

THE RIGHT TO HOUSING



**CYMDEITHAS YRIAITH'S
PROPERTY ACT
PROPOSALS
2023**

INTRODUCTION

Our rural and coastal communities are facing an unprecedented lack of affordable homes because of the increasing gap between the levels of local income and house prices to buy and to rent. Young people and families are forced to leave their communities, affecting the provision of essential services, the future of rural schools, the workforce available to local businesses and the sustainability of our Welsh-speaking communities. The appalling reduction in the number of Welsh speakers to 17.8% of the population according to the 2021 Census is proof positive of this.

The period of the COVID pandemic showed the damaging effects of the open market at its worst e.g. ferocious competition for houses as wealthy people escaped from the cities, houses in seaside villages being bought overnight as second homes and holiday homes, private landlords evicting local tenants and letting their houses as holiday accommodation, leading to the local population's being priced out of the housing market in their own communities.

Further evidence of this was seen as more and more people from Wales applied for social housing, experiencing homelessness and facing a precarious life in temporary accommodation. At present, it is estimated that almost 90,000 households are on social housing waiting lists and we know that 10,900 people were living in temporary accommodation at the end of July this year, including 3,350 children under the age of 16. In 2022/23 the number of households assessed to be homeless by local authorities was more than 12,500. Only 30% of these received help to successfully secure accommodation.

Urgent steps must be taken to deal with the serious economic and social inequality caused by the current housing crisis in communities across Wales.

The package of planning measures, local taxation and licensing that the Welsh Government announced in 2022 to deal with second homes and short-term holiday lets is welcome. However, by themselves they will not do much to reduce the numbers of second homes and holiday lets nor improve the ability of the local population to secure truly affordable homes.

The Welsh Government's target to build 20,000 new social homes during its present term (2021-26) is far from being adequate. The supply of affordable homes for medium- and low-income households must be increased substantially, for rent and for purchase, by building new houses and putting more emphasis on procuring housing from the current stock.

Securing a much higher rate of homes in public and community ownership via local authorities, housing associations, community ownership enterprises and co-operative enterprises will also positively influence affordability in the wider housing market.

If we want to ensure the continuation of Welsh as a living community language, we must reject the neo-liberal economic philosophy which has been promoted by successive UK governments for over 40 years. An early example of this belief in the open market and privatising public services was introducing the Right to Buy council houses in 1981. By the time the Right to Buy was abolished in Wales in 2019, over 139,000 social homes on rent had been lost to the open market, a factor which contributed greatly to the current housing crisis.

This is why the entire housing system must be transformed to put local needs before profit and to treat houses as social assets for the benefit of all. The campaign for a Property Act is nothing less than a campaign for the future of all the communities of Wales, be they Welsh-speaking, English-speaking or multicultural.

We call on the Welsh Government to take urgent steps to deal with the housing crisis and safeguard the future of our local communities by passing a progressive Property Act during this

government term. Our proposals for the measures to be included in a Property Act for Wales are below.

SUMMARY

AIM 1: A RIGHT TO ADEQUATE HOUSING

Incorporate the Right to Adequate Housing into Welsh domestic law, establishing the legal principle that housing is a social asset for the purpose of serving the common good. Empower Local Authorities to ensure the Right to Adequate Housing by influencing the housing market, facilitating more affordable homes and becoming key buyers in the market.

A Property Act would:

- i. place a duty on Welsh Government and Local Authorities to ensure that an adequate home is provided to everyone within a reasonable distance and time;*
- ii. give local authorities broad discretionary powers to facilitate affordable housing solutions, such as Right of First Refusal on housing and other properties that come on the market;*
- iii. place a duty on community housing providers (Registered Social Landlords, community-owned enterprises and co-operative organisations) to assist the Local Authority to ensure that adequate housing is provided for all.*

AIM 2: PLAN FOR LOCAL NEEDS

Place responsibility on Local Authorities to co-produce a regular Community Assessment in every area of the county with communities as equal partners. These would form the basis of all the Local Authority's housing and planning strategies for ensuring the Right to Adequate Housing.

