

## **Submission to the Senedd Climate Change, Environment, and Infrastructure Committee**



### **Decarbonisation of housing: decarbonising the private housing sector**

#### **Introduction to Action on Empty Homes**

**Action on Empty Homes campaigns for empty homes to be brought into use for people in housing need. Our aims are to:**

- Raise awareness of the waste of long-term empty homes.
- Campaign for changes to national policy.
- Support local communities in transforming their neighbourhoods.
- Provide advice for those seeking to bring empty homes back into use.
- Research and develop ideas for bringing long-term empty homes back into use for those in housing need

We recognise that we mainly focus on empty homes in England however we believe certain aspects of our current work may be of interest to the National Assembly for Wales and could provide valuable evidence to the Climate Change, Environment and Infrastructure Committee.

Our evidence will primarily address Question 4 only, as it refers to 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.

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;

AEH does not operate in Wales and as such is not in a position to comment on the effectiveness of the existing programme.

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

EH has no comment.

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

EH has no comment.

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;

#### **Making full use of empty homes:**

Empty homes could play a valuable part in the rollout of retrofitting in the private sector. Because they are unoccupied, they provide a unique opportunity to develop replicable frameworks for retrofitting in a wide range of house types and settings. The process of retrofitting would provide opportunities for on-site training in green skills, and a structured programme of retrofitting while renovating would help to build viable local green supply chain markets. This in turn would generate employment and support enterprise, while at the same time increasing the supply of sustainable homes that are affordable to rent and to live in. The expertise and supply chain developed by fully retrofitting empty homes could then be scaled up across the whole private sector.

A major barrier to retrofitting existing homes refers to the scale and nature of works required to achieve significant impact on fuel use and carbon emissions. It is very difficult to carry out these works while a home is occupied. Residents must either submit to a very uncomfortable period with work going on around them, or incur the cost and upheaval of decanting to alternative accommodation. In general, where a property is occupied, works can be more complex, take longer and can be more costly.

Empty homes that have been retrofitted and made ready for occupation could be used to facilitate decant, providing a suitable alternative 'home from home' and avoiding the need to put furniture into storage. This would also enable residents to use and develop understanding of the new technologies being installed in their home.

Action required by the Welsh Government:

- a) Recognition the opportunities provided by the retrofitting of empty homes to develop green skills, enhance and support local supply chains and facilitate retrofit of occupied private sector homes
- b) Provision of high-quality information, advice and reliable financial incentives to encourage empty homeowners to bring their homes into use, retrofitting while renovating. This should include negotiation to defer application of council tax premiums, conditional upon homes being retrofitted and renovated within an agreed period.
- c) Development, funding and delivery through local colleges and centres of excellence of a structured, accredited green skills training programme, to include onsite work experience.
- d) Provision of 'kick-start' funding and grants, to include short-term underwriting of risk, to encourage industries and other sectors key to delivery of retrofitting in the private sector, to develop confidence and build local expertise and supply chains.

- e) Facilitation of resident decant while full retrofitting works are carried out, development and funding/subsidy of a managed programme to enable households to temporarily vacate their homes to enable decarbonising retrofit.
- f) Recognition that, for private landlords, void periods result in loss of rental income. Support to ameliorate losses could include council tax breaks, low/no interest loans, to encourage private landlords to retrofit,

**The central role of communities:**

The full retrofitting of an existing home is complex and requires substantial changes to the infrastructure of the house. The result is an integrated system of low-carbon energy generation, efficient energy use and internal climate control. It is very difficult to undertake this scale of remodelling with residents in occupation. Communities reliant on private sector housing, especially privately rented housing, may be left behind as their homes are considered ‘too difficult’ to fully retrofit, leaving low-income households to meet the increasing cost of fuel delivered through the national grid.

Action on Empty Homes (AEH) has been considering ways of overcoming the challenge of delivering programmes of retrofitting to existing older stock in the private sector. We believe empty homes have a valuable role. In addition to increasing the supply of affordable low-carbon homes, retrofitting empty homes as they are renovated would provide work experience and training in green skills, and help to give confidence to the green energy suppliers, construction companies, the finance sector and other stakeholders, that a reliable supply chain infrastructure was being developed. Developing schemes led by communities, in collaboration with local authorities, FE colleges, trades and associated professionals, will help drive behaviour change by building confidence ‘on the ground’, showing in very practical ways how low-carbon homes can be achieved and incentivising private sector homeowners and landlords to ‘join in’.

AEH has recently received funding from Esmee Fairbairn Foundation to undertake a one-year feasibility study to test and evaluate the viability of three-year local community-led Retrofit Empty Homes Action Partnerships (REHAP), to retrofit empty homes, deliver green skills training and create markets to support local supply chains, which together will help drive action on climate change at the local level.

To deliver this study, we will identify up to three local authority areas with the potential to deliver community-based empty homes full-retrofit demonstration projects. Working closely with communities to explore attitudes to climate change, retrofitting, and the need for secure affordable housing. This will be a process of shared learning, together with the local authorities, other key stakeholders and potential delivery partners, to as far as possible generate a level playing field to enable communities to engage and act with informed confidence.

Alongside communities, the local authority and training institutions, we will explore and negotiate potential funding streams for revenue and capital works and on-site training, developing relationships with private, public and third sector funding bodies

We will also review frameworks for quality control of retrofitting works, in collaboration with ACAN (Architects’ Climate Action Network), training institutions and local building and retrofit contractors.

Integral to the project will be multi-interest focus groups and workshops to 'walk through' and test a number of project delivery options, to evaluate strengths and opportunities and identify potential barriers and challenges. We will also design and test approaches to messaging and engagement around the three-year community partnership project to retrofit empty homes, deliver green skills training and build local supply chain markets. We will also review exit opportunities for workplace trainees and apprentices, leading to further training or employment.

A key outcome will be to identify training and support for the future occupants of retrofitted homes, who may benefit from this in order to make the best use of new technologies and prepare for potential impacts on current lifestyles.

The learning from across the viability study will be collated into an evaluation report with proposals for delivery of a three-year local community partnership project to retrofit empty homes and help rebuild local economies, initially across three local authority areas.

Action required by the Welsh Government:

- a) Engagement of communities in private housing policy development and delivery frameworks
- b) Development of community-based approaches to full retrofitting, providing opportunities for onsite green skills training and social enterprise
- c) Where empty homes are retrofitted, provide opportunities for community ownership and management of the renovated housing

### **Building knowledge and confidence**

It is our experience that the majority of partners central to delivery of retrofitting in the private sector require support to develop sufficient understanding of full retrofitting to be able to make informed decisions, achieve quality standards and deliver schemes with confidence. This is across all sectors including, importantly, the finance sector.

There is a general lack of understanding of the type and scale of retrofit required for different property ages and types. A perception that 'one-size fits all' has to date proved ineffective, and can lead to wasted effort and resources, and to disillusionment about the value of retrofitting. It is understood work to create a taxonomy of existing Welsh housing stock may have started. Such a taxonomy would provide an invaluable foundation for developing retrofit frameworks and options for existing housing.

Action required by the Welsh Government:

- a) Complete creation of a taxonomy of existing housing stock as a matter of urgency
- b) Develop frameworks for retrofitting different property types, including options for finance and funding and opportunities for onsite green skills training.

- c) Provision retrofitting support hubs at the local level, familiar with local housing stock, its condition and population profiles, to ensure advice and support is appropriate to local conditions.

5. 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;

EH has no comment.

6. How effective[ly] the Welsh Government is influencing decisions on reserved matters to support decarbonisation of these sector

EH has no comment.