

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith /
Climate Change, Environment and Infrastructure Committee
Datgarboneiddio'r sector tai preifat / Decarbonising the private housing sector
DH2P_16
Ymateb gan Ynni Cymunedol Cymru / Evidence from Community Energy Wales

Community Energy Wales Response To Senedd Climate Change, Environment, and Infrastructure committee consultation on decarbonising the Private housing sector.

Background

[Community Energy Wales \(CEW\)](#) is a not-for-profit membership organisation which provides assistance and a voice to community energy projects across Wales. Our core mission is to support and accelerate the transition to a fair, net zero and community-led energy system. This is based on an overarching vision that communities should not only participate in, and shape the energy system, but also that Welsh communities retain benefit from the energy transition. We have a growing network of 52 member organisations and in 2021 CEW members set up an Energy Efficiency Working Group as a response to the lack of support available for decarbonising and retrofitting houses, particularly in the private housing sector.

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 current pace of approach to decarbonising housing in Wales is slow, especially when compared to the urgency of the climate crisis, with a lack of government support to private homeowners and renters retrofit, a lack of skilled people to offer retrofit advice, audits, design, and installation and no trusted organisations to provide guidance or quality assured services across Wales.

While there is support for retrofit out there the majority of what is available is there for those on low income or benefits. These schemes are important to support those most affected by fuel poverty but there is little support for other homeowners or individuals wishing to retrofit which is part of why the pace of change is so slow.

We have to recognise that the homes with the highest carbon footprints are those owned by the able to pay. Homeowner who have sufficient income to pay for their current fuel bills have very little incentive or encouragement to make their homes more energy efficient, yet this is very often where the lowest hanging fruit exists and where the biggest carbon savings could be made.

At present the only organisations trying to engage with the able to pay are community based initiatives relying on volunteer input and with no marketing budget. We need to take this tranche of the housing sector far more seriously.

We also recognise the lack of supply chain supporting the owner occupier market. Owner occupiers generally rely on local micro businesses for much of their building maintenance. The upskilling of installers that serve the RSL market via ORP is well intentioned, but still does not address the skill

shortage in the type of construction businesses that serve the OO market. There needs to be more retrofit training targeted at these micro

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

As mentioned above the pace is currently very slow, and targets don't match up with the urgency of the climate crisis and the need to decarbonise housing and heat to meet greater climate targets

The community energy sector in Wales is dynamic and has changed over time, in recent years increasingly focusing on energy consumption, energy efficiency and reducing costs, in the context of the current energy crisis, with over 20 community organisations in Wales now focusing on these areas. Specific targets alongside better support for the sector and private homeowners more generally would help to drive change much quicker.

We need also to make sure that government policy is aligned with the strategy contained within the PAS2035 methodology. PAS2035, widely seen as a far better approach to retrofit than the previous scattergun approach that came before, emphasises the whole house approach and need to consider each house and work out what measures are need and in what order. A government policy of subsidising just one measure, e.g. heat pumps, through the BUS, directly contradicts this, encouraging people to put in a heat pump even if PAS2035 recommends doing some other measure first. We need to make sure that government support, and PAS2035, are pulling in the same direction

3. 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 engage with communities, and community energy, to offer support and training to provide advice for homeowners, as well as a focus on more funding towards energy efficiency retrofit and low carbon heating projects.

Community energy has an important role to play in decarbonising the private housing sector as it is locally embedded and trusted within communities, in 2021 community organisations engaged 22,453 people in energy efficiency initiatives in Wales, with 20 organisations involved. Figure 1 below outlines the types of schemes that community energy organisations in Wales have been involved in.

