

**Report to:** **Strategic Planning Committee**

**Date of Meeting:** 26<sup>th</sup> March 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release** None



**Agenda item:** 10

**Subject:** Custom and self-build housing

**Purpose of report:** To report on the level of interest in self-build in East Devon as demonstrated through the self and custom build register and to consider ways to encourage more custom and self-build in East Devon as informed by work undertaken in association with the Governments 'Right to Build Taskforce'.

**Recommendation:**

1. To note that there were a total of 93 individuals registered on the self-build register at the end of the monitoring period (30<sup>th</sup> October 2018) and the need to take this into account when undertaking the Council's planning, housing, regeneration and disposal of land functions;
2. To note the need to permission 9 suitable plots in addition to those already consented to meet the demand shown on the self-build register during the next three years (by 31<sup>st</sup> October 2021).
3. That a Member task and finish forum consisting of the relevant planning and housing portfolio holders and member leads, vice-chair of Strategic Planning Committee and chair and vice-chair of Development Management Committee be established with appropriate officer support. The group to consider how the Council could take a more pro-active approach to the delivery of custom and self-build housing plots considering experience from elsewhere and potential actions such as those listed in paragraph 4.4. The group to then make recommendations to a future meeting of Strategic Planning Committee for them to agree/recommend actions as appropriate.

**Reason for recommendation:** As a Local Planning Authority, East Devon has a duty to provide a supply of suitable sites to meet the demand for self/custom build housing shown on the self-build register. The Council also has a duty to take account of the register when exercising its planning, regeneration, housing and estate management functions. National Planning Practice Guidance requires local planning authorities to consider how they can support self and custom building in their areas. The Government supported Right to Build Task Force is working with the Council to provide expert advice on how to support self-building in East Devon.

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<b>Financial implications:</b>	There are no specific financial implications.
<b>Legal implications:</b>	The legal implications are as set out within the report.
<b>Equalities impact:</b>	Low Impact
<b>Risk:</b>	<p>Medium Risk</p> <p>The increased delivery of land for self-build and custom build purposes is a government priority and there is a duty to provide sufficient serviced plots to meet the demand shown on the register.</p>
<b>Links to background information:</b>	<ul style="list-style-type: none"> <li>• <a href="#">Report to Strategic Planning Committee 20/03/18</a> (previous monitoring report and discussion of ways to promote self-build)</li> <li>• <a href="#">Minutes of Strategic Planning Committee 20/03/18</a></li> <li>• <a href="#">Report to Strategic Planning Committee 29/03/17</a> (initial self-build monitoring, imposition of local connection test, decision not to impose financial test or fee for self-build register)</li> <li>• <a href="#">Minutes of Strategic Planning Committee 29/03/18</a></li> <li>• <a href="#">Self Build Portal</a> of the National Custom and Self Build Association (NaCSBA)</li> <li>• <a href="#">Right to Build Task Force</a></li> <li>• <a href="#">Self-build and custom build - East Devon</a></li> <li>• Greater Exeter Strategic Plan Custom and Self-build <a href="#">Demand Assessment Framework</a></li> <li>• <a href="#">Cranbrook Demand Assessment</a></li> <li>• <a href="#">Cranbrook Plan - Cranbrook Plan Submission Draft - East Devon</a></li> <li>• <a href="#">Teignbridge Custom and Self Build SPD</a></li> <li>• <a href="#">Housing and Planning Act 2016</a></li> <li>• <a href="#">Self-build and Custom Housebuilding Act 2015</a></li> <li>• <a href="#">Fixing our broken housing market - GOV.UK</a></li> <li>• <a href="#">Self-build and custom housebuilding - GOV.UK</a> (National Planning Practice Guidance)</li> </ul>
<b>Link to Council Plan:</b>	<p>Encouraging communities to be outstanding</p> <p>Develop an outstanding local economy.</p>

## Report in full

### 1. The requirements for and advantages of self-build housing

- 1.1 As part of its drive to increase levels of housebuilding, the Government is encouraging Councils to diversify the range of opportunities by increasing the supply of self-build plots. There is a legal requirement for Local Authorities to hold a register of people wishing to self-build and to 'permission' enough 'serviced plots' to meet the demand shown on the register. The definition of a 'serviced plot' is that it can, in the opinion of the local planning authority, be provided with access to a public highway and connections for electricity, water and waste water (Self-build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016). There is limited guidance on what needs to be done to fulfil this requirement, but for our current monitoring figures we have included any planning permission to build a single dwelling (excluding conversions of existing buildings). This is justified because land with planning permission to build a single dwelling could be suitable

for self-build and has been the traditional source of self-build plots (usually as 'windfalls'). However, research undertaken with those on our register to inform the March 2018 report to this committee suggested that there is still a lack of sites that people on the register can afford. More needs to be done if the Council wishes to ensure that the spirit of the legislation (to improve the supply of land for self-build) is being met as well as the basic legislative requirements.

