



Comisiynydd
Cenedlaethau'r
Dyfodol
Cymru

**Future
Generations**
Commissioner
for Wales

The Future Generations Report 2020



Let's create the future together

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Chapter 5

Areas of focus

Future Generations Report 2020

Areas of Focus: Housing

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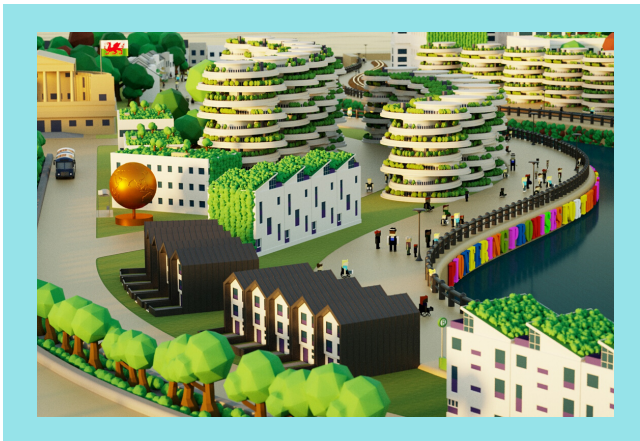




Housing

Having a good quality home that meets our needs is vital. It influences our physical and mental well-being, our communities and the environment around us. Poor-quality housing is strongly associated with inequality, poverty and limited life chances.

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's carbon emissions, our landscape, economy and communities.



The current renewed focus on housing is UK wide, and is being driven by the public as well as political leadership. This is due to the obvious need to decarbonise our homes to meet emission targets. But, also because housing shortages are impacting many more people than before - unaffordability, lack of social housing, the insecure private rented sector and homelessness are issues that have become more visible and arguably have arisen because long-term thinking planning and a focus on preventing problems from occurring has been absent or not done effectively.

The good news is that housing is fully devolved in Wales, which means policy and regulations are decided, designed and delivered by Welsh Government and its partners. We are in a position to make the changes needed, using the lens of the Well-being of Future Generations Act, to address the problems created in the past and secure better outcomes for the future.



Housing

The predicted future of housing

Global trends and predictions (detailed in Chapter 1), such as climate change, technology, an ageing population and new ways of working, are likely to have a significant impact on mobility in the future. Current data suggests that Wales is ill-prepared for these changes.

Trends to watch:

Overcrowding, homelessness and poverty:

- The [number of households](#) assessed as being homeless in Wales has increased slightly
- The [number of households](#) threatened with homelessness in Wales has also increased
- The [number](#) of people sleeping rough in Wales has increased by 17% in the past year
- 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 is on the decrease – it has decreased from 332,000 households in 2008 to 155,000 in 2018. This is a decrease of 14 percentage points from 26% in 2008 to 12% in 2018
- The private rented sector in Wales has more than [doubled](#) in since 2001
- 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:

- Approximately 8% of [Welsh emissions](#) come from housing currently, of which 97% arises from the fuel used for heating and cooking. This is a 34% decrease since 2005
- 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](#)



Predictions for a possible future:

- 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 will have to become flexible spaces that can comfortably hold an ageing population



© Coastal Housing



The vision for our homes in 2050 – communities fit for future generations

Access to a home will be a human right and the importance of housing, for happier, healthier, more sustainable lifestyles for individuals, communities and our country, is recognised ([A Healthier Wales](#), [a Wales of Cohesive Communities](#), [A More Equal Wales](#))

“Well-being must require somewhere to live.”

One Voice Wales
(Bridgend and Vale
larger council meeting)

Welsh Government and public bodies will continue to see housing as a priority issue, ensuring sufficient resources are available to effectively plan, develop and deliver the homes and communities needed in the future.

Cross-government budgets ensure there will be enough affordable, homes, which meet the needs of our population and effective systems to enable people to access them, reducing homelessness in Wales.

We will have re-furbished and re-purposed empty buildings helping to bring back into use the 27,000 empty homes currently in Wales. ([A More Equal Wales](#), [A Healthier Wales](#), [a Wales of Cohesive Communities](#), [A Prosperous Wales](#))



Big Ideas National Housing Service

The NHS is known for saving lives, but with the housing crisis lurching into a full-blown nationwide emergency, the architect and TV presenter George Clarke has called for a new NHS – a ‘national home service’, this could be an integral part of a national wellness system (see recommendation on a National Wellness System in the section on A Healthier Wales in Chapter 3)

Finland’s programme, [Housing First](#), is built on the premise that having a safe permanent home can make solving health and social problems much easier. At the same time as being given a home, people also receive individually tailored support services. Homelessness in Finland has been steadily decreasing since the start of the programme. [A study by Crisis](#) found that a similar policy in the UK could be more than five times as effective and nearly five times more cost-effective than any current measures and services.

[New Genesis](#) is a project in [Los Angeles, USA](#), that transformed a former hotel into a mixed-use development. 75% of the units are allocated as supportive housing for people with a history of homelessness or chronic mental illness, and the remaining units provide affordable housing, including designated artist lofts—reflecting the focus on arts and culture in the surrounding neighborhood. Communal spaces are equipped to accommodate support group meetings and meditation workshops, and an on-site health clinic offers mental health and substance-abuse treatment.



People and communities are effectively involved in how, what and where new homes are built. There is access to a wider range of housing options, supported by a culture change in Wales which widens people's views of how and where to live.

The private rented sector is more affordable, professional and reliable, and the associated legislation in Wales gives tenants the security they need to see renting as a viable option. There is a wide range within types of housing. This includes intergenerational residences, co-living (private room and shared spaces/facilities) and co-housing (private home and shared spaces/facilities), reducing isolation and loneliness for the increasing numbers of single and older people. ([A Healthier Wales](#))

Houses across all tenures, are of a consistent quality standard ([A More Equal Wales](#)). Homes have more generous space standards and adaptable interior structures to maximise the use of space and to adapt to people changing needs and lifestyles, as our population spend more time in their homes (including working from home) and less in traffic congestion and in offices. ([A Wales of Cohesive Communities](#))



[Communities Plus](#) in [New South Wales, Australia](#), is a partnership between government and the private and community housing sectors, focused on neighborhood revitalisation and integrated community development. Its aim is to develop 23,000 new and replacement social housing units, integrated with 500 affordable and up to 40,000 private dwellings, with proceeds reinvested in new social housing, community facilities and high-quality open space.

[Buckleuch House](#) in [north London](#) houses a mixed community, providing 41 extra care homes for older people, 28 affordable rent and shared ownership units and 38 flats for private sale. This development is improving community cohesion, reducing isolation, enabling young people to afford housing - effectively meeting the housing needs of our changing demographics.

Younger and older generations could live together in supportive communities, where the needs of both groups are acknowledged and met. [The Netherlands](#) is leading the way in this where projects such as [Humanitas Deventer](#) offer students living space in exchange for 30 hours per month caring for the elderly co-residents. This can both alleviate the financial pressures of the students while providing their elderly counterparts with companionship and social care.

[Tre Cwm development](#), regenerated by [Cartrefi Conwy](#) together with the residents of the estate, includes permeable surfaces, drought resistant plants and natural play spaces which increase the areas biodiversity.

[It's art but it's not](#), a partnership project between Trivallis, Valleys Kids and Artes Mundi, has been working with Rhondda Cynon Taff Borough Council and the community of Trebanog to regenerate their estate and bring people together'.



Housing, transport and planning are integrated in order to ensure that people have access to greenspace, services and leisure facilities locally. Communities are designed to reflect the heritage of the area and actively help link people to the cultural activities of the area ([A Wales of Vibrant Culture and Thriving Welsh Language](#)). All housing developments include environmental benefits, such as space for nature, renewable energy generation, and water management and offers well-connected resilient environments for everyone in Wales. ([A Resilient Wales](#))

Housing is supported by, and integrated with, a modern planning system, which is in line with Planning Policy Wales 10. This considers the wider social, economic, environmental and cultural factors in a plan area in order to ensure the creation of sustainable places and cohesive communities. The planning system is agile and forward thinking, considering current and future population housing needs for local areas. Land is made available for house building for the type of tenure required for the right type of housing, in the right places - close to local amenities, transport links and accessible plots for land and development opportunities for small and medium enterprises ([A Prosperous Wales](#))

Our homes are energy-efficient and carbon-positive and produce their own electricity – some will be covered in solar paint which harvests energy from the sun. They are also resilient to a changing climate and extreme weather. More buildings collect rainwater and manage their own water use. Most importantly, our homes are part of a well-connected community ([A Prosperous Wales](#), [A Resilient Wales](#) and [A Wales of Cohesive Communities](#)). Because of increased energy efficiency and renewable energy systems, energy is virtually free, thus reducing fuel poverty ([A More Equal Wales](#)).

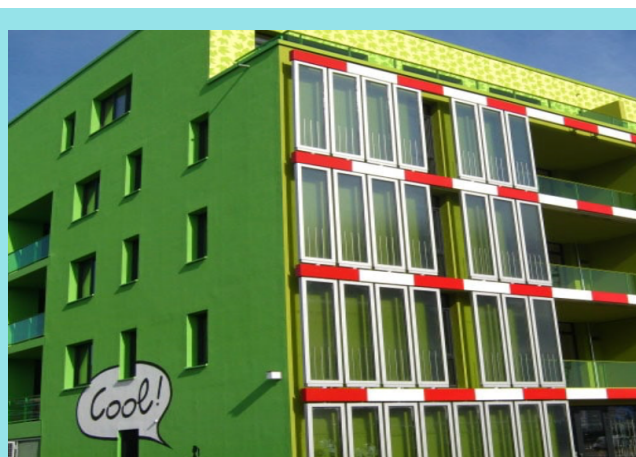
An [initiative in Denver, Colorado](#) requires buildings taller than 25,000 square feet to have green roofs or solar panels – including affordable housing projects.

Arup have developed the [world's first building partly powered by algae](#) in [Hamburg, Germany](#). The glass-panelled façade uses algae to both act as a shading device and provide energy (bio-gas which can be used to heat water).

[Netherlands](#) mortgage rules allow households to borrow up to €25,000 extra to purchase or refurbish to a net zero energy home.

[Danish](#) student Lise Fuglsang Vestergaard developed the concept of recycling the plastic bags that dominate India's landfills and [turning them into bricks](#). The colourful bricks can withstand up to six tonnes of pressure and if exposed to the monsoon season are likely to be able to hold up better compared to the current clay brick homes that are often washed away.

[Seattle, USA](#), start-up Node sees the [future in prefabricated houses](#). The modular homes are defined by beautiful woods, expansive windows, and a modernist aesthetic. Software and sensors keep the home environment comfortable and carbon-neutral. Solar panels power the entire home. Specially designed brackets mean the entire home will be able to be put together in a matter of days.



© gerhard kemme



Housing goes beyond reducing and eventually eliminating emissions in its own sector – it helps tackle climate change and reduce overall emissions from other sectors through environmentally friendly choices such as green infrastructure, sustainable materials and local supply chains. ([A Prosperous Wales](#) and [A Globally Responsible Wales](#))

“A change in how we live, I would like to see more green roof space within the Cities and the creation of community living within multi occupation buildings which will allow householders to socialise on a daily basis, which will help to prevent loneliness and depression. Creating communities, and urban living environments within the city/town centres of Wales.”