A Property Act would place duties on local authorities to:

- i. produce a Community Assessment jointly with individual community councils at least every 5 years;*
- ii. draw up a Local Housing Strategy that reflects the results of the Community Assessments through an investment programme of specific projects to be commissioned for each community where local needs have been identified;*
- iii. amend their land use policies and housing targets in the Local Development Plan in accordance with the results of the Community Assessments in order to enable suitable solutions to local needs.*

AIM 3: EMPOWER COMMUNITIES

Strengthen communities' rights of ownership and control over houses, land and key community assets through community-led organisations. Place a duty on public bodies to dispose of or lease land and property to social enterprises owned by the community.

A Property Act would introduce a Community Right to Buy empowering communities to acquire and lease land and property from private and public landowners for community purposes, including affordable housing for the local population

AIM 4: PRIORITISE LOCAL PEOPLE

Influence the housing market in order to prioritise the local population and protect communities from the effects of the open market. Place conditions on the acquisition, sale and letting of houses in order to determine who can live in specific accommodation.

A Property Act would grant powers to Local Authorities to:

- i. establish a Local Housing Market in areas where the Community Assessment shows that the local population are being priced out of the housing market;*
- ii. determine the residential status, employment and main language of those who would be eligible to buy or rent houses in a Local Housing Market;*
- iii. require community housing providers to comply with the residential status, employment and main language criteria when letting or selling houses in a Local Housing Market.*

AIM 5: CONTROL THE RENTAL SECTOR

Control rent levels, housing standards and tenancy conditions to ensure high quality affordable homes in the private rented sector and social housing sector.

A Property Act would:

- i. amend the Renting Homes (Wales) Act 2016 to give tenants of private landlords the right to receive Secure Contracts;*
- ii. control the rents of private landlords and community landlords to ensure they are affordable for tenants on low incomes.*

AIM 6: SUSTAINABLE COMMUNITIES

Enforce the Well-being of Future Generations Act to ensure that housing and planning policies, Development Plans and Housing Strategies implement the sustainable development principle and the aims of the legislation continuously.

A Property Act would:

- i. place a duty on the Welsh Government and Local Authorities to ensure that their housing and planning policies, Development Plans, Local Housing Strategies and housing investment programmes implement the sustainable development principle and the well-being goals of the Well-being of Future Generations Act 2015;*
- ii. amend the Well-being of Future Generations Act 2015 to require private landowners, commercial developers, community housing providers and other participants in the housing system to act in accordance with the sustainable development principle and well-being goals.*

AIM 7: INVEST IN COMMUNITIES

Enable communities to exercise their new right to acquire housing, land and community assets through a Community Wealth Fund. Facilitate low interest loans for local people and community enterprises.

A Property Act would:

- i. place a duty on the Welsh Government to establish and fund a Community Wealth Fund (similar to the Scottish Land Fund);*
- ii. place a duty on Local Authorities to offer loans and grants and to invest equity in community-led enterprises;*

iii. place a duty on the Welsh Government and Local Authorities to offer housing loans at low interest to applicants in a Local Housing Market and to enterprises in community ownership.

AIM 1: A RIGHT TO ADEQUATE HOUSING LOCALLY

Incorporate the Right to Adequate Housing into Welsh domestic law, establishing the legal principle that housing is a social asset for the purpose of serving the common good. Empower Local Authorities to ensure the Right to Adequate Housing by influencing the housing market, facilitating more affordable homes and becoming key buyers in the market.

The United Kingdom has committed itself to a number of United Nations covenants including the International Covenant on Economic, Social and Cultural Rights (ICESCR). Article 11 (1) provides the right to an adequate standard of living which includes adequate housing i.e. issues such as security of tenancy, the suitability of the home for habitation and the affordability of housing.

