

Wales Co-operative Centre

Consultation Response

Priorities for the Local Government and Housing Committee

The *Wales Co-operative Centre* is a not-for-profit co-operative organisation that supports people in Wales to improve their lives and livelihoods. We are working for a fairer economy and help to create and retain wealth within our communities through the growth of co-operatives and social businesses, and by providing people with the skills to take more control of their own lives and strengthen their communities.

Our *Communities Creating Homes* project offers support and advice to new and existing organisations looking to develop co-operative community-led housing schemes in Wales. In 2020-21, we assisted 50 groups and organisations to develop community-led housing. We're excited to work with anyone who is ready to think about housing differently.

Community-Led Housing

We believe co-operative and community-led housing has the potential to make a real difference as part of the solution to the housing crisis in Wales. We were happy to see that a commitment to increasing this model of housing was part of the new Programme for Government, and believe that assessing how the co-operative model, and community involvement in housing as a whole, can be expanded further in Wales should be a priority for the Local Government and Housing Committee.

Co-operative and community-led housing is about local people taking a leading and lasting role in creating secure, affordable homes and strengthening their communities. It brings people together to decide what kind of homes and communities they want to live in. People with a shared vision can come together and have an influential voice. They play an essential role alongside councils, developers and investors to create affordable homes which meet local community needs.

Community-led housing has the potential to significantly benefit many communities in Wales suffering from an undersupply of affordable housing. As an example, the issue of second homes impacting on community cohesion has been addressed elsewhere in the UK by community-led responses, such as the introduction of community land trusts. In these cases, the community can cap the cost of purchase or rental at an affordable level in perpetuity, providing permanently affordable housing for members of that community.

In research for the Wales Co-operative Centre conducted in 2019, residents living in co-operative and community-led housing schemes identified a large range of benefits gained from living in their schemes, beyond affordability. These included:

- Improved skills
- Increased confidence
- Better physical health
- Improved mental well-being
- A better financial situation

- Less loneliness/isolation
- Greater community feeling
- Increased ability to live in tune with their values and their environment.

In the middle of the Covid-19 crisis, further research was conducted about the experiences of living in these models of housing, and it found that these advantages were particularly important during difficult times, with one resident saying that: "Owing to our communal structure, I think we were more resilient towards the negative effects of the pandemic."

Barriers and Solutions to growing this model of housing in Wales

Co-operative and community-led housing schemes already make a big difference to the lives of people and communities across Wales, but we want to develop this model even further. Through our work supporting these schemes in Wales, from those who are just starting to develop an initial idea to those who have lived in co-operative housing for years and wish to expand their provision of affordable housing, we have identified key barriers to the sector in Wales and identified policies that can overcome them.

Lack of Awareness

The first step to developing the number and size of community-led and co-operative housing schemes is making sure that key people are aware of it as an option. This of course includes potential residents and the general public, but a crucial aspect of this is increasing awareness of the potential of community-led housing among key stakeholders such as local government, community groups, and policymakers. This can come through a variety of means, such as promoting successful case studies in Wales and elsewhere and mainstreaming the co-operative and community-led models in policymaking.

Access to Capital

The most common barrier or challenge for groups looking to set up community-led or co-operative housing projects is access to finance. This can come in different forms, including:

- A shortage of grant funding/risk capital for pre-development costs such as finding accessible sites and planning applications
- Lack of dedicated funding for land acquisitions
- Lack of a single financial pathway for making multiple applications to different funders.

Access to Land

One of the fundamental obstacles that we have identified facing several potential community-led or co-operative housing projects in Wales is finding a suitable site that is available for purchase. As a result of similar issues relating to community-led projects or community ownership of land in general, there has been significant policy developments in England and Scotland that could be replicated in Wales.

In Scotland, there has been consistent policy interventions seeking to develop community rights and community ownership. The Land Reform Act 2003 provided certain community

bodies with a pre-emptive right to have the first option to buy land that went to the market. The Community Empowerment Act 2015 allows communities to have a greater say in decision-making, increased the level of funding available, and extended the right to buy to all communities. The Land Reform Act 2016 developed a Land Rights and Responsibility Statement and developed the right to buy land for sustainable development. In addition, the Scottish Land Fund has allowed greater levels of funding for community-led projects. In the past 10 years, there has also been a growth in policy in this area in England, including the Localism Act 2011 and the development of the Community Right to Build, Challenge and Bid for Land.

Skills

The different stages of preparing, successfully launching and managing a community-led or co-operative housing scheme is a difficult process, and requires a variety of skills and knowledge. As a result, ensuring that these projects have access to specialist support is essential. Communities Creating Homes has had considerable experience of nurturing and growing this sector in Wales, and we look forward to continuing to do this as the model expands even further.

Policy Solutions

We have identified specific potential policy interventions that can help to overcome the barriers identified:

- For each Local Authority to have a specific target for the proportion of new developments over a certain size that are community-led housing projects, as well as having a specific policy for developing this model in their jurisdiction.
- For the Welsh Government to establish a revolving loan fund, as has been effectively applied elsewhere in the UK, to address the lack of access to funding for potential projects. We have developed a robust and costed white paper for this and are happy to share it with the Committee.
- For specialist support for projects in this sector to be maintained and developed.
- For a focused campaign highlighting the benefits and potential of this model of housing to community groups, Local Authorities and policy influencers.
- For a Land Commission to be established to look at land reform and stimulate innovative thinking in how land and assets are used for the community, looking at the potential impact of legislative change, specific funding mechanisms and other interventions.

What we want from this Committee

We were delighted to see that, following our work in this area, the Welsh Government included a specific reference to growing the community-led and co-operative housing sector in Wales in its Programme for Government.

We believe that this committee can play a crucial role in holding the Welsh Government to account on this issue, and exploring what steps can be taken to ensure that this objective is successfully met in a way that empowers and benefits our communities.

In addition, we would like to ensure that the potential of this model of housing is considered in the context of some of the challenges facing the Welsh housing sector and society generally, including the second homes crisis, the challenges facing people trying to get on the housing ladder, the “build back better” initiative and its reprioritisation of well-being, and the climate emergency.

Example

Affordable housing secured with £180,00 community investment

A housing co-op in Machynlleth has raised £180,000 to secure their home for affordable housing. Thanks to offers of £180,000 in loans from members of the public Tir Cyffredin housing co-op will now be able to provide seven secure rentals and an informal community hub for generations. In a nail-biting fundraising campaign the final amount needed was raised in the last 24 hours.

Members of Tir Cyffredin, who had faced homelessness if they hadn't been successful thanked supporters on Facebook, 'Diolch o'r galon! Thanks from the heart! we are now excitedly looking forwards to the next step, and contemplating a future' They also thanked the owner of the house who has reduced the asking price to make it affordable to the group, and Allan Shepherd, Community Led Housing Officer at the Wales Co-operative Centre.

Allan, who has supported the group for the past 12 months joined in the celebrations.

'I am excited to see a new housing co-op arrive in Mid-Wales. My job is to help communities create homes so this makes my day. The fact that Tir Cyffredin secured in pledges £40,000 more than they actually needed is a stunning achievement and a testament to all their hard work. It also shows a real appetite amongst the public to support schemes where there is genuine community involvement.'