

Report to: **Strategic Planning Committee**

Date of Meeting: Tuesday 22 October 2019

Public Document: Yes

Exemption: None

Review date for release None



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

Purpose of report: To report on previous work undertaken by the Housing delivery task and finish forum and to consider ways to encourage more custom and self-build in East Devon in accordance with the resolution of this Committee from March 2019.

Recommendation:

- 1. That consideration is given to the various options highlighted in sections 6 and 7 of the report for exploring how the Council can support people wishing to build their own home in East Devon.**
- 2. Members agree that a bid is made to the Capital Strategy and Allocation Group for £500,000 to be committed to the purchase of land and the delivery of serviced self-build plots for sale.**

Reason for recommendation: East Devon is meeting its statutory duty to provide a supply of suitable sites to meet the demand for self/custom build housing shown on the self-build register. However, 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. This report sets out for Members consideration a set of options that could achieve this.

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Financial implications: The specific financial implications with regards to self builds, their fees and the impact of the collection of CIL etc are considered and discussed within the body of the report. The £500k will be presented to the capital allocations group as part of the capital bid process within the 2020/21 budget round and will be assessed based upon the current matrix and considered along with the other capital bids based upon its merits

Legal implications: If direct provision of self-build plots is approved assets (such as land) must be identified and acquired in accordance with Council procedures with the involvement of the Estates and Legal teams. This is necessary to ensure proper due diligence is undertaken. There are no other legal implications other than as set out in the report.

Equalities impact: Low Impact

Climate change: Low Impact

Risk: Medium Risk

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.

Links to background information:

- [Report to Strategic Planning Committee 26/03/19](#) (second monitoring report and discussion of ways to promote self-build)
- [Minutes of Strategic Planning Committee 26/03/19](#)
- [Report to Strategic Planning Committee 20/03/18](#) (first monitoring report and discussion of ways to promote self-build)
- [Minutes of Strategic Planning Committee 20/03/18](#)
- [Report to Strategic Planning Committee 29/03/17](#) (initial self-build monitoring, imposition of local connection test, decision not to impose financial test or fee for self-build register)
- [Minutes of Strategic Planning Committee 29/03/18](#)
- [Self Build Portal](#) of the National Custom and Self Build Association (NaCSBA)
- [National Self-build and Renovation Centre](#)
- [Right to Build Task Force](#)
- [Self-build and custom build - East Devon](#)
- Greater Exeter Strategic Plan Custom and Self-build [Demand Assessment Framework](#)
- [Cranbrook Demand Assessment](#)
- [Cranbrook Plan - Cranbrook Plan Submission Draft - East Devon](#)
- [Teignbridge Custom and Self Build SPD](#)
- [Housing and Planning Act 2016](#)
- [Self-build and Custom Housebuilding Act 2015](#)
- [Fixing our broken housing market - GOV.UK](#)
- [Self-build and custom housebuilding - GOV.UK](#) (National Planning Practice Guidance)
- [Document pack from SPC meeting 26/03/2019](#)
- [Minutes of SPC from 26/03/2019](#)
- Housing Delivery: Overview Committee Task and Finish Forum March [2017 report](#)
- Self-build monitoring report [March 2018](#)
- Self-build monitoring report [March 2019](#)
- [The UK's largest self and custom build community | Graven Hill](#)

Link to Council Plan: Encouraging communities to be outstanding; Developing an outstanding local economy; Delivering and promoting our outstanding environment; Continuously improving to be an outstanding council

Report in full

1. Background

- 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 and custom build plots. 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. In this report the term 'self-build' is used to include the full range of self and custom build options.

- 1.2 Since April 2016 there has been a legal duty to keep a register of people wishing to self-build their home. Since October 2017 there has been a legal requirement for Local Planning Authorities to 'permission' enough 'serviced plots' to meet the demand shown on the register. Monitoring reports published in March [2018](#) and March [2019](#) indicate that the number of permissions suitable for self-build exceed the numbers shown on our register for the required periods (there is no requirement to match those on the register to specific permissions – the register is intended to give a general indication of the levels of interest only).
- 1.3 Earlier this year this Committee considered a report that noted the levels of supply and demand for self-build and considered ways to encourage more custom and self-build. The following recommendation of that report was not accepted: "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". The lack of agreement on this recommendation stemmed from the views of some members that the report had not taken into account previous work undertaken, particularly the Housing Delivery report of the Overview Committee Task and Finish Forum in March 2017. It was resolved that 'a new comprehensive report on self-build be brought to the next appropriate Strategic Planning Committee taking into account what is happening in the district, what the council can do to assist and taking the outcome of the Housing task and finish forum and Housing Review Board Workshop into account'. This report has been prepared in accordance with that resolution.

