

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK**CUSTOM BUILD AND SELF BUILD POLICY DEVELOPMENT TASK GROUP**

Minutes from the Meeting of the Custom Build and Self Build Policy Development Task Group held on Wednesday, 31st July, 2019 at 4.00 pm in the Meeting Room 2-4 - Second Floor, King's Court, Chapel Street, King's Lynn

PRESENT: Councillors R Blunt, F Bone and M Howland

Officers:

Katie Evans, Assistant Planner
Alex Fradley, Principal Planner
Duncan Hall, Housing Services Manager
Nikki Patton, Housing Strategy Officer
Hannah Wood-Handy, Principal Planner

1 APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN

Councillor Blunt was appointed Chair and Councillor Howland was appointed Vice Chair of the Task Group.

2 APOLOGIES FOR ABSENCE

Councillor Bubb.

3 NOTES FROM THE PREVIOUS MEETING

The notes from the previous meeting were agreed as a correct record.

4 DECLARATIONS OF INTEREST

There was none.

5 MEMBERS PRESENT UNDER STANDING ORDER 34

Councillor Rose.

6 GENERAL UPDATE AND BACKGROUND INFORMATION

Officers provided the Task Group with background information on Custom and Self Build. The following was highlighted:

- The Council had been working with leading experts in the field including the National Custom and Self Build Association and Mario Wolf.

- The Custom Build Action Plan had been submitted to Cabinet in February 2018 (copy attached).
- The Custom Build Act and Planning and Housing Act meant that the Council had to address the demand for Custom and Self Build. People could register on the Borough Council's website if they were interested in Custom and Self Build.
- The Task Group had looked at Policy options such as % of larger sites etc.
- The Council had also looked at direct delivery sites and a Council owned site was in the process of being taken forward.
- An event had been held last year which brought together experts in the field with developers and landowners who were interested in Custom and Self Build.
- Affordable Housing could be seen as a barrier to developers. The Council had agreed an approach that recognised how custom and self-build sites were developed whilst still achieving the Council's affordable housing policy requirements.
- There was a large volume of sites with Planning Permission but no development had taken place. Those individuals had been contacted and invited to the event.
- Policies would be developed through the Local Plan review.
- Custom and Self Build sites were exempt from CIL.
- The National Planning Policy Framework addressed the need to increase the housing supply for example the requirement to allocate small sites and outside the development boundary.
- Neighbourhood Plans also needed to consider Custom and Self Build, but as Custom and Self Build was exempt from CIL Parishes often did not want to promote it.
- Specialist mortgages were now available for Custom and Self Build.
- The criteria for Custom and Self Build was that you had to build it yourself, or commission a builder, and then live in the property.
- There were builders, locally, that specialised in Custom and Self Build.
- There was still a lot of work for the Task Group to do including looking at affordable Custom and Self Build and cooperatives for those wishing to develop in groups.

Members of the Task Group were referred to the following as background information. A question and answer session would be scheduled onto the next Agenda should Members have any questions:

- Custom and Self Build information on the Borough Council's website - https://www.west-norfolk.gov.uk/info/20079/planning_policy_and_local_plan/721/custom_and_self_build_action_plan
- National Custom and Self Build Association - <https://nacsba.org.uk/>
- Custom Build Cabinet Report February 2018 and Action Plan (attached).

- Custom and Self Build Register data - https://www.west-norfolk.gov.uk/homepage/279/custom_build_register_data
- Three Dragons demand Assessment Report (attached).

7 **POLICIES UPDATE**

An update on Policies was provided as follows:

- Policy LP26 in the emerging Local Plan could permit development adjacent to existing settlement boundaries and encouraged Custom and Self Build.
- The emerging Local Plan was consulted upon for eight weeks, this finished at the end of April. 43 comments had been received on LP26 with a number relating to Custom and Self Build. The feedback was balanced with some wanting the Council to take it further, others wanting the policy to be more permissive and others wanting the policy removed.
- <https://www.constructionmap.info/map> showed development taking place across England, for those who have signed up to the scheme. It showed that there were not many major developers working in the area.

8 **COUNCIL OWNED SITES**

Work was ongoing to bring forward the site at Bradfield Place, Stoke Ferry. It was likely that the site would be developed in two stages. Half of the site was allocated and the other half was in the proposed plan. Approximately ten units could be accommodated on the first half of the site.

The Council would design the overall site plan and put in the necessary infrastructure. The design would need a transition between bungalows and houses.

9 **ANY OTHER BUSINESS**

Work on the Ingoldisthorpe site was progressing.

10 **DATE OF THE NEXT MEETING**

To be confirmed – October 2019.

Agenda items would include:

- Action plan progress
- General Q&A session

The meeting closed at 5.21 pm

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide	YES	
	Discretionary /	Need to be recommendations to Council	NO	
	Operational	Is it a Key Decision	NO	
Lead Member: Cllr R Blunt E-mail: cllr.richard.blunt@west-norfolk.gov.uk		Other Cabinet Members consulted: Cllr Lawrence & Cllr Beales		
		Other Members consulted: Custom & Self Build Policy Development Task Group		
Lead Officer: Nikki Patton E-mail: Nikki.patton@west-norfolk.gov.uk Direct Dial: 01553 616726		Other Officers consulted: Alan Gomm, Duncan Hall		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment YES If YES: Pre-screening/ Full Assessment	Risk Management Implications YES

Date of meeting: 5 February 2019

CUSTOM AND SELF-BUILD HOUSING ACTION PLAN**Summary**

This report provides information on the Council's first comprehensive Action Plan on Custom and Self-build housing. The Plan sets out the Council's proposed actions to directly meet its own responsibilities to help deliver quality self and custom homes in the Borough to meet local demand. As well as meeting obligations, there are wider benefits to enabling this route of delivery as it provides opportunities to increase housing delivery, fosters creative design providing homes that meet people's needs and provides opportunities for smaller house builders.

The Action Plan has been produced by the Council's Custom Build and Self Build Policy Development Task Group. The final draft has been approved by the group. The purpose of this report is to inform Cabinet of the Council's responsibilities in relation to Custom and Self Build Housing and seek approval from Cabinet to implement the actions in the plan. **The Action Plan can be found at Appendix A**

The Task Group has endorsed the attached Action Plan and the Regeneration and Development Panel had endorsed the draft and has the final version on its agenda for 29 January 2019.

Recommendation

It is recommended that the Action Plan be approved.

Reason for Decision

The recommendation will ensure that the Council fulfils its statutory

obligations surrounding Custom and Self Build and provides a clear steer on the Councils position surrounding the delivery of Custom and Self Build housing in the Borough.

1.0 Background

- 1.1 Back in November 2011 the Government published 'Laying the Foundations: A Housing Strategy for England'.¹ This national strategy supported many proposals that had been set out in an industry-led Government Working Group Action Plan promoting self-build housing, produced in July earlier that year.² Within the strategy the Government explained how it was intent on doing more than ever to support individuals and communities taking the initiative to build their own homes, which in turn is considered beneficial to the national economy. However, the Government saw that there was a huge untapped potential for custom-built homes, especially when making international comparisons. The Government pledged to enable this housing sector to become mainstream, and to double the number of self and custom-built homes over the next decade. The Government recognised that there were also challenges to self-build and custom house-building, as well as limited information regarding this housing sector.
- 1.2 In October 2014, the Government produced 'Right to Build: Supporting Custom and Self Build',³ a consultation document, in which it explained how it intended to further empower aspiring self-builders to build their own home in their local area by bringing legislation through the next Parliament, as well as taking into consideration the experiences from the vanguards and the outcome of the consultation.⁴ This led to the Self-build and Custom Housebuilding Act (2015).
- 1.3 The key requirements of the legislation are set out in two acts of Parliament, The Self-Build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016. The Acts introduce three duties for local authorities to meet demand for custom and self-build housing (collectively known as 'the Right to Build' requiring authorities to;
- Prepare, publicise and maintain a register of individuals and associations of individuals "who are seeking to acquire serviced plots of land.
 - Have regard to the register 'when carrying out their planning, housing, land disposal and regeneration functions'; and
 - Give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling three year basis.

2.0 What is Custom and Self-build housing

2.1 The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of self-build and custom house building:

'Self-build and custom housebuilding means the building or completion by –

- a) individuals,*
- b) associations of individuals, or*
- c) persons working with or for individuals or associations of individuals, of houses to be occupied by those individuals.*

But it does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person.'

2.2.1 Whilst legally self-build and custom house building share the above definition, custom build is commonly regarded as where an individual, commissions a specialist developer to deliver their own home. Whereas, self-build is where the individual is more directly involved in organising or constructing his or her own home. Both routes require more significant input into the design of their home than other forms of housing.

3.0 The Task Group

3.1 The Custom Build and Self Build Policy Development Task Group consisting of both Members and Officers, was established by a recommendation of the Regeneration and Development Panel. The purpose of the group is to examine and determine appropriate policy and practice proposals for the Council's Cabinet and Full Council to consider in relation to Custom and Self Build. The Action Plan has been produced by the Task Group. It is proposed that on going monitoring of the Action Plan is undertaken by the Task Group.

4.0 The Action Plan

4.1 The action plan sets the background as to why self-build and custom house building has gained increasing focus from Government, which has translated into national legislation, policy, regulations and guidance. The document marks the first corporate action plan that

comprehensively covers this issue.

It explains emerging local policies, strategies and development in the Borough, as well as the latest evidence the Council has regarding the local demand for self and custom build housing.

The Council recognises that self and custom house building developed in the Borough offers an important potential route to home ownership and contributes towards housing delivery. This action plan marks the first step in the Council in:

‘Positively influencing or helping to secure development opportunities where it can support individuals or organisations in our local communities to deliver high quality self-build or custom house building to meet demand in the Borough.’

4.2 Current approach

The Council is already carrying out a number of functions to support Custom and Self-Build Housing. Details of these are set out in section 5 of the Action Plan. However, the situation is evolving as changes to legislation and national policies come into place. The Action Plan identifies further actions that the Council can take to ensure compliance with government requirements and increase delivery of Custom and Self-Build housing. The actions are a mix of planning policy and operational interventions that can come forward over both the shorter and longer term.

4.3 Wider Benefits

Whilst the Council clearly has statutory obligations to meet surrounding custom and self build housing, there are important wider benefits to enabling and delivering custom and self build housing. It also forms part of the governments drive to speed up house building and boost housing supply. In summary they are;

- Increasing housing supply. Evidence that custom and self-builders get on and build. Assists Council in meeting Housing Delivery targets.
- Supports SMEs – small scale offers opportunities where volume housebuilders would not go
- Diversifying housing supply and fostering creative design
- Enables people to live in homes that meet their needs
- Helps people realise their ambitions and invest in homes that they want to live in

4.4 Key Actions

Whilst there are a number of actions in the plan there are three key actions that are considered to be of significant importance in fulfilling National

Planning Policy requirements and increasing the delivery of self-build or Custom house building to meet the Boroughs demand.

