirdR, BirdA, WBA
<i>Motacilla flava</i>	Western Yellow Wagtail	2008	BIS, NBN	Bern, S7, LBAP, RL, BirdR, WBR
<i>Erithacus rubecula</i>	Robin	2019	NBN	Bern
<i>Phoenicurus phoenicurus</i>	Redstart	2021	BIS, NBN	Bern, LBAP, BirdA, WBA
<i>Cyanistes caeruleus</i>	Eurasian Blue Tit	2021	BIS, NBN	Bern, LBAP
<i>Parus major</i>	Great Tit	2021	BIS, NBN	Bern, LBAP
<i>Periparus ater</i>	Coal Tit	2020	BIS, NBN	Bern, LBAP
<i>Poecile montanus</i>	Willow Tit	2020	BIS	Bern, S7, LBAP, BirdR, WBR
<i>Poecile palustris</i>	Marsh Tit	2019	BIS, NBN	Bern, S7, LBAP, RL, BirdR, WBR
<i>Passer domesticus</i>	House Sparrow	2021	BIS, NBN	S7, BirdR, WBA
<i>Phylloscopus collybita</i>	Chiffchaff	2021	BIS, NBN	LBAP
<i>Phylloscopus sibilatrix</i>	Wood Warbler	2019	BIS	S7, BirdR, WBR
<i>Phylloscopus trochilus</i>	Willow Warbler	2020	BIS, NBN	BirdA, WBR
<i>Prunella modularis</i>	Dunnock	2020	BIS, NBN	Bern, S7, LBAP, BirdA
<i>Regulus regulus</i>	Goldcrest	2022	BIS, NBN	Bern, LBAP, WBA
<i>Sitta europaea</i>	Eurasian Nuthatch	2021	BIS, NBN	Bern, LBAP
<i>Sturnus vulgaris</i>	Starling	2019	BIS, NBN	Bern, BDir, S7, LBAP, RL, BirdR, WBR
<i>Curruca communis</i>	Whitethroat	2020	BIS, NBN	LBAP, BirdA, WBR

<i>Sylvia atricapilla</i>	Eurasian Blackcap	2020	BIS, NBN	LBAP
<i>Sylvia borin</i>	Garden Warbler	2020	BIS, NBN	LBAP
<i>Troglodytes troglodytes</i>	Wren	2019	NBN	Bern, BirdA
<i>Turdus iliacus</i>	Redwing	2021	BIS	BDir, WCA, LBAP, RL, BirdR, WBA
<i>Turdus merula</i>	Blackbird	2019	NBN	BDir, RL
<i>Turdus philomelos</i>	Song Thrush	2020	BIS, NBN	Bern, BDir, S7, LBAP, RL, BirdA, WBA
<i>Turdus pilaris</i>	Fieldfare	2020	BIS	BDir, WCA, LBAP, RL, BirdR, WBA
<i>Turdus viscivorus</i>	Mistle Thrush	2019	BIS, NBN	Bern, BDir, RL, BirdR, WBA
<i>Dendrocopos major</i>	Great Spotted Woodpecker	2021	BIS, NBN	Bern, LBAP
<i>Picus viridis</i>	European Green Woodpecker	2021	BIS, NBN	Bern, LBAP, WBA
<i>Tachybaptus ruficollis</i>	Little Grebe	2020	BIS	LI
<i>Strix aluco</i>	Tawny Owl	2021	BIS, NBN	CITES, Bern, LBAP, RL, BirdA
<i>Tyto alba</i>	Western Barn Owl	2020	BIS, NBN	CITES, Bern, WCA, LBAP
<i>Lampetra fluviatilis</i>	River Lamprey	2003	BIS, NBN	HDir, Bern, S7, LBAP, NS
<i>Lampetra planeri</i>	Brook Lamprey	2003	NBN	HDir, Bern
<i>Dama dama</i>	Fallow Deer	2020	BIS	Bern, LBAP
<i>Lutra lutra</i>	European Otter	2022	BIS, NBN	CITES, HDir, Bern, WCA, S7, LBAP, NS
<i>Meles meles</i>	Eurasian Badger	2022	BIS, NBN	Bern, LBAP
<i>Mustela erminea</i>	Stoat	2021	BIS	Bern, NRWP, LBAP, NR
<i>Mustela nivalis</i>	Weasel	2014	BIS, NBN	Bern, NRWP, LBAP, NR
<i>Mustela putorius</i>	Polecat	2016	BIS, NBN	HDir, Bern, S7, LBAP, NS
<i>Rhinolophus hipposideros</i>	Lesser Horseshoe Bat	2021	BIS, NBN	HDir, Bern, CMS, WCA, S7, LBAP, NS
<i>Myotis</i>	Myotis Bat species	1986	BIS, NBN	HDir, Bern, WCA
<i>Myotis brandtii</i>	Brandt's Bat	1997	BIS, NBN	HDir, Bern, CMS, WCA, LBAP, RL, NS
<i>Myotis daubentonii</i>	Daubenton's Bat	2019	BIS, NBN	HDir, Bern, CMS, WCA, LBAP, NS
<i>Myotis mystacinus</i>	Whiskered Bat	2015	BIS	HDir, Bern, WCA, LBAP, NS
<i>Myotis mystacinus/brandtii</i>	Whiskered/Brandt's Bat	1986	BIS, NBN	HDir, Bern, WCA
<i>Myotis nattereri</i>	Natterer's Bat	2019	BIS	HDir, Bern, WCA, LBAP, NS
<i>Nyctalus noctula</i>	Noctule Bat	2021	BIS, NBN	HDir, Bern, CMS, WCA, S7, LBAP, NS

