



[Cwmpas](#) is a development agency working for positive change. We are a co-operative, and our focus is on building a fairer, greener economy and a more equal society, where people and planet come first. The current economic system is failing to tackle the key challenges our communities face today, from climate change to economic hardship. It does not have to be this way. Established in 1982 as the Wales Co-operative Centre, at Cwmpas we've made it our mission to change the way our economy and society works.

Our Communities Creating Homes project offers support and advice to new and existing organisations looking to develop community-led housing schemes in Wales. In March 2022, we published a report titled "Community ownership of land and assets: enabling the delivery of community-led housing in Wales" to stimulate discussion on community ownership in Wales in relation to housing. Below, we will respond to the terms of reference set out in this consultation in the context of how they relate to community-led housing in Wales.

- **Whether the current statutory and policy framework empowers communities in Wales to develop community assets;**

There is a clear political will for community-led housing to be developed further in Wales. Community-led housing is set out in the Programme for Government as a specific aim, with Welsh Government stating that "*We will... Support co-operative housing, community-led initiatives, and community land trusts*". Communities Creating Homes works to support community-led housing projects across Wales with funding from the Welsh Government, and we engage consistently with them and other partners and stakeholders to support the development of the sector.

However, there are clear barriers within the statutory and policy infrastructure that must be removed in order to achieve a supportive and empowering framework. Our "Community Ownership of Land and Assets" report found that "In Wales, we have far fewer options for community ownership of land and assets" and that Scotland and England have more progressive legislation than Wales to allow community ownership of land and assets. It noted that "while we already have some community ownership rights in Wales, we need to strengthen these and develop a bespoke approach that works for our communities across the country".

Recent reports from the [Bevan Foundation](#) and the [Institute of Welsh Affairs](#) agree with this assessment in relation to rights to community ownership. The Institute of Welsh Affairs found that communities face an "an arduous and demoralising process" and that it was "extremely likely" that the situation in Wales has led to many assets being permanently lost to communities.

- **The extent the Community Asset Transfer scheme promotes and supports effective development of community assets;**

Whilst some community ownership rights already exist in Wales, Community Asset Transfers and Compulsory Purchase Orders, they do not go far enough to enable communities to take real control of land and assets to deliver more affordable homes. While the programme has had some success, there have been several issues, mainly relating to lack of capacity and support for community groups, and public bodies transferring liabilities, not assets.

The report published by the IWA also highlighted the inconsistency in the scheme across Wales, with people in some areas seeing CATs as a collaborative process, whereas in other areas there is perceived to be a lack of trust. We have recommended that the Welsh Government should develop a formal process for Community Asset Transfers so that there is a standardised approach across all local authorities and public bodies.

- **To explore barriers and challenges faced by communities in taking ownership of public or privately owned assets, including finance and support services;**

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 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 already discussed, policy has been developed in England and Scotland that could be replicated (and improved) in Wales. More information on this is given in response to the next question.

### **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.

The establishment of a capital fund, such as the revolving loan fund set out in the report, is necessary to ensure that community groups are able to make the leap from group formation and development of their plans to accessing land and making headway on developing homes. Whilst we have supported some groups who have overcome the lack of available public finance, this has often been via the involvement of philanthropic land-owners,

sympathetic to the aims of the community groups seeking to develop CLH. As an example, a group we are supporting in Gwynedd have been offered a site at £100,000 below market-rate by a former resident of the area, who is keen to ensure that the community survives despite an extraordinarily high rate of second home-ownership. Elsewhere, we have seen the potential of loanstock offers (where a community invest in a CLH proposal at a low return rate) to deliver some of the finance needed to provide affordable housing. Again, this requires a philanthropic mindset: loanstock is unsecured and the interest rates involved are small. Helping CLH groups tap into their wider communities' altruistic aspirations is undoubtedly part of the service that the CCH programme can further explore, but this alone cannot be relied upon to secure affordable housing for all CLH groups in future. Input of grant funding was necessary to move CLH forward in England (£163 million was made available in 2018) so it is reasonable to determine that the same will be true in Wales.

Cwmpas have been working with WG officials to develop a 'proof of concept' capital grant fund for CLH schemes. If successful, the fund will enable groups to access the much-needed capital grant to purchase the land/buildings necessary to deliver truly affordable homes.

## **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.

## **Lack of Awareness**

It is vital that communities are aware of the potential of this model of housing and development, and particularly that they are aware of their rights as a community to have a say in the future of housing and the wider economy of their area. While success stories across Wales and elsewhere, as well as the policy initiatives within Government, are increasing the awareness of this model as a potential option, more needs to be done to ensure that everyone in Wales is aware of the benefits and potential of community-led housing. This is true of both the general public and communities themselves, and awareness within Government, Local Authorities and other public bodies, who must play a key role in the development of this sector.

- **To discover what lessons can be learnt from beyond the Welsh border.**

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. They have developed a Route Map for Asset Transfer Requests that can be seen [here](#) to fully explain the process to communities.

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.

While Scotland and England have more progressive legislation than Wales to allow community ownership of land and assets, it is important to understand the barriers still faced by communities when trying to take on ownership of land and assets, this will allow us to develop a system that works for the people of Wales. Some of the barriers remaining that have been identified include:

- Land Valuation Systems - When a community nominates an asset and registers an interest, the sale price is determined by an independent assessor. While this is fairer than the English system (where the land/property owner determines the price), it still makes community ownership impossible for many.
- There is limited capital funding available for feasibility studies, meaning the pre-launch stage of developing community-led housing proposals is extremely challenging.
- There remains a limited level of capacity, resources and skills within communities, and further support is necessary. In addition, the level of capacity within communities is inconsistent across different places, with those in rural areas or highly-deprived areas, for example, less likely to have access to the necessary skills and resources.

If you would like to know more about the work of Cwmpas and Communities Creating Homes in developing the community-led housing sector in Wales, please get in touch and we would be delighted to meet to discuss further.