- **Action 1- Developing Planning Policy.** Evidence from the Councils Housing trajectory suggests that single plots contribute to housing completions in the borough. In the most recent financial years (2016/2017 & 2017/2018) approximately 50% of housing completions were on sites of 1 – 4 dwellings, with half of these being single plot sites. However, not all of these can be classed as custom or self-build as it also includes those that were built speculatively. If new national policy requirements are to be met, the Council needs to ensure that identified need can be met. At the same time of creating additional opportunities for plots, a mechanism needs to be applied in order to ensure such plots are available explicitly for the Custom and Self-Build delivery route. If not there is danger the route will not be available for those wishing to build in this way, and that sites are used purely for speculative development or, are traded and do not come forward for development in a timely way. It is important that any new policy developed under Action 1 takes account of this.
- **Action 7- Undertaking detailed assessment of demand.** In order to best respond with appropriate policies and approaches it is important, to first understand more about the nature of demand for self-build and custom house-building in the Borough. Whilst the existing register is a helpful guide, it relies on individuals and organisations' knowing the register exists. Through undertaking research, the Council will be able to get a realistic understanding of local demand, but also their ability to afford available options. This will provide robust evidence which will be used to inform Local Plan Policy.
- **Action 9- Direct delivery on a Council owned site.** The Council has a direct role where it is a landowner itself, to establish if the land is suitable for self-build and/or custom- build homes. This can be exercised through its land disposal, regeneration or housing functions. The Council can also assess the potential for self-build and custom housebuilding on its own land assets and seek to deliver a pilot scheme. Through the Custom Build and Self Build Policy Development Task Group, a site at Stokeferry which is owned by the Council, has been identified a potential pilot site to deliver as a custom build site. Approval for development of the site has been agreed in previous reports. Due diligence work is currently underway to determine viability and suitability.

5.0 Specialist input

The Task Group also recognised that this sector in many respects is in its infancy in the UK, and therefore sought input from Mario Wolf, Director of The Right to Build Task Force. Mario is seconded from Ministry Housing Communities and Local Government (MHCLG). Mario has provided expertise and assisted by facilitating a challenge session with members of the group to

develop thinking and understanding of Custom and Self Build Housing and what the Councils involvement might look like. Mario also presented at a Custom & Self build event organised by the Council earlier this year for landowners and agents. The event was well attended and received very positive feedback.

6.0 Risk Management Implications

There are a number of important aspects here;

- The Local Plan can be found unsound if it fails to adequately address the identified need for custom and self build plots in the borough.
- CSB provides a real opportunity to contribute to housing delivery targets. Without positive policies and actions there is a risk that Local Plan targets won't be met.
- Failure to respond appropriately to identified housing need not only creates further housing issues across the borough but also fails to meet national policy requirements

These risks can be mitigated by;

Implementing the proposed actions set out in the Custom and Self- Build Action Plan.

7.0 Options Considered

7.1 The Council can choose to approve the Action Plan or reject it.

8.0 Policy Implications

8.1 This Plan assists the Council in meeting its corporate objectives of housing and economic growth in the Borough. It will also help contribute to the Councils overall housing delivery and fulfils statutory obligations.

9.0 Financial Implications

9.1 A full business case will be prepared for the direct delivery site in Stoke Ferry, including detailed development costs and funding arrangements and will be subject to usual sign off procedures within the Council.

Personnel Implications

10.0 Statutory Considerations

10.1 There are no statutory implications.

11.0 Equality Impact Assessment (EIA)

(Pre screening report template attached)

11.1 There are no equality and diversity implications directly associated with this report.

Declarations of Interest / Dispensations Granted



**Pre-Screening Equality Impact
Assessment**

Name of policy/service/function	Custom & Self-Build Action Plan				
Is this a new or existing policy/ service/function?	New (delete as appropriate)				
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations	The Custom & Self-Build Action Plan sets out the Council's proposed actions to directly meet its own responsibilities to help deliver quality self and custom homes in the Borough to meet local demand.				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			x	
	Disability			x	
	Gender			x	
	Gender Re-assignment			x	
	Marriage/civil partnership			x	
	Pregnancy & maternity			x	
	Race			x	
	Religion or belief			x	
	Sexual orientation			x	
	Other (eg low income)			x	
Question	Answer	Comments			
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No				
3. Could this policy/service be perceived as impacting on communities differently?	No				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No				
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	No	Actions:			
		Actions agreed by EWG member:			
Assessment completed by: Name	Nikki Patton				
Job title Housing Strategy Manager	Date 12th Dec 2018				

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.

Borough Council of King's Lynn & West Norfolk

**SELF-BUILD & CUSTOM HOUSE BUILDING
ACTION PLAN**

November 2018

Borough Council of
**King's Lynn &
West Norfolk**



This marks the first document where the Borough Council has set out both its responsibilities and ambitions for self-build and custom house building in the Borough.

Self-build and custom house building has recently received increasing Government attention in the face of meeting the need for housing in the UK.

This action plan sets the background as to why self-build and custom house building has gained increasing focus from Government, which has translated into national legislation, policy, regulations and guidance. This document marks the first corporate action plan that comprehensively covers this issue.

It explains emerging local policies, strategies and development in the Borough, as well as the latest evidence the Council has regarding the local demand for self and custom build housing.

The Council recognises that self and custom house building developed in the Borough offers an important potential route to home ownership and contributes towards housing delivery. This action plan marks the first step in the Council in:

‘Positively influencing or helping to secure development opportunities where it can support individuals or organisations in our local communities to deliver high quality self-build or custom house building to meet demand in the Borough.’

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1.0 INTRODUCTION

The Purpose and Role of Borough Council of King's Lynn & West Norfolk Self-Build & Custom House Building Action Plan

- 1.1 The purpose of this action plan is to set out the Council's own responsibilities and wider ambitions in respect to self-build and custom house building in the Borough.
- 1.2 The delivery of self and custom house building in the Borough is not the sole responsibility of the Council, it in fact relies heavily on those wishing to and having the means to build houses themselves, organisations who would like to facilitate or deliver self-build plots or build custom built houses and interested landowners and developers promoting sites for such products. Given this context, the Council aims to: ***'positively influence or help secure development opportunities where we can support individuals or organisations in our local communities to deliver high quality self-build or custom house building to meet demand in the Borough'***.
- 1.3 This document sets out the Council's proposed actions to directly meet its own responsibilities to help deliver quality self-build and custom house building in the Borough to meet local demand. It also sets out the Council's wider ambitions, where we want to work with customers and partners to influence and help deliver such high-quality housing products.
- 1.4 This action plan will need to be reviewed and updated as and when necessary. This is the Council's first comprehensive action plan focused on this issue. The Council also recognise that this sector in many respects is in its infancy in the UK, and with increasing experience in the Borough, it is important that lessons are learnt and reflected in future action plans.

2.0 BACKGROUND

Self-Build & Custom House-Building Gaining Increasing Focus from Government

- 2.1 Back in November 2011 the Government published ‘Laying the Foundations: A Housing Strategy for England’.¹ This national strategy supported many proposals that had been set out in an industry-led Government Working Group Action Plan promoting self-build housing, produced in July earlier that year.² Within the strategy the Government explained how it was intent on doing more than ever to support individuals and communities taking the initiative to build their own homes, which in turn is considered beneficial to the national economy. However, the Government saw that there was a huge untapped potential for custom-built homes, especially when making international comparisons. The Government pledged to enable this housing sector to become mainstream, and to double the number of self and custom-built homes over the next decade. The Government recognised that there were also challenges to self-build and custom house-building, as well as limited information regarding this housing sector.
- 2.2 In the 2014 March Budget, the Government announced that it would consult on a new ‘Right to Build’ giving prospective custom builders a right to a plot of land from their local council, and established several vanguards to test the practicalities of operating such a ‘Right’ across England. In addition, in March 2014 the Government announced that all new developments by individuals extending or building their own home would be exempt from the Community Infrastructure Levy (CIL). CIL is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities to help deliver infrastructure to support the development of their area. The Housing White Paper in February 2017, which this document mentions later, continues this exemption commitment.
- 2.3 In October 2014, the Government produced ‘Right to Build: Supporting Custom and Self Build’,³ a consultation document, in which it explained how it intended to further empower aspiring self-builders to build their own home in their local area by bringing legislation through the next Parliament, as well as taking into consideration the experiences from the vanguards and the outcome of the consultation.⁴ This led to the Self-build and Custom Housebuilding Act (2015).

¹ HM Government (November 2011) ‘Laying the Foundations: A Housing Strategy for England’.

² Self-Build Government Industry Working Group (July 2011) ‘An Action Plan to promote the growth of self-build housing’.

³ Department for Communities and Local Government (October 2014) ‘Right to Build: Supporting Custom and Self Build’.

⁴ DCLG (March 2015) ‘Right to Build: Supporting Custom and Self Build Government response to consultation’.

2.4 Since this time, several pieces of Government legislation, regulations, policy and guidance have come into force that have placed certain responsibilities on Councils. However, before this document explains these, it is firstly important to define what self-build and custom house building is.

3.0 WHAT IS SELF-BUILD & CUSTOM HOUSE BUILDING?

- 3.1 The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of self-build and custom house building:

'Self-build and custom housebuilding means the building or completion by –

- a) individuals,*
- b) associations of individuals, or*
- c) persons working with or for individuals or associations of individuals, of houses to be occupied by those individuals.*

But it does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person.'

- 3.2 Whilst legally self-build and custom house building share the above definition, custom build is commonly regarded as where an individual commissions a specialist developer to deliver their own home. Whereas, self-build is where the individual is more directly involved in organising or constructing his or her own home. Both routes require more significant input into the design of their home than other forms of housing.

Forms of Self-Build and Custom House Building

- 3.3 Currently there are a variety of ways self-built homes and custom house building are being delivered. Firstly, there are different approaches to the process, some self-builders take forward projects alone, others work in groups. Secondly, the level of self-build can vary, ranging from self-builders carrying out the whole of the construction to custom builders who hire a contractor to carry out the construction through to completion.
- 3.4 In considering whether a home is a self-built or custom-built home, the Council must be satisfied that the initial owner of the home will have the primary input into its final design and layout.
- 3.5 Some of the typical approaches to self-build or custom home building are outlined briefly in Figure 1 on the next page. However, it should be highlighted that the housing products listed below are not exhaustive. With this being an emerging sector, it is highly likely that new self-build and custom house building housing products will rapidly change over time.

Figure 1. Examples of Self-Build & Custom House Building Products

Contractor Built One-off Home

The owner manages the design process including finding the land, hiring an appropriate consultant, and securing planning permission and building regulations approval. Often the owner either hires a main contractor to do all the construction work; or they themselves project-manage the construction phase and hire various sub-contractors to do the work. The owner might also undertake some of the simpler tasks, such as decorating, themselves.

Self-Built One-off Home

The owner follows a similar route to above method except that they then undertake virtually all the construction work themselves. This is popular with people who want to take 'hands on' approach and who may already have experience of building.

Kit or Package Home

The owner finds the plot of land and then works with a kit home company to finalise design. The kit company then supply and erect the house. Sometimes the owner has a watertight shell built and then carries the fitting out work themselves.