<i>Pipistrellus</i>	Pipistrelle	2016	BIS, NBN	WCA
<i>Pipistrellus nathusii</i>	Nathusius's Pipistrelle	2020	BIS	HDir, Bern, WCA, NS
<i>Pipistrellus pipistrellus</i>	Common Pipistrelle	2021	BIS, NBN	HDir, Bern, CMS, WCA, S7, LBAP, NS
<i>Pipistrellus pygmaeus</i>	Soprano Pipistrelle	2021	BIS	HDir, Bern, WCA, S7, LBAP, NS
<i>Plecotus</i>	Long-eared Bat species	1986	BIS, NBN	HDir, Bern, WCA
<i>Plecotus auritus</i>	Brown Long-eared Bat	2019	BIS, NBN	HDir, Bern, CMS, WCA, S7, LBAP, NS
<i>Chiroptera</i>	Bats	2020	BIS, NBN	WCA
<i>Erinaceus europaeus</i>	West European Hedgehog	2021	BIS, NBN	Bern, S7, LBAP, RL
<i>Sorex minutus</i>	Eurasian Pygmy Shrew	1973	BIS, NBN	Bern, LBAP
<i>Lepus europaeus</i>	Brown Hare	2022	BIS	S7, LBAP
<i>Oryctolagus cuniculus</i>	European Rabbit	2017	NBN	RL
<i>Arvicola amphibius</i>	European Water Vole	1999	BIS	WCA, S7, LBAP
<i>Anguis fragilis</i>	Slow-worm	2021	BIS	Bern, WCA, S7, LBAP
<i>Natrix helvetica</i>	Grass Snake	2013	BIS	Bern, WCA, S7, LBAP
<i>Margaritifera (Margaritifera) margaritifera</i>	Freshwater Pearl Mussel	1992	BIS	HDir, Bern, WCA, S7, LBAP, NS
<i>Physcia tribacia</i>		1983	BIS, NBN	LI
<i>Caloplaca aurantia</i>		1983	BIS, NBN	LI
<i>Xanthoria ucrainica</i>		1983	NBN	NS
<i>Hyacinthoides non-scripta</i>	Bluebell	2021	BIS, NBN	WCA
<i>Sinapis arvensis</i>	Charlock	2004	BIS	RL
<i>Galeopsis speciosa</i>	Large-flowered Hemp-nettle	1997	BIS	S7, RL
<i>Meconopsis cambrica</i>	Welsh Poppy	2020	BIS	NS

Note that Black Poplar (*Populus nigra*) has been removed from the list, as it was regarded as Least Concern in the last Red List but remains a rare species.