People’s Platform

The construction sector invests in the development of new skills and ways of working, increasing skill resource in Wales and locally. ([A Prosperous Wales](#))

Higher quality housing improves people’s health and well-being, with knock-on benefits for public services, such as the NHS, which will see a significant reduction in accidents, emergencies and life-long health problems caused by poor quality housing. Circular economy is embedded, reducing waste, saving money and improving connections between people. ([A Globally Responsible Wales](#), [A Healthier Wales](#))

Technology is integrated throughout our homes making life easier, especially for those with additional support needs. The increased technology, together with adaptable interiors, enables people to live independently for longer, reducing the demand on state support services. ([A More Equal Wales](#) and [A Healthier Wales](#))

Technological advancement is also be used in construction to improve efficiency, affordability, reduce carbon footprint and improve health and safety for construction workers. ([A Prosperous Wales](#) and [A Healthier Wales](#))

[London](#) is addressing the issue of skills through the [Mayor’s Construction Academy](#). It is establishing a “quality mark” to accredit training providers, creating hubs to strengthen coordination between training providers and construction employers, and providing capital funding for upgrading training equipment and premises. The aim is to harmonise the various sources of construction-skills training in the city to benefit the industry while making it more attractive for young people.

[Netherlands](#) is moving away from a traditional care-home model, to [dementia villages](#) which feature gardens, parks and amenities that residents can use safely, while also getting the care that they need by living together in small groups.

[‘SAM’ the bricklaying robot](#), lays the groundwork for robotic construction. Designed to operate collaboratively with a mason, it can work six times faster than a human, laying 3,000 bricks a day. It does not eliminate the mason but assists with the repetitive and strenuous task of lifting and placing each brick.

[Japanese](#) construction giant [Komatsu](#) using [drones as ‘the eyes’ for automated bulldozers](#). The drones scan the site and feed the information to the machines to plot a course.



To support the achievement of the well-being goals in relation to housing, I have:

Provided advice and support to the Government commissioned independent Reviews on Affordable Housing, Decarbonising Homes and Homelessness

Supported the Welsh Government's Housing Division to apply the Well-being of Future Generations Act to their work

Worked with the construction sector to develop understanding and application of the Well-being of Future Generations Act

Supported the work of a number of housing associations providing advice on their work and sharing best practice

Provided advice to public bodies and Public Services Boards on their objectives on housing

Published advice on cohesive communities

See Chapter 6 'My Focus' for more information.

I would like to thank the following people and organisations for contributing to my work and thinking in this area:

- Community Housing Cymru
- Chartered Institute of Housing Cymru
- Chris Jofeh and the Decarbonising Homes Review Panel
- Lynne Pamment and the Affordable Housing Review Panel
- Jon Sparkes and the Homelessness Action Group
- United Welsh who partnered with my team on 'Art of the Possible'
- Cartrefi Conwy, Coastal Housing, Trivallis and many others who have shared good practice
- Constructing Excellence in Wales who have worked with me in a number of areas
- TPAS Cymru
- Cymorth Cymru
- Tai Pawb



© fumigene



People's perception of housing

Listening to what people think and believe is an important part of involvement. That is why, in this section, I want to give a flavour of what people have told me, since the beginning of my term and in relation to this report.

Our homes are key to our well-being and therefore problems relating to housing have a significant impact on us as individuals and communities. Concerns regarding housing are often raised with me and are evident in research by others too, for example the report by the [Chartered Institute of Housing Cymru](#). These cover a broad range of issues, which reflect the progress we need to make to ensure that housing in Wales meets our needs and is fit for future generations.

I have held events to engage with as many people as possible across Wales and I have proactively encouraged views via my People's Platform. My team have attended a wide range of housing meetings and events such as with the [TPAS Cymru](#) and [Community Housing Cymru](#) and have met with the [Homelessness Action Group](#) appointed by the Minister for Housing and Local Government. I've visited communities and some great new social housing developments, such as Tre Cwm. I have also spoken to a wide range of individuals to ask what their vision is for housing fit for the future in Wales and, importantly, what is preventing us from making that happen.

People have told me:

- Housing is not affordable for young people
- The rental market is too expensive, particularly for young people, those on low wages and those working part-time
- Cost of renting should be in line with the Living Wage
- The rental market is insecure, impacting on people's well-being and deeming it a less attractive housing option than home owning
- Housing is unaffordable in rural areas due to high levels of second home ownership. Reliance on tourism and agriculture in these areas means rural economies lack diversity and opportunity, making it difficult for residents to afford housing
- There needs to be better regulation of housing developer to ensure environmental sustainability and affordability of new housing stock
- There is a lack of biodiversity, green space and natural play spaces in urban living
- There needs to be a more joined up approach to bring disused housing and urban sites into use. This should be prioritized instead of developing green field sites. Help re-purpose urban areas with new communities
- New housing developments are often on green-field sites, do not connect with public transport and are not affordable. And that communities finding out too late to be able to influence location and design ([see the section on Land Use Planning](#))
- All new housing developments should have renewable energy and sustainable design incorporated



Challenges and opportunities for change

Increase the supply of, the right type of, affordable homes

“Sometimes when we talk about housing, we get caught up in the technicalities- the regulations, the planning and specifics, we forget that what we’re really talking about is home.”

Twitter interaction

What future generations need

Current and future generations need more high quality, low carbon, truly affordable homes, in connected communities, which meet local population needs and improves the local environment. This needs to be done quickly and on a large scale – with the focus shifting from house building to building communities. Proposals such as [Sero Homes Parc Hadau](#) or the [‘Biophilic Living Mixed Use Development’](#) show us what we could be aiming for.

We need everyone in Wales to be adequately housed. This is about collaboration and reallocating the existing stock. We need consistency of practice across all areas of Wales and not necessarily additional resources. We need housing to become a statutory service like education and health otherwise it will take a back seat and housing allocation will continue to respond to emergencies.

Developments should be planned with or around other amenities, services and (critically) public transport, embracing the concept of place-making (see the section on [Land Use Planning](#)) and in line with Planning Policy Wales 10.

This states that “effective planning supports and enables the provision of a range of well-designed and located homes which are well connected to existing retail and commercial centres situated at the heart of our communities and job opportunities.”

Increasing the supply of affordable, adequate, low carbon homes within cohesive communities must remain a policy priority in the long-term. We need to understand the issues which contributed to current housing shortages in the first place to prevent them from happening again, for example, the large-scale financialisation of housing and land, and housing systems that treat housing as a commodity. We need Welsh Government to undertake ongoing monitoring to keep up with the changing trends and needs, of the population and climate.

Where are we now

Demand is out-stripping supply

We are currently experiencing a crisis in the supply of adequate housing which is reaching across our communities and across demographic groups. In 2018:

- 53,503 of Welsh households were overcrowded
- 2,142 homeless households were in temporary accommodation
- 27,000 properties sat empty across Wales. The shortage of houses will be exacerbated as the population of Wales is expected to increase by around 4.4% by mid-2036

Welsh Government has estimated that we will need to build approximately 8,300 new homes every year between 2018-19 and 2022-23 in order to meet current demand and predicted future housing needs.



“The statement ‘I will be able to find suitable housing if I needed to move’ recorded the lowest confidence amongst all respondents, particularly those earning less than £20,000 per annum.”

Pembrokeshire
Well-being Assessment

Research published in 2019 by Tai Pawb, the Chartered Institute of Housing Cymru and Shelter Cymru confirmed that ‘Wales, as other devolved nations, is experiencing not only high levels of homelessness, an increase in rough sleeping, but also a shortage of affordable housing, severe lack of suitably adapted and accessible accommodation for disabled people, lack of security of tenure and issues with substandard accommodation.’

The problems with supply are exacerbated by the number of properties projected in planning developments granted by local authorities and the number actually built. [According to Stats Wales](#), over the last decade, developments that have been approved by local authorities should have delivered 13,355 affordable houses. However, only 6,746 of these have been built.

"Buying a house is so unrealistic for some, I don't think it's easy for anyone. It's difficult to get social housing due to the criteria, but if you can't afford to buy the middle ground is renting privately which is so unregulated and landlords just try to get away with whatever they can."

Our Future Wales
Conversation with 4Winds



The number of single person households is predicted to rise by over 30% in the next 20 years. Recent trends in house building indicate that the number of properties available [may not keep up with this rise in households](#). The situation regarding our limited affordable housing supply is exacerbated, because whilst housing need in Wales is growing faster than the number of available properties, 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 Affordable Housing Review found that, despite the Welsh Government making progress on undertaking national and regional needs assessments, it is also evident that there are a number of weaknesses with the current approach to Local Housing Market Assessments which require addressing. These include integrating it with the local development plan process and ensuring they inform the work of the Regional Partnership Boards and Public Services Boards.



The review also advises Local housing Market Assessments should make better use of assessment. [It is my view that this should specifically include Well-being Assessments conducted by Public Services Boards.](#) They should also aim to better reflect the diversity of need (specifically taking into account advice from the Equality and Human Rights Commission).

This again reflects my findings across this Report regarding the complexity of governance arrangements and boards needing to do more to connect with each other's work. With regards to my recommendation in Chapter 2, that the Government must set out clearly how the work of each board should relate to others, this is a crucial area that should be specified.

Action on bringing empty properties back to use is stalling and more needs to be done to support local authorities to address empty properties as a means of meeting their well-being objectives and national goals

There are still a huge number of empty properties in Wales despite Government efforts to address this. A scheme to tackle empty properties was launched in 2012 by the then Housing Minister Huw Lewis and whilst its aspirations were laudable the approach does not appear to have achieved what it set-out to, with the [number of empty properties increasing by 40% since 2009](#) according to Shelter Cymru.

In 2019, the National Assembly for Wales' Equalities, Local Government and Communities Committee undertook an [inquiry](#) into empty properties. As the Committee rightly point out there are very clear connections between addressing empty properties and meeting several of the national well-being goals.

Bringing properties back into use helps to ensure we are using existing resources efficiently, can provide work to smaller builders and construction firms, can help to regenerate the area and protect culture and heritage.

A number of public bodies have objectives or steps which focus on tackling empty properties, but only one Public Services Board, despite them having objectives and steps about viable, safe, attractive communities. And evidence obtained by the Committee suggests that barriers again lie in leadership at a local level and in resourcing for implementation on the ground.

Bridgend County Borough Council probably display the best example of making connections between empty homes and a number of goals and objectives. They have two objectives relating to empty properties:

- 'Supporting a successful economy' and one of their steps is to 'Address the issues of long-term empty properties.'
- 'Helping people to be more self-reliant,' with the step: 'Work with owners of empty properties to turn empty properties into homes to help increase the supply of homes for rent and sale'

Furthermore, Bridgend had identified opportunities for empty homes to be brought back into use for care-leavers which demonstrates very encouraging, integrated thinking.



Wrexham County Borough Council have an objective: 'Promoting good quality homes and regeneration,' with steps: 'Progress and strengthen existing work on empty properties, using all available means including 'buy-back' and compulsory purchase'. 'Positive use of planning legislation, licencing and enforcement to reduce the impacts resulting from empty, poorly managed or maintained properties, particularly within the town centre, contributing to better conditions for well-being and economic growth.' Many other local authorities have objectives and steps on tackling empty properties (Carmarthenshire, Denbighshire, Vale of Glamorgan Yny Mon) but do not necessarily make the links between these and their wider objectives.

However, despite these efforts the Inquiry of the Equalities, Local Government and Communities Committee highlighted that progress was being impeded across Wales as a result of the lack of dedicated empty property officers, capacity within legal services and the prioritisation given to the issue. This reflects findings elsewhere in this Report about the 'implementation gap' and the need for the government to pay as much attention to supporting progressive and determined implementation as they do to progressive policy making.

"In our report, we explore some of the barriers and suggest ways to improve the processes. Tackling the problem of empty properties can make a significant contribution to wider community regeneration; it can make an area more attractive and increase available housing stock. It is important though, to take account of individual communities' needs and to ensure action is tailored appropriately."