2 **Summary of Previous Report (March 2019)**

- 2.1 Part of the previous report related to the supply and demand figures for self-build, which were noted by the Committee and are not repeated here. The most relevant parts of the report that relate to the recommendation that was not agreed are summarised here, but for a more comprehensive picture the [original](#) report should be consulted.
- 2.2 There is a growing recognition of the benefits that both individuals and the wider community can gain from increased self-building. 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). 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.
- 2.3 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. Additional community benefits

can 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.

- 2.4 Whilst monitoring shows that we are complying with the legal requirements for enabling self-build, feedback from people on our register suggests that there is a lack of sites available that people on the register can afford to buy. More could 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.
- 2.5 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.”
- 2.6 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 has helped to inform a self-build policy in the Cranbrook Plan, which is currently under examination.
- 2.7 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. 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. This led to the recommendation of the previous (March 2019) report that was not accepted (that a Member task and finish forum be established to consider how the Council could take a more pro-active approach and make recommendations to a future meeting of this Committee).

3 The Housing Task and Finish Forum (TAFF)

- 3.1 During discussions on the report to the March 2019 Committee, Members expressed concerns that the proposed task and finish forum would duplicate work already completed by the Overview Committee and Housing Review Board. It was also commented that the detailed work already undertaken had not been included in the report. This section of the report summarises the report produced by the Housing TAFF and sets out progress made since its conclusion.
- 3.2 The Housing TAFF was essentially tasked with identifying what level of housing delivery is required and to consider what the Council could do to deliver it, including a goal of delivering 300 units of social housing a year. A housing delivery [report](#) was produced by the TAFF and presented to the Overview Committee on 28th March 2017. In terms of self-build, the report noted the relevant Local Plan policy (H2 – which encourages 10% of plots on

large sites to be made available for self-build) and the legal requirements to maintain and have regard to the self-build register. The report questioned whether the self-build register accurately reflected the demand for self-build and asked whether it would be worth the Council buying suitable land and packaging it for the self-build market.

- 3.3 Nine recommendations were made in the report, the only one of which related to self-build was 'that consideration is given to encouraging the use of off-site manufacture for both developers in the area and for those interested in self-build'. A workshop for the Housing Review Board was held earlier this year to explore alternative construction methods with 'Constructing Excellence South West'. This was primarily a scoping and fact finding exercise but a key message from the presentation was that the Council needs to set out its aspirations and priorities before making a commitment to developing (firstly) and only then how we should develop (traditional methods or off-site).

4 What has happened since the Housing Task and Finish Forum Report

- 4.1 Since the publication of the housing delivery report by the TAFF in March 2017 there have been significant changes related to planning for self-build in East Devon:
- The requirement to permission enough serviced plots to meet the demand shown on the self-build register was introduced in October 2017;
 - In November 2017 everyone on the self-build register was contacted to ask for their responses to a number of questions aimed at improving the Council's approach to self-build (responses included in report to SPC in [March](#) 2018);
 - 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.
 - The Cranbrook self-build demand assessment was [published](#) in July 2018. This uses a demand assessment model to predict demand levels for self-build at Cranbrook and recommends provision for 170 plots to 2031, 15 of which should be for affordable (intermediate) housing;
 - The Government's Right to Build 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 generally positive with support for promoting self-build to meet housing demands, including for affordable housing, and a suggestion that a Member officer task group should be formed to devise a delivery plan for self-build;
 - The Cranbrook [Plan](#) was submitted for examination in August 2019. This includes a specific self-build policy that requires 4% of the dwellings in each expansion area to be for self-build.

5 Current Approach

- 5.1 There are no specific policies in East Devon that allow for self-build in areas that would not otherwise be granted planning permission for housing. Policy H2 'encourages' the provision of self-build plots on large sites, but no plots have been secured through this policy and no permissions have been granted that are restricted to self-build. The Cranbrook Plan, which is at examination, requires 4% of each of the proposed expansion areas to be made available for self-build.
- 5.2 In a recent [appeal](#) in Leicestershire an Inspector granted permission for self-build housing on the basis that the Local Planning Authority could not demonstrate that it had granted sufficient permissions to meet the demand shown on the register that were specifically

restricted to self-build (through a condition or S106 Agreement). Whilst we have not granted permissions specifically conditioned for self-build, the legislation requires only that we grant enough permissions that are suitable for self-build. In the first two self-build monitoring reports we took the view that any permissions for single dwellings were suitable, but that we would undertake further work on the issue. Unlike the Leicestershire authority in the appeal, we have CIL and self-builders can apply for an exemption from CIL payments. Initial work shows that the number of self-build CIL exemptions exceeds the numbers on our self-build register, but more work will be done on this for our third monitoring report, which will be prepared later in the year (the self-build monitoring period runs from 30th October until 31st October).

- 5.3 The Local Development Scheme (which sets out a programme and timetable for production of future planning policy documents) includes the production of a supplementary planning document to guide, inform and support policy for self and custom build development in East Devon. Work on this document has been awaiting the outcome of the Right to Build Taskforce work and the outcome of reports to this Committee.