At present there is no specific right to have adequate housing in the UK's domestic law. Housing for All, the Chartered Institute, Housing in Wales and Shelter Cymru have been promoting the concept of incorporating a Right to Adequate Housing into Welsh law for many years. This has led to a commitment in the Co-operation Agreement between the Welsh Government and Plaid Cymru to publish a white paper during this government term which will include proposals for a Right to Adequate Housing.

Cymdeithas yr Iaith supports incorporating the Right to Adequate Housing into Welsh law which would place a legal duty on the Welsh Government and housing providers to implement policies to ensure that a safe home is provided for everyone

We agree with the conclusions of the Local Government and Housing Committee following their recent inquiry; in order to enable the provision of the Right to Adequate Housing, it will be necessary for the Welsh Government to identify housing as one of the main areas for prioritisation, and the greatest obstacle to providing the Right to Adequate Housing is the lack of affordable high-quality housing.

The Right to Adequate Housing is already part of the domestic law in a number of other European countries and regions and it has stimulated implementing the principle that housing is a social asset whose purpose is serving the common good. We have learned about many examples of policy interventions by progressive local authorities which promote the model of a 'social market' in order to mitigate variations in pricing and to provide enough affordable homes for middle- and low-income households.

These interventions, almost without fail, include facilitating many more homes in public and co-operative ownership with local authorities acting as key buyers in the market. We refer specifically to the cities of Vienna, Barcelona, Lyon and Bologna as inspiration for the Welsh Government and all the local authorities of Wales for what could be possible here.

A Property Act would:

- i. place a duty on Welsh Government and Local Authorities to ensure that an adequate home is provided to everyone within a reasonable distance and time;*
- ii. give local authorities broad discretionary powers to facilitate affordable housing solutions, such as Right of First Refusal on housing and other properties that come on the market;*
- iii. place a duty on community housing providers (Registered Social Landlords, community-owned enterprises and co-operative organisations) to assist the Local Authority to ensure that adequate housing is provided for all within a reasonable distance and time.*

AIM 2: PLAN FOR LOCAL NEEDS

Place responsibility on Local Authorities to co-produce a regular Community Assessment in every area of the county with communities as equal partners. These would form the basis of all the Local Authority's housing and planning strategies for ensuring the Right to Adequate Housing.

In terms of specific needs in different areas, local authorities are responsible for determining the needs and priorities for local housing in their areas, and for planning provision in order to best meet that demand. Local authorities have a statutory duty to hold a periodic review of housing needs, held via Local Housing Market Assessments (LHMA). Local authorities are expected to rewrite their LHMA every five years and renew the LHMA once during that period (between years two and three).

An LHMA is an essential part of the evidence-base for preparing local authorities' Development Plans and their local Housing Strategies. This is a key consideration when developing spatial strategies for Development Plans and allocating land for affordable housing and open-market housing. It also informs the Social Housing Grant Prospectus which each local authority prepares, which gives a summary of the housing need in their area and notes their strategic housing priorities. The Prospectus explains the type of affordable housing development the authority needs to provide with the Social Housing Grant (SHG) from the Welsh Government.

However, the LHMA only provides broad, long-term estimates of what the local need for housing might be in the future - based on functional areas where people currently live and would be willing to move home without changing jobs, rather than on individual defined communities. Although this estimate will inform the development plan, it is unlikely to correspond directly to local housing need or requirement.

Instead of theoretical estimates of need and demand, local authority Development Plans and Housing Strategies should be guided by evidence of local needs at individual community level. This evidence would be the basis for deciding on appropriate housing solutions for each community, identifying local opportunities to meet the need and then making the case for investing public funds.

There are excellent examples from the North West and South West of Wales, where Rural Housing Enablers use a variety of methods to identify existing local needs, usually in collaboration with the community councils and community groups. This local evidence is essential in order to receive planning permission for affordable housing on exemption sites, which prioritise local people, and for housing associations to receive Social Housing Grant towards the development costs.