Equalities, Local Government and Communities Committee

It is encouraging to see some recognition of this as Welsh Government have recently allocated some resource to the creation of a dedicated team, which should bring renewed focus by offering support to local authorities. They are also developing an empty homes toolkit which may well be useful. But Welsh Government must ensure that this addresses the identified barriers such as capacity and resources rather than just adding more guidance into a system which does not have the capacity to respond.

Local authorities should better recognise the multiple benefits addressing empty properties can bring to meeting their well-being objectives and the government should work with local authorities to ensure any barriers to successful implementation of the targets for bringing empty homes back into use - including those identified by the Committee - are addressed.



Young people not able to leave home or driven into private rented accommodation

Due to the significant increase in house prices and stricter lending rules since 2008, many young people are not able to afford to buy a home themselves. As a result, they are not able to leave their family home or are being driven into privately rented accommodation. Evidence shows that young people are unlikely to be able to buy a house without their parents' help and one in five young people in the UK have sofa-surfed in 2017 with almost half of them have done so for more than a month. Meanwhile more and more households have become single occupancy households due to an increase in the aging population.

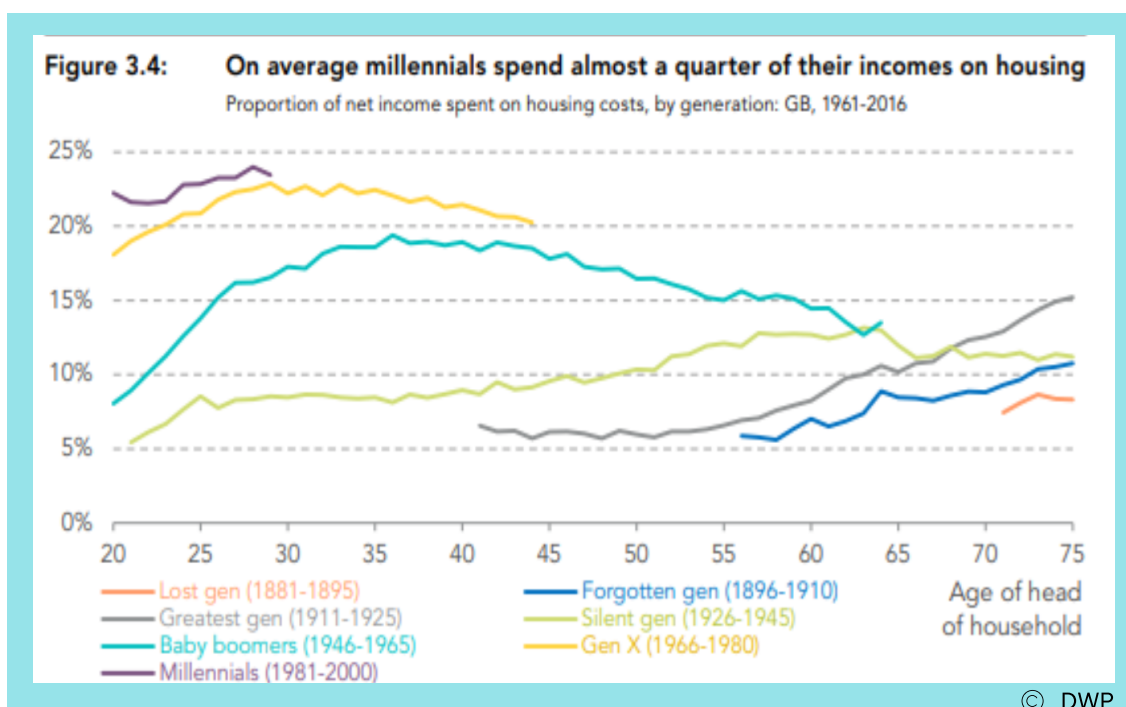
The demands on our limited social housing stock, mean young people are less likely to be able to access it, due to the allocation system which must prioritise vulnerable people. As a result, young people are facing greater insecurities than their predecessors; in two-thirds of young people in the UK face 'unaffordable' rents that eat up to 30% of their salary, in comparison to approximately 8% for over 60's.

There are also concerns regarding the true cost of so-called, 'affordable homes.' Rents are often too high for young people, people working part-time or on low incomes. The Joseph Rowntree Foundation states that rent is 'affordable' when it takes up no more than 28% of a household's net income. Yet, there are tenants in Wales [paying a much higher percentage of their net income on rent.](#)

While Welsh Government has committed to delivering 20,000 new 'affordable homes', use of the term currently includes homes owned through the shared equity scheme 'Help to Buy'. In 2016, 40% of the homes sold through 'help to buy' were sold for over £200,000, which is unaffordable for many people, especially when the [average income in Wales is £22,575, after deductions.](#)

“Myself and my husband rent privately paying £595 per month. As we both work it would be very unlikely for us to get social housing. We are both on minimum wage and are not in a position to save for a mortgage.”

People's Platform



Housing stock is not fit for older people

The housing needs of our older population are also not being met. Around 25% of Wales' total population are aged 60 plus. Due to the lack of suitable properties, nearly 1 in 5 retirees are currently renting in Wales. Most of Wales' current housing stock is not suitable for people with additional support needs, such as those with dementia. And, even if these properties could be adapted, the current system for housing adaptations is complex and inefficient. Welsh Government and local authorities need to improve this system because adapting homes to suit the needs of elderly and disable people could save health and social care services, in Wales, £7.50 for every £1 spent.

"Older people have shared concerns that the housing choices available to them can be limited, expensive, outside their communities and do not meet their current or expected health and care needs."

Older People's
Commissioner for Wales

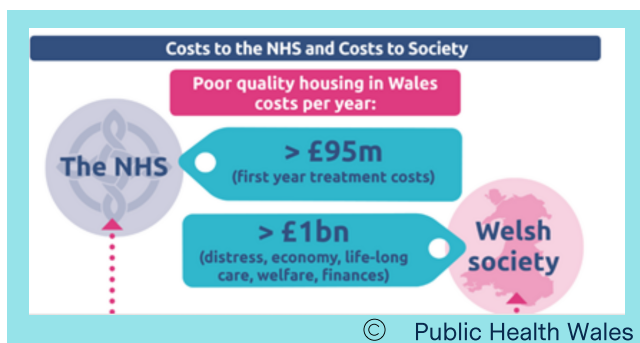
The problems with renting in retirement are expected to rise and Wales' ageing population faces living in rented, energy inefficient, multi-bedroom houses, which would not meet needs and, in some cases, exacerbate health problems. As a consequence, there is an increased demand and financial pressure on associated health and social care services.

The challenges of people moving from hospital back into their homes often keeps people in hospital longer than necessary, causing risks to their health and well-being and occupying bed space. The problems of getting people back into their homes are due to the need for relevant organisations to collaborate, involve the individual and provide solutions ahead of the person needing to leave hospital.

"Ideally more sheltered living complexes are needed in order to keep [older] people out of hospital and supported. Hospitals are struggling with the flow of patients out to appropriate housing, and sheltered accommodation would be more appropriate as either a short-term or long-term solution if they are unable to go home. The social services and council services to adapt housing is very slow and creates a lot of discharge issues from hospital."

People's Platform

The problems of getting people back into their homes are due to the need for relevant organisations to collaborate, involve the individual and provide solutions ahead of the person needing to leave hospital.



Many of the well-being objectives and steps set by public bodies on housing relate to ageing well and, therefore, contribute to a wider number of objectives on health and community. For example:

- ‘Plan for a new extra care housing provision which will offer a home for life for people over 60 years of age who wish to live independently in a safe and welcoming community with care and support services on site.’
- ‘Develop resilient communities with local services, infrastructure and strong community networks to meet local needs where older people live.’
- ‘People can live healthily, happily and independently in their old age: People have appropriate housing and care options which meet their individual needs.’

However, people's experiences show this is not always improving, despite there being areas of good practice, where public services have identified their barriers and worked together in partnership to overcome them, such as the ‘Step Down Team’ in Glan Clwyd Hospital.

In 2017, the Welsh Government launched a new system to monitor and report performance in delivering housing adaptations. That system, ‘Enable: Support for Independent Living’, is also being used as the branding for home adaptations in Wales, regardless of how they are funded. However the average length of time to complete disabled adaption is still long – [an average of 213 days in 2018-19](#), although smaller adaptations such as grab-rails are generally completed expeditiously, on average within 15 days. But medium-sized work such as installation of a downstairs shower-room [takes around five months](#).

Conwy County Borough Council (and partners) have developed a range of innovative services around housing. A housing project they showcase is: [Working with Glan Clwyd Hospital](#).

“In an effort to support timely discharge from hospitals, we have located a housing officer into the hospital’s ‘Step Down Team’ in order to identify and address housing and homelessness issues that may otherwise prevent a patient’s discharge from hospital, and lead to bed-blocking. The project has recently been shortlisted at this year’s Welsh Housing Awards with the Chartered Institute of Housing Cymru. The project is to be mainstreamed in 2018-2019 with the Health Board funding a full-time officer who will be recruited through [Conwy Housing Solutions](#).”

There have been a number of reports outlining challenges with the current system including a report from [Audit Wales and the Public Accounts Committee in June 2018](#).

However, these reports also highlight that the proportion of the population in Wales who consider themselves to be in good health is also falling between the Censuses in 2001 and 2011, in 13 local authorities the number of people who considered that they suffered from poor health increased, most significantly in Merthyr Tydfil where the rate of deterioration in health was 10%.

With an ageing population, the fact that there is an increasing deterioration in health (see the findings in Chapter 3 on A Healthier Wales), it seems likely that despite efforts to standardise services the trends are likely to require significant additional investment alongside improved standards for the provision of lifetime homes across all sectors.



However, physical adaptation, while important, will only address one part of the issue. There is a need to ensure that homes, especially social housing through the Design Quality Requirements, are equipped to reflect the future in terms of smart-homes and assisted living technology. In addition the Government and public bodies should be considering how they can ensure that the planning, design and build of houses and communities meet the needs of older people, for example those living with dementia.

The [Homelessness Action Group](#) recommend the grant framework for allocating funding to build social housing should be informed by an understanding of housing need (including homelessness) and rate allocated should reflect the additional costs of building certain types of housing. This should include both housing for young people and people who need single occupancy properties and accommodation for older people.

“We have an under-occupation problem, a pension time bomb, and a housing crisis. One simple solution, which could be a win-win for all generations, would be if older generations shared their homes more with young people through intergenerational living.”

Liz Emerson,
[Intergenerational Foundation](#)

Welsh Government should use 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.

Beyond the suitability of homes, the government should also develop policy and funding using the opportunities (such as those presented by Planning Policy Wales 10, the Community Hubs Programme and the Re-imagining School Review) to:

- Consider how they can open-up care homes to become centres for community activities, services and facilities
- Create and support the development of centres for all ages by 2030 as places to mix and share activities and experiences
- Opening schools longer - at evenings, weekends and holidays - as shared community spaces for all ages
- Encourage local authorities to create streets for play - using residential streets as spaces for play, fun and togetherness.

Pressures on social landlords and the disparity between the social and private sector

Social housing represents 16% of the total housing stock in Wales. In 2002, Welsh Government introduced the [Welsh Housing Quality Standards](#) to ensure all social housing properties are of good quality and suitable for the needs of current and future residents. The work undertaken to meet these standards has resulted in improved standards of quality and consistency, of our existing social housing. Social landlords across Wales have done well to deliver these changes, despite the age of some of our stock and the competing pressures of austerity.

