

By email

15<sup>th</sup> September 2021

Dear John,

I would like to thank you for the opportunity to respond to the consultation on the Committee's priority areas during the next Senedd term. Several of my recommendations and commentaries below are relevant to other Senedd Committees, but I wanted to flag them to you too because efforts should be made across Committees to integrate respective areas of work. Better integration of policy areas will ensure collective scrutiny, the ability to identify implementation gaps and offer solutions across the Senedd's work. You can find my letters to other Committees [here](#).

I would also like to suggest to you and to other Committees a cross-cutting area, which can be looked at jointly and in collaboration by some, or ideally all, Senedd Committees: *Skills for a Green Recovery*. A prosperous, equal, green recovery from the impacts of COVID-19 means delivering good quality livelihoods to all, whilst supporting rapid decarbonisation and improving biodiversity. This is reliant on having the right skills and training for our population. This is an area my own team has recently explored, and you can find our latest publication [here](#).

In May 2020, I published the first ever [Future Generations Report](#), which considered the progress made by public bodies in implementing the Well-being of Future Generations Act. It also set out the actions and recommendations public bodies should adopt as they further implement the legislation. I have highlighted for the Committee below the relevant findings and recommendations of the report for your consideration (Annexe 1). I would encourage all Committee Members to consider the report and in particular Chapter 2 on [Welsh Government leadership](#) and [public sector cultural change](#), as well as the [section on Housing](#). I would further encourage the committee to consider its remit across within the context of all well-being goals.

I would also suggest you consider the [upcoming second iteration of the Future Trends Report](#), which will be published later this year by Welsh Government. Annexe 2 below provides you with some of the relevant future trends which could impact the Committee's remit.

I would also advise all Committees to consider how their chosen priority areas align with the well-being objectives and steps within the published [Programme for government](#).

I have highlighted the relevant findings and recommendations, which emerged from my work, to help the Committee select the specific areas they will focus on during the next Senedd term. My team and I would be happy to meet with Committee Members or clerks to discuss this further, if you think that would be useful.

## Housing

Housing is one of the policy areas of focus that I have selected for my office following an extensive involvement exercise, as it has the potential to address multiple challenges that our current and future generations are facing and contribute to a number of the well-being goals set out in the Act. The buildings we live in typically exist for a century or more, and so the decisions we make today will have a profound impact

on the well-being of future generations – both directly on their living conditions and more broadly, Wales' carbon emissions, our landscape, economy and communities.

As with all of my areas of focus, I have carried out significant work into Housing and, more specifically, the decarbonisation of Welsh homes.

The findings that emerged through this work include:

- Housing is a key area in which action must be taken to prevent, mitigate and adapt to the impacts of climate change.
- The Independent review of Decarbonising Existing Homes in Wales sets out a series of recommendations which should be adopted, such as Welsh Government setting ambitious housing targets to meet its ambition of achieving net-zero by 2050 and putting in place the right quality system and delivery mechanisms across all tenures to help achieve these targets.
- The age and condition of Wales housing stock presents a particular challenge for decarbonisation. My recent research, in collaboration with the New Economics Foundation, demonstrated that of the £14.75bn of investment needed to decarbonise and improve the quality of Welsh homes, £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.
- In 2020, Wales is still building homes which do not support our carbon emission targets.
- The cost of meeting the decarbonisation of housing is significant but it will deliver significant benefits to many well-being goals, cost savings in services and local economic growth.
- Action on bringing empty properties back to use needs to be upscaled.
- Despite progressive legislation, the housing crisis in Wales continues to cause difficulties for those in need of a suitable, affordable home and those building homes. 155,000 homes in Wales are in fuel poverty. The impact of the recent pandemic on unemployment and changing working practices could mean that this figure is now even higher.
- Homelessness remains a significant problem but actions being taken under the Well-being of Future Generations Act have the potential to prevent it.
- Public bodies and Public Services Boards are increasingly recognising the connections between housing and some of their well-being objectives, but more could be done to join all the dots. In particular, more could be done to make the connection between housing and skills. A Welsh Housing Decarbonisation Programme could create 26,500 new jobs in Wales by 2030 but securing these jobs for Welsh people can only be achieved by guaranteeing long-term investment linked to prioritisation of apprenticeships and reskilling the existing (and future) workforce in necessary trades to address the skills gap.
- The public sector needs to demonstrate how it is using all the levers available to it to support zero-waste, the circular economy and green skills, including in construction.
- There is a scope for better collaboration between the public sector and construction companies.
- The housing crisis is particularly acute in coastal areas and can mean that people are unable to find a home in their own community. This impacts Welsh language communities and maintaining public services in rural areas. Housing is also an issue for transient populations, which effects the agricultural sector, for example migrant farm workers who are unable to find accommodation and are living in vans. I will be writing to Welsh Government calling on them to act with urgency and I will share this letter with the Committee when it is published.