Bats

Seven species of bat had been recorded from Gilestone Farm: Lesser Horseshoe, Natterers, Brown long-eared, Noctule, Nathusius' Pipistrelle, Common Pipistrelle and Soprano Pipistrelle. A further three species were recorded in the surrounding areas and may also utilise Gilestone Farm to varying degrees: Brandt's, Whiskered and Daubenton's, with the latter likely to forage over the river. All are protected under the Wildlife and Countryside Act 1981 and are listed in article 4 of the Habitats Directive. Unidentified *Myotis* and *Eptesicus/Nyctalus* species were also widely recorded site by the Vincent Wildlife Trust (Sedgeley, 2014). Five of these are listed on Section 7 of the Environment (Wales) Act 2016.

Other mammals

One of the most significant species recorded on the boundary of Gilestone Farm is the European Otter, which is listed on Article 2 of the Habitats Directive, Wildlife and Countryside Act 1981, Section 7 of the Environment (Wales) Act 2016 and the Brecon Beacons National Park LBAP. As stated in the SSSI citations, it utilises the river Usk and its tributaries, with individuals ranging widely through the catchment.

One further species listed in Article 2 of the Habitats Directive and Section 7 of the Environment (Wales) Act 2016, the European Polecat, was also recorded in the vicinity in 2016. Polecats range widely and are likely to utilise the Gilestone Farm.

European Hedgehog have been recently recorded from Gilestone Farm and are listed on Section 7 of the Environment (Wales) Act 2016.

Brown Hare and Water Vole have been recorded in the vicinity and are listed in Section 7 of the Environment (Wales) Act 2016. Water Voles are also listed in the Wildlife and Countryside Act 1981 and may use the part of the river that forms the eastern boundary of Gilestone Farm.

Reptiles and amphibians

The Barred Grass-snake *has been recorded from Gilestone Farm and is listed on Section 7 of the Environment (Wales) Act 2016 and in the Wildlife and Countryside Act 1981.*

Slow-worm, Viviparous Lizard and Common Toad have all been recorded from the vicinity of Gilestone Farm and are listed in Section 7 of the Environment (Wales) Act 2016 and in the Wildlife and Countryside Act 1981. There are reports of Slow-worm in gardens close to the boundary of the farm, so it is likely that they also utilise the farm. Common Toad range widely and are also likely to utilise Gilestone Farm.

Fish

Fish account for many of the most important species recorded on the boundaries of Gilestone Farm, all within the river Usk. Several are listed in the Habitats Directive: River Lamprey, Brook Lamprey, *Salmon* and European Bullhead. *These are all primary reasons for designation for the river Usk SAC.*

European Eel and Brown trout have also been recorded on the river nearby. Both are listed in Section 7 of the Environment (Wales) Act 2016

Birds

Many important birds have been recorded from Gilestone Farm or are likely to utilise habitat on or adjacent to the farm. Seven of those recorded from the site are listed on Section 7 of the Environment (Wales) Act 2016: European Nightjar, Grey Partridge, Curlew, Lapwing, Common Grasshopper Warbler, Common Linnet and Yellowhammer. An important site for Curlew occurs close to Gilestone Farm, which has led to them being recorded from the site. Osprey *Pandion haliaetus* have also been frequently recorded in the area in 2021 and 2022, including records that demonstrate use of Gilestone Farm.

A further seven Section 7 birds have been recorded on the boundaries of Gilestone Farm and are likely to utilise the site. *These include Skylark, which may have been resident at or near to Gilestone Farm when it was recorded in 2010. Twenty-two more Section 7 birds have been recorded from the surrounding landscape, some of which may utilise Gilestone Farm to varying degrees.*

Nineteen birds that are listed in the Wildlife and Countryside Act 1981 have been recorded in the surrounding area, some of which are likely to utilise Gilestone Farm.

Crayfish

An undated record of White-clawed Crayfish was included in the results. This species is listed in the Habitats Directive and the Wildlife and Countryside Act 1981 and will have utilised the river.

Butterflies and moths

The Rosy Rustic moth is common but has declined enough to be regarded as a 'research only' Priority Species in Section 7 of the Environment (Wales) Act 2016. It feeds on docks *Rumex* spp. and members of the daisy family, which will likely to grow on site. It was last recorded from Gilestone Farm in 2020 and is therefore likely to be extant on site.

Twenty-six species of butterfly and moth that are listed in Section 7 of the Environment (Wales) Act 2016 have been recorded in the surrounding area. These include the White-letter Hairstreak, which is also listed in the Wildlife and Countryside Act 1981. The extent to which these are likely to utilise Gilestone Farm needs to be reviewed.