However, many of the standards are out of date. In 2019, the Panel from the [Affordable Housing Review](#) was advised of work undertaken in 2016 to review the Development Quality Requirements and noted that the recommendations from this work have not yet been implemented. These proposed revised standards provide a good starting point for the streamlining and updating of the requirements.

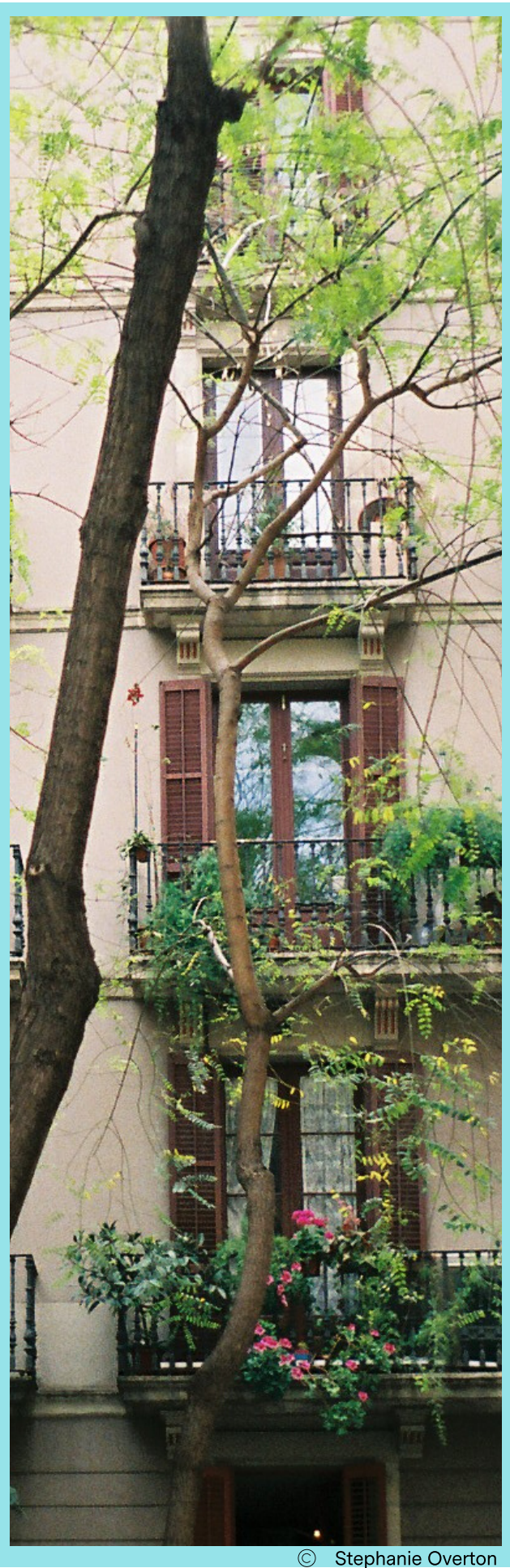


The Affordable Housing Review sought views for tenants on what was important to them both inside and outside their home which can be summarised as:

- Space was the most significant aspect inside the home. One of the common themes was the importance of having a kitchen with space for dining, separate to the living room
- Outside of the home, security came out as the biggest priority for tenants. It was also seen as essential to have a garden space or a balcony with a flat, to provide access to an outside space to support mental health and well-being
- Digital access was also seen as a high priority, particularly for those accessing benefits, engaging with the Job Centre or seeking employment.

Even without being updated there is a disparity between the quality standards and decarbonisation timescales for social housing verses the privately owned or privately rented sector. This is another attribute of social housing which, for many, makes it more desirable than renting in the private sector.

However, many people are trapped in the private rented sector due to our shortage of social housing. Renters in the private sector already face higher rents and lower levels of support services and now, unless the same requirements and timescales are put on privately rented homes, then people in the private rented sector will have less energy efficient properties and higher fuel bills.



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Rising to the challenge of the Housing Crisis

What future generations need

Welsh Government must show strong leadership and set out a vision for housing policy in Wales, recognising the progress made by previous policy and legislation but also the gaps which, despite their endeavors remain. Setting a vision and producing a national housing strategy will help everyone in Wales to understand how Welsh Government will work with others, to address the housing crisis. Delivering this through the five ways of working will help to ensure it is a strategy which meets the needs of the people of Wales, now and in the future. By outlining a direction of travel, we can start to help the housing sector plan for the communities we need in Wales for our future generations.

We also need to see a greater focus on effective implementation of policies and legislation. In Wales, we can sometimes see a gap between the aspirations of legislation and the reality of the implementation. We need to pre-empt this and prevent it from happening, particularly when we have evidence of it previously occurring within one policy area. For example, if the intentions of the [Housing \(Wales\) Act \(2014\)](#) were correct, which I believe they were, then the failure to reduce homelessness and empty properties must be due to implementation.

In order to overcome the housing crisis in Wales we cannot afford to see this pattern repeat itself, particularly in relation to the implementation of the recommendations from either the Affordable Housing Review or the Decarbonisation of Existing Homes Review.

These policy reviews have demonstrated Welsh Government's recognition of the problem in housing and their commitment to addressing it. However, we now need to see effective implementation of the recommendations to ensure efficient progress is made from these reviews.

Where we are now

Welsh Government have developed a suite of progressive legislation, but challenges remain

Although the challenges of the housing crisis continue to cause difficulties - for those in need of a suitable, affordable home and those building homes, it is clear that Welsh Government have been working to address the issues.

Devolved housing policy, together with the requirements and ambitions set out in the Well-being of Future Generations Act, gives Wales the chance to be innovative and bold in overcoming the housing crisis and choosing an approach which is fit for the future.

Over the last decade, Welsh Government has made significant progress in housing policy, often leading the way in the UK. We have seen the introduction of the Housing (Wales) Act (2014) which was a landmark piece of legislation, which made much needed changes to key policy areas, namely homelessness and the private rented sector, as well as gypsies and travellers, council tax and second homes.

The Housing Act provided a new system of regulation for landlords and letting agents in the private rented sector, these changes were needed to improve standards and the professionalism of the sector, particularly through the requirements for landlords to be trained, by the Rent Smart Wales programme.



It also introduced much needed requirements for local authorities to prevent, relieve and, in some cases, secure accommodation for people facing homelessness. It also provided a new tool to assist authorities in tackling the problems caused by empty homes, although as discussed above, problems with empty homes remain significant.

“The implementation of the Housing (Wales) Act (2014) is one example of where outcomes, funding and systems have shifted to make it rarer for people at risk of homelessness to get to crisis point before getting help.”

Homelessness Action Group

Recent policy reviews have set out how Welsh Government can make more progress on delivering the aspirations in the Well-being of Future Generations Act

Welsh Government has completed a number of policy area reviews namely: [The Independent Review of Affordable Housing Supply](#), the [Decarbonisation of Existing Homes in Wales](#) report and the report of the Homelessness Action Group on [‘The framework of policies, approaches and plans needed to end homelessness in Wales \(What ending homelessness in Wales looks like\)’](#)

Each of these reviews are vital and provide a distinct opportunity for Welsh Government to use their findings and recommendations to set out a holistic and coherent vision for housing in Wales. It is encouraging that for each of these reviews, my office has been involved played in setting the agenda, providing support, advice and constructive challenge on the application of the Well-being of Future Generations Act to the policy areas they cover.

I worked closely with both panels, helping them to understand and embed the principles of the Act in their work and I held a challenge session for each towards the end of their reviews to test their thinking and recommendations against the requirements of the Act. The impact of this can be seen in their reports, which outline how the panels have incorporated the Act and particularly how their recommendations will help housing policy to maximise its contribution to the seven well-being goals. They each support and reinforce the findings in this report regarding the need for a greater focus on prevention and on planning and investing in the long term

“The Panel was acutely conscious of how housing in general, and affordable housing in particular, contributes to other social and economic priorities in Wales, including health, education, employment, social cohesion, environment, future generations and opportunity. Good housing is inextricably linked to all of these.

“It was evident that the focus on annual funding (grant/rent policy) decisions and the planning that flowed from this have a limiting effect on the capacity to maximise output from the investments being made whether from public or private sources. The Panel has recommended that the affordable housing regime adopt longer term horizons bringing greater certainty to the system and enhancing the opportunities for more efficient and effective supply planning, expenditure and processes”

Affordable Housing Review





“Members of the Advisory Group shared the emerging recommendations with the Future Generations Commissioner for Wales to check alignment with the Well-being of Future Generations’ five ways of working and seven well-being goals. An overview of short, medium and long-term benefits can be found in the tables below. The mapping demonstrates that a new 30-year retrofit programme offers enormous opportunity to deliver widespread and profound benefits including: reducing fuel poverty; creating sustainable growth, substantial numbers of jobs, training schemes and supply chains particularly in local communities; promoting good health and well-being for everyone; and building more cohesive communities with better environments”

Independent Review on
Decarbonising Welsh Homes

These reviews provide a comprehensive package of policy measures Welsh Government should seek to bring their findings and recommendations together alongside the vision already established in Planning Policy Wales 10 and use them to set out a holistic and comprehensive vision and action plan for housing in Wales.

Homelessness remains a significant problem but actions being taken under the Well-being of Future Generations Act have potential to prevent it

The Housing Wales Act (2014) and the duty to prevent homelessness has clearly made an impact in reducing the incidence of homelessness. In 2018-19, the successful homelessness prevention rate improved to 68%, despite an increase in the number of households threatened with homelessness.



While this reflects positively on the interventions at the point of crisis – which, in line with the agreed definition of prevention, would most likely fall into the category of ‘tertiary prevention’ (intervening once there is a problem, to stop it getting worse and prevent it reoccurring in the future).

However, the fact that the rate of homelessness has increased demonstrates that there is a need for earlier intervention to prevent it. Before local authority homelessness services get involved the underlying cause can be prevented by earlier intervention to tackle childhood adversities, better support for mental health and increasing supply and affordability of homes, for example.

In October 2019, the government published a new [Homelessness Strategy](#) with a vision for ‘A Wales where everyone has a safe home that meets their needs and supports a healthy, successful and prosperous life. A Wales where we work together to prevent homelessness and where it cannot be prevented ensure it is rare, brief and unrepeatable.’ It is intended that an action plan will be produced which will take into account recommendations made by the Homelessness Action Group.

Both the Homelessness Strategy and the report of the Homelessness Action Group reinforce the requirements of the Well-being of Future Generations Act in a number of ways. Most specifically in the recognition that addressing homelessness is the business of every public service; that we need to involve people in developing approaches to end it; and that early preventative approaches are the most effective way of tackling it.

Policy Principles of the Homelessness Strategy

- The earliest preventions are most effective and most cost effective and should always be the interventions of first choice
- Tackling and preventing homelessness is a public services matter – rather than a ‘housing matter’
- All services should place the individual at the centre and work together in a trauma informed way
- The duties in Part 2 of the Housing (Wales) Act should be the last line of defence – not the first - and all services should work to the spirit not simply the letter of the law
- Policy, service delivery and practice should be informed and shaped in a coproductive manner and by those with lived experience

In terms of well-being objectives set by public bodies, there is some reference to homelessness, but in most cases, this is at a high level without practical action. For example, steps include: ‘Maximise the sustainability of tenancies and prevent homelessness’; ‘Strengthen our homelessness prevention services’; ‘Prevent homelessness and support people to maintain tenancies’. This is reflective of the statutory duty on local authorities to prevent homelessness but misses the opportunity to integrate objectives around vulnerability, adverse childhood experiences, substance misuse and mental health.



