

# Community ownership of land and assets: enabling the delivery of community-led housing in Wales

## Executive summary



**This discussion paper has been produced by the Communities Creating Homes programme at the Wales Co-operative Centre, Wales' only community-led housing hub. The purpose of the paper is to stimulate thinking and discussion on community ownership of land and assets in Wales, which will lead to the delivery of more affordable community-led housing for people in need.**

Community ownership rights are of interest to a cross-section of organisations and individuals in Wales, not just the community-led housing sector. Community groups also need access to land to ensure local services are run efficiently, to save local amenities and facilities, to protect the environment for future generations, to secure sustainable food production etc.

We want to be part of the national discussion about who owns Wales and how Welsh citizens can gain access to land for projects which will directly benefit their local communities. However, in line with the aims of the *Communities Creating Homes* programme, this paper will be focussed specifically on how community ownership of land and assets can help to deliver more affordable community-led housing.



# Community-led housing and land in Wales



Community-led housing can come in a variety of forms, but fundamentally it refers to the practice of communities taking a leading role in providing their own housing solutions – whether that is through building a new property, taking over existing properties, or protecting existing affordable housing stock. This could be a small group forming a co-operative and collectively buying a house to share and rent out affordably, leaseholders or social housing tenants setting up a tenant management committee, community members forming a land trust to buy local land on which to develop homes which can then be kept affordable in perpetuity for local people - these are all examples but there is no one-size-fits-all approach and community-led housing can be adapted to best suit a community. The aim is to give people more control of where they live to achieve a shared goal.

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.”**

A related commitment sets out that:

**“We will... take forward actions to cap the number of second homes, bring more homes into common ownership and licence holiday lets,”**

reflecting the positive impact that community ownership can bring to bear in areas affected by high numbers of second homes.



There is growing potential for community-led housing in Wales - the *Communities Creating Homes* team is working with over 60 groups who wish to develop their own affordable housing – but there remain barriers that can only be overcome with the support of Welsh Government. Not least amongst these is the ability for community groups to access and acquire land at rates that allow the delivery of affordable homes.

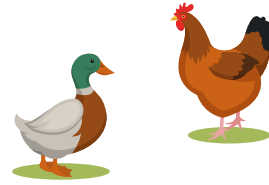
Land and housing development are inextricably linked. The way that land is brought forward for housing development affects where and how many homes can be built, the quality of the homes and how affordable they are. The current market-led system is dominated by developers competing for land, which is often in short

supply, and therefore, those with the deepest pockets usually win, making it difficult for communities to take a leading and lasting role in developing affordable homes in their areas.

This system is not working for Wales, where the housing crisis, exacerbated by the Covid property boom, continues to affect more and more people every day. We need to ensure that more land is brought forward for high quality mixed-tenure housing more quickly, with local communities at the heart of decision making, management, and ownership.



# Learning from elsewhere



The conversation about community access to and ownership of land and assets is a relatively underdeveloped one in post-devolution Wales. Elsewhere within the UK, policies exist that enable the transfer of land and assets into community ownership which could set useful precedents for Welsh approaches with a view to enhancing the power that communities in Wales have over land and assets. In Scotland, and, to a lesser degree, England, such national conversations have led to the introduction of policies designed to ensure that community groups can make use of sites in their local communities for housing, as well as projects like community-energy production. Policies, such as the Community Right to Buy enshrined in the Land Reform (Scotland) Act 2003 which gives community bodies first refusal on sites put up for sale in their vicinity, have led, both directly and indirectly, to empowered communities driving forward on housing schemes to address the needs of local people.

Wales is trailing other nations in UK when it comes to community ownership rights. Currently Welsh citizens wishing to access sub-market value land for community housing initiatives are reliant on either philanthropic landowners, or on community asset transfers or compulsory purchase orders. Neither of these policies offers quite the same empowerment as is enjoyed by communities in England or, particularly, Scotland, as they either focus solely on assets and facilities owned by public bodies or necessitate the direct involvement of a public body to implement the power.