Flies

Two flies listed in Section 7 of the Environment (Wales) Act 2016 have been recorded on shingle on the river Usk nearby: the Northern Silver-stiletto and Southern Silver-stiletto. These are included in an important assemblage of species associated with Exposed Riverine Sediments, detailed in the Invertebrate assemblages section.

The Brecon Beacons National Park LBAP species the Southern Yellow-splinter Cranefly has been recorded on the river Usk nearby. This species breeds in partially submerged coarse woody debris and may occur on the river adjacent to Gilestone Farm.

Molluscs

Included in results was a tantalising record of the Freshwater Pearl Mussel in the River Usk near to Gilestone Farm in 1992. This species is listed in the Habitats Directive, Section 7 of the Environment (Wales) Act 2016 and in the Wildlife and Countryside Act 1981.

Plants

The other Section 7 species are one plant and one moth. Large-flowered Hemp-nettle is an arable weed that has declined markedly due to modern methods of cultivation. It is listed on Section 7 of the Environment (Wales) Act 2016 and as Vulnerable in the latest plant red data list for Wales (Dines, 2008). It was last recorded on the site in 1997, so may no longer be present.

Bluebell has been recorded from the boundaries of Gilestone Farm and is listed in the Wildlife and Countryside Act 1981. There is a good chance that this extant within the site, in the Ancient Woodland.

The Brecon Beacons National Park LBAP species Spruce's Bristle-moss has been recorded in the surrounding area.

Invertebrate assemblages

Very few invertebrate species had been recorded specifically from the site, so the 585 species that had been recorded from the site and entirely within the 1,000 m buffer were analysed, including those recorded by Sinnadurai, Jones and Ormerod (2016).

Species of tall sward and scrub had the highest representation among the records available (117 taxa), but the Species Quality Score was relatively low at 105 (100 represents only common species). Significant scores were obtained for species of decaying wood (69 taxa; SQI 146) and running water (100 species; SQI: 135).

Saproxylic invertebrates, those associated with decaying wood, are of high conservation importance due to the increasing scarcity of suitable habitat. It is likely that the saproxylic assemblage recorded is present in the landscape, rather than Gilestone Farm itself. The absence of ancient or veteran trees recorded from the site in the Ancient Tree Inventory, except for the one on the riverbank, suggests that Gilestone Farm provides limited habitat for saproxylic species, though this may be due to an absence of survey data rather than a lack of decaying wood. Numerous trees are visible along the field boundaries and within the small woodland, some of which may provide valuable habitat. The assemblage associated with running water clearly relates to the designated river system. Many of these are aquatic species occurring within the river itself, but riverside habitats are also important. Key among these is Exposed Riverine Sediments (ERS), which is an ephemeral habitat that has become increasingly rare due to river canalisation, water abstraction and other river modifications. Twelve beetles and eleven flies recorded within 1,000 m of the site are considered to have an affinity with ERS (Table 2), including two flagship priority species for the habitat: the Northern Silver-stiletto *Spiriverpa lunulata* and Southern Silver-stiletto *Clorismia rustica*, as well as the

near threatened Yellow-tipped Soldierfly *Oxycera terminata*. ERS occurs along the site boundary, though largely on the opposite riverbank

Table 2. Species recorded within 1,000 m of Gilestone Farm that have an affinity with Exposed Riverine Sediments. The affinities given are those for beetles (dependent/associated; Bates, 2006) and flies (total, strong and moderate fidelity; Drake et al., 2007). The main conservation statuses are shown.

Taxon	Status	Affinity
<i>Bembidion atrocaeruleum</i>		Dependent
<i>Bembidion decorum</i>		Dependent
<i>Bembidion monticola</i>	Nationally Scarce	Dependent
<i>Bembidion prasinum</i>	Nationally Scarce	Dependent
<i>Bembidion punctulatum</i>		Dependent
<i>Bembidion tibiale</i>		Dependent
<i>Bracteon litorale</i>	Nationally Scarce	Dependent
<i>Hydraena gracilis</i>		Dependent
<i>Bembidion dentellum</i>		Associated
<i>Bembidion lunatum</i>	Nationally Scarce	Associated
<i>Chlaenius vestitus</i>		Associated
<i>Clivina collaris</i>		Associated
<i>Oxycera terminata</i>	Nationally Scarce; Near Threatened	Total fidelity
<i>Spiriverpa lunulata</i>	Nationally Scarce; Priority Species	Total fidelity
<i>Athyroglossa glabra</i>		Strong fidelity
<i>Rhabdomastix edwardsi</i>		Strong fidelity
<i>Clorismia rustica</i>	Nationally Scarce; Priority Species	Strong fidelity
<i>Dixa puberula</i>		Moderate fidelity
<i>Hemerodromia unilineata</i>		Moderate fidelity
<i>Hilara albiventris</i>	Nationally Scarce	Moderate fidelity
<i>Antocha vitripennis</i>		Moderate fidelity
<i>Limnophora riparia</i>		Moderate fidelity
<i>Nephrotoma guestfalica</i>		Moderate fidelity