Only one Public Services Board has explicitly mentioned homelessness in a step to: ‘seek to end rough sleeping in the city and tackle the causes of homelessness.’ Public bodies and Public Services Boards with objectives and steps on sustaining tenancies or preventing homelessness should analyse information about the most common reasons people are at risk of homelessness (for example, mental illness, relationship breakdown, migration between communities) and whether this data enables the causes of homelessness to be better addressed in collaboration. This would enable objectives and steps to be more integrated, preventative and collaborative.

Homelessness is a massive societal problem that will need to be tackled by bold collaborative action and I would like to see more focus on it in future. Beyond this there are a number of actions which are being taken by public bodies such as supporting better mental health, tackling Adverse Childhood Experiences and increasing the supply of homes. Welsh Government should consider these holistically as a means of informing the development of the action plan which is due to be published soon.

An important way for government and public bodies to address these root causes of homelessness is for them to apply the definition of preventative spend. If we are to both prevent the number of households threatened with homelessness alongside prevention at the point of crisis, we need to adopt an approach to preventative spend and interventions across all our policies and public services. This is recognised as being of key importance in the Report of the Housing Action Group.

“The Welsh Budget process has already adopted a general definition of prevention and government departments should use this immediately when reporting their planned Budget spending. The general definition is compatible with the framework in this report and helps government departments to meet the Well-being of Future Generations Act (2015) and Public Services Board requirements”.

Homelessness Action Group

The report goes on to outline examples of a sound ‘future generations’ approach in homelessness prevention as:

- Addressing severely restricted choice of housing for younger people due to unaffordability in many parts of Wales
- Tackling childhood poverty and Adverse Childhood Experiences, given the evidenced link to future homelessness
- Homelessness caused by climate change (e.g. rising sea levels)
- Demographic changes (e.g. helping meet the housing needs of a growing older population). Addressing the impact of school exclusions on homelessness in the future

Throughout this report I have referred to emerging good practice in these areas and highlighted where further action is needed.

The [report](#) of the Homelessness Action Group also reinforces a number of findings and recommendations in this report – most specifically the need for staff to be psychologically-aware or trauma-informed reflecting my recommendations in relation to Adverse Childhood Experiences and embedding kindness and compassion into public policy and service delivery.



“Both Action Group consultations showed that the solutions people prioritised most highly relate to the fundamental issues of accessing emergency and suitable permanent accommodation; and making sure that support services are available and multi-agency working is happening. There was also a desire to ensure support is more trauma informed. This was included in surveys with people with experience of homelessness, where public services that were ‘kind, compassionate and treat people with dignity’ were the number one policy priority.”

Homeless Action Group

A key recommendation of the Homelessness Action Group is for housing to become a fundamental human right. The report of the Human Rights Council states:

“The right to housing should be defined as the right to live in a home in peace, security and dignity, and include security of tenure, availability of services, affordability, habitability, accessibility, appropriate location and cultural adequacy.

Those in need of housing or related social benefits should be treated as rights holders and as experts in what is required for a dignified life, not recipients of charity. They are entitled to participate actively, freely and meaningfully in the design and implementation of programmes and policies affecting them.

Housing programmes, however, tend to be developed and implemented through inefficient top-down decision-making that reinforces patterns of social exclusion and creates housing that is ill-suited to peoples’ needs, commonly in remote locations and often left abandoned. Rights-based participation supported by all levels of government transforms residents into active citizens and engaged community members, making housing programmes more affordable and effective and creating vibrant, more sustainable communities.”

Such a right would underpin a number of the wider benefits outlined throughout this report that bringing an end to homelessness would have, to health, to community cohesion, to equality and to prosperity. The Minister for Housing and Local Government has confirmed that she is considering whether to place a requirement on all local authorities to have “due regard” to adequate housing which could be achieved through the forthcoming Local Government (Wales) Bill. While this is welcome it is my view that the government should take every step to find a way to provide a right to housing that could be enforced in courts and tribunals.



Housing as a driver of wider well-being

What future generations need

We need to recognise the importance of housing for our health, the resilience of our communities and as a means of reducing carbon emissions and restoring nature, if we design and build them in the right way. There are also many opportunities for us to develop skills and support the local economy in design and construction but this needs to be focused on building houses for the future not of the past.

Where we are now

Public bodies and Public Services Boards are increasingly recognising the connections between housing and well-being through their well-being objectives, but more could be done to join all the dots.

Objectives on housing set by public bodies are beginning to shift from a narrow focus on increasing the numbers of affordable housing to an appreciation that housing is the cornerstone of our well-being and has links to health, educational attainment, employment and vulnerability.

There are 43 well-being objectives across 24 (of 44) public bodies relating to housing. Some of these overlap with the theme of 'community', which totals 109 well-being objectives – one of the most frequently discussed topics for objectives and steps.

10 of the 19 Public Services Boards set 12 objectives relating to housing. Some of these also overlap with the theme of 'community', which totals 33 well-being objectives.

Again, 'community' is a broader theme relating to cohesion, place-making, involvement, green spaces, play areas etc. So it is one of the most mentioned topics by Public Services Boards.

However, not all Public Services Boards have representation from housing as members, and likewise as set out in the section on Planning in Chapter 5, Public Services Boards generally do not have any specific representation from officers with an expertise in this area either. This is something which should be considered to ensure boards are best placed to recognise the impact land use planning and housing can have on wider well-being.

Examples of public body and Public Services Boards well-being objectives and steps:

- 'Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being: Help reduce fuel poverty by making homes more energy efficient and providing people with advice on how best to heat their homes.'
- 'Communities which thrive and are prosperous in the long-term: Homes for local people - We will work with the housing sector to ensure more suitable and affordable homes in the right places to meet local needs.'
- 'Tackling Poverty: Invest to improve housing and build more energy efficient Council homes and support the building of affordable housing to help meet housing need, reduce fuel bills, regenerate estates and bring wider economic and employment benefits'



The connections public bodies have made to their objectives on housing vary. It is encouraging that several public bodies and Public Services Boards discuss their aspirations for low carbon housing, renewable energy and use of local materials.

For example, Merthyr Tydfil County Borough Council say that they will ‘Increase opportunities for sustainable and renewable housing, and renewable energy developments.’ Powys Council have a step on their project Home-Grown Homes, to ‘encourage the use of local, sustainable timber for new council and housing association projects.’

Within rural areas, affordability is particularly emphasised within well-being objectives, seeking to ensure that future generations will be able to continue to live within their communities.

For example, in seeking to meet their objective, Brecon Beacons National Park Authority have developed a skills programme to try to retain people in their communities. The programme is in collaboration with the Prince’s Trust Cymru, working with young people and low earners not eligible for social housing

Public bodies and Public Services Boards have also made connections between poverty and housing. The issue of ‘affordability’ continues to be the most associated with housing within well-being objectives and steps and the impact of fuel poverty is also recognised. However, some public bodies are going further, considering the impact that housing has on poverty (and vice versa), towards identifying opportunities for developing housing fit for the future whilst also developing skills and local employment.



© iCreate



As set out throughout this report, there are more opportunities for public bodies to be making the connections between their objectives. Housing provides an opportunity to meet each of the well-being goals and many of the objectives set by public bodies. For example, there is potential for more public bodies and Public Services Boards to link their aspirations around housing to:

- Providing skills locally (see below and the [section on Skills for the Future in Chapter 5](#)), given increased demand for skills in the 'green economy' and for homes that are low carbon, energy efficient and built in a zero waste way
- Building houses and communities which are proactive in enhancing and restoring nature can help to address the decline in biodiversity
- Building communities not just homes which can help to tackle loneliness and isolation and keep people well
- Working with housing providers provides an excellent opportunity to identify and respond to Adverse Childhood Experiences



More could be done to make the connection between housing and skills

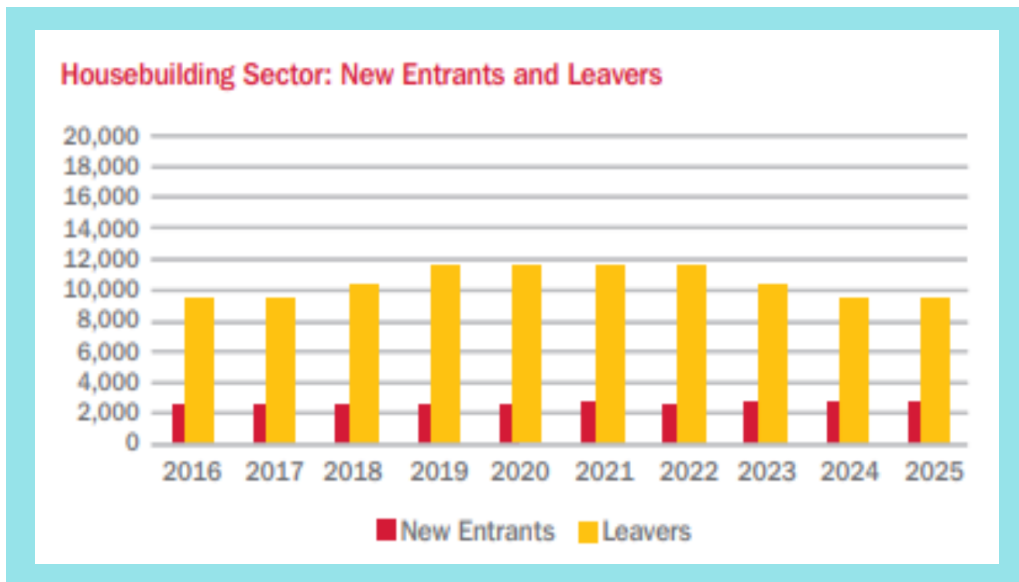
Given the unknown availability of skills and labour from EU nationals over the next few years due to Brexit, and the high proportion of UK tradespeople approaching retirement, it has never been more important for the housing sector to become more self-sustaining when it comes to people and skills.

The shortage in the skilled trades for house building, is becoming more serious. There are multiple factors which combine to exacerbate the situation however, the key issue is increasing numbers of people retiring from these trade professions than there are joining them, which leaves an ever-growing gap.

The Construction Industry Training Board has estimated that the housing and construction industry needs 44,690 new entrants per annum to maintain the sector. In 2015, just 7,280 construction apprentices completed their training across all trades. One of the factors contributing to this shortage is the number of non-British workers we have been relying on in these trades but due to the implications of Brexit 36% of non-British workers in the [UK are thinking about leaving by 2022](#).

The percentage of small and medium-sized house builders saying that a shortage of skilled workers is a major barrier to their ability to build more new homes, [rose to 44% \(up from 42% in 2017\)](#).





Source: The Farmer Review of the UK Construction Labour Model

There are some examples of public bodies recognising the links between housing and skills for example [Bridgend County Borough Council](#) (referenced earlier on in this chapter) and [Caerphilly County Borough Council](#) have linked their objectives on housing to developing skills locally through their steps to: ‘Create apprenticeships and work placements in the Housing Repair Operations team linked to succession planning and skill gap practices. Create apprenticeships, employment opportunities and work placements as part of the Welsh Housing Quality Standards investment programme’.

But many more could learn from the examples of Cartrefi Conwy and Down to Earth in Swansea who are delivering new models of construction and training whilst supporting wider well-being (see below).



However, not enough public bodies make the links between the local skills required to bring existing properties up to standard and building new homes fit for the future, to the objectives they have set on education and employment. There are missed opportunities in considering what needs different areas have and matching those with the skills of local people – such as jobs in the green and circular economies.

This suggests, that as set out elsewhere in this report, that there is a need for better integration between well-being objectives and the roles of other bodies boards and partnerships, in this case Regional Skills Partnerships.

