

By email

18/11/2020

Dear Rebecca,

I am writing in relation to our recent dialogue about policy and investment priorities for a green and just recovery. I am pleased that you found my recent letter detailing key opportunities for investment and delivery and my insight into the Covid-19 recovery work, across Government and beyond, helpful.

Our teams continue to work together effectively, and your officials have requested further detail on my ideas, in the first instance prioritising areas for capital spend and suggesting associated costs where possible.

Building on the areas outlined in my letter of 23<sup>rd</sup> October, below I set out where I think the greatest opportunities are for capital investment. These are the interventions that I consider will contribute to the most well-being goals as well as addressing inequalities.

**1. Further investment in the decarbonisation of homes, incentivising consideration of green infrastructure.**

A priority is to provide further investment to expand the Optimised Retrofit Programme with longer-term funding security, ideally set out in a ten-year funding plan.

Even though it is positive that Government has doubled the amount of funding provided for ORP this year (to £19.5million), numerous studies have indicated that a much greater level funding is needed – between £0.5 and £1 billion per year suggested in the Jofeh report, and £4.2 billion for social housing over 10 years in the recent Community Housing Cymru report. In the 10-point plan I published in 2019 and my letter to you last year I suggested an **annual allocation of between £200-£300 million for housing retrofit** so there remains a significant funding gap.

I have commissioned the New Economics Foundation to explore innovative finance opportunities to address this funding gap, working with others to identify potential solutions which could include a combination of Treasury loans, Government and local authority borrowing, city region investment, green bonds and re-orientation of Welsh pension funds in addition to grants.

The schemes that are receiving funding from the current ORP need to be scaled up at pace, and additional in-year funding could support this.

In addition to this I believe Government should incentivise social landlords to use nature-based solutions and improvements to green infrastructure as part of their retrofit programme to ensure our homes are also resilient to the impacts of climate change.

## 2. Further investment to reallocate road space to create more room for walking and cycling.

Active travel should continue to be a priority for Government, and I welcome the increased investment that we've seen over the last few years to support active travel infrastructure. The current 3 year allocation of £60 million is coming to an end this year and I would urge Government to commit to another 3, preferably 5, year Active Travel Fund to give Local Authorities greater long-term certainty of the funding available and also longer to plan and develop appropriate infrastructure with full engagement and involvement from the communities in their local areas (which isn't always the case). In addition to capital investment, this must also include revenue costs for local authorities to recruit staff to deliver the work in order to avoid an ongoing implementation gap in active travel policy.

I welcomed the additional £55 million capital spend on 'sustainable travel' in this year's budget, but as my 10 point plan suggested a minimum of 10% of the transport budget (20% of the capital budget) should be allocated for funding walking and cycling infrastructure which is approximately a **£60 million allocation** in the next budget, or close to **£300 million over 5 years**.

You will be aware that I have challenged Government to demonstrate the carbon impact of spending proposals/allocations and whilst there is still work to do in this area it is clear that additional investment in modal shift would both support Government's climate change targets and the newly published draft National Transport Strategy.

## 3. Investment to prioritise 'school streets' through closing school streets to traffic.

School Street schemes offer a proactive solution for school communities to tackle air pollution, poor health and road danger reduction. It will encourage a healthier lifestyle and active travel to school for families and lead to a better environment for everyone.

It is particularly timely to reduce the use of cars on streets near schools, as many parents are working remotely so have more time to travel actively on the school run (i.e. walking or cycling) – this is an opportunity to embed active travel in daily patterns.

Indicative figures from Cardiff Council who have been trialling this approach suggest that each scheme costs between £30-60k so an allocation of **£6.6 million** (minimum) would provide for approximately 5 schools in each local authority area to take this approach forward.

Cardiff Council have been able to implement 14 School Streets to date using a range of funding sources including the Safe Routes in Communities grant, Civil Parking Enforcement

fund and the recent schools Covid grant. However, they are currently bidding for a further £1 million to deliver additional schemes with at least 45 schools wanting to become school streets demonstrating considerable demand and support for this approach.

