

SH 20

Ymgynghoriad ar ail gartrefi

Consultation on second homes

Ymateb gan: Canolfan Cydweithredol Cymru

Response from: Wales Cooperative Centre

The Senedd's Local Government and Housing Committee is undertaking an inquiry into second homes. The Committee's terms of reference for its inquiry are:

- To examine the recommendations made by Dr Simon Brooks in his report, *Second homes: developing new policies in Wales*, and the Welsh Government's response to those proposals.
- To consider the policy objectives and evaluate the evidence base for policy change in this area and to identify any gaps in knowledge and data.

The Committee would like to invite you to submit written evidence to assist in its consideration of the inquiry. It would be helpful if you could use the above terms of reference to frame your response.

Introduction

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.

The Wales Co-operative Centre and the Communities Creating Homes team strongly agree with the Welsh Government's commitment to tackling the growing second homes crisis in many Welsh-language heartlands. Dr Simon Brooks' paper clearly outlines the extent of the issue, and the potential impact this has on the future of Welsh as a community language has been outlined consistently for many years. This issue is a symptom of the imbalance of the housing market, and the lack of control people living in places across Wales have over the future of their communities. This necessitates policy intervention, and we welcome the opportunity to contribute our perspectives following our experience of working with community-led housing projects, social enterprises and co-operatives in Wales.

The Housing Crisis

While we agree with the assessment that the second homes crisis is a local issue that will require localised and specific interventions, we believe that this crisis should be seen within the context of the wider housing crisis. The second homes crisis in Welsh-speaking heartlands is the local result of the crisis in a housing market that is imbalanced and broken, which is also causing homelessness, precarious housing, and an inaccessibility of home ownership for young people across the whole of Wales. Fixing this imbalanced market will require fundamental changes to be made at the national level, as well as using policy to achieve specific, localised solutions to problems as they occur in different communities.

Community-led Housing as a Solution

We believe that community-led and co-operative models of housing can play a crucial role in rebalancing the housing market so power rests with communities and community cohesion, resilience and well-being is prioritised at least to the same extent as profit and economic value. Community-led models support the housing needs of a local community, ensuring that there is sufficient affordable housing available, which in-turn protects the survival of the Welsh language. For instance, **Aberdyfi Community Trust** was established in November 2020 as a direct response to the increasing levels of second home ownership in the village and the surge in house prices following the end of the first Covid-19 lockdown. The group is working with Communities Creating Homes to create a new community-led housing project to house local families who were being priced out of the market and to protect the future of vital local businesses at risk of being bought up and turned into holiday homes. The progress that is being made in this case is down to the willingness of a property owner in the area to sell at sub-market rates, to benefit the local community, which demonstrates the current reliance on philanthropy, at local level, to tackle such issues. We argue that policy-makers at a local and national level should be doing more to address the matter and have made suggestions to this end, below.

We would also like to draw attention to this research publication by the Chartered Institute for Housing which expressly presses community-led housing as a remedy to empty homes: <https://www.cih.org/publications/community-led-approaches-to-empty-homes-summary-report>.

This aligns with the first of Dr Simon Brooks' first recommendation, that local solutions are needed to combat the second homes crisis. In order for the most effective policies to be developed and implemented, effective citizen engagement and co-production of policy will be essential. Citizens of these communities themselves will have the specific knowledge and understanding of the context of the problem, and crucial insights into how potential solutions will impact the area. Empowering citizens to imagine and develop their own future for where they live will be essential to developing the most effective local policies possible, and community-led housing projects can play a key role in this process.

Radical Interventions to remove barriers to Community-led Housing

We agree with Dr Brooks' assertion that the Welsh Government should adopt a more proactive approach, and that more radical steps should be taken in the wake of Brexit and the Covid-19 crisis. Through our work supporting community-led housing projects in Wales, we have seen the barriers that exist to the development of this sector, and have identified policy levers that can be used to overcome them:

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 housing projects in Wales is finding suitable sites available for purchase. As a result of similar issues relating to community-led projects or community ownership of land in general, policy has been developed in England and Scotland that could be replicated (and improved) in Wales.

In Scotland, there have 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. Wales lags behind in this area of policy, at present.

Skills

The different stages of preparing, successfully launching and managing a community-led or co-operative housing scheme each present challenges, and require 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 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.
- 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.
- To enable this, the Welsh Government should publish guidance (Technical Advice Note) for local authorities on how they can include community-led housing in their developments, enabling planning departments to ensure that the commitment to community-led housing in the Programme for Government is readily achieved.
- The Welsh Government should make Place Plans a mandatory part of the development plan process.
- Local authorities should produce Supplementary Planning Guidance on community-led housing. Examples from English LAs can be provided on request
- For the Welsh Government to establish a revolving loan fund 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 all housing registers to have Community-led Housing as an option, with information signposting the support available through Communities Creating Homes
- For Local Authorities to identify brownfield sites that may not be in the existing LDP, but that could be brought forward for community-led development of affordable in-perpetuity housing. This could form part of the Supplementary Planning Guidance.