Developer Built One-off Home

Here the owner finds a developer with a site and a design that meets their requirements, and the developer then builds it for them.

Supported Community Self build

This is where a group of people come together to share their skills and build a number of houses collectively. The group will normally all work on everyone's house until completion. Often these schemes include training to boost the participants' knowledge of building. Some community groups form themselves and some are coordinated by housing associations or other agencies.

Independent Community Collaboration

Here a group is formed to acquire a larger site that is split into individual plots. They then organise the design and construction of their own home, sometimes collaborating with others to, for example, order materials in bulk.

Developer/Contractor led Group Project

A developer/contractor finds a suitable site then seeks a number of self-build clients and builds the homes to their specification under contract. Often the developer provides an option to just build a watertight shell, so the owner can 'self-finish'. An alternative arrangement is for the developer to offer serviced plots which are sold 'off plan' with a design and build contract.

4.0 WHAT ARE THE COUNCIL'S RESPONSIBILITIES FOR SELF-BUILD & CUSTOM HOUSE BUILDING?

- 4.1 In the light of national legislation, regulations, policy and guidance the following paragraphs explain what responsibilities Councils have in respect of self-build and custom build homes.

National Legislation

- 4.2 The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) placed a duty that (by 1st April 2016) all local authorities should keep a register of individuals and associations of individuals who are seeking to acquire plots of land for self and custom build housing in the local authority's area (to build houses for those individuals to occupy as homes).

National Regulations

- 4.3 The relevant regulations, The Self and Custom Housebuilding Regulations 2016 and The Self and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016, allowed authorities to introduce a 'local connection test' and charge applicants a fee to be on the register.

'Fixing our Broken Housing Market' Housing White Paper

- 4.4 In February 2017, the Government published a Housing White Paper entitled 'Fixing our broken housing market'⁵ which set out the Government's plans to reform the housing market and boost the supply of new homes in England. Whilst wide ranging in nature, one of its main aims was to diversify the construction sector through supporting custom house building. It also reaffirmed its commitment to support custom-build homes with greater access to land and finance and giving people more choice over the design of their home. Finally, it also commented that *'if we do not believe local authorities are taking sufficient action to promote opportunities for self and custom house-building, we will consider taking further action including possible changes to legislation.'*

⁵ MHCLG (7th February 2017) 'Fixing our broken housing market'.

National Planning Policy Framework (NPPF)

- 4.5 In July 2018, the Government published the National Planning Policy Framework, which sets out national planning policy. Under the section entitled *'Delivering a sufficient supply of homes'*, the Government makes it clear that to boost supply, it is important that a sufficient amount and variety of land can come forward where it is needed, and that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay. Furthermore, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies *'including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes'*.
- 4.6 The footnote to this paragraph reminded authorities that they are required to keep a register of those seeking to acquire serviced plots in the area for their own self-build and custom housebuilding. They are also subject to duties to 'have regard' to this and to give enough suitable development permissions to meet the identified demand.
- 4.7 The footnote also explained that self and custom-build properties could provide market or affordable housing. This is reinforced in the glossary of NPPF - *'Self-build and custom-build housing: as housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing.'*
- 4.8 Furthermore, importantly the NPPF now requires on applications of 10 homes of more that at least 10% of the homes are available for affordable home ownership. However, there are exemptions, one of which is where 100% of the site is proposed for people wishing to build or commission their own homes.

National Planning Policy Guidance (NPPG)

- 4.9 It is envisaged that National Planning Policy Guidance (NPPG), which provided guidance on policy in the previous NPPF, will be updated to reflect the recent changes to the new NPPF in terms of local housing need. However, it is helpful to highlight that the NPPG that supported the previous NPPF advised that authorities, when assessing the housing and economic development needs of their area, can supplement data from their register with secondary data sources to obtain a robust assessment of demand for this type of housing in their area. Examples of secondary data sources listed in the guidance include building plot search websites, 'Need-a-Plot' information available from the Self Build Portal; and enquiries for building plots from local estate agents and local planning

authorities.⁶ It also provided guidance on matters such as administering the self-build and custom house building registers, the duties (i.e. giving suitable permissions) and where exemptions to such duties apply.

4.10 The following sections will look at the local policy context and local evidence of demand for self-build and custom house building in the Borough from the register.

⁶ National Planning Policy Guidance <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments> Paragraph: 021 Reference ID: 2a-021-20160401 Revision date: 01 04 2016

5.0 WHAT HAS THE COUNCIL DONE TO SECURE SELF-BUILD AND CUSTOM HOUSE BUILDING TO DATE? AND WHAT IS PLANNED FOR THE FUTURE?

- 5.1 The borough council has already put strategies and plans to facilitate self-build and custom house building in place. These are detailed in the following paragraphs; however, the situation is evolving to reflect more recent Government legislation, regulations, policy and guidance. This coincides with the review of the Local Plan.

Corporate Business Plan

- 5.2 This corporate strategy sets out the broad framework for the borough council over a four year period (2015/2016 – 2019/2020). The top priority within this is to drive local economic and housing growth. The borough council has committed to supporting new and existing businesses to help them thrive and ensure that housing growth targets are met.
- 5.3 The focus is on providing the support that businesses need to start up or relocate here and successfully develop. Businesses need to attract employees with appropriate skills and housing for them to live in. This is why the borough council is driving forward with housing growth that will help ensure local people can access housing that meets their needs. This includes those who aspire to build or commission the construction of their own home.

Adopted Local Plan

- 5.4 The adopted Local Plan sets out policies that guide future development in King's Lynn & West Norfolk. It is used to help determine planning applications. In the context of self-build and custom house building, it is important to understand that existing local planning policies were developed and adopted as part of the Local Plan, prior to the recent Government legislation. The current Local Plan is presented in two parts; the Core Strategy (2011), and the Site Allocations and Development Management Policies Plan (2016).

Adopted Local Plan: Part 1 - Core Strategy

- 5.5 The Core Strategy was adopted in July 2016; it provides strategic level guidance as to growth and significant issues across the Borough in the period to 2026. It is the main document setting out the long term strategy, including the vision and objectives for the borough, and broad policies that will steer and shape new development.

- 5.6 Core Strategy Policy CS01 sets out the spatial strategy for the borough and identifies sustainable development locations in accordance with the settlement hierarchy, as set out in Policy CS02.
- 5.7 Policy CS09 Housing Distribution identifies the minimum number of dwellings to provide over the plan period and the method for distribution, which again is in line with CS02. CS09 also discusses housing type, size and tenure which should be provided. Stating that the most up to date strategic housing market assessment should be taken into consideration. The last published strategic housing market assessment is a 2014 update. This is due to be updated shortly as part of the evidence base for the Local Plan review .CS09 continues and addresses affordable housing in term of the percentage sought, thresholds, viability and the mix of tenure. This reflects the identified affordable housing needs of the local population.

Adopted Local Plan: Part 2 – Site Allocations and Development Management Policies

- 5.8 The Site Allocations and Development Management Policies Plan was adopted in September 2016. This gives effect to and compliments the Core Strategy. This is done so through the provision of land use allocations for land uses including residential housing and economic land to meet aspirations of the Core Strategy. It also provides a series of detailed development management policies which will assist in guiding development through the application determination process.
- 5.9 92 residential housing sites are allocated and these have the potential to provide at least 6,294 dwellings. To date approximately 80% of these sites have come forward with some form of a planning proposal. Indeed a number are being built out currently and some have already been completed.

Local Plan Review

- 5.10 The borough council is committed to a review of its Local Plan. This is to reflect emerging housing and employment needs through to 2036. A further 10 years into the future compared to the current plan period. This is set out within Policy DM2A – Early review of Local Plan, contained within the Site Allocations and Development Management Policies Plan.
- 5.11 This new Local Plan, once adopted will fully supersede both parts of the adopted Local Plan. A call for sites and policy suggestions consultation was carried out in November 2016, in accordance with Policy DM2A. The new plan is currently at a draft stage, with a consultation on a draft version currently anticipated to take place in early 2019. This broadly in-line with the latest Local Development Scheme (LDS).

Emerging Local Plan: Draft Local Plan review

- 5.12 The new draft plan will seek to create a policy environment which encourages custom and self-build opportunities. This will not only provide opportunities for those wishing to build or commission the build of their own home but also assists with the supply and the delivery of housing.
- 5.13 In the most recent financial years (2016/2017 & 2017/2018) approximately 50% of housing completions were on sites of 1 – 4 dwellings, with half of these being single plot sites. The majority of these single plots could be classed as Custom & Self Build. The completions of such sites have occurred throughout the borough from Burnham Market in north to Wretton in the south.
- 5.14 Analysis of the housing trajectory shows that aside from single plots, slightly larger developments ranging from 5 dwellings to 25 are starting to come forward and are being developed with a view to providing custom and self-build opportunities.
- 5.15 It is clear that smaller sites are providing opportunities for custom and self-build housing. To increase these opportunities the Local Plan review it will seek to provide settlements with a development boundary. This will enable windfall development to continue. It also looking to introduce a new policy which allows for small scale development to take place outside of development boundaries, in areas reasonably related to the relevant settlement.
- 5.16 This could allow for the sensitive infilling (either in full or part) of small gaps within an otherwise built-up frontage and potentially for the 'rounding off' of development boundaries. Clearly the development would need to be appropriate to the scale and character of the surroundings, and developing a gap which makes a positive contribution to the street scene will be resisted. Beyond this in exceptional circumstances small groups of dwellings may be considered appropriate where the development is of a particularly high quality and would provide significant benefits to the local community.
- 5.17 It is considered that such a flexible approach will seek to maximize the potential for custom and self-build opportunities. Greater weight could also be placed upon those applications which indicate the site is for custom and self-build, ensuring that some sites do actually come forward as custom and self-build.
- 5.18 One of the key opportunities of Custom and Self Build is to increase housing supply by creating more opportunities for people who are not just looking for housing but are looking to meet their housing requirements through this route. Indeed if new national policy requirements are to be met, the Council needs to ensure that identified need can be met. At the same time of creating additional opportunities for plots, a mechanism needs to be applied in order to ensure such plots are available explicitly for the Custom and Self-Build delivery route. If not there is danger the route will not be available for those wishing to build in this way, and that sites are used purely for speculative development or, are traded and do not come forward for development in a timely way.

Action 1: The borough council through its Local Plan review will seek to develop a new policy which could boost the potential supply and delivery of custom and self-build opportunities on small sites. This will apply to areas outside of development boundaries but reasonably related to the settlement, be this infill or 'rounding off'.

5.19 Aside from this specific policy there will also be general encouragement for sites which are seeking to come forward for custom and self-build purposes. It is considered that this is essential, and this would be the minimum approach hence we are seeking to go above and beyond this through the potential policy outlined above.

Action 2: The borough council's Local Plan review will create a policy environment which supports and encourages custom and self-build opportunities. This will provide opportunities for those wishing to build or commission the build of their own home and will also assist with the supply and the delivery of housing.

5.20 The borough council will also support those landowners / developers of sites allocated within the current Local Plan and in the future the Local Plan review who are seeking to bring forward and develop their site for custom and self-build purposes.

