

RHA 06

Ymgynghoriad ar yr hawl i dai ddigonol

Consultation on the right to adequate housing

Ymateb gan: Cymdeithas yr Iaith

Response from: Cymdeithas yr Iaith



Cymdeithas yr Iaith's response to the Local Government and Housing Committee's inquiry into the Right to Adequate Housing

Cymdeithas yr Iaith is an organisation that campaigns non-violently for the Welsh language and all communities in Wales.

It should be a core principle that everyone has a home, but the unfairness of the housing system as it is means that property is treated as an asset rather than a home, which has led to a situation where some people have several homes while others have none.

Treating housing as an asset to use to make a profit rather than as a home means that the housing market pushes house prices up, beyond the reach of people on local salaries - to such an extent that house prices are, on average, ten times higher than the average salary in Ceredigion.

The high price of housing means that people on local salaries, especially young people, cannot afford to rent or buy a home and therefore cannot stay in their community. This has an impact on the Welsh language, culture, the viability of communities, the local economy and the provision of public services, particularly Welsh provision in the public sector.

The new practice of working from home and people's desire, post-pandemic, to live in open, rural areas has intensified housing problems. Although house prices are high in comparison to salaries, house prices are lower in Wales than in the other countries of the United Kingdom, and wealthy people have taken advantage of that, by buying a second house or a home for occasional use in Wales.

Therefore, if we are serious about ensuring the continuation of Welsh as a living community language, we must reject this philosophy of free market capitalism which has been embraced by every Westminster Government since the days of Margaret Thatcher.

We believe that the housing system needs to be transformed and that the following is needed:

1. Securing the Right to a Home Locally
2. Planning for Local Needs
3. Empowering Communities
4. Prioritisation of Local People
5. Control of the Rental Sector
6. Sustainable Homes
7. Investment in Communities

Securing the Right to a Home Locally

There should be a duty on all Local Authorities to meet the housing needs of their area. Their main functions focus on developing and implementing a housing strategy, allocating existing social housing (the stock of the Authority and housing associations), homelessness prevention services, providing housing advice and developing new social and affordable homes in partnership with housing associations.

Local authorities should be far more proactive in identifying the needs and circumstances of local people, and identifying and facilitating suitable individual solutions.

Depending on individual needs, suitable solutions may include:

- i. social rented housing (subsidised provision for those that cannot afford to rent or buy a home due to low or unstable income, or that are vulnerable due to health problems, disability or other special needs)
- ii. intermediate market housing (provision which is subsidised to make it affordable for those on a fixed income but unable to afford to rent or buy on the open market - eg part-ownership or shared equity models)
- iii. local market housing (provision available to local people at a reduced price through planning conditions, eg a section 106 agreement)

When a community housing provider (the local authority, housing association or community-owned enterprise) does not have a suitable home in the local area for the applicant, the Local Authority should be resourceful in facilitating a bespoke local solution within a reasonable distance and timetable such as:

- i. A community housing provider to receive a subsidy in order to buy a property on the open market, or to develop a new home, and let it for social or intermediate rent.
- ii. A community housing provider to receive a subsidy for the purchase of a property on the open market, or to develop a new home, jointly with the applicant (part-ownership model).
- iii. The applicant to receive a subsidy in the form of an equity loan to purchase a suitable property on the open market or to develop a new home.

All community housing providers should offer a 'step-up, step-down' option which would enable the applicant to remain in the home were their economic situation or personal circumstances to change, for worse or for better (eg moving from a part-ownership arrangement to an intermediate rent or from social rent terms to a shared equity arrangement).

There is also a need to be open and flexible in providing solutions by working across Local Authority boundaries, so any measures need to enable and encourage that.

Planning for Local Needs

In order to facilitate and enable local authorities to secure a home, it is necessary to plan for this. We therefore propose that the Local Housing Market Assessment be replaced with a Local Housing Market Assessment and that Local Authorities should co-produce a

regular Community Assessment in all areas of the county, with communities as equal partners.

Such an assessment would be a means of planning appropriate housing solutions for all communities, identifying local opportunities to meet the need and then presenting the case for investing public funds.

It would also provide a 'genuine' evidence base for the preparation of Local Development Plans and Housing Strategies which would, in turn, ensure that local needs inform land use policies, affordable housing targets and priorities for investment in new homes. Each local authority's Housing Strategy should predict the number of homes to be provided for each 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 programme without evidence of local need.