Based on my existing advice and work, I would encourage the Committee to consider focusing their work on housing around the following themes:

- **Setting out a longer-term plan for funding the decarbonisation of our homes**
- **Increasing the skills needed to carry out a national housing / buildings retrofit programme**
- **Increasing the supply of the right type of affordable homes**
- **Rising to the challenge of the housing crisis**
- **Seeing housing as a driver of well-being**
- **Improving the way we plan and design houses (and places/communities)**

More detail and advice in relation to Housing can be found in the [Executive Summary](#) or [full Section on Housing](#) in the Future Generations Report; my recent report, [Homes fit for the Future: the Retrofit Challenge](#); my paper, '[A Fit For the Future Programme for Government](#)'.

**You may also be interested in** some of the case studies of good practice that I have been collecting, which are available [here](#). In particular, you might wish to look at:

- [Swansea's approach to housing](#);
- [Renovating Homes, Building Futures](#).

## Local government

In relation to local government, my advice, findings and recommendations can be found in [Chapter 2 of the Future Generations Report](#) and the report I published following my first round of Monitoring and Assessing the extent to which public bodies are meeting their well-being objectives (pages 30-33), [Progress towards the Well-being of Future Generations Act](#).

These findings include:

- There are particular capacity issues being felt in Local Government.
- Progress is being made on meeting well-being objectives in some areas, but there is variation in demonstrating how setting objectives and decision-making is applying all of the five ways of working.
- Reporting is still seen as challenging given timescales and other requirements on Local Government.
- In implementing the Act, some public bodies are delivering the 'what' and some are delivering the 'how'; however, there is further work needed for public bodies to fully demonstrate the 'double test' of the Act - applying both. Many public bodies are clearer on what needs to be done to contribute towards well-being objectives and goals, but are struggling to ensure effective implementation and delivery. Both are essential.
- The corporate planning, performance management and reporting requirements set by Welsh Government for public bodies need to reflect the Act better.
- Financial planning and short-term funding inhibit the ability of public bodies to meet their well-being objectives and make collaboration, prevention, long-term thinking and integration more challenging.
- The corporate areas of change outlined in the Act are potential levers to drive change, but public bodies must make better use of them.

- Public bodies could be doing more to involve their workforce in contributing to meeting their well-being objectives and the national well-being goals, placing well-being and kindness at the centre of public policy.

**I would encourage the Committee to carefully consider these findings and use them to inform their priorities and work in relation to local government in the next Senedd term.**

I think it is also important to highlight the creation of Corporate Joint Committees and their role in the delivery of the Well-being of Future Generations Act. The way in which they take forward their duties under the Act needs to be integrated and collaborative and decrease, rather than add, to the existing complex landscape, which is described in Chapter 2 of the Future Generations Report.

The future relationship between Corporate Joint Committees and Public Services Boards is particularly key given their different footprints and composition, to ensure that work is aligned and efforts are not duplicated.

Once again, I would like to thank the Committee for the opportunity to feed into their priorities for the next Senedd terms. Should you wish to discuss any of the above points in more detail, please do not hesitate to contact my team at [ContactUs@futuregenerations.wales](mailto:ContactUs@futuregenerations.wales).

Yours sincerely,



Sophie Howe  
Future Generations Commissioner for Wales

## Annexe 1

### Future Generations Report: Housing Recommendations

#### Key Recommendation:

Welsh Government should find a way to fully incorporate the principles of the United Nations-enshrined Right to Adequate Housing into Welsh housing policy.