- 1.2 The [National Planning Practice Guidance](#) recommends that "Relevant authorities should consider how they can best support self-build and custom housebuilding in their area. This could include:
- developing policies in their Local Plan for self-build and custom housebuilding;
  - using their own land if available and suitable for self-build and custom housebuilding and marketing it to those on the register;
  - engaging with landowners who own sites that are suitable for housing and encouraging them to consider self-build and custom housebuilding and facilitating access to those on the register where the landowner is interested; and
  - working with custom build developers to maximise opportunities for self-build and custom housebuilding."
- 1.3 Self-build is a term that is used to refer to a wide range of activities from individuals or groups physically building their own homes, through to 'custom' build, where specialist developers are contracted. The key element in any self-build is that the buyer occupies the house for themselves and has had principle control over the plans and specifications of the house that gets built.
- 1.4 One of the wider benefits of self-build is its potential to speed up the supply of housing and thereby help to maintain a five year supply of housing (particularly where custom build developers offer 'shell homes' on larger sites). It can also help to diversify the land supply and widen choice including different levels of affordability. Self-build can lead to savings relative to buying a 'ready-made' product because there is no developer profit (often at least 20% of the cost of a new home) and because self-builders may do some of the work themselves (like project managing or physical building). Conversely some self-build projects are high end bespoke homes that can cost above market value to build. An element of this additional cost is often spent on improved energy performance and typically custom built homes have higher design and energy specifications to help differentiate them from the volume house building model.
- 1.5 Wider community benefits of self-build include homes with a better design, build quality and environmental footprint and a more diverse and resilient housing supply. The White Paper ['fixing our broken housing market'](#) quotes research that self-builders use modern methods of construction and build to high specifications thereby improving the sustainability of the housing stock.
- 1.6 Self-build is also good for local businesses and can provide additional employment opportunities. It is an attractive market to small and medium house builders because there is less risk as contracts are settled earlier in the development process. This enables construction to be financed through the customer's mortgage stage payments, which reduces business finance and improves profitability. Supporting smaller builders can help local economies by using more local supply chains than volume house builders and creating opportunities for local tradespeople.

## **2 Supply and demand figures**

- 2.1 The East Devon register has a local connection test so that, generally, only people who work in the District or have lived here for three years are included on 'Part 1'. The requirement to provide enough serviced plots to meet the demand shown on the register only applies to Part 1, but both Part 1 and 2 are used to assess the general level of demand to inform decisions of the Council.
- 2.2 The level of demand is measured in 'base periods' that run from the end of each October. In the 2017 to 2018 base period a total of 18 individuals were added to the register; 9 on Part 1 and 9 on Part 2. A [monitoring report](#) that gives further details of the preferred type of home, location and size of plot has been published.
- 2.3 To meet statutory requirements 9 plots suitable for self-build need to gain permission in the three years from 31<sup>st</sup> October 2018 to meet the demand indicated on Part 1. This compares with a total of 40 in the previous base period and 32 in the first base period (when there was no local connection test).
- 2.4 Following the approach agreed last year, planning permissions for single dwellings have been considered to be suitable for self-building. From 31<sup>st</sup> October 2017 to 30<sup>th</sup> October 2018 there were 36 consents for individual dwelling plots in East Devon. Taken together with the 75 plots consented to October 2016 and the 80 to October 2017 it is clear that we are meeting our statutory requirements (note that the lower number of plots permissioned to October 2018 partly reflects the omission of prior notification applications that may be considered less suitable for self-build).

## **3. Current EDDC approach to self-build**

- 3.1 At the moment we comply with the statutory requirements for self-build by keeping a register and permissioning sufficient plots to meet the demand indicated on Part 1 (of the register). The purpose of the register is to provide an indication of the general level of interest and there is no requirement to match people on the register with suitable land. Both the District and County Council must 'have regard' to the register when exercising their planning, housing, regeneration and disposal of land functions. More details are given on the practical implications of this in the [National Planning Practice Guidance](#) but examples include:
- Planning – the register may be a material consideration in decision-taking and evidence of local demand should be used to devise appropriate local plan policies;
  - Housing – evidence from the register should be used when preparing local housing strategies and when developing plans for new housing on land owned by the local housing authority;
  - Land disposal – evidence of demand from the register should be considered when developing plans to dispose of land; and
- Regeneration - evidence of demand from the register should be considered when developing regeneration plans.
- 3.2 Policy H2 of the adopted Local Plan encourages 10% of plots on large sites to be made available for custom and self-building, although no plots have yet been secured through this policy.