Discussion

The results demonstrate the high nature conservation importance of the river Usk and its tributaries. This high importance extends to the surrounding habitats, including those within Gilestone Farm.

The river Usk is best considered as a whole catchment. This means that operations occurring outside of the designated area but inside the catchment have the potential to impact the whole river. Many of the activities affecting the River Usk at Gilestone Farm will have occurred much further upstream and will relate to anything from diffuse pollution to abstraction of water. Nevertheless, activities on Gilestone Farm should avoid negatively impacting the river.

As well as being important for aquatic biodiversity, including fish, Otter, White-clawed Crayfish, Water Vole and aquatic vegetation, the river more broadly is clearly of importance for its Exposed Riverine Sediments (ERS) invertebrate assemblages. ERS is a unique, rare and often overlooked habitat for which the river Usk is well-known. The biggest threats to ERS are changes to the wider river, including canalisation, over-abstraction, damming, engineering, etc. It is an early successional habitat that relies upon frequent disturbance, so limited footfall is unlikely to present an issue, though heavy recreational use of the habitat should be avoided. As a general rule, changes on or adjacent to ERS should be avoided, as many ERS specialists are relatively fussy, and changes may result in the removal of the precise conditions they need to survive. For example, tree planting adjacent to ERS should be avoided, as many ERS specialists, including the two stiletto-flies, require direct sunlight and bare sediment for basking. Equally, removal of trees adjacent to ERS should be avoided, since some ERS specialists, such as Yellow-tipped Soldierfly, require shade.

The use of Gilestone Farm by Osprey, which will be feeding on fish from the river, is significant and likely since the site is relatively undisturbed. Large numbers of people and noise are likely to disturb the Osprey, which could result in them moving away from the site and possibly also the area.

The other significant habitat is the presence of Ancient Semi-natural Woodland. As an irreplaceable habitat, it should not be damaged or destroyed, either whole or in part.

The landscape is clearly also important for veteran trees, decaying wood and associated fauna. The importance of Gilestone Farm for this is unclear, so a veteran tree survey is recommended to determine the extent of its contribution to this valuable landscape. This could also assess the level of decaying wood in the woodland areas and field boundaries.

Gilestone is an important site for bats, with seven clearly recorded within and a further three in the surrounding area. Whilst the Lesser Horseshoe Bats are most likely to be commuting and foraging over the site from nearby roosts, other species may roost on site. Bats will be negatively affected by any changes that increase disturbance, including noise and lighting, or decrease the availability of habitat over which to forage.

Birds are highly mobile and well recorded, so it is difficult to relate the numerous records of important birds to residence or use of the site. However, it seems likely that those species of farmland will have utilised the site when the records were made. Common Linnet and Yellowhammer were both recorded in 2020, so are likely to still be resident on site. Lapwing and Grey Partridge may no longer be present, having last been recorded in 2014 and 1995 respectively. European Nightjar may also utilise the small woodland areas within and adjacent to the site.

Recommendations for further survey

Key survey recommendations are as follows:

1. Phase 1 survey of the site. This would update the existing habitat data, which appears to be out of date.
2. Veteran tree survey of Gilestone Farm to determine whether any unrecorded veteran trees are present. Ideally, this will be undertaken by an entomologist that can also assess the general saproxylic potential of the site, encompassing fallen and standing deadwood not associated with veteran trees. This could be undertaken as part of the Phase 1 survey.

References

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Annex 1: Providers of the NBN Atlas data used

The following organisations provided data that was included in the NBN Atlas data used for this work.