#### Policy Recommendations:

Welsh Government should:

- Work with organisations and communities to set a vision and long-term strategy for the future of housing in Wales.
- As part of this vision and strategy implement the recommendations of the Affordable Housing Review, the Independent Review on Decarbonising Welsh Homes and the report from the Homelessness Action Group.
- Within the next year, set out how a long-term plan on how they will fund the decarbonisation of homes in line with carbon emissions targets.
- Require all publicly funded housing developments to be carbon neutral and demonstrate how they are meeting the broader requirements of the Well-being of Future Generations Act.
- Explore the use of financial levers through the Social Housing Grant and Innovative Housing Programme to encourage innovation in developing intergenerational housing, and communities and use taxation levers to incentivise intergenerational house-sharing.
- Ensure that Design Quality Requirements should be updated to reflect the future in terms of smart-homes and assisted living technology.
- Support and scale-up the development of social enterprises to provide jobs and skills in new methods of construction based on models established by Down to Earth and Cartrefi Conwy.

#### Process Recommendations:

In their day to day actions Welsh Government should stop:

- Developing policies in silos.
- Relying solely on the Housing Division budget to address the housing crisis and end homelessness.
- The current approach to the budget processes which does not set clear direction and targets for investment in prevention.
- Funding the development of homes which are not carbon-neutral.

In their day to day actions Welsh Government should start:

- Better supporting and resourcing commitments to bring empty properties back into use.
- Setting a clearer direction for shifting investment to prevention based on the definition of prevention.

You may also find the recommendations in relation to leadership and cultural change in Welsh Government and Public Bodies of interest. You can find these recommendations [here](#) and [here](#).

## Annexe 2

### Future Trends to Watch

Overcrowding, homelessness and poverty:

- Homelessness has [increased in the last five years](#).
- The [number](#) of people sleeping rough in Wales increased by 17% between 2019 and 2020. There has been an [increase](#) in the amount of bed space being offered to rough sleepers by local authorities.
- The number of households living in fuel poverty [has decreased from 26% to 12%](#) between 2008 and 2018, but there are still 155,000 households living in fuel poverty.
- The private rented sector in Wales [has doubled](#) over the last 20 years. [A quarter of homes bought in 2019/20 were either bought as holiday homes or as buy to let properties](#) - with figures as high as 40% in some areas.
- The [number](#) of households in temporary accommodation in Wales had increased by 8% between 2018 and 2019. This is the highest since the Housing (Wales) Act was introduced in April 2015.

House building to meet demand:

- The [number](#) of households is increasing faster than the number of available properties.
- The growing pressure to meet housing demands has led to an increasing [number](#) of new homes being built in areas at risk from flooding.
- Welsh housing stock is not [increasing](#) with the speed that is needed to meet demand – every year less than half the new homes we need are constructed.
- An [ageing workforce](#) with 22% of the workers over 50 and a poor pipeline of young people entering the profession.

Decarbonisation:

- [10% of Wales' greenhouse gas emissions](#) come from the residential sector.
- Emissions from the construction sector decreased by nearly a third between 1990 and 2016 but speed of further decrease in recent years has slowed and may even be [reversing](#).
- The average home in Wales remains an Energy Performance Certificate [rating of "D", and the deployment of low carbon heat remains <5%](#).

Future Predictions:

- More than 90% of today's stock is [predicted](#) to remain in use by 2050.
- The [number](#) of households in Wales is projected to grow faster than the overall population. This would lead to smaller household sizes. The number of single person households is predicted to rise by over 30% in the next 20 years.
- In contrast, there is likely to be [less](#) suitable land available for development as flood plains and other lower lying land becomes increasingly prone to flooding.
- The [number](#) of second homes and vacant dwellings is projected to continue to increase with 11,000 properties in total by 2031, which will, in turn, lead to a decrease in the number of dwellings available for the predicted increase of household demand.

- Smart sustainable technology and multi-purpose spaces are on the [rise](#) and are likely to become the standard in the next 30-40 years.
- General [shifts](#) in generational living behaviours now mean that houses with have to become flexible spaces that can comfortably hold an ageing population.
- A well-managed retrofit programme could create new skills, industries and [up to 26,500](#) new jobs based on local supply chains.