- 3.3 At the March 2018 meeting of this Committee a report was considered that looked at ways that more could be done to encourage self-building in East Devon. Members were generally supportive of exploring how this could be achieved and asked that further work was done, including working with other authorities involved in the Greater Exeter Strategic Plan.
- 3.4 In July 2018 [research](#) undertaken by Three Dragons (supported by the Right to Build Task Force) was published that considered the underlying demand for self-build in each of the greater Exeter authorities. This modelled a projected need for 61 plots in East Devon for the first five years and 67 plots in the years thereafter. With the exception of Teignbridge, the modelled demand was more than that shown on the associated registers. The research also found that the current rates of supply fall below the potential demand indicated by the modelling, implying that positive action is required by the responsible authority to enable faster rates of self-building.
- 3.5 Three Dragons also modelled the underlying demand for [self-build at Cranbrook](#). This concluded that, to 2031, provision should be made for around 170 self-build plots at Cranbrook of which around 15 should be affordable (intermediate market). The report has been used as evidence to justify a self-build policy (CB12) in the submission draft of the [Cranbrook Plan](#) (February 2019). Policy CB12 requires a minimum of 4% of dwellings in the expansion areas to be for custom and self-build unless more demand is shown through an annual review. It is hoped that this will secure delivery of a significant increase in opportunities for self-builders and allow for flexibility to respond to any increase in demand for self-build at Cranbrook.

#### 4 Right to Build Task Force

- 4.1 The [Right to Build Task Force](#) is funded by the Nationwide Foundation and supported by central government. Its aim is to support local authorities, community groups and other organisations to deliver large, affordable custom and self-build housing projects.
- 4.2 In July 2018 the Right to Build Task Force was engaged to provide support to EDDC on custom and self-build housing delivery with an emphasis on potential delivery routes at Cranbrook. This work will be taken forward through the Cranbrook Plan and possibly a Supplementary Planning Document allied to the draft self-build policy.
- 4.3 As part of their remit the Task Force facilitated workshops with EDDC officers and members in December 2018 to raise awareness of the potential for self-build and suggest options for increasing opportunities to self-build. The outcome of the workshops was very positive with general support for promoting self-build to meet housing demands, including for affordable housing. Some concerns were expressed, particularly over the loss of CIL income (self-build is exempt from CIL) and the potential for people to make a profit and move on.
- 4.4 In order to explore the full potential for EDDC to promote self-build opportunities across East Devon it will be necessary to involve a wide range of disciplines. One idea that seemed popular at the Member workshop was the establishment of a Member officer task group to devise a delivery plan for self-build. This could help to co-ordinate the actions of planning, regeneration, estates, housing and legal services and could consider the full range of options open to the Council. This could include:
- planning strategies (including 'exception' policies and allocations) as part of the new local plan or through neighbourhood planning;



- an audit of Council owned land with a review of every area of land we own to establish whether it can be marketed for self-build housing (this could result in capital receipts as well as improve the supply of self-build plots);
- a refresh of the self-build register to include a specific Cranbrook register linked to the promotion specific sites that emerge. Work undertaken by the Right to Build task force indicates that the current register may significantly underestimate demand: additional promotion of the register would be likely to lead to higher demand numbers and could be used to help negotiate with developers for additional self-build plots in accordance with Policy H2 ;
- the use of housing land owned by EDDC to promote affordable self-build opportunities. This could be on a small scale where 'surplus' land may be suitable for infill plots or for larger areas such as redundant garage courts or any areas suitable for redevelopment;
- working with parish councils and local community groups to promote self-build opportunities. For example parish councils may own parcels of land that may be suitable for self-build or they may wish to include policies in their neighbourhood plans. Community groups like land trust may wish to explore options to promote self-build, particularly for group projects that could help to meet local objectives such as low cost housing for local people or providing housing for the elderly; and
- producing Supplementary Planning Guidance to clarify self-build requirements. This could be linked to Policy H2 of the local plan and the emerging CB12 Cranbrook policy and would help to set out the East Devon approach to delivering self-build and minimum requirements. Teignbridge produced an [SPD](#) in 2016 which gives further guidance on their local plan policy and deals with associated issues like CIL and building control.

## 5 Conclusions

- 5.1 We are meeting our statutory requirements for self-build but could do a lot more to promote opportunities in accordance with government guidance.
- 5.2 Increasing the levels of self-build has many potential benefits including:
- improving the resilience of the local housing supply by reducing the dependence on volume house builders for delivery;
  - helping the economy by providing opportunities for local employment and businesses;
  - improving the variety, design and sustainability of the housing stock;
  - helping local communities to meet their housing needs; and
  - improving opportunities for those wishing to have a tailor made home at an affordable price (or to pay for a house that suites their individual tastes regardless of price).
- 5.3 At the member workshop run by the Right to Build Task Force there was support for doing much more to support self-build housing in East Devon and for the formation of a Member officer task group to produce a delivery plan to achieve this. If the recommendation to form a task group is supported, the group will need to include representatives of all the sections of the Council that need to 'have regard' to the self-build register. This would include people from planning, housing, regeneration and estates and could also include an element of joint working with Devon County Council (which also has a duty to have regard to the self-build register). The task force is also envisaged to include leading Members involved in the delivery of housing and community planning.