Carrying out a regular assessment of the needs of each community would provide a 'real' evidence base for the preparation of Development Plans, Local Housing Strategies and Community Housing Grant Prospectuses, which would, in turn, ensure that local needs guide land use policies, affordable housing targets and priorities for investment in new affordable homes.

Each local authority's Housing Strategy should anticipate the number of homes to be provided per community where local needs have been identified, and provide an investment programme of specific projects to be commissioned that would meet those needs. No project should be included in the Community Housing Grant Prospectuses without evidence of local need.

The level of public subsidy for each project should be determined on the basis of producing a rent or sale price that is affordable for local people.

A Property Act would place duties on local authorities to:

- i. produce a Community Assessment jointly with individual community councils at least every 5 years;*
- ii. draw up a Local Housing Strategy that reflects the results of the Community Assessments through an investment programme of specific projects to be commissioned for each community where local needs have been identified;*
- iii. amend their land use policies and housing targets in the Local Development Plan in accordance with the results of the Community Assessments in order to enable suitable solutions to local needs.*

AIM 3: EMPOWER COMMUNITIES

Strengthen communities' rights of ownership and control over houses, land and key community assets through community-led organisations. Place a duty on public bodies to dispose of or lease land and property to social enterprises owned by the community.

We have a tradition of Welsh communities buying, developing and managing local assets in order to provide essential services such as pubs, community shops and renewable energy projects. However, there are few current examples of community-led housing initiatives. Cymdeithas Tai Gwynedd was formed in 1971 and continues to operate providing a home for tens of local families over the last 50 years. A number of rural housing associations were established in the North and South West during the 1970s and 80s but none of the original organisations exist today, their housing assets having been transferred to regional housing associations.

Important lessons should be learned from the history of the rural housing associations, namely the negative effects of a centralised funding and regulation system such as a continuous reduction in grant rates creating an increasing dependence on private funding; rigid design requirements and grant criteria restricting the purchase of houses from the existing housing stock; the professionalisation of governance leading to a weakening of control by the communities that established them.

Welsh Government already recognises the ability of local communities to address their own housing needs and is committed to continuing to support community-led initiatives. Care should be taken that any programme to promote and support new community and co-operative housing initiatives does not ultimately prevent them from offering a variety of appropriate local solutions or weaken the control and influence of the communities that establish them.

Currently community groups wanting access to land and property rely entirely on the transfer of community assets from public bodies or on philanthropic landowners. Local communities can be at a disadvantage when a landowner (private or public) decides to sell a piece of land or a building that could be used for affordable housing: mainly because of the owner's desire to sell as soon as possible on the open market.

In Scotland, and to some extent in England, policies exist to enable the transfer of land and assets to community ownership which set useful precedents with the intention of improving the powers that Welsh communities have.

In England there is a Community Right to Bid. Local groups have the right to nominate a building or other land to be listed by the local authority as an asset of community value. Once an asset is listed the owner will only be able to dispose of the asset after a certain period has expired. If a community group applies to be treated as a potential bidder, then a full 6-month moratorium will apply. During this period the owner may continue to market and negotiate sales, but may not exchange contracts.

In Scotland the Community Right to Buy policy enables communities that register a community interest in land and property to have the first option to buy when the land or property is offered

for sale. Community bodies can register an interest in any land, such as churches, pubs, estates, empty shops, woodland, fields and more. A registered interest in land lasts for five years. Any land or building purchased must be able to provide a level of income that ensures it does not become a liability to the community in the long term.

A Property Act would introduce a Community Right to Buy empowering communities to acquire and lease land and property from private and public landowners for community purposes, including affordable housing for the local population

AIM 4: PRIORITISE LOCAL PEOPLE

Influence the housing market in order to prioritise the local population and protect communities from the effects of the open market. Place conditions on the acquisition, sale and letting of houses in order to determine who can live in specific accommodation.

People across Wales are increasingly excluded from being able to secure appropriate homes to rent or to buy due to the cost of houses increasing far beyond the ability of many local people. Recent research by Gwynedd Council showed that 65.5% of the county's population, on average, have been priced out of the housing market. In coastal communities with a high proportion of second homes and holiday lets the rate is as high as 96%.