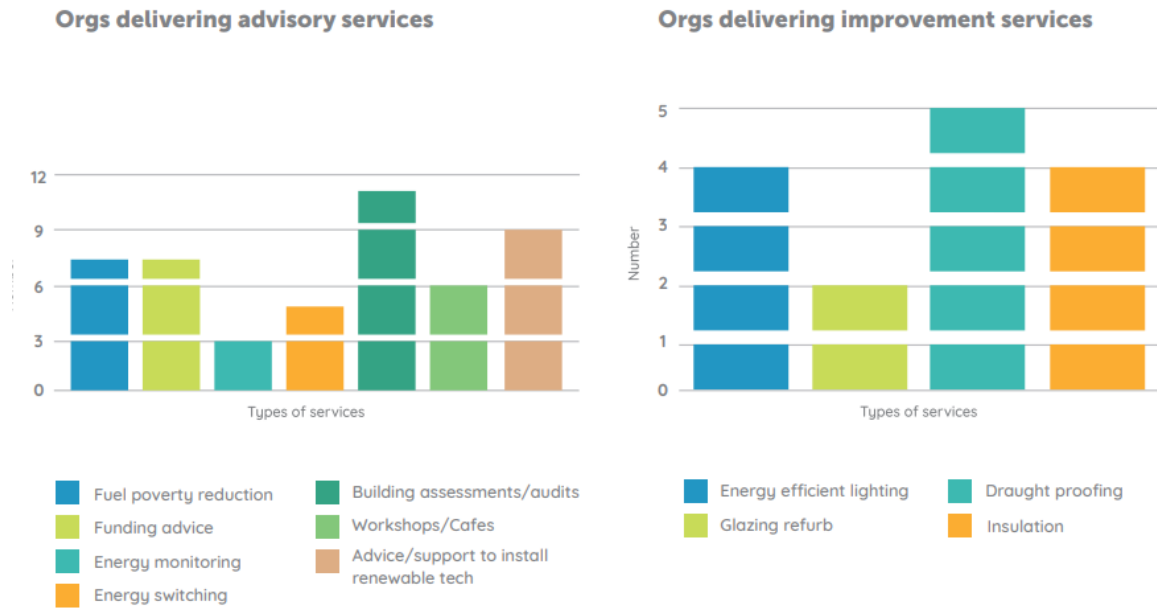


Figure 1 A breakdown of Energy Efficiency services delivered by Community Groups in Wales in 2021[1]

In the short and medium term focus needs to be in bridging the skills gap by providing support for training and ensuring that homeowners and landlords can easily find access to trusted suppliers of advice, energy audits, and retrofit technology alongside funds to incentivise and support homeowners to make these changes.

There should also be a greater plan and support when it comes to producing low carbon heating in Wales as this is still an issue with a lot of unanswered questions and barriers for entry for community groups. Currently in Wales we have 27.5MW of community owned renewables and only 363kW of community owned renewable heat reflecting some of the issues, such as high capital cost and lack of technical expertise, with tackling low carbon heating[1]. This lack of movement on low carbon heating is also reflected in Wales outside of community energy, less than a quarter of Wales' renewable generation is low carbon heat despite heat making up 40% of Wales' energy use[2]

Expanding the support available from the Welsh Government Energy Service to include energy efficiency and renewable heating would also be a welcome change to support the community energy sector and make more projects feasible for more communities.

An example of a community project that has been able to retrofit both low carbon heating and energy efficiency measures is [Swaffham Prior Heat Network in Cambridgeshire](#). Through this collaboration between local community, county council, industry, land owners, housing associations and more a low carbon heating network with capacity for 300 homes has been built. This is bringing both privately owned and housing association homes off expensive, high carbon, oil heating and onto a low carbon heat pump and solar based system. Alongside their low carbon heat network money has been made available for the retrofit of houses in the village to improve energy efficiency and save further on bills. This shows the power of community energy with proper support to tackle both fuel poverty and climate change.

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;

The first requirement is for there to be an affordable, approachable, impartial advice mechanism for OOs. There are many OOs out there that are keen to reduce their carbon footprint, and have private capital to do so, but are confused by conflicting message from the media and the grapevine. There needs to be a support service, consistent across Wales, professional and authoritative, that can engage effectively with the private sector and gain its trust.

Financial resources: As stated above currently a large part of the financial resource available and the focus in Wales has been on social housing and those on benefits/in fuel poverty. These areas are an important focus, however more financial support needs to be given to the wider population, and communities, to support retrofit. As we are in a cost of living crisis many individuals and communities who want to make a change to their buildings to tackle both fuel poverty and the climate crisis won't be able to do so without sufficient funding and financial support. Often retrofit can have large upfront capital costs that many cannot afford to invest in without grants or other subsidies available.

Practical: Welsh government should ensure there is training and support available to ensure there are enough skilled people able to undertake the necessary and high quality retrofit work. Making sure to focus using and supporting local communities and established Welsh suppliers in order to benefit the Welsh economy.

Behavioural: with the current energy price and cost of living crisis the majority of people are doing whatever they can in order to save money on their bills so the time is now to push out these schemes and influence behaviour change whilst tackling the energy crisis.

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;

On the private rental side Landlords should be enforced more than incentivised in order to ensure work is carried out for the benefit of their tenants, with advice and support given to privately renting tenants to help them get their properties retrofitted by landlords.

No new housing should be built that will need retrofitting later in order to meet net zero targets as this will be a waste of time and resources longer term.

For private home owners incentives in the form of funding would drive progress. There is also an option for schemes such as stamp duty be linked to energy efficiency rating of homes? With less than a C rating short term meaning a x% extra charge to homes, rising to B then A longer term?

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

Currently it doesn't seem the Welsh Government has much sway with the current UK Government on matters of climate change, however with the current UK Government not supportive of climate change measures Welsh Government time and energy is likely better spent focusing in on Wales and doing good work here to tackle decarbonisation to set a good examples for possible future UK Governments to follow once there is an appetite for this change from Westminster.