Action 3: The borough council will support the land owners / developers of allocated sites within the current Local Plan and Local Plan review who wish to bring forward their site(s) for custom and self-build purposes.

Action 4: The borough council through future Local Plans, beyond the current review, will explore options for securing the development of custom and self-build housing on sites, large, medium and small

Neighbourhood Plans

- 5.21 Neighbourhood planning is a right for communities introduced through the Localism Act 2011. Communities can shape development in their areas through the production of Neighbourhood Development Plans (often referred to simply as Neighbourhood Plans).
- 5.22 The borough is one of the largest in terms of land mass in the country, consequently there are approximately 100 parishes. This includes the un-parished area of King's Lynn and the Town Councils of Downham Market and Hunstanton. Currently about a 1/3rd of the parishes within the borough are engaged with the neighbourhood plan process. With 4 already made, one being reviewed and another at the referendum stage.
- 5.23 A Neighbourhood Plans once made forms part of the local development plan, sitting alongside the borough's Local Plan. They can contain a range of land use policies which are used in the planning application decision making process. They also have the ability to make their own residential housing allocations and can advocate custom and self-building housing. The borough's Local Plan review will seek to support neighbourhood plans and allow local communities through their neighbourhood plans to choose how best to accommodate the housing need of their area.
- 5.24 As part of the borough council's duty to support communities who wish to prepare a neighbourhood plan, the borough council will inform neighbourhood plan groups with regard to custom and self-build and back custom and self-build opportunities communities wish to bring forward. These could be in the form of general policies or specific allocations.

Action 5: The borough council through its duty to assist those communities who wish to prepare a neighbourhood plan for their area will inform and support policies which seek to encourage custom and self-build opportunities, as either residential housing allocations or more general land use policies.

6.0 LOCAL SELF-BUILD AND CUSTOM HOUSE BUILDING DEMAND IN WEST NORFOLK

West Norfolk Self-build and Custom Build House Building Register

- 6.1 The Self and Custom Build Register was launched on the Council's website on April 2016. The eligibility criteria for entry onto the Council's self-build register is established through The Self-Build and Custom Housebuilding (Register) Regulations 2016. It stipulates that any individual or member of an association that signs up to the register must be aged 18 or older and a British citizen, or a national from an EEA State other than the UK, or national of Switzerland. The individual or member of an association must also seek to acquire a serviced plot of land in the Borough to build a house to occupy as their sole or main residence.
- 6.2 To better understand local demand for self and custom build plots in the Borough, the Council has included additional questions, researching the preferences of those on the register. This includes locations within the Borough they would prefer, the type of self or custom build property they are interested in building and the number of bedrooms they are seeking.
- 6.3 Since then, this information indicates that there are 133 individuals interested in self and custom build. In terms of the type of self and custom build those on the register are interested in, 80% are interested in detached houses and 50% are interested in detached bungalows. There is limited demand for other types of housing. The majority of households have indicated that they would be interested in building anywhere in the borough. Finally, in terms of plot size, demand covers a wide range of plot sizes with 33% of households are looking for a plot of less than 500sqm (0.12acres), 28% look for for between 500sqm (0.12a) and 1000sqm (0.25a) and 33% looking for more than 1000sqm.

7.0 THE COUNCIL'S SELF-BUILD & CUSTOM HOUSE BUILDING ACTION PLAN

- 7.1 Given this national and local context, the Council's objective is to: ***'positively influence or help secure development opportunities where we can support individuals or organisation in our local communities to deliver high quality self-built or custom-built homes to meet demand in the Borough'***. This section of the action plan sets out what actions can be taken to achieve this.

Engaging with Self-build & Custom Build Customers

- 7.2 The Council is proposing further measures to improve its services to different customers, such as notifying those on the register when planning permission is granted for self-build and custom-built homes (having regard for data protection) and publishing local demand and delivery evidence through the Authority Monitoring Report (AMR).
- 7.3 In line with the Council's continuing service improvement (through 'channel shift'), which ensures a 'customer focused' approach to service delivery and the quick resolution of problems. The Council will aim to update its website with useful information for those interested in self-build and custom house building in the Borough, such as producing guidance in the form of leaflets etc for applicants and headline information on permissions.

Action 6: Explore and implement innovative methods for engaging with customers who are interested in self-build and custom house building in the Borough and raising awareness of the grant of suitable planning permissions or suitable Council land disposals.

Understanding Local Demand for Self & Custom House Building

- 7.4 Importantly, the Council need to first understand more about the nature of demand for self-build and custom house-building in the Borough. Whilst the existing register is a helpful guide, it relies on individuals and organisations' knowing the register exists. Through undertaking research, the Council will be able to get a realistic understanding of local demand, but also their ability to afford available options. The Council will also need to understand whether there are any barriers to those individuals or organisations that can afford self-build and custom housebuilding, and whether the Council can play a role in preventing these barriers from occurring.

Action 7: Continue to improve the Council’s understanding of those individuals or organisations that are interested in self-build or custom housebuilding opportunities within the Borough (as well as their ability to afford available options) by undertaking detailed research.

Opportunities for Self & Custom House Building in the Borough

- 7.5 Next, it is important we engage with those who have the means to assist individuals or organisations interested in self-build and custom housebuilding. In its simplistic form, to make self-build and custom housebuilding a reality for those who desire it, it requires the provision of suitable land and finance, the skills and materials to build it, as well as suitable utility and public highway access provision. It is important that the Council understands how all these interested parties can work together, to help those who are interested in self and custom build.
- 7.6 Turning to the first, available land. The Council has a direct role where it is a landowner itself, to establish if the land is suitable for self-build and/or custom- build homes. This can be exercised through its land disposal, regeneration or housing functions. The Council will also assess the potential for self-build and custom housebuilding on its own land assets and seek to deliver a pilot scheme.
- 7.7 Secondly, using its planning functions, the most appropriate route for the Council is to approach landowners or relevant parties with land suitable for development to meet local demand for self and custom-built housing, is through Council’s housing availability assessment, commonly known as the ‘Housing and Economic Land Availability Assessment’ (HELAA). A HELAA is a technical exercise to determine the quantity and suitability of land potentially available for housing development. Another example is when pre-application inquiries are made to the Planning Service for self-build and custom-build homes.
- 7.8 Thirdly, the current Local Plan allocated a large scale strategic site at West Winch for major growth. The site is allocated for at least 1,600 dwellings through to 2026 and in the region of 4,000 dwellings in the fullness of time. The growth area is located within the parishes of West Winch and North Runcton. These two parishes have jointly prepared a Neighbourhood Plan for their respective area. This was formally made in 2017. The Neighbourhood Plan contains Policy GA09 ‘*Opportunities for small-scale and self-build development*’ this encourages Custom and Self-Build opportunities within the Growth Area.

Action 8: Assess sites potential for self-build and custom house building through the Council's housing availability assessment (e.g. HELAA).

Action 9: Identify Council owned site to provide a pilot scheme to directly deliver custom build units.

Action 10: Seek to integrate Custom and Self-Build as part of the West Winch Growth Area, in line with the North Runcton and West Winch Neighbourhood Plan (2017).

7.9 With the backdrop of the Government looking to boost house building, Councils like West Norfolk are looking at an increasingly diverse range of housing products, such as self-build and custom-build homes to meet local housing demand. Therefore, it is appropriate that when sites are promoted to the Council, these local needs (including self-build and custom house building) are part of the assessment process.

7.10 Approach to affordable housing on Custom and Self-build sites

- The Councils adopted affordable housing policy (policy CS09) requires built affordable units to be completed on site and transferred to an affordable housing provider. This policy still applies to custom build sites, however the Council recognises that the approaches that are used to secure affordable units on sites developed by speculative developers may not be appropriate for Custom build sites. The Council has developed an approach which allows the affordable housing to be delivered on site as per the policy requirement whilst not acting as a barrier to custom build sites. The following options could apply;
 - Landowner can commission affordable housing to be transferred to an RP at a price they can pay without the need for other subsidy.
 - Landowner can transfer serviced plots at a price that enables the development of affordable housing without the need for other subsidy. This would be at a cash equivalent price of providing the affordable units on site when being developed by speculative developers.

Action 11: The Council will work with interested parties such as land owners, planning agents, Registered Providers and custom builders to evaluate if the approach is a practical alternative solution for the transfer of affordable housing on custom build sites.

Achieving High Quality Design

- 7.11 Where sites have already been identified for self or custom-built housing, such the Council will endeavor to ensure its services, such as planning and building control, help deliver high quality self and custom-built homes. Taking Planning Services, there are different ways the Council can help ensure this type of house building is high quality; this can be an area of concern as self and custom build can potentially lead to a huge degree of variation with so many parties involved, which risks undermining design quality.
- 7.12 Furthermore, self and custom build development pose new challenges for the planning, and it is important that the Council can make good decisions on such applications appropriately and swiftly. The use of procedural advice when submitting a planning application for self-build and custom-build housing is likely to be beneficial to both the applicant and the Council. It could include helpful information on matters such as the level of detail required for outline, full, hybrid and reserved matters applications, as well as how to claim CIL exemption and the use of standard conditions or clauses for s106 agreements.

Action 12: The Council will work with interested parties to produce procedural guidance on how to apply for planning permission for self- build and custom house building developments in the Borough (e.g. standard conditions) and establish 'in house' advisory service. This will also contain guidance for those communities engaged in the neighbourhood plan process.

- 7.13 For this action, the Council will aim to involve experienced applicants in helping define what the Authority's design and procedural guidance should cover, as well as provide helpful feedback to the Planning Services for continuous service improvements. This is in line with the Councils approach, as previously mentioned, which puts the customer at the centre of Council services.

Update Relevant Corporate Strategies

- 7.14 Whilst the emerging Local Plan will have specific provisions for self-build

and custom house building, any new significant change in evidence on local demand for these housing products will need to be reflected in the review of the Local Plan. Furthermore, with the Government confirming in the recent NPPF for example, that self and custom-built housing can include both market and affordable housing, it is important that the Council is clear how this distinction is made in the emerging Local Plan.

Action 13: Any new significant change to national policy or in evidence on the local demand for self-build and custom house building, should be reflected in reviewing the Local Plan, as well as other emerging strategies.

Financing Self & Custom House Building

- 7.15 Ultimately, the personal financing of self-build and custom house building is largely a matter for interested individuals and the organisations involved. The Council will work to secure funding streams, such as the Home Building Fund currently available from the Government; to enable self-build and custom-build homes to be delivered.

Action 14: The Council will actively work with Government and other partners to secure funding to enable self and custom-build housing to be delivered.

Sharing Experience

- 7.16 When it comes to the skills and materials to develop self-build and custom-build homes, the Council is keen to work with all relevant partners to help facilitate investment in construction skills and support economic activity of this sector. The Council is keen to encourage the sharing of skills and best practice in self and custom house building. Hosting or facilitating a series of events that share good practice and skills will help increase collective awareness of all the parties involved.

Action 15: The Council hosting or facilitating a series of events or forums, such as Expos, workshops and webpages, to encourage skills and experience sharing with interested parties.