“The best way to create jobs is to look to the future to create a more dynamic and vibrant green economy that works from the manufacturing of components for green energy production and carbon capture techniques, to the more technical jobs required to see this transition through. Creating a new economy for job creation whilst looking at new approaches to house building with a clean environment as a main driver, with Wales spearheading an approach for affordable, clean, green housing schemes for future generations and population changes.”

People’s Platform

The housing sector is embracing innovation and making a wider contribution to well-being through the lens of the Well-being of Future Generations Act in its work

Although housing associations are not covered by the Well-being of Future Generations Act, my experience is that a large proportion of the sector is embracing it and using it as framework to drive innovation and expand the contribution it already makes beyond housing.

Part of this reflects the nature of the sector as having a more open appetite for innovation and potentially more levers available to it. But the argument made by the sector for many years that they can do so much more than just build and manage housing, speaks to the wider mission that the Act sets out for everybody to contribute beyond their core and most obvious purpose.

There are a vast array of examples where housing associations are embracing the Act including a number such as [Coastal Housing Cartrefi Conwy](#), [United Welsh](#) and [Trivallis](#) and more engaging with my office and using my Future Generations Frameworks to consider how they can apply the Act to their work.

Tre Cwm

As part of the regeneration scheme at the Tre Cwm estate in Llandudno, neglected areas of land have been turned into green spaces featuring a giant caterpillar made out of boulders.

The aim was to reconnect youngsters living on the estate with the natural environment by creating communal areas which families can enjoy and where children can safely play.

The estate has also benefited from re-designed roads, setting out car parking spaces, footpaths and changing concrete areas into green spaces – all brightened up by a major programme of planting trees, shrubs and flowers. The work came on top of the £2.75 million spent by the housing association to improve the estate’s houses, flats and maisonettes which were built in the 1970s. The programme was supported through a knowledge transfer partnership which also led to ongoing engagement between Cartrefi Conwy and higher education.



Welcome to our Woods

Is a partnership project between [Rhondda Housing Association](#), local people and businesses, statutory government, agencies, voluntary organisations and other individuals who offer their time and skills. It re-engages local people with their natural environment and encourages pride, interest and ownership of the natural landscape and local woodlands. In 2018 they commissioned 29kWh hydroelectric system (Nant Saebren Scheme, Treherbert) which uses natural resources to generate income for the local community.

The partnership also runs weekly social prescribing activities such as walking groups, walking rugby and foraging sessions. They operate a community allotment food growing space and a connected 'Pay As You Feel' cafe. They also manage over 45 hectares of local broadleaf woodland in Rhondda for recreation and to foster better local biodiversity. Waste wood is produced during woodland management activities and local people use this resource to learn woodcrafts and make sustainable environmentally friendly products to sell at our newly renovated "old" library building.

There is much to learn from housing associations about how they are embracing the principles of the Act and beyond making the connections to meet their own well-being objectives and plans, public bodies would benefit from opportunities to share learning with the sector.

The Old School Masters House

The partnership behind The Old School Master's House development in Llanrwst bought together an unusual combination of experts. These ranged from housing, leisure services, social services, conservation and heritage, technical building design and construction, as well as councillors, community representatives and experts in health and well-being. While representing differing areas of expertise all shared the same vision of creating a unique development in keeping with the ethos of empowering people of all ages to live well.

This project required close collaborative partnership working to ensure that the facility suited the needs of the area, preserved the authenticity of the original listed 17th century building and would harmonise with the other facilities nearby, (including a doctor's facility). There was an imperative to balance the unusual, diverse requirements of those using the building on completion including those from across the county accessing the gym and community facilities as well as those living in the extra care apartments.

Throughout the whole process, from design to delivery, a very good working relationship was in evidence with each member of the diverse partnership team respecting the essential role all shared in achieving this much-needed facility. There are three busy GP referral classes every week, as well as four GP consultation sessions a week, with a new cardiac and pulmonary rehab gym session and a falls prevention class in the Activity Studio. The friendship club meet once a month, as well as a singing group, dance classes.



Improve the way we plan design and build houses

What future generations need

We must recognise the significance of good housing and communities as a route to physical and mental well-being of people, building cohesive communities, meeting our carbon emissions targets and providing opportunities for jobs and the development of new skills. We should all be able to live in a community, which has local amenities and public transport links, where we can access the services we need within a 20 minute journey, which is ideally done through active travel. Our communities should have thriving foundational economies and we will be connected to our neighbours.

Housing construction needs to be part of a circular economy - it needs to care about the materials it use, aiming to reach zero waste and find new ways to source materials and build in a way which meets out seven national well-being goals

We need to embrace technology to enable homes to be adaptable, efficient and enable assisted living. We also need the fabric of our houses to be sustainable, energy efficient, provide green infrastructure, protect biodiversity and enable it to thrive as well as easy access to public transport and walkways.

All elements of the strategic planning design and build of houses is crucial to achieving this.

Where we are now

Planning Policy Wales 10 provides the right context to build communities not just houses

There is a unique opportunity for Wales to prevent the problems of the past where building housing units has been permitted without building communities. We have seen clusters of houses in remote locations, isolated from local services and infrastructure, resulting in households relying on cars, commuting out of the area they live in to find work and access amenities and vitality, without any sense of community.

In rural areas, I am often told of people's quality of life feels inequitable to that of people living in more urban areas due to limited public transport infrastructure and difficulties accessing the internet.

“I live in Margam village, a modern (ish) housing estate. It doesn't feel like a village; everybody commutes by car everywhere and there is little engagement with each other”

Our Future Wales conversation Llandrindod

It is clear we need to do more to focus on creating communities, not just building houses and this must remain our focus despite the housing shortage otherwise we risk building homes today which will not be fit for our needs in 2030, let alone 2050.

This was re-iterated by Roisin Willmott of the Royal Town Planning Institute in her evidence to the [National Assembly for Wales' Climate Change, Environment and Rural Affairs Committee's Inquiry on Low Carbon Homes](#), which is just as applicable to how we use the planning process to support the development of wider well-being rather than just building homes.



She said that: “It is about how you design a site, and that is very much at the planning stage... rather than trying to adjust it later on in the development”. And in support of a holistic approach to development, she added: “We shouldn’t just focus on the building itself We need to look at the design of sites ... So, we need to look at where we put houses and whether they’re accessible by active travel, by public transport, and reduce that kind of carbon as well.”

Roisin Willmott

However, due to the current reform of the planning system in Wales there is a real opportunity to focus on building communities in Wales. The new Planning Policy Wales (edition 10) published in 2018, embraces the idea of sustainable planning and embeds the principles of the Well-being of Future Generations Act. Welsh Government is currently in the process of developing the National Development Framework and consulting on the new Local Development Plan Manual ([See the section on Land Use Planning](#)).

Ensuring that these key documents are used as relevant considerations when planning and approving housing developments can help ensure that there is integration between the two sectors and opportunities for contributing to the national well-being goals are maximised.

I would also expect to see wider consideration of ‘placemaking’. Public bodies and Public Services Boards are not yet explicitly discussing housing that’s protected from future challenges like extreme weather, reducing raw material consumption, creating better access to green spaces, more imaginative solutions to demographic change (like younger people house-sharing with older people) and a more explicit link to a placemaking approach.

There is no question that if we are to change people's travel habits and reduce our carbon emissions, we need homes in communities that are fit for the future, so well-being objectives on ‘housing’ should really be about well-connected environments, that help people move around their communities sustainably.

The Innovative Housing Programme is providing a framework for new ways of building houses in line with the Well-being of Future Generations Act

Since 2017, Welsh Government, have also sought to encourage innovative new approaches to building homes in a way which meets a number of wellbeing objectives, through the creation of the Innovative Housing Programme. Its aim is to create demonstrator projects to help inform Welsh Government, housing associations and local authorities about the type of homes needed to meet future demand and address environmental issues.

This programme has developed significantly since the first year, when many of the successfully funded projects were homes with one improved element of energy efficiency, such as solar panels or a new form of insulation.



Newydd Housing Association's Hapi Programme



I advised Welsh Government that they were missing opportunities for broader innovation to address a number of issues simultaneously, and as a result they adapted the criteria to seek innovative ideas that would as the Act requires, ‘maximise their contribution to all the goals.’ We are currently in the third year of this programme we are now seeing much more ambitious projects being proposed and commissioned such as:

[Coastal Housing Association and Pobl Living, Gwynfaen](#): The scheme will deliver a mixed tenure development of 165 low/zero carbon homes overlooking the Loughor Estuary. The development will enhance the opportunities for the supply chain to achieve economies of scale for the materials and components necessary to achieve zero carbon homes. It will include a new neighbourhood, designed around strong rural design principles maximising the environmental and health benefits of green infrastructure and landscape. Streets and spaces will incorporate plants and soft landscaping and offer a setting for residents that will encourage walking, cycling and outdoor activities.

Parts of the construction industry are embracing the requirements of the Act

Over the last two years, parts of the construction industry have progressively embraced the Well-being of Future Generations Act, and some businesses are using the lens of the Act to influence the projects and the decisions made by their clients.

Working with my office, [Constructing Excellence in Wales](#) have gathered the sector together to agree a [Declaration](#) that would see them adopt the principle of becoming ‘the 45th body (in this case a sector’ to consider the Act within its operations.’

Through this work they have pledged to:

- Embark on a communications campaign to educate and inform everyone involved in construction and the property sector in Wales. This will include the supply chain, public sector clients and representative groups, as well as private sector organisations.
- Establish a construction industry benchmark by mapping the seven well-being goals against each of the nine stages in the Royal Institute of British Architects plan of work.
- Test the seven well-being objectives against the UK Green Building Council’s advice on circular economy principles.
- Reinvigorate the best practice principles championed by Construction Excellence in Wales and defined by the [Egan](#) and [Latham](#) reports, and align them with the principles of a circular economy and the aims of the Well-being of Future Generation’s Act.
- Embed a dedicated built environment strategy within the work of the office of the Future Generations Commissioner for Wales, as if construction were a named body under the Act.

This is an encouraging development which should be supported by government and recognised by the public sector in their engagement and work with the industry. Although there is still some way to go to ensure all parts of the sector are embracing the Act, local authorities and housing providers can ensure that the Act is embraced within its housing proposals, and government can support this by requiring schemes funded through the social housing grant to demonstrate how they will meet the national well-being goals.



The public sector needs to demonstrate how it is using all the levers available to it to support zero-waste including construction

Construction is the biggest consumer of raw materials, with 80% per cent of all materials produced used in the built environment. The use of materials within construction needs to be renewable and circular economy principles should be applied to ensure that materials can be reused and recycled, and to minimise waste during construction and at the decommissioning phase of the building. Re-purposing buildings to provide housing will reduce the need of construction materials. Our current linear ‘take-make-dispose’ practices rely on large quantities of easily accessible materials, energy and landfill and it is reaching its physical limits.

Constructing Excellence in Wales’ report ‘[Circular Economy: Opportunity for the Welsh Built Environment](#)’ identified a potential economic opportunity of an additional £1billion per annum by 2035 for the Welsh built environment sector. This is an increase of 12.5% in the turnover of the sector and generating 7,300 jobs (gross). This figure is consistent with a growing body of research that identifies the economic opportunity and the importance of the sector in delivering. The built environment sector has a high environmental impact, retained financial value and potential for reuse.



© Down to Earth Project, Swansea

The public sector is responsible of between 45 – 55% of annual construction spend, therefore the role of public bodies in driving best practice in terms of waste in construction is significant. The development of consistent approaches to the design, build and deconstruction of publicly funded construction with consideration of circular economy principles would provide clear direction creating stable investment and development platform for green growth. Public bodies should consider how they can support this through their procurement practices

There is evidence of improved collaborative working between the public sector and construction companies

With the foundations of the [Declaration](#) from the construction industry and clear requirements of public bodies and housing providers, there is scope for the development of more collaborative working between planners developers and housing providers. All working within a common framework provided by the Well-being of Future Generations Act to ensure the way in which communities are planned designed and built maximises the contribution towards the goals.