- Aquatic Heteroptera Recording Scheme
- Balfour-Browne Club
- Bat Conservation Trust
- Biological Records Centre
- BIS for Powys & Brecon Beacons National Park
- Botanical Society of Britain & Ireland
- British Bryological Society
- British Dragonfly Society Recording Scheme
- British Lichen Society
- British Trust for Ornithology
- Cofnod – North Wales Environmental Information Service
- Dipterists Forum
- Environment Agency
- Grasshopper Recording Scheme
- Joint Nature Conservation Committee
- Natural Resources Wales
- Royal Society for the Protection of Birds
- Soldierflies and Allies Recording Scheme
- South East Wales Biodiversity Records Centre
- Tachinid Recording Scheme
- Terrestrial Heteroptera Recording Scheme (Shieldbugs & allied species)
- The National Longhorn Beetle Recording Scheme
- UK Butterfly Monitoring Scheme
- UK Crane-fly Recording Scheme

Annex 2: Analysis of species records

The species records were combined, ensuring that the source was retained, and analysed to determine for each species:

- The year of the latest record.
- The maximum percentage of the area represented by the record that intersected with the digitised Gilestone Farm site boundary. This provided an indication of the likelihood that the record related to the site (100% = wholly within the site boundary, 0% = not within the site boundary).
- The maximum percentage of the area represented by the record that intersected with the digitised Gilestone Farm site boundary plus a 1,000 m buffer. This provided an indication of the likelihood that the record related to the buffered area (100% = wholly within the buffer, 0% = not within the buffer).
- Species status. This was included in the BIS data, but not in the NBN Atlas data where the JNCC taxon designations spreadsheet was used. BIS data also indicated local status that was not included in the JNCC spreadsheet. This indicates the conservation importance of each taxon, though note that not all statuses confer conservation importance, and some do not apply to Wales.

Species that occurred more than once under different names were manually identified and removed. This process meant that duplicate records had no impact on the results.

Gilestone Farm flooding - Suitability of Gilestone Farm in terms of flood risk

Gilestone Farm is situated on a floodplain and most of it is identified by Natural Resources Wales (NRW) as being at medium or high flood risk. Realistically, the only significant field on the farm that is level and not built on is the glamping site. This is less than 1 hectare in extent.

From observation we know of certain dates when the farm was subject to flooding. By correlating these with data on river flow rates we estimate that a 2-day average flow rate of 197 m³/sec or more leads to serious flooding. Based on NRW flow rate data for the Usk near Gilestone, we note these conditions were met on 6 occasions in the 21 years from January 2000. This gives a mean time between serious flood events of c.3.5 years, although as some years are wetter than others it may be more realistic to say that we estimate that the farm experienced serious flooding in at least 5 of those 21 years, or approximately 1 out of every 4 years.

The term 'serious flooding' is used here to mean times when both the high and medium flood risk areas (as delineated in the NRW flood risk map) are inundated. Together these represent about 85% of the farm. Lesser degrees of flooding occur very much more frequently and the impacts of climate change should be expected to increase the frequency and severity of flooding in coming years.

This approach to estimating the frequency of flooding is pragmatic, but not scientifically rigorous - although the results do seem to be in line with local experience. It is noted that the actual frequency of flooding is very much greater than that predicted by the NRW flood risk maps. This may be because the model operates at a national level and makes assumptions about channel capacities rather than using site specific conditions. In particular, it is likely that the road bridge and railway embankment are significant features in terms of local flooding. There is also a possibility of inundation caused by over-bank flows from the Caerfanell, immediately to the south of the farm.

Given that flooding should be a key determinant in assessing the suitability of the farm for festivals and potentially other developments, a better understanding of the actual frequency of flooding is urgently needed. This requires hydrological modelling but that is currently beyond the resources of the UVCG.

The 1980's and 2019 records flooding of the public highway near the entrance to Gilestone Farm, and on a field adjacent to the farm

1980s



2019

Usk bridge impassable due to flooding

Police said a bridge over the River Usk at Talybont-on-Usk is impassable. Officers have warned drivers to "stay away".

Breconshire Police
@DPPBrecon · Follow

8058 The bridge over the Usk at Talybont-on-Usk is impassable local farmer just pulled this delivery van out #staysafe stay away

4:06 PM · Oct 26, 2019

Usk Valley Conservation Group July 2022

Eitem 8

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Mae cyfyngiadau ar y ddogfen hon