8.0 MONITORING & REVIEW

- 8.1** The Council will look to continually monitor this action plan. If circumstances change significantly, the actions are considered not to be appropriate or not working to achieve the Council's objective, the Council will look to update this action plan. This is the first action plan the Council has ever produced on self-build and custom house building, a relatively new housing sector, therefore it likely it will need to be updated to reflect local experience over the coming years.

9. LIST OF ACTIONS

9.1 This Action Plan contains a number of commitments termed actions. These will be for different departments across the council, in collaboration, including planning, housing, property services and corporate projects. The following table provides a list of the actions contained within the Action Plan. It highlights which area they cover i.e. promotion, facilitation or enabling. In many instances they cover more than one of these areas. Which department(s) within the borough council they chiefly apply to. And the time scale each action is considered achievable within. This is indicated via a traffic light system. Green is short term (1- 2 years), amber is medium term (2–5 years), and red represents long term (5 years +). However, some actions span more than one time scale.

No.	Action	Area	Department	Time Scale
1	The Local Plan review will seek to develop a new policy which could boost the potential supply and delivery of custom and self-build opportunities on small sites. This will apply to areas outside of development boundaries but reasonably related to the settlement, be this infill or 'rounding off'.	Facilitation	Planning	Medium
2	The Local Plan review will create a policy environment which supports and encourages custom and self-build opportunities. This will provide opportunities for those wishing to build or commission the build of their own home and will also assist with the supply and the delivery of housing/	Facilitation	Planning supported by Housing	Medium
3	The borough council will support the land owners / developers of allocated sites within the current Local Plan and Local Plan review who wish to bring forward their site(s) for custom and self-build purposes.	Facilitation & Enabling	Planning supported by Housing	Short & Medium
4	The borough council through future Local Plans, beyond the current review, will explore options for securing the development of custom and self-build housing on sites, large, medium and small.	Facilitation & Enabling	Planning supported by Housing	Long
5	The borough council through its duty to assist those communities who wish to prepare a neighbourhood plan for their area will inform and support policies which seek to encourage custom and self-build opportunities, as either residential housing allocations or more general land use policies. Also see Action 10.	Promotion, Facilitation & Enabling	Planning supported by Housing	Short. Medium & Long
6	Explore and implement innovative methods for engaging with customers who are interested in self-build and custom house building in the Borough and raising awareness of the grant of suitable planning permissions or suitable Council land disposals	Promotion	Housing supported by Planning	Short
7	Continue to improve the Council's understanding of those individuals or organisations that are interested in self-build or custom housebuilding	Facilitation	Housing	Short

	opportunities within the Borough (as well as their ability to afford available options) by undertaking detailed research			
8	Assess sites potential for self-build and custom house building through the Council's housing availability assessment (e.g. HELAA).	Enabling	Planning & Housing	Short & Medium
9	Direct delivery on Council owned land. Identify Council owned sites to identify a suitable pilot scheme to Directly deliver custom build units.	Enabling, Facilitation & Promotion	Property Services and Corporate Services. Supported by Housing and Planning	Medium
10	Seek to integrate Custom and Self-Build as part of the West Winch Growth Area, in line with the North Runcion and West Winch Neighbourhood Plan (2017).	Enabling	Planning & Housing	Long
11	The Council will work with interested parties such as land owners, planning agents, Registered Providers and custom builders to evaluate if the approach is a practical alternative solution for the transfer of affordable housing on custom build sites.	Facilitation & Enabling	Housing supported by Planning	short
12	The Council will work with interested parties to produce procedural guidance on how to apply for planning permission for self-build and custom house building developments in the Borough (e.g. standard conditions) and establish 'in house' advisory service. This will also contain guidance for those communities engaged in the neighbourhood plan process.	Promotion & Enabling	Housing supported by Planning	Short
13	Any new significant change to national policy or in evidence on the local demand for self-build and custom house building should be reflected in reviewing the Local Plan, as well as other emerging strategies.	Facilitation	Planning supported by Housing	Short, Medium & Long
14	The Council will actively work with Government and other partners to secure funding to enable self and custom-build housing to be delivered.	Facilitation	Housing	Short, Medium & Long
15	The Council hosting or facilitating a series of events or forums, such as Expos, workshops and webpages, to encourage skills and experience sharing with interested parties	Promotion	Housing supported by Planning	Short

King's Lynn and West Norfolk

Custom and Self Build

**Demand Assessment
Framework**

December 2018

Three Dragons

Final Report



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EXECUTIVE SUMMARY

1. Self-Build housing has been part of the UK housing market for many years, traditionally meeting the aspirations of a niche market where future home owners are involved in the design and delivery of their dream home. Over time, self-build has gradually diversified through a range of models from the self-builder doing everything, through to a full 'design & build' approach with the self-builder commissioning contractors to build their homes for them. 'Custom build' models are now also entering the housing market enabling the consumer to buy a shell or part finished home to complete the fit-out themselves.
2. This report has been prepared for the Borough Council of King's Lynn and West Norfolk Council (BCKL&WN). This report provides information to assist the Council in planning for custom and self-build housing, responding to national legislation, policy and guidance, in the context of local demand. The key findings are
 - **Estimate of demand from local households for custom & self-build = 83 plots per annum for next 5 years, rising to 89 per annum for years 6-15**
 - **Current supply estimated from single plot completions and CIL exemptions = 50 per annum**
 - **Estimated annual requirement for additional plots (demand minus supply - rounded) = 30 plots per annum for years 1-5 and 35 plots per annum for years 6-15**

These figures should not be viewed as a maximum as there could be circumstances which would support a greater number of plots being provided. It should also be noted that they do not include any additional demand that may come from outside the district. Further breakdown of the types and size of plots can be found in chapter 4 of the report.

3. The report is divided into three parts
 - Part A – The national position
 - Part B – The local context
 - Part C – Demand estimate

Part A – The national position

4. The key requirements of the legislation are set out in two acts of Parliament, The Self-Build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016, with guidance given by two main statutory instruments. The Acts introduced three duties for local authorities to meet demand for custom and self-build housing (collectively known as "the Right to Build"), requiring them to:
 - prepare, publicise and maintain a register of individuals and associations of individuals "*who are seeking to acquire serviced plots of land*";
 - have regard to the register "*when carrying out their planning, housing, land disposal and regeneration functions*"; and

- give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.

Part B – The local context

5. The Borough of Kings Lynn & West Norfolk Core Strategy (adopted 2011) and the Site Allocations and Development Management Plan (adopted 2016) make up the Local Plan, which guides planning decisions within the Borough. Neither of these documents have a specific reference to the provision of Custom or Self Build delivery. The Council is in the process of reviewing the Local Plan, which allows the Council to make decisions on whether to further encourage this type of delivery through the planning system.
6. A simple comparison between demand for CSB (as measured by the register) and notional supply (as measured by single dwelling completions) indicates that most of the apparent demand is being met through small site developments. For King’s Lynn & West Norfolk, we have identified a demand from the register for 47 plots a year and a current supply of 50 per year.
7. The above analysis relies on the register as an accurate measure of underlying demand and assumes there are no larger scale CSB developments. The scale of demand shown by registers can be as much a reflection of the approach taken to promoting CSB locally as a pattern of local demand. Whilst it can be a useful indicator of demand it is not useful as a long term planning tool.

Part C – Demand estimate

8. In order to understand whether the registers provide a true reflection of demand, Three Dragons, with the support of the Right to Build Task Force, has developed an alternative model for determining underlying longer-term demand for CSB at local level. The model measures the potential for households in an area (on their own or by working with others in a group or ‘association’) to develop their own home – as custom or self-build. It compares the national profile of potential custom and self-builders with the profile of the local population. The model recognises that only a proportion of households which fit the characteristics are likely to go on to take up CSB and that local costs and values as well as availability of finance will have an impact on this.
9. Headline results from the modelling are shown in the table below.

Table 1: Modelled demand for CSB plots

	Demand for CSB - units per year (yrs 1-5)	Demand for CSB - units per year (yrs 6-15)	Demand for intermediate sale units per year (yrs 1 – 5)
Borough Council of King’s Lynn & West Norfolk Council	83	89	7

Implications

10. The demand assessment model indicates that potential demand for CSB development is greater than the CSB register would suggest.
11. CSB development is already occurring through single plots, however the current rates of supply fall below the potential demand indicated by the modelling. This implies that positive action is required by the council to enable faster rates of CSB development in the area.
12. As a guideline, we recommend the following levels of provision for CSB to be facilitated through the local plan process for the Borough Council of King’s Lynn & West Norfolk Council. Taking into account the plots already supplied through single plot completions, the figure is on an annual basis. For the next 5 year period:
CSB estimated annual demand for additional plots¹ = 30 plots
Rising to 35 plots per annum for years 5-10
13. The above figures should not be viewed as maximum. There may be particular circumstances which would support provision of a greater number of CSB plots. In the case of Kings Lynn & West Norfolk Council, we understand there is a high number of households moving into the district to self-build and these households will not have been captured in our demand modelling, which is locally based, but they will have been included in our assessment of current supply².
14. Of the requirements set out above, approximately half would be expected to come forward as self-build housing and half as custom build developments. Of the self-build units, only a small number are likely to come forward as single plots delivered through traditional planning routes unless the council is able to do more to encourage such provision.
15. Demand for CSB plots is from a mix of household types and planning policies will need to encourage a diverse range of plots to meet the need. In framing future policies and dealing with planning applications, the following is put forward as a guide to the mix of plot types likely to be required:
20% - low cost/small plots/terrace style developments;

¹ In addition to that already being supplied through the planning process as single plot delivery

² We understand that a high proportion of households move to the district to build, taking advantage of cheaper land in the south of the district or prime location in the north of the district

30% - suitable for 3 bed semi/detached homes;

50% - suitable for 4 or 5 bed detached homes.

16. About 8% of future CSB development should be as affordable housing. It is anticipated that this will be focused on intermediate sale products, but suitable Affordable Rented schemes should also be welcomed. National data indicates that take up of (non CSB) shared ownership housing tends to be from younger and smaller households. Therefore, we would suggest that 75% of the affordable CSB plots should be smaller units aimed at this market and the remaining 25% for larger families.
17. There is an opportunity for the Council to use the information in this report as evidence base for policies in its review of the Local Plan and to encourage, through the Local Plan process, greater provision of CSB plots across the authority. We estimate a roughly equal split in demand between the South & West and North & East value areas.
18. To comply with legislation and guidance, the assessment of housing need, on which plan policies will be based, should take account of and reference *all* demand information. Through planning for CSB, authorities not only meet statutory requirements, but can diversify the local housing offer and plan to meet demand for what is clearly a growing market in development.
19. This report has made best use of the available data. However, it is acknowledged that the growth in CSB in the area needs to be carefully monitored in line with the Government's Planning Practice Guidance to identify trends in demand and delivery against the duties under the legislation. The data collected can inform future reviews of plan policies and action to support this form of house building.
20. The Framework has been produced by Three Dragons and its contents are the responsibility of Three Dragons. The Right to Build Task Force³ has supported its development and continues to work with Three Dragons on its application.