Needless to say effective consultation is critical to ensure success of any scheme; the work Sustrans are currently doing at [Fairfield School](#) in Penarth is an example of the sort of process that will lead to a successful scheme, at an additional cost of around £50k (for engagement only).

I'm sure it would be helpful for the funding streams to be coordinated and rationalised so that there is a clearer mechanism to support implementation of school streets across Wales, and an integrated approach across transport, education and health would be helpful. This would result in:

- Supporting the wider benefits of school streets which include benefits to the health of children but also educational performance (as shown in a study by [Swansea University](#))
- A more holistic approach to implementing effective school streets schemes linked to the wider Active Travel network activity in that area, alongside what happens with school streets provision on the school grounds, as these are too often not connected to each other.
- Securing longer-term funding across a wide range of portfolios for various but connected activities would signal long-term commitment and support.

#### 4. **Investment in improving digital connectivity, particularly in communities hit hardest by the pandemic.**

Target funding for broadband infrastructure improvements to the communities which have been hit hardest by the pandemic and currently have the poorest connectivity.

In July, I noted the investment of £30million (from Government, the European Union and Openreach) to extend superfast broadband coverage to a further 13,000 premises. You could continue to expand on these infrastructure improvements with a specific focus on communities that have been particularly hard hit by the pandemic or are likely to face high levels of unemployment in the coming months and years.

This digital infrastructure is important to enable continued remote working, to meet your target of 30% of the population working remotely and to ensure that there is equality between those employees who work remotely and those who are present in offices.

There are other innovative examples that can be developed further, with sufficient financial support, such as Carmarthenshire Council's investment of £50 million to boost digital connectivity in the region, to deploy more full fibre fixed broadband connectivity, as well as 4G, 5G, and the Internet of Things – a network of physical objects that are embedded with technologies to connect and exchange data.

#### 5. **Investment in green infrastructure in towns and cities.**

Investment should be used to incentivise city and town centre regeneration to incorporate biodiverse green infrastructure and nature-based solutions, such as city nature trails and urban green corridors.

I welcome the commitment you've set out in the 'Covid-19 reconstruction: challenges and priorities' document, to develop community outdoor spaces through the Local Places for Nature programme. I suggest funding is scaled up and targeted at areas where communities cannot access green space within 300 metres of their home. This could be an extension of the £90 million Transforming Towns package, specifically focused on improving green infrastructure in communities that need it the most with a longer term aim to connect people to nature within 300m of their homes., improve air quality and enhance and restore biodiversity.

Many projects that would benefit from capital funding are highlighted in NRW's Green Recovery report, including a proposal from Fields in Trust which focuses on the creation of three new parks within deprived areas of Neath Port-Talbot, Newport and Cardiff, and proposals to restore neglected spaces on communities' doorsteps to transform them into food growing areas, pollinator gardens and community orchards and woodlands.

#### 6. Investment in the infrastructure needed to pilot remote working hubs.

I note in your document 'Covid-19 reconstruction: challenges and priorities' document you intend to launch a Strategic Sites Acquisition Fund to enable local authorities to acquire land and high street premises in order to revitalise town centres.

As part of this priority should be to support the piloting of remote working hubs, through acquiring buildings or supporting other organisations to acquire buildings and seeking to establish multi-functional hubs which could provide working, reskilling, well-being and community facilities/services. Pilots should be focused in areas that have been hit hardest by the pandemic, and Government should take account of socio-economic disadvantage and levels of home broadband coverage. Government could also prioritise the creation of remote working hubs in buildings which have multiple uses – for example community centres, childcare settings or places that promote regeneration.

You could allocate a small capital grant programme for businesses who want to invest in setting up remote working hubs in their premises, and in return they could be expected to allocate a certain number of free working spaces per day to people from their local community. This could also be aligned to the Economic Resilience Fund working on the basis that it should be seeking to achieve "something for something".

I hope that these suggestions are helpful, and I look forward to further dialogue.

Kind regards,



Sophie Howe

Future Generations Commissioner for Wales