Newydd Housing Association's Hapi Programme



There are some promising examples of where this is beginning to happen:

A project taken forward by [Flintshire County Council](#), Wates Residential (appointed development partner), [North East Wales Homes](#), the [Design Commission for Wales](#) and local town and community councils, is a good example of this collaborative approach.

The project involved the replacement of a 1950's deck-access maisonettes with 92 council-built, affordable, energy efficient homes in the heart of Flint. A key feature of the scheme is that it has resulted in the integration of the site into Flint town centre when previously it had provided a physical and negative barrier between the town and locations beyond this site. The scheme has also resulted in fostering apprentices and building the skill base of the area. The apprentice scheme introduced by the developer as part of the development used young local people, gave them skills, now those people have remained in Flint and the skill base has improved. And there was true community involvement from project inception of the masterplan for this part of Flint, influencing the layout which reflected the original Edwardian street layout.

Jennings Building, Porthcawl

This project involved a partnership between: Bridgend County Borough Council, ABA Holdings Ltd (developer), WYG, Austin Partnership, Ellis Williams Architects and Cadw.

This scheme secured a sustainable use for a well-known but under-used Grade II listed building, the former abandoned Jennings Warehouse. The building has been redeveloped to provide a restaurant, cafe and live work units, to form an active hub on the Porthcawl seafront. The project's ethos was to bring this building back into active use for locals and visitors alike and since its opening in September 2017 it is now also providing a catalyst for future regeneration of this area. The Jennings Building is a good example of collaborative working between the developer, project team, the Council and stakeholders. Of particular challenge was the listed status of the Jennings coupled with the neighbouring operational nature of the RNLI Lifeboat Centre. A good working relationship was therefore essential and was established early on between the developer, the Harbour Master and the RNLI. There was significant pre application discussion between Bridgend County Borough Council and Cadw. The Civic Trust were also heavily involved.



© Loft Co Jennings Building



Yr Ysgwrn, home of Hedd Wyn

In this scheme partner organisations involved in the Scheme: Snowdonia National Park Authority, Purcell UK and Cadw.

The scope of this project was to conserve and develop Yr Ysgwrn, home of Hedd Wyn, one of Wales' most sensitive and significant cultural sites into a sustainable visitor destination. Hedd Wyn one of Wales' most well-known poets was killed at battle and was posthumously awarded the bardic chair at the National Eisteddfod 1917.

There was a strong involvement of both Cadw and planners, from start to finish. The conservation input was clearly instrumental to the whole process. Its National Park location meant that the team wanted to show an exemplar solution to what is possible in a National Park by combining traditional with modern. The embedding of the development into the landscape was key to its success.

People's experience was at the heart of the design of the project, not an add-on. Gaining and maintaining the trust of the family and local community was and remains key to the success of this project. The Community remain involved today by volunteering at the cafe, children having classes at Yr Ysgwrn, annual open days – there is a true sense of community ownership.

There is scope for better collaboration between the public sector and the construction sector at a strategic level to support modern methods of construction.

Beyond these examples of good practice in applying the principles of the Act through good collaboration between the public and private sector, community and advisory groups, there is scope for public bodies to do more to develop this sort of relationship at a more strategic level to facilitate the development of future fit construction.

“There needs to be an affordable housing climate in Wales which fosters collaboration.”

Affordable Housing
Review



© Coastal Housing



©Cartrefi Conwy modular housing factory



To overcome shortages in housing supply, coupled with reducing skills pool, the industry needs to consider forms of construction beyond traditional methods of housing that are both sustainable and of high quality. [The Affordable Housing Review](#) considered the challenges and opportunities presented by modern methods of construction in terms of the contribution it could make to the mix of ways to increase the supply of affordable homes. The Review found that some housing associations are already supporting local businesses and supply chains through their approach to housing development (albeit on a fairly small scale) and the Welsh Government has provided strong support of small and medium-sized enterprises via the Development Bank for Wales, such as the Wales Property Development Fund and the Wales Stalled Sites Fund and more recently a self-build programme.

However, the impact of developing homes using modern methods of construction can only be optimised if housing associations and local authorities collaborate to deliver more housing at scale. Investment should be targeted at supporting modern methods of construction manufacturers and developers, including small and medium-sized enterprises operating in Wales, which can deliver quality homes and meet grant recipient requirements. SME development will help ensure the economic value of constructing homes using modern methods of construction will be retained predominantly within Wales. Already opportunities are being seized by organisations such as Cartrefi Conwy who have established a property and training organisation as social enterprise.

Operating on Holyhead's Penrhos Industrial Estate, the modular house factory makes timber frame for a new bungalow in less than three days. The venture is believed to be the first of its kind by a social enterprise in Wales and has created four new jobs, with more in the pipeline as the operation grows. The government should support the development of similar models across Wales.

The panel recommended that a new framework for five-year grant partnerships should be developed to provide an opportunity to also include innovation in the supply chain, by inviting proposals to capture local and regional innovation and associated economic activity, and give greater priority to proposals showing a commitment to modern methods of construction.

Whilst it is clear that a long-term collaborative approach would be welcome, and this does present an opportunity to increase the supply of affordable homes and support economic development, the Review Panel highlighted that any approach 'should form part of a matrix of objectives including other relevant factors such as quality, cost, scalability and reliability of output'. However, my view is that this must go further and demonstrate how this it can support all of the national well-being goals.



© Cartrefi Conwy modular housing factory



Decarbonise our homes

What future generations need

While we are certainly seeing progress in decarbonising our homes, we need to consider the future relationship between housing and climate change more holistically. As climate change will continue to affect our environment we cannot afford to build homes which are not resilient to the changes we are facing now such as flooding (like that caused by Storms Ciara, Dennis and Ellen in early 2020) and rising temperatures. Unless we make the necessary changes, many people in Wales may have to spend their money on cooling their properties, preventing them from affording other basic requirements, such as food.

Future generations need to see Welsh Government working with all housing bodies (social landlords, private landlords, umbrella bodies etc.) to commit to decarbonising existing stock, ensure all new homes, regardless of tenure, are carbon neutral and ideally carbon positive, and all new homes are only built if there are resilient to the impact of present and future climate change.

We need to ensure all future homes are built around, and increase, the existing blue-green infrastructure. This means recognising, protecting and investing in the natural biodiversity of the land and areas we build on and around. The blue-green infrastructure can be thought of as natural assets which can help solve climatic challenges by building with nature. Examples of this include climate adaptation such as drought resistant plants, storm water management, such as permeable pavements and natural drainage throughout estates.

We will need our buildings to be suitable for the increasing temperatures of the earth, without increasing our carbon footprint.

We need to go beyond carbon neutral homes and instead develop homes which capture carbon.

“In England, there has been investment in research identifying how Black Asian and minority ethnic communities are most likely to live in poorer quality homes with poorer environmental or energy ratings, are more likely to suffer from health problems related to air pollution, and are less likely to have the time, money, or resources, to engage in climate-friendly initiatives. We don’t have this data for Wales, which I think reflects poorly on our prioritisation both of the climate, but also racial equality, and the intimate way in which those two issues are related to one another”.

Race Alliance Wales
meeting

Arguably, the most important thing we need is a work force with the skills and materials to build these homes and communities. I have been pleased to see Welsh Government invest in local factories to increase house building, using local supply chains. However, if we are to radically improve the way we build, we need to see more investment, not just in factories but in the skills of our current and future generations and affordable, accessible supply chains. We need to ensure Wales and our small and medium-sized enterprises are ready for the future of house building. We cannot overlook this requirement now and revert to buying in the trade from outside Wales.

Where we are now

Housing is recognised a key area in which action must be taken to prevent adapt and mitigate the impacts of climate change



In February 2019, the UK Committee and Climate Change published a report which examined if housing in the UK is 'fit for the future'. The report made clear the challenges which lie ahead namely:

- The UK's legally binding climate change targets will not be met without the near-complete elimination of greenhouse gas emissions from UK buildings
- Energy use in homes – which accounts for 14% of total UK emissions – increased between 2016 and 2017
- Efforts to adapt the UK's housing stock to the impacts of the changing climate (higher average temperatures, flooding and water scarcity), are lagging behind what is needed to keep us safe and comfortable, even as these climate change risks grow.
- In Wales, our [1.4 million homes are responsible for 27% of all energy](#) consumed and [15% of all demand-side greenhouse-gas emissions](#)

Welsh Government has put in place policy and legislative commitments which require the decarbonisation of homes

Wales has progressive legislation in place in terms of both the Well-being of Future Generations Act and the Environment (Wales) Act which sets a target of reducing greenhouse gas emissions by at least 80% from their pre-1990 levels by 2050. This has now been overtaken by the decision to adopt the UK Climate Change Committee's advice that Welsh Government should legislate for at least a 95% reduction against the 1990 baseline by 2050. This aim should be to meet the target through domestic effort, without relying on international carbon units, or "credits". The Committee's Net Zero report sets out that the challenges across sectors

must be tackled vigorously and in tandem, beginning immediately. The importance of tackling energy efficiency in buildings is specifically referenced.

On 12 June 2019, Welsh Ministers declared the ambition for Wales to achieve net zero emissions no later than 2050. Along with housing, Welsh Ministers made decarbonisation one of their top six cross-government priorities in '[Prosperity for All](#)'.

Welsh Government has a statutory obligation to eradicate 'fuel poverty' (defined as a household that spends 10% or more of its income on energy costs), as far as is reasonably practicable, in all households in Wales by 2018. This is a requirement of the [Warm Homes and Energy Conservation Act](#) (2000). The Welsh Government published its [Fuel Poverty Strategy](#) in July 2010 which sets out the actions it is taking and is due to publish a new strategy.

Welsh Government have also reformed the planning system in a way which supports decarbonisation (see the section in this chapter on Land Use Planning). Planning Policy Wales states:

“The Welsh Government expects all new development to mitigate the causes of climate change, in accordance with the energy hierarchy for planning. Reducing energy demand and increasing energy efficiency will assist in meeting this demand with renewable and low carbon sources of energy.”

The Welsh Government has invested in a number of programmes to improve energy efficiency and tackle fuel poverty through the Warm Homes Programme, Arbed and Nest - and the Welsh Housing Quality Standard. Since 2011, more than £265million has been invested in nearly 55,000 homes through the Arbed and Nest schemes. Since 2003, over £1billion has been spent on improving over 220,000 social homes through the Welsh Housing Quality Standards.



In the most recent budget, the Welsh Government has pledged further investment of £36million, including £8million of European Union funding, to fund energy efficiency measures for 25,000 households through Nest and Arbed schemes.

The age and condition of Wales housing stock presents a particular challenge for decarbonisation

Wales has the oldest and least thermally efficient housing stock in the UK, with over a quarter of homes built before 1919. Older homes face more challenges in improving their energy efficiency. Less than 20 per cent of homes built before 1919 had adequate energy performance, compared with 78 per cent of homes built after 1980.

New survey data on the energy efficiency of Welsh homes was collected in 2017-18 for the first time since 2008. Energy efficiency is rated on a scale from A to G, with A being the most efficient. There is evidence that homes in Wales are becoming more energy efficient. In 2017-18, the average energy efficiency rating for a home in Wales was band D. This has improved from band E when this data was last collected some ten years ago.

Despite the improvements in average energy efficiency, only 47% of homes in Wales were considered to have adequate energy performance.