³ The Task Force was established by the National Custom and Self Build Association and is supported by a range of organisations including the Royal Town Planning Institute, Royal Institution of Chartered Surveyors and the Local Government Association. More details about the Task Force are available at www.righttobuildtoolkit.org.uk

1 INTRODUCTION

Purpose of the Demand Assessment Framework

- 1.1 Self-Build housing has been part of the UK housing market for many years, traditionally meeting the aspirations of a niche market where future home owners are involved in the design and delivery of their dream home. Over time, self-build has gradually diversified through a range of models from the self-builder doing everything, through to a full 'design & build' approach with the self-builder commissioning contractors to build their homes for them. 'Custom Build' models are now also entering the housing market enabling the consumer to buy a shell or part finished home to complete the fit-out themselves.
- 1.2 There is no doubt that custom and self-build homes can help provide a diverse mix of local housing and widen the potential for home ownership as well as providing new affordable housing options. Custom and self-build can also help encourage small and medium sized builders to diversify their businesses and take advantage of a wider range of customers.
- 1.3 The Government has recognised these benefits and has steadily introduced measures to support the growth of Custom and Self-Build (CSB) housing.

The Framework Report

- 1.4 This report has been prepared for the Borough Council of King's Lynn & West Norfolk. The report provides information to assist the authority in planning for custom and self build housing, responding to national legislation, policy and guidance in the context of local demand. The report is divided into three parts:

Part A –The National Position:

- 1.5 A summary of the relevant legislation and guidance and other actions the Government is taking to support CSB housing. Part A includes definitions of custom and self-build;

Part B – The Local Context

- 1.6 A review of relevant local authority policies (including its local plan and other guidance e.g. SPD⁴), current estimates of demand (including from the Custom and Self-Build Register as well as from the authority's SHMA⁵) and progress in meeting demand for CSB housing;

⁴ Supplementary Planning Document

⁵ Strategic Housing Market Assessment

Part C – Demand Assessment

- 1.7 An assessment of future demand for CSB – for the next 5 years in detail, with broad estimates for the following 10 years. Estimates of the make-up of the demand (e.g. size of dwellings, affordable housing) are also provided.
- 1.8 The Framework has been produced by Three Dragons and its contents are the responsibility of Three Dragons. The Right to Build Task Force⁶ has supported its development and continues to work with Three Dragons on its application.

⁶ The Task Force was established by the National Custom and Self Build Association and is supported by a range of organisations including the Royal Town Planning Institute, Royal Institution of Chartered Surveyors and the Local Government Association. More details about the Task Force are available at www.righttobuildtoolkit.org.uk

2 NATIONAL CONTEXT

What is custom and self-build housebuilding

- 2.1 The Self-build and Custom Housebuilding Act 2015 (as amended by Section 9 Housing and Planning Act 2016) sets out a statutory definition of Self-build and Custom housebuilding as:

“(A1) In this Act “self-build and custom housebuilding” means the building or completion by—
(a) individuals,
(b) associations of individuals, or
(c) persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals.
(A2) But it does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person.”

- 2.2 National Planning Practice Guidance interprets the definition of Self-build and Custom housebuilding as being:

“.....where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals.”⁷

- 2.3 In simple terms, CSB is generally recognised as a form of housebuilding where the purchaser buys a building plot and funds their own build. This early acquisition gives them scope to influence the design and build of their home, either on their own or by working with others in a group or ‘association’.

- 2.4 The legislation does not distinguish between self-build and custom housebuilding and, in practice, there is a spectrum of options between the two. One definition of the difference was put forward by the former Minister for Housing and Planning, Brandon Lewis, in the House of Commons on 24 October 2014, where he said:

“[the] definition of ‘Self Build’ covers someone who directly organises the design and construction of their new home, while ‘Custom Build’ covers someone who commissions a specialist developer to help to deliver their own home.”

- 2.5 The National Custom and Self Build Association (NaCSBA) has provided a more detailed description of the differences between self-build and custom housebuilding:

⁷ Planning Practice Guidance Paragraph: 016 Reference ID: 57-016-20170728

Self-build is when someone gets involved in, or manages, the construction of their new home (with or without the help of subcontractors).

Custom build is when people commission the construction of their home from a developer/enabler, builder/contractor or package company. With 'custom build' the occupants usually don't do any of the physical construction work but still make the key design decisions.

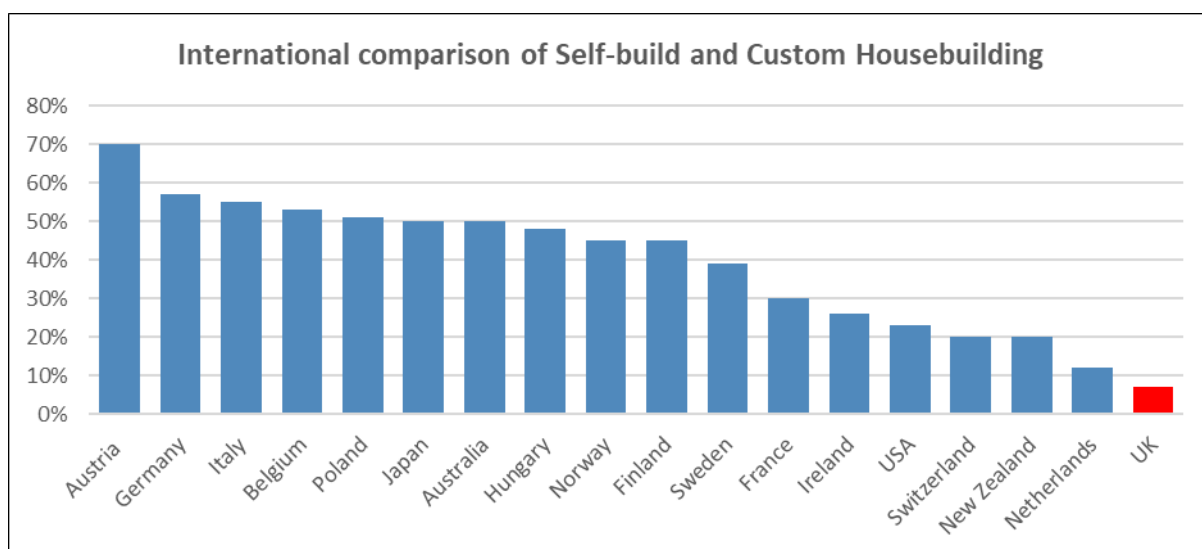
- 2.6 Both of the above forms of housebuilding provide routes into home ownership for individuals and groups or associations of individuals who want to play a role in developing their own homes. Clearly there is a blurring in the distinction between the two forms of housing but, in terms of how they are treated for planning purposes, regulation, exemptions and outcome are the same whatever route the self-builder takes. However each build route will require different types of plot to be made available.
- 2.7 CSB housing is not, of itself, Affordable Housing as set out in the National Planning Policy Framework (NPPF) (July 2018) although CSB housing can produce cost savings compared to market housing. Models of CSB housebuilding are emerging which more directly fall within the NPPF definition of Affordable Housing, for example, as intermediate sale products such as shared ownership and discount market sale. There are also a small number of schemes of CSB housing which are developed as Affordable Rent.
- 2.8 The delivery of self-build and custom housing through affordable housing policies is now starting to be found in local plans⁸.
- 2.9 CSB homes can be undertaken by local community groups. The groups can be organised in different ways, for example as co-operatives or co-ownerships or through community land trusts. Community groups may have a common purpose and wider community objectives or may simply provide a means for individuals to build/commission their own home. Housing associations, local authority housing companies and specialist organisations such as the Community Self Build Agency can also bring forward affordable CSB housing schemes.

Custom & self-build Housing Delivery Rates

- 2.10 The CSB sector currently completes about 13,000 homes each year in the UK. At this rate, the UK lags well behind other European countries and those elsewhere in the world in terms of the contribution from Self-build and Custom housing development to overall housing numbers (see below).

⁸ For example, see a) Consultation on Preferred Scale and Distribution of Development – Shropshire Local Plan Review para 6.27 <https://www.shropshire.gov.uk/get-involved/local-plan-review-preferred-scale-and-distribution-of-development/> (and <https://www.shropshire.gov.uk/media/8588/build-your-own-affordable-home-information-pack.pdf>) b) Cornwall Local Plan adopted Nov 2016 para 2.29 <http://www.cornwall.gov.uk/localplancornwall> and c) Torbay Local Plan adopted Dec 2015 policy H3 <http://www.torbay.gov.uk/council/policies/planning-policies/local-plan/new-local-plan/>

Figure 2.1 International comparison of Self-build & Custom Housebuilding



Source: NaCSBA (2016, unpublished)

- 2.11 There is no single explanation to account for the scale of difference in incidence of self-building between similar countries but various hypotheses have been put forward. A study by the University of York suggests that important factors may be “*historic developments within housing and planning systems, the propensity of the government to provide housing, and the emergence of large volume housebuilders and/or local commitments to the ethos of homeownership*”⁹. A recent parliamentary research paper suggests that the level of local authority support for community projects is greater in countries with higher rates of self-building¹⁰.
- 2.12 The Government stated in the White Paper ‘*Fixing our broken housing market*’ that it wants to support the growth of custom and self-build housing to help drive the diversification of the housing market in England, boost housing supply and give more people more choice over the design of their own home. Alongside two Acts of Parliament and associated regulations (see below), the Government supported the establishment of an industry-led Right to Build Task Force to support delivery, as recognised in the White Paper.

Key requirements of the legislation

- 2.13 Two acts of Parliament set out the responsibilities of local authorities to help promote CSB housing. The Self-Build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016 introduced three duties for local authorities to meet demand for custom and self-build housing (collectively known as “the Right to Build”). This legislation requires local authorities to:
- prepare, publicise and maintain a register of individuals and associations of individuals “*who are seeking to acquire serviced plots of land*”;

⁹ Build it Yourself? University of York Spring 2013 p16 – based on previous research ‘Self-provided housing in developed societies’ Dol et al 2012

¹⁰ Parliamentary Research Paper 06784 Self-build & Custom Build Housing (England) March 2017 see p5 – example given of how municipality of Belin actively seeks to help self-builders (quoting a speech by Richard Bacon MP)

- have regard to the register “*when carrying out their planning, housing, land disposal and regeneration functions*”; and
- give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.