One of the key factors behind increasing house prices and the decrease in affordability of housing across the UK and the EU is what's called 'commercialization of housing', commonly defined as the transformation of housing to an asset or a financial product.

Cymdeithas yr Iaith rejects this open market philosophy which is causing such serious economic and social inequality. There must be more control of the housing market if we are to sustain the local population in Welsh language communities thereby protecting the future of rural schools, public services and local businesses.

We know that countries and regions across Europe are facing housing market challenges similar to Wales. We have investigated policy interventions in the United Kingdom and the European Union where local authorities prioritise local housing needs in order to protect their communities. We note the following examples:

- **Lake District:** the aim of the Local Plan's Housing Policy adopted in 2021 is to increase the supply of homes to meet the needs of the local community. This means that the Lake District National Park will not allow open market housing. All new housing approved will be for permanent occupation and limited to those that can demonstrate a need to live in the area. The LDNP has defined geographic zones that form areas which reflect the social and economic relationship between nearby parishes. The occupancy of all new houses will be limited to people that can demonstrate that their need for housing arises within the area where the house is built.
- **Jersey:** the aim of the Control of Housing and Work (Jersey) Law 2012 is to "manage the general population density of Jersey and the availability of work and housing for people with a strong connection to Jersey, and, more generally, in a way that is in the community's best interest". The Law establishes four residency and employment statuses which define the level of entry a person has to local work and housing.
- **Guernsey:** the aim of the Population Management (Guernsey) Law 2016 is to ensure that the island has the correct mix of people that support the economy and the community now and in the future. Guernsey property is mainly split into two housing markets, the Local Market and the Open Market. The majority of Guernsey houses (approximately 27,000 properties) are classified as Local Market and are mainly reserved for people with an automatic right to live on the island. People that come to live and work in Guernsey because of their essential skills or to fill a vacancy in the workforce can usually live in Local Market accommodation. Open Market properties account for approximately 7% of the total housing stock on the island, while house prices are generally higher than Local Market values.

- **South Tyrol:** in 2018 the state prohibited foreigners and Italians from outside the region from buying summer houses in the area, having concluded that they increased house prices beyond the reach of local people, especially young people. Second homes are now limited to residents that have spent at least five years in the region or those that work in the area. In towns and villages where the number of second homes is greater than 10%, 100% of new homes or homes that have been modified will be kept for residents. There were concerns that the law broke the Italian Constitution but the national government examined the new state law and decided not to challenge it in the constitutional Court.

Local Authorities in Wales should be able to intervene in the housing market in order to prioritise the housing needs of the local population and support their communities. Specifically, they should have the powers to establish a Local Housing Market where a high proportion of the local population have been priced out of the housing market. The Local Authority would establish the boundaries of the Local Housing Market and set conditions for buying, selling and letting houses within the proposed area in order to decide who would be able to live in a particular accommodation.

In Welsh language communities, the local authority should also ensure that the boundaries of the Local Housing Market areas are compatible with the priorities of its statutory Welsh Language Promotion Strategy.

In Local Housing Market areas community housing providers (local authorities, housing associations, community owned enterprises) would be required to comply with the relevant residential and employment status criteria set by the Local Authority.

In Welsh-speaking communities performance indicators should also include targets for the allocation of social and affordable houses to local Welsh speakers. These targets would reflect the percentage of current Welsh speakers in that community.

A Property Act would grant powers to Local Authorities to:

- i. establish a Local Housing Market in areas where the Community Assessment shows that the local population are being priced out of the housing market;*
- ii. determine the residential status, employment and main language of those who would be eligible to buy or rent houses in a Local Housing Market;*
- iii. require community housing providers to comply with the residential status, employment and main language criteria when letting or selling houses in a Local Housing Market.*

AIM 5: CONTROL THE RENTAL SECTOR

Control rent levels, housing standards and tenancy conditions to ensure high quality affordable homes in the private rented sector and social housing sector.