6 Options for developing planning policies and additional planning related initiatives

- 6.1 It is recognised that Policy H2 of the adopted local plan is unlikely to result in significant additional opportunities for self-build. It was devised with limited evidence to support it (before the self-build register) and before self-build was such a high government priority. The wording of the policy was significantly weakened by an Inspector who was highly skeptical of inclusion of policy explicitly requiring self-build provision as part of 'normal' housing provision/development.
- 6.2 The Cranbrook policy has been developed in light of evidence from both the register and technical studies. It has the potential to deliver self-build specific plots, but only in one area of East Devon.
- 6.3 There will be an opportunity to develop self-build policies through the local plan review, but the timetable for this is uncertain (due to delays in the Greater Exeter Strategic Plan production). Meanwhile consideration could be given to other planning department self-build initiatives. Some of these could be undertaken within existing resources, but for others consideration may need to be given to making a charge to be included on the self-build register.
- A refresh of the self-build register to include a specific Cranbrook register linked to the promotion of 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;
 - Producing Supplementary Planning Guidance to clarify self-build requirements (as set out in our Local Development Scheme). 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. Feedback from people on our self-build register was that this would be a useful document;
 - Some authorities prepare self-build newsletters, but there are already national sources of information about self-build in general such as the [Self-Build Portal](#) and the [National Self](#)

[Build and Renovation Centre](#). It may be worth considering preparing periodically if specific initiatives arise (such as the development of an SPD or development of self-build policies);

- A Self-build Forum could provide a good way for people to gain confidence in how to self-build and to share experiences with others. There is a national self-build forum, but there may be benefits in establishing a forum at a local level, possibly in co-operation with other authorities in the greater Exeter area;
- We currently charge £180 for pre-application advice to people wishing to build a single dwelling. The planning system can be very complex and baffling to individuals seeking to build their own home. Many of the people that manage to secure planning permission to build their own home in East Devon can afford to pay for independent professional advice to help them navigate their way through the complexities of obtaining planning permission. However, the self-build register shows that there are also people that would struggle to pay for professional help and these tend to be younger local people. We could consider introducing a 'means tested' fee reduction to local self-builders.

7 Options for a corporate approach

7.1 There are things that can be done within the planning service to do more to encourage self-building as set out in Section 6 above, but the involvement of a wider range of disciplines would be needed to explore the full potential for EDDC to promote self-build opportunities across East Devon. Legally, the Council must 'have regard' to the register when exercising their planning, housing, regeneration and disposal of land functions, which implies a corporate approach is necessary. Initiatives that would be likely to benefit from a corporate approach could include:

- 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);
- the appointment of a Self-build Lead Councillor/Members Champion to raise the profile of self-build and promote a positive attitude to self-build across the Council; and
- 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 trusts 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.
- Direct provision of self-build plots through EDDC purchasing land suitable for self-building, servicing it and marketing it for self-build plots. This approach would have the benefit that we could help to deliver Council priorities such as securing the highest environmental standards and providing opportunities for more affordable housing for people with a local connection. Land could be sold with a design code and/or 'plot passport' to help purchasers understand what they could build on the site. Owning the land would enable a higher level of control than is available through the normal planning process. For example we could specify a relatively small plot size and local connections for the self-builder to provide opportunities for those that find it difficult to secure a plot through the normal market. A notable example of a Council directly providing land for self-build is [Graven Hill](#) at Bicester. If this course of action is supported, it would be sensible to trial it through a pilot project where the issues could be more fully explored and a budget of £500,000 would be a realistic level of finance needed to deliver this. When considering the recommendation that a bid is made to the capital allocation group for this sum the potential for the scheme to pay back the capital investment or make a profit should be borne in mind. The budget would be used primarily for the acquisition of land; most of the

professional skills needed to deliver the project are already available in house, however deployment of staff resources, drawn from differing Council departments, could impact on ability to undertake existing duties. However the money could deliver a number of serviced plots which could then be sold on to not just cover these costs but also to deliver a profit and still ensure that the plots are affordable and meet the needs of those on the self-build register.

8 Conclusions

- 8.1 We are meeting our statutory requirements for self-build but could do more to promote opportunities in accordance with government guidance.
- 8.2 There is a case, on planning grounds alone, for the Council to do more to promote and facilitate self-build housing. Much of this work could be done within existing resources through the development of policies, supplementary planning guidance and refreshing the self-build register. If additional measures were deemed to be appropriate consideration could be given to introducing a fee to join the self-build register.
- 8.3 At the member workshop run by the Right to Build Task Force there was support for a more corporate approach to self-build. This resulted in the previous (March 2019) recommendation that a Member officer task group be established to devise a delivery plan for self-build. This could help to prioritise actions and facilitate a corporate approach to self-build.
- 8.4 There is also an opportunity to take the more direct approach of acquiring land and packaging it for sale to self-builders. This could be tested through a pilot study supported by £500,000 from the capital allocation group to secure the necessary land.