Preparing and managing the Register

- 2.14 As of 1 April 2016 all relevant authorities in England (including all local planning authorities) are required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in the authority’s area in order to build houses for them to occupy as homes. According to NaCSBA, all relevant authorities have now established their Self-build and Custom Housebuilding Register.
- 2.15 For an individual or organisation to be eligible to join the register they must:
- be aged 18 or over;
 - be a British citizen, a national of an EEA State other than the United Kingdom, or a national of Switzerland;
 - be seeking (either alone or with others) to acquire a serviced plot of land in the relevant authority’s area for their own Self-build and Custom housing project; and
 - have paid any fee required by the relevant authority and complied with any financial solvency test, if introduced (see below).
- 2.16 Authorities cannot preclude anyone who wishes to join the register and who fulfils the above criteria. However, authorities can separate the register into two parts (Part 1 and Part 2) if they introduce a local connection test, with those people who meet such a test being placed on Part 1 of the register. Those who meet all of the eligibility criteria except for the local connection test must be entered onto part 2 of the register. This does not apply to members of the armed forces.
- 2.17 Conditions for a local connection are very broadly defined in legislation and it is largely left to the authority to decide the criteria they want to use “*as the authority reasonably considers demonstrate that the individual has sufficient connection with the authority’s area.*”, provided such a test is justified, proportionate and introduced in response to a recognised local issue. Government guidance also says such tests should be reviewed periodically to ensure they remain appropriate and are still achieving their desired effect.
- 2.18 The effect of this in practice is that the requirement to give suitable development permission for enough serviced plots of land to meet the demand on the register only applies to the number of households entered on Part 1 of the register (although it does not have to be those same households who apply for permission to develop custom or self-build housing).
- 2.19 Authorities can also introduce an optional eligibility test, the financial solvency test, which can be used to assess whether an applicant can afford (ie. has sufficient resources) to purchase the plot of land there are seeking.

- 2.20 Once on a register, there are only two ways in which an individual (or association of individuals) can be removed. The first is if the individual or association of individuals request it. The second is if the local authority considers the individual or association of individuals to no longer be eligible, or to have already acquired land to build their home or where they fail to pay any fee required.
- 2.21 The legislation does not require authorities to check whether those on the register remain interested in obtaining a serviced plot to build their own home.
- 2.22 Further details on preparing and maintaining a register are found in the Self-Build and Custom Housebuilding Regulations 2016¹¹ and The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016¹².

Assessing the number of serviced plots to be provided

- 2.23 The Housing and Planning Act 2016 places a duty on local authorities in England to “give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority’s area.....” This includes land which has ‘permission in principle’¹³. The duty came into force on 31 October 2016.
- 2.24 Authorities have a rolling three-year deadline in which to respond to the level of demand established in their registers each year, ending 30th October. Where an authority has two parts to its register, it does not need to make provision for the demand identified in Part 2 but the level of interest across both parts of the register is a measure of the strength of demand for custom and self-build plots and must be taken into account by the authority in undertaking its planning, housing, regeneration and land disposal functions.
- 2.25 The regulations define a series of ‘base periods’ used to determine the number of serviced plots to be provided. The first base period ended 30 October 2016 (all names on that register as of 30 October 2016 must be taken into account for purposes of the duty to provide plots). Subsequent base periods run 31/10-30/10 each year, on a rolling basis (i.e. the second base period ended 30/10/17, the third base period will end 30/10/18 and so on. Once accepted onto the register, the local authority must count individuals on the register for the base year on which they were accepted.
- 2.26 Local authorities must provide plots to meet demand for each base period within the three years after the end of the base period. This is illustrated in the following example for Local Authority A:

¹¹ <http://www.legislation.gov.uk/uksi/2016/950/made> SI 950 (2016)

¹² <http://www.legislation.gov.uk/uksi/2016/1027/made> SI 1027 (2016)

¹³ Section 10 of the Self-build & Custom Housebuilding Act 2016 allows for land allocated on part 2 of a brownfield register to be considered towards Custom and Self Build provision even though the site must receive a grant of technical details consent before development can actually proceed; from June 2018 it will also be possible to apply for PIP.

In base period one – to 30/10/16 – 50 names were added to the register – the authority has until 30/10/19 to make provision for 50 serviced plots.

Then in base period two - 31/10/16 and 30/10/17 – 100 names were added to the register – the authority has until 30/10/20 to make provision for another 100 serviced plots.

Then in base period three - 31/10/17-30/10/18 – 30 names are added to the register - the LA has until 30/10/21 to provide a further 30 plots, and so on.

- 2.27 Authorities need to be aware that the legislation does not allow for a reduction in the requirement for ‘suitable development permission’ if names on the register at the **end of a base period** are subsequently withdrawn by the individual or removed by the authority (because they are no longer eligible). Authorities therefore need to be very careful to ensure names entered onto the register are eligible and still interested in obtaining a plot at the **end of the base period**. Authorities can ask people to re-register if optional eligibility tests have been introduced and/or to check if people who are registered will wish to remain on the register. This provides the ability to remove people from the register if they are no longer deemed to be eligible¹⁴. However, this **will not affect** the established demand for previous base periods described above.
- 2.28 Local authorities may apply for an exemption from the requirement to provide serviced plots to meet the numbers on their register if, for any base period, the number is greater than 20% of the land identified by the authority as being available for future housing¹⁵. In this case, the number of plots required is capped at 20% of available land. The exemption applies only to the relevant base period(s).
- 2.29 This does not affect the duty of local authorities to have regard to their register when carrying out their planning, housing, land disposal and regeneration functions.
- 2.30 Government guidance provides more detail on how the exemption works in practice, including the process for applying for an exemption.

Providing serviced plots

- 2.31 The duty placed on local authorities is to give suitable development permissions for enough serviced plots of land to meet the demand for self-build and custom housebuilding in their area. This is not a duty on authorities to directly provide the serviced plots themselves or to ensure that plots are allocated to those households on the register. Neither is it a duty to match (i.e. specifically meet) the requirements expressed by those on the register. Government guidance instead advises that local authorities should use the preferences expressed by those on their register to guide decisions when discharging their duties under the legislation.

¹⁴ If an applicant fails to meet eligibility on the grounds of local connection alone (but wishes to remain on the register) they can only be removed from pt1 – they must remain on pt2, which is the part of the register that is not counted towards the requirement for serviced plots

¹⁵ <http://www.legislation.gov.uk/ukxi/2016/950/made>

- 2.32 A serviced plot is one with access to a public highway and has connections for electricity, water and waste water or, if this is not immediately available, can be provided in specified circumstances and within a specified period. This allows infill development on land alongside a road frontage to be considered as serviced. There is no specific expectation that services must be physically connected to the plot of land at the time of grant of planning permission.
- 2.33 Local authorities can meet their obligations in a variety of ways including, for example:
- direct provision of serviced plots on their own land (or in partnership with another landowner - a public body or a private landowner);
 - through a plan policy that requires new development to make provision for a proportion of plots as part of the development; the plots are then secured at the time of a planning permission through a section 106 agreement;
 - by seeking to encourage and permit applications, either as windfall or as part of a larger, allocated site.
- 2.34 Depending on the form of CSB housing, there may be implications for the viability of the development. This requires careful assessment alongside other community benefits such as affordable housing, both when preparing local plans and in decisions about individual applications.

The Community Infrastructure Levy

- 2.35 Custom and self-build housebuilding is exempt from paying the Community Infrastructure Levy. The exemption applies to anybody who is building their own home or has commissioned a home from a contractor, house builder or sub-contractor. Individuals claiming the exemption must own the property and occupy it as their principal residence for a minimum of 3 years after the work is completed.¹⁶

Wider duties of local planning authorities

- 2.36 The NPPF asks local planning authorities to assess the demand for CSB housebuilding and use their local plans to meet such demand¹⁷.
- 2.37 In terms of assessing demand, the most up to date Government guidance¹⁸ sets out that local authorities should use the information from their registers, supported as necessary by data from other sources, when preparing their Strategic Housing Market Assessment (SHMA) to understand and consider future need for such housing locally.
- 2.38 In terms of plan-making, the Government's intentions were highlighted in a letter from the Minister for Housing and Planning to all English local authorities on 5 March 2015. This made it clear that plans risk being found unsound if they fail to provide

¹⁶ For more details of the operation of the exemption see Planning practice Guidance - 135 Reference ID: 25-135-20140612 through to 153 Reference ID: 25-153-20140612 see also CIL reg 54a which defines self-build housing as 'a dwelling built by P (including where built following a commission by P) and occupied by P as P's sole or main residence' (where P is a 'Person')

¹⁷ Para 61 NPPF July 2018

¹⁸ PPG Paragraph: 020 Reference ID: 2a-020-20180913 13/9/18)

sufficient evidence to demonstrate that they have taken the demand for people who want to build their own homes into consideration.

- 2.39 In the Government's 2017 consultation on a proposed new approach to assessing housing need its stated objective was to, "*.....make it easier for local planning authorities to identify the need for other types and tenures in their area...*" "*These include, but are not limited to... Self-build and custom-build development*"¹⁹.
- 2.40 The revised NPPF (July 2018) does not introduce any radical change to the way CSB is defined or delivered. However, there are several proposals that could have an impact on the way local authorities plan for CSB, including those discussed in the following paragraphs.
- 2.41 The first is a policy from which CSB is to be excluded. This is a requirement that, "*Where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.*" As CSB readily lends itself to providing affordable home ownership as its contribution to affordable housing, this could be unhelpful – leaving CSB to rely more heavily on Affordable and Intermediate Rent to make up any required percentage of affordable housing. This possible consequence of the revised NPPF may not have been foreseen (see para 64).
- 2.42 In addition, the NPPF includes an obligation on planning authorities to identify, "*land to accommodate at least 10% of their housing requirement on sites no larger than one hectare*". If this leads to an increase in the number of small sites allocated in plans, this could be a useful way of extending the range and type of sites suitable and available for CSB (see para 68).
- 2.43 Also with possible implications for CSB is where planning authorities are asked to support proposals for, "*..the development of entry level exception sites, suitable for first time buyers (or those looking to rent their first home)*". Similar to rural exception sites, these sites would be, "*... on land which is not already allocated for housing*" and "*adjacent to existing settlements*". Such sites could add opportunities for CSB, especially for smaller and more affordable CSB products, on sites not already allocated (see para 71).

¹⁹ DCLG, Planning for the right homes in the right places: consultation proposals, September 2017

3 LOCAL CONTEXT

Current and emerging planning policy

- 3.1 Planning policy for provision of CSB is currently set out in the Borough Council of King's Lynn & West Norfolk adopted and emerging local plans. We summarise these policies in the table on the next page.

Table 3.1: Local plan policies

Authority	Document	CSB policy
Borough Council of Kings Lynn & West Norfolk	LDF - Core Strategy, (adopted July 2011) ²⁰	Does not contain a policy specifically relating to the development of CSB units
	Site Allocations and Development Management Policies Plan (adopted September 2016) ²¹	Does not contain a policy specifically relating to the development of CSB units
	North Runcton and West Winch Neighbourhood Plans (Brought into force October 2017) ²²	<p>POLICY GA09: Opportunities for small-scale and self-build development</p> <p>The policy states that “[a]pplicants coming forward with development proposals as part of the implementation of the West Winch Growth Area are encouraged to offer a proportion of land (either as serviced plots or simply as small land parcels) for sale to small-scale builders or self-build projects.”</p> <p>The policy provides criteria that the “scale, design and materials palette” should reflect the character of existing and proposed development.</p>

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²⁰ https://www.west-norfolk.gov.uk/info/20219/core_strategy/112/core_strategy_explained

²¹ https://www.west-norfolk.gov.uk/info/20220/site_allocations_and_development_management_policies_plan/514/adopted_plan

²² https://www.west-norfolk.gov.uk/info/20127/neighbourhood_plans/117/completed_plans

- 3.2 Current, adopted, plan policies will reflect the time when they were prepared and adopted, hence the lack of reference to CSB. The preparation of a review of the Local Plan (Core Strategy and Site Allocations and Development Management Policies Plan) provides the council with the opportunity to develop a pro-active approach to CSB and to reflect longer term patterns of demand in their policies, taking account of a range of evidences of demand.

