

ROCP 07, CIH Cymru

Senedd Cymru | Welsh Parliament

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

Adolygiad o flaenoriaethau'r Pwyllgor ar gyfer y Chwchedd Senedd | Review of the Committee's priorities for the Sixth Senedd

Ymateb gan CIH Cymru | Evidence from CIH Cymru

Your views

1. What are your views on the Committee's three strategic priorities: Climate Change; Sustainable Communities; and Protecting and enhancing the natural environment?

CIH Cymru support the ongoing commitment to the three strategic priorities. We have all seen over the last two years the impact of climate change both here in the UK and across Europe. Summer 2023 saw the highest temperatures since records began across southern Europe and the Mediterranean with widespread wildfires. It is vital that Wales looks to minimise any further impact on our climate through its priorities on decarbonising and moving towards a zero carbon Wales whilst taking measures to adapt to our changing climate.

Our members not only deliver and manage social, affordable and private rented homes in Wales but also invest, support and regenerate local communities. They design new developments that promote active travel, work with local communities to benefit local communities, work towards reducing social isolation and promote greater biodiversity. Whilst our members actively seek to ensure they have placemaking at the heart of any new development we also need to look at ways to ensure that anyone building new homes in Wales also meet placemaking requirements and strive to ensure that the homes they develop contribute to developing sustainable communities here in Wales.

While we are supportive of the strategic priority to protect and enhance our natural environment this must be done with a full consideration of any unintended consequences. We have already seen the impact of this through policies to reduce phosphates in rivers impacting the level of development that can take place in parts of Wales deepening the housing crisis in these areas. We need to ensure that when seeking to protect and enhance the natural environment we look at the whole system and work with those who are likely to

be adversely affected to mitigate against potentially negative impacts. We will continue to work with our members as they seek solutions to this issue. CIH Cymru recognises the importance of these strategic priorities and will continue to work with our members and Senedd members to ensure that the housing sector is part of the solution as we move towards a zero carbon Wales.

2. To what extent are the Committee's three strategic priorities still relevant, reflecting on social, economic and environmental developments since they were set at the start of the Sixth Senedd?

The strategic priorities of the committee are still relevant today. We know that action is needed to tackle and mitigate the impact of climate change here in Wales. Our members are currently building new homes at pace and scale to help mitigate the housing crisis whilst also retrofitting existing homes to ensure that they meet decarbonisation targets. Yet the ongoing impact of inflation and rising borrowing costs is having an impact on their ability to meet both these objectives whilst also supporting their communities through a cost-of-living crisis. We need to look at ways we can mitigate the wider economic impacts on housing organisations to ensure that we can effectively work towards these strategic priorities. We also need to look at how we can bring the private housing sector with us to ensure that existing homes can meet decarbonisation targets, new homes developed are low carbon and that placemaking and sustainable communities are a priority for any new home developments in Wales.

3. What are your view on the Committee's detailed priorities/outline programme of work for Years 3 to 5 of the Sixth Senedd (set out in its report, [Priorities for the Sixth Senedd?](#)

Decarbonising Housing

We welcome the ongoing commitment to decarbonising housing and the funding commitment in the latest budget of £400m for social landlords to decarbonise their existing stock. Yet this funding falls short of the amount needed to decarbonise the social housing sector. Research by the Future Generation Commissioner shows that there is a £2.7bn funding gap to decarbonise our social housing stock. We also have the issue of rising inflation with the monies allocated not going as far as they once did due to rising inflation and increasing borrowing costs. Our members are also seeing the impact of a net zero skills shortage impacting the pace at which they can retrofit their existing stock.

We also need to be investing in decarbonising private housing in Wales. Research by Tyfu Tai Cymru "Decarbonising Wales' Private Rented Sector" outlined that the private rented sector is the worst energy performing tenure. The cost needed to bring the private rented sector up to the target EPC "C" will be £846m. This

equates to a 89 per cent funding shortfall.