There are excellent examples from counties in north-west and south-west Wales where Rural Housing Facilitators use a variety of approaches 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 exempt sites, which prioritises local people, and for housing associations to receive a Social Housing Grant towards the development costs.

Empowering and Investing in Communities

By strengthening the rights of community-led organisations to buy and manage housing, land and key community assets, we will empower communities.

This is nothing new: there is 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. Nevertheless, there are few current examples of community-led housing initiatives.

This is partly because, currently, community groups that want access to land and property are completely dependent 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 due to the owner's desire to sell as quickly as possible on the open market.

In Scotland, and to some extent in England, policies exist to enable land and assets to be transferred to community ownership, which sets useful precedents with a view to increasing the power that communities in Wales 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 six 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 that it does not become a liability for the community in the long term.

Also, community and co-operative housing initiatives face a significant challenge in raising funds for the purchase of land and property and for the development of genuinely affordable housing. Due to the significant costs associated with providing affordable homes, community and co-operative housing initiatives will need access to additional financial support. The inexperience or lack of assets of any new enterprise 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 community shops and hubs. Any land or building purchased must be able to provide a level of income that ensures that it does not become a liability for the community in the long term.

The Scottish Government has currently committed £20 million a year to the Fund by the end of this parliamentary term.

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 fundraising efforts of the community group, community shares, negotiated price discounts, or other funders.

The establishment of a community bank in Wales, Banc Cambria, will be a unique opportunity to facilitate local investment in community assets. The Welsh Government should work with Banc Cambria to develop a low-interest loan fund for local people and community-led housing initiatives. The fund would exist specifically for financing the costs of buying, improving or building affordable housing and other community resources.

These public and private funds will be essential if community initiatives are to realise the opportunities that will be created by the introduction of policies similar to the Community Right to Buy.

We believe that such models should be emulated and put in place in Wales. As well as offering community solutions to housing problems, it gives people a sense of belonging and ownership over their community.

Prioritisation of Local People

In areas where a Community Assessment shows unmet local housing needs, local people should be given the first opportunity to buy property that comes on the market in that

community. In practice, the seller (individual, private organisation or public body) would be required to advertise it locally for up to six months. During this period, there would be a moratorium on the sale of the property to anyone without a local connection while the seller considers offers from local individuals and community housing providers. The seller would be required to accept an offer to purchase from a local applicant or community provider that is equal to or above an independent valuation of the property.

Local authority housing investment programmes should allocate sufficient subsidy, in the form of grants and loans, to enable local applicants and community housing providers to exchange contracts before the end of the moratorium period. In addition, if the property is purchased by a community housing provider, it should be a condition of grant to implement a lettings policy which prioritises local people as long as the Community Assessment continues to show unmet local needs.

Control of the Rental Sector

There are growing concerns about the affordability of rents, about the circumstances and rights of tenants, and about the shortage of houses available to rent.

There is an increasing number of cases where people are evicted from a rental home for no reason, in order for landlords to use the property as an AirBnB or similar to make more profit.

Changes in the Renting Homes (Wales) Act 2016, which came into force from the 1st of December 2022, have also led to an increase in the number of those that have been evicted from their homes.

In addition, local authorities do not hold landlords to account sufficiently, despite requests for support to force landlords to improve the standard of accommodation. This suggests that the laws and arrangements for landlords' liability are not easy or quick to use, so there is a need to increase and strengthen measures that local authorities can put in place to regulate the rental sector.

We also believe that private landlord and community landlord rents need to be controlled to ensure that they are affordable for tenants on lower than median incomes and that landlords need to be held to account.

We are proposing all these things as a package of measures to be included in a Property Act, as one thing by itself will not fully address the problem. But together, we are confident that they will be beneficial and ensure that everyone has a home.

Our main concern in introducing any new measures to ensure the right to an adequate home for all is that there will be opposition to any new regulations from landlords and organisations that represent them. The Welsh Government and local authorities should remain firm on the principle that housing is a fundamental right for the benefit of people rather than an asset for the benefit of the market.

Further information about our [proposals for a Property Act can be seen here](#).

Sustainable Communities Group, Cymdeithas yr
laith Gymraeg, March 2023