The private rental sector accounts for 14% of the total housing stock in Wales, approximately 200,000 homes. It must be remembered that this sector does not offer much certainty or stability to a large number of tenants. In order for it to become a viable housing option it will require policy changes that give more control over rent and much better certainty of occupation for tenants.

The Renting Homes (Wales) Act 2016, came into force on 1st December 2022, creating a completely new system for residential tenancies. Following enactment of the Law, most existing tenancies and licences have been converted to possession contracts.

Landlords are now grouped into one of two groups:

- i. Community landlords (including local authorities, housing associations and other registered social landlords)
- ii. Private landlords (any landlord in Wales who is not a community landlord)

There are two types of occupancy agreement, a 'Secure Contract' and a 'Standard Contract'. The type of occupancy contract in place will depend on whether the home is owned by a community landlord or a private landlord.

It is expected that private landlords will usually enter into standard contracts, but may choose to enter into a secure contract. The landlord can terminate a standard contract with cause, or without cause, after a certain period of notice. At the end of a fixed period the occupier will automatically be given a new periodic standard contract if they continue to occupy, on similar terms and conditions to the previous fixed period contract.

Taken together Community Landlords' housing stock accounts for 18% of all homes in Wales (2020). 63% are in the ownership of Registered Social Landlords and 37% in the ownership of the 11 local authorities that have kept their stock.

The Secure Contract introduced by the Renting Homes Act is modelled on the current secure tenancy issued by Local Authorities. In general, the landlord can only end the contract for a specific reason. Most community landlords will enter into secure contracts with their tenants. This gives the contract holder the strongest security of occupancy.

The Welsh Government registers and regulates Registered Social Landlords (including housing associations). This allows them to issue guidelines and set standards relating to the management of housing accommodation, governance and financial management, complaints and performance, maintaining financial viability. However, there are growing concerns about the affordability of housing association rents, as Welsh Government has allowed above-inflation rent increases for a number of years, primarily to facilitate the development of more homes.

A Property Act would:

- i. amend the Renting Homes (Wales) Act 2016 to give tenants of private landlords the right to receive Secure Contracts;*
- ii. control the rents of private landlords and community landlords to ensure they are affordable for tenants on low incomes.*

AIM 6: SUSTAINABLE COMMUNITIES

Enforce the Well-being of Future Generations Act to ensure that housing and planning policies, Development Plans and Housing Strategies implement the sustainable development principle and the aims of the legislation continuously.

The Well-being of Future Generations (Wales) Act 2015 deals with improving the social, economic, environmental and cultural well-being of Wales. It places a duty on public bodies to act in a manner that seeks to ensure that the needs of the present are met without jeopardizing the ability of future generations to meet their own needs (the sustainable development principle).

The Act sets seven well-being goals which, together, provide a joint vision for the public bodies to work towards. A number of the aims are directly relevant to our call for a Property Act:

- i. A prosperous Wales: an innovative, productive, low-carbon society which recognises the limits of the global environment and which, as a result, uses resources in an efficient and proportionate manner (including action on climate change)
- ii. A Wales of cohesive communities: attractive, viable and safe communities that are well connected
- iii. Wales with a vibrant culture where the Welsh language flourishes: a society that promotes and protects culture, heritage and the Welsh language and that encourages people to participate in the arts, sports and leisure activities

Obviously, all interventions related to improving the existing housing stock or providing new homes are relevant to the well-being goals in some way - socially (e.g. meeting local needs, affordable for local people, maintaining local services), economically (e.g. investing in communities, supporting local contractors and suppliers), environmentally (e.g. reducing carbon, alleviating fuel poverty, protecting natural habitats) and culturally (e.g. meeting local needs, maintaining Welsh-speaking communities).