Owner occupiers are the largest housing tenure in Wales. It is essential that we incentivise and support this tenure to embark on the decarbonisation journey in order to drive the pace and scale of change we need in order to meet our net zero targets. If we can get this element of the sector right, it will drive the market costs of retrofitting down. . We welcome the recommendations in the committee's recent report into decarbonising the private housing sector and look forward to seeking progress made in achieving these recommendations. However, we are also aware of the ongoing level of funding that is needed and ask the committee to look at current funding levels to ensure that we can meet current decarbonisation targets and help the private housing sector meet their decarbonisation obligations.

Planning Framework and placemaking.

We welcome the changes made in the planning framework so far to tackle second homes and short term lets. Whilst these provide a vital income to tourist areas in Wales they are also impacting communities by raising house prices resulting in local people needing to leave the area to secure a home they can afford. We would also like to see further amendments to the planning framework to ensure that placemaking has a bigger role within the framework. This needs to look at how we can ensure that anyone building new homes in Wales fully considers the Welsh Government's Placemaking charter so that the new homes form part of a sustainable community for current and future generations.

Environmental governance.

There is significant impact from the NRW's policy on phosphate pollution in rivers in special areas of conservation. All new residential development in these areas had to show that they would not increase the levels of phosphates in the rivers. There was no tool provided by NRW to help developers calculate the likely phosphate output of their development which led to many developments being halted or not starting. We appreciate the resilience of our river systems is crucial, but this new policy has significantly impacted the ability of our members in the areas affected meeting their development targets. New affordable housing has never been needed more than now as we are in the grip of a housing crisis and over 10,000 people are currently housed in temporary accommodation. If we are to hit the government's target of 20,000 new homes at social rent and work to end homelessness, we need to ensure that new planning policy is thoroughly impact assessed with full consideration of likely unintended consequences and how it may influence or impact other policies.

4. To what extent are the Committee's detailed priorities/outline programme of work still relevant, reflecting on social, economic and environmental developments since they were set at the start of the Sixth Senedd?

The committees detailed priorities/outline programme of work is still very relevant today. We welcome the continued focus on decarbonising homes here in Wales. We know that 80 per cent of the homes in use today will still be in use in 2050. Our members are therefore focussing on decarbonising existing homes. Yet due to rising inflationary pressures and borrowing costs, Welsh Government investment into building new low-carbon homes and retrofitting existing homes is not worth what it was at the beginning of the spending review period in 2021. There are also ongoing supply chain issues and a shortage of skilled labour to ensure existing homes and new homes can meet decarbonisation targets. We need to mitigate these ongoing financial risks and the labour shortage to ensure that we can meet decarbonisation targets. We also need to have effective measures in place to help the private sector in decarbonisation of existing homes. There is a need for a whole sector approach in meeting decarbonisation targets. We welcome the continued focus on the planning framework and placemaking agenda. Yet we believe that placemaking should be at the heart of any new development. Our members are considerable actors in regenerating local areas for the benefit of communities, ensuring developments promote active travel, increase opportunity for social interaction and promote greater biodiversity. We would like to see this approach to new developments mirrored for private developers with placemaking given as much a priority as building safety and building regulations when designing and building new homes no matter where this is in Wales.

5. Are there any other matters related to the Committee's priorities/work programme/ways of working that you would like to comment on?

Within the proposed programme of work there is a focus on decarbonisation as part of tackling climate change. This is currently focussed on the warming/heating of our homes during winter, and in tandem tackling fuel poverty. Yet there is also a need to focus on how we can ensure effective cooling of our homes. Many of our homes have high levels of insulation to mitigate against the cold and reduce demand for heating. Yet this insulation is also causing overheating in our homes as severe heat events in the summer become ever more regular due to the impact of climate change. We need to consider how we can ensure effective heating in the winter and effective cooling in the summer.

As part of a focus on decarbonisation we also need to link this in with work around the circular economy in Wales. We welcome the proposed review of the existing circular economy strategy but any new strategy needs to include ways in

which the housing sector can be a key partner as we all work towards a zero carbon Wales.

6. Other information

No response.