Therefore, we're calling on the Welsh Government to strengthen community empowerment and ownership rights to help deliver the commitments set out in the Programme for Government and the Welsh Labour and Plaid Cymru co-operation agreement. The recommendations below look to enhance participatory democracy at a local level and transfer the balance of power away from wealthy landowners to ensure that people across Wales have a greater ability to shape their local areas.



# Recommendations

## *Community Ownership and Empowerment commission and legislation*

1. The Welsh Government should establish a commission to stimulate innovative thinking on community ownership of land and assets in Wales.

The commission should investigate and make recommendations on the implementation of various tax reforms on land and assets for community uses and determine the most appropriate method of valuing land, considering the social, ecological, cultural value as well as financial value, and should produce guidance on the fair price for land.

2. The Welsh Government should introduce a Community Ownership and Empowerment Act that gives well-governed, sustainable community organisations the opportunity to have more control over land and assets in their communities.

## *Data and information*

3. The Welsh Government should develop a land ownership registry/database, which provides publicly accessible key data on land ownership/transactions in Wales (including publicising options agreements where future development may occur) bringing together existing databases e.g., HM Land Registry and the Welsh Government Land Division, to create a universal resource containing information on land.

The current mapping data, property characteristics data, and property transactions data are collected by different government agencies and are not easily accessible for community groups. Richer data should make clear where the land is owned by public bodies, as well as private landowners and where land is unclaimed. This registry should always be kept up-to-date and transparent.



## *Funding*

4. The Welsh Government should establish a Revolving Loan fund for community-led housing projects to grow the number of affordable community-led housing projects.
5. The Welsh Government should develop a Community Wealth Fund that would support communities to develop social infrastructure.

## *Public land and assets*

6. The Welsh Government should publish guidance (e.g., a Technical Advice Note) and should encourage local authorities to develop bespoke policies (e.g., Supplementary Planning Guidance, land disposal policies) on community-led housing and how it can be included in future developments and provide community groups with access to public land at a reduced cost, enabling planning departments to ensure that this commitment in the Programme for Government is readily achieved.
7. The Welsh Government should make Place Plans a mandatory part of the development plan process to encourage participation and give local people a chance to influence their area.
8. Local authorities should work in partnership with local communities wanting to develop community-led housing projects to meet local housing need by leasing land for affordable community-led housing projects where necessary, utilising their CPO (Compulsory Purchase Orders) powers to purchase sites suitable for community led housing.

## *Existing powers*

9. The Welsh Government should develop a formal process for Community Asset Transfers (CAT) so that there is a standardised approach across all local authorities and public bodies.



# The potential impact

Strengthening community rights can help to grow the community-led housing movement in Wales. In both Scotland and England, the political discourse on localism and community empowerment has increased the profile of community-led housing amongst local communities, landowners, housing providers, and local councils, many of whom are now actively engaged in the movement and involved in developing projects.

Improving community ownership rights could be transformative for the community-led housing sector in Wales, allowing communities take control of their housing situations and provide homes that they really want and need. Clearly, community ownership is multi-faceted and there is strong support from across several organisations, representing different sectors, to implement these rights in Wales. It is not just the housing sector that could benefit, but it could also grow the community energy, farming, and food production sectors, help to protect the natural environment, and revitalise dilapidated assets and buildings in our cities, towns, and villages. We will continue to work with partners interested in this agenda to ensure that any changes made meet the needs of communities across Wales.

It is time to reignite discussions in Wales about community ownership of land and assets.

Welsh Government has already recognised in its Programme for Government that the time has come for communities across Wales to have greater influence in the development of affordable housing where they live. To fulfil this ambition, it is now time that we see a recognition of the need for changes to peoples' abilities to access and own land, suitable for the development of the much needed, perpetually affordable community-led housing. We need Welsh Government to help us to tear down the barriers to make community-led housing a mainstream and generally popular form of housing (as is the case in much of Europe). By introducing legislation that enables community ownership of land and assets, communities will be able to more effectively deliver climate-secure, affordable homes that are developed and managed by and with local people to meet their needs and the needs of future generations.

For more information or to discuss these ideas in greater detail please contact:

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