It should therefore be a requirement for all proposed housing interventions to be assessed against the sustainable development principle and well-being goals. This should include housing and land use policies in Development Plans, planning applications submitted for new homes, investment programmes in Local Housing Strategies and new affordable housing projects. Simply put, no housing policy should be adopted, planning permission should not be given or any housing project that receives public funds should not be approved where it cannot be shown that they meet the sustainable development principle and support the achievement of the well-being goals.

In addition, the duty to undertake sustainable development and work towards the well-being goals should be extended to include all participants in the housing system, such as private landowners, housing developers and community housing providers.

A Property Act would:

- i. *place a duty on the Welsh Government and Local Authorities to ensure that their housing and planning policies, Development Plans, Local Housing Strategies and*

- housing investment programmes implement the sustainable development principle and the well-being goals of the Well-being of Future Generations Act 2015;*
- ii. amend the Well-being of Future Generations Act 2015 to require private landowners, commercial developers, community housing providers and other participants in the housing system to act in accordance with the sustainable development principle and well-being goals.*

AIM 7: INVEST IN COMMUNITIES

Enable communities to exercise their new right to acquire housing, land and community assets through a Community Wealth Fund. Facilitate low interest loans for local people and community enterprises.

The Social Housing Grant is the main capital grant provided by Welsh Government to fund the provision of social and affordable housing. This funding is essential to ensure that schemes are viable and rent levels remain affordable. In recent years, the level of funding available has increased significantly from £68m in 2016 to £330m in 2023/24, supporting the Government's target of building 20,000 new low carbon social homes by the end of this Senedd term.

Local Authorities allocate and prioritise the Social Housing Grant to schemes in their areas based on their assessment of housing needs. Housing associations and local authorities can access this funding for building new homes and buying and renovating existing properties. Housing associations also borrow private funding, using it alongside the grant they receive to build new homes and make public money go further.

Community and co-operative housing initiatives will face a significant challenge to raise the capital for the purchase of land and property and the development of truly affordable homes. They can emulate the renewable energy projects and community pubs that have successfully raised money through the sale of community shares. However, due to the significant costs associated with providing affordable homes, community and co-operative housing initiatives will need to access additional financial support. A new enterprise's lack of experience or assets could prevent them from accessing commercial loans. Therefore, Local Authorities and the Welsh Government should offer financial support in the form of grants, equity investment and low-interest loans.

The Welsh Government should establish a fund similar to the Scottish Land Fund, which finances the purchase of land and buildings that would contribute to the overall sustainability of a community or enable the retention or provision of key local services. The Scottish Land Fund can support the purchase of many types of land and buildings ranging from large estates and forestry to shops and community hubs. Any land or building purchased must be able to provide a level of income that ensures it does not become a liability to the community in the long term.

The Scottish Government has committed £20 million a year to the Fund by the end of this parliamentary term. As a first step applicants can apply for technical support funding towards the costs of specialist advice and professional fees including the preparation of feasibility studies and business plans, valuations and surveys as well as some costs towards community engagement. In the second step they can apply for funding to buy assets.

Levels of locally generated investment are an important indicator of local support and capacity. As a minimum, 5% of the funding should come from other sources including the community group's fundraising efforts, community shares, negotiated discounts on the valuation, or other funders.

The Welsh Government should cooperate with the financial services sector in Wales to develop a low interest loan fund for applicants in a Local Housing Market (as in AIM 4) as well as housing ventures led by the community. The fund would specifically be to finance the costs of buying, improving or building affordable housing and other community resources.

These public and private funds will be essential to grow the capacity of ventures in community ownership quickly in order to realise the opportunities created by policies similar to the Community Right to Buy.

A Property Act would:

- i. place a duty on the Welsh Government to establish and fund a Community Wealth Fund (similar to the Scottish Land Fund);*
- ii. place a duty on Local Authorities to offer loans and grants and to invest equity in community-led enterprises;*
- iii. place a duty on the Welsh Government and Local Authorities to offer housing loans at low interest to applicants in a Local Housing Market and to enterprises in community ownership.*