

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

### **Correspondence regarding Homes fit for the Future received via e-mail from the Future Generations Commissioner for Wales – 12 July 2021**

Dear Climate Change, Environment, and Infrastructure Committee

#### **Homes fit for the Future: The Retrofit Challenge.**

Today I'm launching a report focused **on how we can finance the decarbonisation of homes in Wales to support our net zero ambitions.**

Based on work my team has conducted in partnership with the New Economics Foundation and Dr Donal Brown, with input from a vast range of stakeholders over the last 6 months, the report outlines:

- how much investment is needed to support a national retrofit programme across Wales,
- what the economic and environmental benefits of this investment would be,
- what the current funding gaps are, and
- proposed delivery models to plug these gaps.

Our findings are summarised within an [Executive Summary](#), supported by a [Technical Summary](#). For those who are interested in the more detailed modelling and financial considerations these are outlined in the [detailed report](#).

We are calling on Welsh Government to work with UK Government and commit to a long-term investment plan to decarbonise homes in Wales. We estimate that such a programme will require £14.75 billion of investment to 2030 - £5.5bn for social housing, £4.8bn for homes in fuel poverty, and £4.4bn for homes in the owner occupied and private rented ('able to pay') sectors respectively.

Not only would this programme improve the efficiency of Wales' homes, address fuel poverty and help us meet our climate change targets, it would also deliver significant economic benefits through creating 26,500 new jobs (over the decade), £19.32bn in additional GDP, and £3.54bn of net tax benefit by 2030, helping to offset the economic impact and job losses of the recent pandemic.

The programme would also save £8.3bn in energy bills and create £4.4bn in health and environmental benefits by 2040 helping to put more money back into local

economies across Wales and reducing the strain on health and social care services, particularly during the winter.

The total government investment required is around £5.3bn over 10 years, of which £3.6bn should come from UK and £1.7bn from Welsh Government, with 64% of total investment coming from private finance, energy companies or self-funding by property owners. Based on existing investment plans and policy proposals there are currently large funding gaps for social housing (£2.7bn) and fuel poverty (£3.9bn) to meet the level of EPC "A" by 2030.

Although governments have a key leadership and coordination role this needs to be a shared endeavour, bringing a range of organisations and sectors together in a shared mission.

I invite you to join me in calling for, and supporting, the delivery of the ideas proposed in my report. I am keen to discuss the role you can play in ensuring we turn these proposals into delivery. Wales has the ambition, and the vision – our focus now has to be action.

Cofion cynnes / Best wishes,