In 2020, Wales is still building homes which do not support our carbon emission targets

Retrofitting homes is considerably more complex (and up to four-times more expensive) according to the UK Committee on Climate change, than ensuring new properties are built to the required standards

Yet homes are still being built in Wales which are not as energy efficient as we need.

“This action is simple. We, in Wales, must stop increasing the size and costs of the retrofit challenge.”

Review of Decarbonising Homes

In 2017. The National Assembly for Wales' Climate Change, Environment and Rural Affairs said in its report on Low Carbon Housing:

“To meet the challenge of delivering zero carbon housing at scale, the Welsh Government must address the failure of the housing market to provide sufficient energy efficient, affordable homes.

There are few large-scale housebuilders and there is little incentive to offer more than the minimum standard required by building regulations. We were told that housebuilders will respond to customer demand, and the lack of energy efficient housing is evidence of a lack of demand.”



© Ruth Edwards



It is pleasing that Welsh Government is now bringing forward proposals which would lead to all new homes in Wales being heated and powered only from clean energy sources from 2025. These ambitions would be delivered through new standards, implemented over the next five years resulting in homes producing 75-80% less carbon dioxide emissions than ones built to current requirements. However, these proposals have only recently been out for consultation and the government is yet to publish its final proposals. And when they do, they do not anticipate them coming into force until 2025 meaning that in the interim there is every chance that we will continue to increase the size and cost of the retrofit challenge.



The cost of meeting the decarbonisation of housing is significant but it will deliver significant benefits across a number of well-being goals

Taking action to decarbonise homes is one example of where investment (although significant) would reap long-term benefits and is an example of exactly what the Well-being of Future Generations Act is trying to achieve. Whilst the exact costs are not clear as they depend on public and private sector investment, it is likely that the total cost of undertaking work to decarbonise homes and reach our carbon emission targets is substantial, but so in turn are the benefits.

The Institute of Welsh Affairs estimate that £5 billion is needed over 15 years but this would generate an increase in Gross Value Added to the Welsh economy of £2.2 billion, saving of around £350 per house and approximately £67 million in savings to the health service.

Community Housing Cymru identifies that by 2036, if housing associations are successful in delivering the vision for decarbonising homes, the sector would:

- Prevent more than £0.5 billion worth of carbon being pumped into the atmosphere. At the same time, we could save our tenants more than £1 billion on their fuel bills, and see their well-being increase by a value of nearly £200 million.
- Support a huge £23.2 billion of economic activity across Wales
- Create 50,000 jobs in the wider economy
- Provide 19,500 training and apprenticeship opportunities
- Grow to employ a total of 16,000 employees

There are excellent examples across Wales of what can be delivered in the social housing sector

Although we are not making progress quickly enough there are excellent examples from across Wales of Welsh Government supporting local authorities and registered social landlords, to build more suitable, energy efficient, affordable homes. The Innovative Housing Programme has been a test bed for many of these approaches and must now move beyond examples of innovation to be mainstreamed into the requirements for all homes funded with public money.



Pobl Group are building 225 new homes which will not be connected to mains gas. Instead, water warmed by the earth 500ft (150m) underground and pumped into the house provides heating, as well as solar panels, while batteries store energy which can also be sold back to the National Grid. Technology will also constantly monitor energy tariffs, to make the most of off-peak times, reducing utility bills by approximately 50%.

Coastal Housing Association is collaborating with **Swansea Council** to deliver a zero-carbon development of almost 150 new homes on the outskirts of Swansea. Again, with the support of £10million under the Welsh government's Innovative Housing Programme, this project is taking us to the next level. This development is using a cutting-edge design approach adopting 'fabric first'. Again, incorporating a timber panel design system, the properties will be heated and powered with a combination of solar PV, battery storage and air source heat pumps. The homes will not be linked to the gas network.



© Cartrefi Conwy Modular Housing factory

Carmarthenshire County Council has a significant new build programme. All major new build projects incorporate renewable energy technologies where appropriate with solar PV installations incorporated into many recent Modernising Education Provision 21st Century school projects. In addition, and in order to minimise energy use from new buildings, a 'Fabric First' approach to energy efficiency is also being progressed and, where feasible, to achieve 'Passivhaus' certification. A 'fabric first' approach to building design is being taken, which involves maximising the performance of the components and materials that make up the building fabric itself, before considering the use of mechanical or electrical building services systems. This can improve energy efficiency, reduce carbon emissions and reduce the need for maintenance during the building's life.

Cartrefi Conwy Housing Association have a property and training subsidiary called Creating Enterprise which has started a 'modular house' factory in Holyhead, which uses timber to build homes in less than two weeks. The homes are low energy, which can save residents up to 90% in energy costs and through reducing heat loss there is a minimal environmental impact.



© Sero Homes



Sero Homes will build the 'World's first' true net zero carbon neighbourhood in **Neath Port Talbot**. Parc Hadau is being built on scrubland next to protected ancient woodland at Pontardawe. It will be the first scheme in the country to meet the UK Green Building Council's definition of net-zero carbon, by tracking real-time 'in-use' carbon emissions when the homes are running. The houses will feature solar panels, electric car charging points, and ground source heat pumps - a central heating system that uses pipes buried underground to re-distribute heat throughout the buildings, meaning that residents will create more renewable energy than they use. A communal building with wooden decking connecting it to a communal garden area where people can 'come together, socialise and sit out in the sun', will be the centre point of the development.

Built using a 'very low energy' building design, ventilation systems will keep warmth inside the buildings while ensuring fresh, filtered air is circulated around the 11 two-bed, 22 three-bed and two four-bed homes. Excess energy will be stored in battery packs and re-distributed to the national grid. Residents won't even have to pay any energy bills if they stay within certain levels of usage.

In-home monitoring systems will continuously track the carbon emissions of energy that is imported from the national grid and ensure this is balanced by the renewable energy exported back into the system from the renewable energy sources at Parc Hadau. Sero Homes claim that this will mean Parc Hadau will go significantly beyond the Energy Performance Certificate 'A' rating and exceed the current Welsh Building Regulations requirements for sustainability.

These programmes demonstrate what can be delivered by the social housing sector. While Welsh Government may decide to have a longer lead time for the private sector, it holds all the levers in terms of the requirements it sets for how public money should be spent and therefore any allocation of funding for social housing (or indeed any other publicly funded building as set out elsewhere in this report) should be required to be zero carbon. All new homes and public buildings built in Wales built should be zero carbon.

The Independent review of Decarbonising Existing Homes in Wales sets out a series of recommendations which should be adopted

Welsh Government's recognition of the impact of housing on climate change began before their Declaration of climate emergency in June 2019. In 2018, they [commissioned a report, which was published in July 2019](#) to identify the actions needed for Wales to decarbonise its existing housing stock, reducing our overall carbon footprint.



© Down to Earth Project, Swansea



Christopher Jofeh, Chair of the Independent Panel, which led this review summed up the challenges and opportunities this agenda brings:

“It is right that Wales takes a lead on this issue. By 1850, there were more people employed in industry in Wales than in agriculture, which made Wales the world's first industrial nation. As a result, the UK's economy and society were transformed, and the UK became one of the largest historical contributors to climate change. That makes it a moral responsibility. Tackling climate change offers the prospect of real benefits to all our citizens: cleaner air, improved health and new economic opportunities from clean growth

“In making its recommendations, the Advisory Group has considered the likely costs of implementation against the benefits that will flow from it. We strongly believe that, in the context of the Well-being Goals, the benefits will substantially outweigh the costs.”



The report recommends:

- Political parties in Wales should make a strategic commitment to national residential decarbonisation and stick to it
- The Welsh Government should set ambitious housing targets to meet its ambition of achieving net zero carbon by 2050
- Welsh Government should put in place the right quality system and delivery mechanisms across all tenures to help achieve the targets
- Welsh Government, working with others, should develop a holistic package of support across all tenures to motivate and facilitate action
- Welsh Government should collect data about the status and condition of the housing stock to inform future decisions and measure progress towards targets
- Welsh Government should continue to monitor and test new solutions to decarbonise homes
- Welsh Government and its partners should make maximum use of communities, networks and the voluntary sector in helping to decarbonise

Welsh Government should adopt these recommendations and set out how they will seek to fund the retrofitting of homes.





Housing

Recommendations for Welsh Government

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.





Housing

Recommendations for Welsh Government

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.





Housing

Advice on setting well-being objectives for all public bodies and boards covered by the Well-being of Future Generations Act (including Welsh Government)

Please refer to the chapter on Setting Good Objectives, but in setting their objectives specifically in relation to transport all public bodies and boards covered by the Well-being of Future Generations Act (including Welsh Government) should:

- Ensure they reflect future trends especially demographic changes and the climate and nature emergencies
- Clearly demonstrate the connections between their well-being objectives and steps on housing, and other areas, such as tackling inequality and poverty, the natural environment, fair work, skills, health and well-being.
- Consider the recommendations of the Affordable Housing Review, the Independent Review on Decarbonising Welsh Homes and the report from the Homelessness Action Group.

In setting their steps, public bodies and boards covered by the Well-being of Future Generations Act (including Welsh Government) should focus on the following areas and should:

- Set out how their steps to meet their objectives on housing can align with their objectives on skills, particularly in relation to the construction industry, and development of skills in modern methods of construction, including low carbon build.





Housing

Recommendations for all public bodies and boards covered by the Well-being of Future Generations Act (including Welsh Government)

Process Recommendations

In their day to day actions they should **stop**:

- Building homes that aren't carbon-neutral.

In their day to day actions they should **start**:

- Embedding values of kindness compassion in their work on housing and ensure these values are embraced by their workforce.
- Ensuring local housing market assessments specifically include well-being assessments conducted by Public Services Boards as part of the data they use.
- Working with housing associations to share and implement innovative practice.
- Considering how they can require zero waste construction through their procurement processes.
- Putting in place a clear plan for addressing climate change displacement (see the recommendation from the Resilient Wales section of Chapter 3).
- Involving the housing sector in the work of the Public Services Boards, including inviting them to join the board.
- Considering housing as one of the wider determinants of health.
- Ensuring Local Development Plans and social housing developments meet the needs of the ageing population.



Resources / Useful Information

Future Generations Commissioner for Wales

- [Future Generations Framework](#)
- [Future Generations Framework for Scrutiny](#)
- [Future Generations Framework for service design](#)

Welsh Government

- [WG Future Trends Report](#)
- [Estimates of Housing Need in Wales by Tenure \(2018-based\)](#)
- [Prosperity for all: a low carbon Wales](#)
- [Report of the Homelessness Action Group \[https://gov.wales/sites/default/files/publications/2020-03/homelessness-action-group-report-march-2020_0.pdf\]\(https://gov.wales/sites/default/files/publications/2020-03/homelessness-action-group-report-march-2020_0.pdf\)](#)
- [Affordable Housing Review \[https://gov.wales/sites/default/files/publications/2019-04/independent-review-of-affordable-housing-supply-report_0.pdf\]\(https://gov.wales/sites/default/files/publications/2019-04/independent-review-of-affordable-housing-supply-report_0.pdf\)](#)

Other:

- [The Green Taskforce – Accelerating Green Finance](#)
- [The Intergenerational Commission – A new generational contract](#)
- [Wales Audit Office – Housing Adaptations](#)
- [Children’s Commissioner for Wales – Hidden Ambitions & Hidden Ambitions: a follow up](#)
- [Public Policy Institute for Wales – Housing for Older People in Wales](#)
- [Advisory group on the decarbonisation of homes in Wales – Report](#)
- [Institute of Welsh Affairs – Looking at the Future of Housing in Wales](#)
- [Climate Change Commission - UK housing: Fit for the future?](#)





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