Evidence of demand for CSB

From the Self build register

- 3.3 The Council holds a self build register and collects information about the number of households registering in each 'base period'. As discussed in chapter 2, each authority has to give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.
- 3.4 Information provided by the Borough Council of King's Lynn & West Norfolk shows the numbers registering across the authority as the table below sets out.

Table 3.2: Numbers joining the self-build register by base period²³

	Period 1: 31st October 2015 to 30th October 2016	Period 2: 31st October 2016 to 30th October 2017	Period 3: 31st October 2017 to 18th September 2018	Total	Total assuming that the third period is projected to a full year
Borough Council of King's Lynn & West Norfolk	43	49	42 ²⁴	134	140

- 3.5 It is important to note that the final period does not cover a full calendar year, and instead covers roughly 10.5 months given that it ends on the 18th of September. **Accounting for this shorter period means that if projected to a full year the number of registrants could be considered as 48 (rather than 42). This provides a grand total of 140 across the three periods, equating to an average of 47 per year.**
- 3.6 KLNWC does not restrict entry to the Register to those with a local connection. Hence the register will include those households who would like to move to the area to CSB. Data protection regulations mean we do not have access to information about where applicants live. It is noted that around half put their name onto the Register from a portal other than at KLNWC (although this does not necessarily mean they live outside the district).

²³ Information supplied by the Council in September 2018

²⁴ 19 (rounded) when projected to full year. i.e. $42 \times (12/10.5) = 48$

SHMA and other local evidence of demand

- 3.7 The Strategic Housing Market Assessment²⁵ for the Kings Lynn & West Norfolk was published in June 2014. Its preparation predates the Right to Build legislation and therefore does not provide any specific evidence of demand for CSB. However, use is made of the SHMA later in this report, in estimating the level of potential demand for intermediate sale CSB.

Notional supply

- 3.8 There are two available measures of the notional supply of CSB housing that is already taking place (but noting that increasingly authorities are monitoring CSB delivery in its own right and that since September 2018 the question is also asked on the planning application form via Planning Portal).
- 3.9 The first measure is the number of single dwelling schemes being developed and where it is reasonable to assume that the purchasers will have significant input into the design and layout of their new home. This is not an absolute measure of current CSB supply as some single dwellings will be developed on a speculative basis but it is an indication of the level of supply. We have therefore looked at planning permissions and completions for the last 3 years.
- 3.10 Thus, the figures in the next table should be treated as an indication of the current level of CSB activity rather than an absolute measure. For BCKLWN we have broken the figures down by CIL value area to provide further detail. The total for the borough is shown in the final row.

Table 3.3: Indicative measures of current supply of CSB dwellings²⁶: Permissions

	Single dwelling schemes (total dwellings – permissions)			
	2015/16	2016/17	2017/18	3 year average
Kings Lynn Unparished	4	4	6	5
North East & East Areas	57	54	55	55
South & West Areas	62	87	94	81
Total	123	145	155	141

Table 3.4: Indicative measures of current supply of CSB dwellings²⁷: Completions

	Single dwelling schemes (total dwellings – completions)			
	2015/16	2016/17	2017/18	3 year average
Kings Lynn Unparished	4	3	1	3
North East & East Areas	41	20	36	32
South & West Areas	43	31	49	41
Total	88	54	86	76

- 3.11 In addition to the single plot completions there is also an average of 16 double plot completions per annum, taken over the last 3 years. There is a significant difference

²⁵SHMA 2014 update https://www.west-norfolk.gov.uk/downloads/download/305/shma_document

²⁶ Information supplied by the local authority

²⁷ Information supplied by the local authority

between permissions and completions, which is not unusual – we have taken completions as the most reliable indicator of development. The split into value areas shows that there is slightly more activity in the South & West of the Borough in comparison to the North & East but both areas are seeing delivery of single plots. Unsurprisingly, numbers are fewer in Kings Lynn.

- 3.12 The second method for measuring CSB supply is by looking at CIL exemption data. The Council have provided Three Dragons with a list of self-build permissions exempted from CIL since it was adopted in the Borough in February 2017.
- 3.13 The data contains 54 development commencements (in the timeframe of February 2017 to September 2018) exempted from CIL²⁸. Looking at completions in the first half of 2018 (April to September) there have been 22 commencements, which projected over the year equates to 44 per annum.
- 3.14 This gives an indication of the number of CSB plots that are likely to commence each year, although, as CIL has been in place for less than 2 years and pre-CIL permissions may also be commenced, it may be an underestimation. It does however suggest that supply of single plots completed may be an over-estimate of CSB supply as it will include some speculative development.
- 3.15 A simple comparison between demand for CSB (as measured by the register) and notional supply (as measured by single dwelling completions in conjunction with CIL exemptions) indicates that demand is being met through small site developments. A very rough assessment of the pattern for the authority is:
- Demand (as measured by the register) – about 47 households pa;
 - Notional supply about 50 pa.
- 3.16 Of course, the above analysis relies on the register as an accurate measure of underlying demand and assumes there are no larger scale CSB developments. Registers for different authorities can produce very different numbers, implying that the scale of demand shown by registers may be as much a reflection of the local approach taken to promoting CSB as differences in patterns of demand. In the next chapter we address this issue by providing an alternative measure of underlying longer term demand for CSB.

²⁸ And 125 permissions

4 DEMAND ANALYSIS

Approach to measuring demand

- 4.1 With the support of the Right to Build Task Force, Three Dragons has developed a bespoke model for measuring demand for CSB at the local level. The model measures the potential for households in an area to develop their own home (on their own or by working with others in a group or 'association') – as custom or self-build. The model compares the national profile of potential custom and self-builders (using data provided by NaCSBA for this exercise²⁹) with a profile of the local population. The model recognises that only a proportion of households which fit the characteristics are likely to go on to take up CSB and that local costs and values³⁰ as well as availability of finance will have an impact on this.
- 4.2 The model also takes into account that the custom and self-builders identified will not all be ready to build on day-one. Our research shows that from being ready to purchase land to project completion takes on average 2-3 years³¹. This is reflected in the demand modelling which gives results on an annual basis³². It can also be assumed that in future years demand for CSB will grow or contract dependent upon future growth in the population.
- 4.3 The diagram below illustrates the process of modelling demand for CSB.

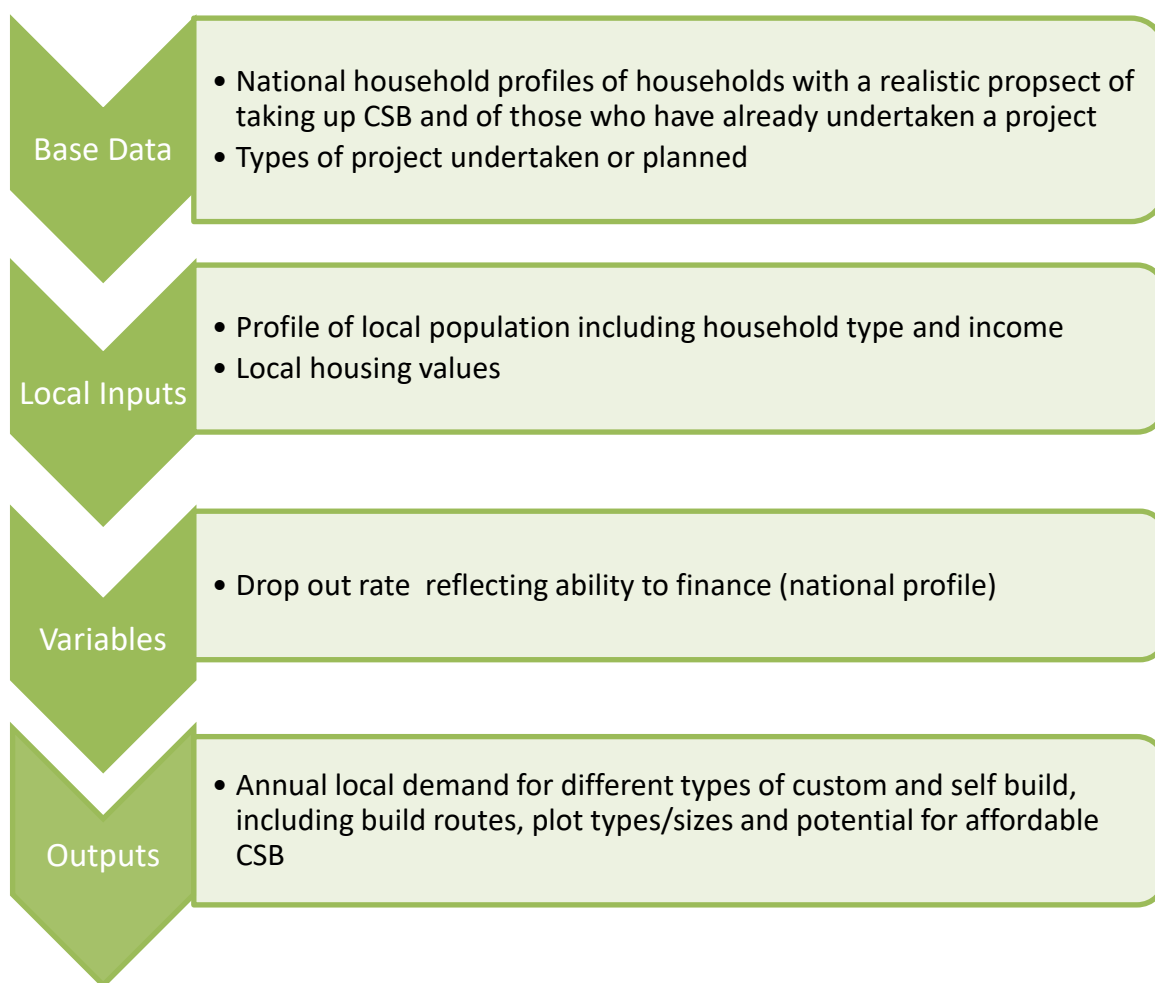
²⁹ Raw data profile provided by NaCSBA from 4 years wide ranging survey on, inter-alia, propensity to CSB (IPSOS MORI unpublished) alongside profile of households who have completed a project (NaCSBA unpublished)

³⁰ Local costs and values based upon i) for income *Regional gross disposable household income by local authority per head* ONS May 2018 (for 2016) and ii) for values *House Price Statistics for Small Areas (HPSSAs)* ONS 2017 (median prices). The datasets are based on current values which could be subject to future change e.g. if new housing schemes tend to be at generally lower or higher values than the current stock.

³¹ Profile of households who have completed a project (NaCSBA 2017 unpublished)

³² We have modelled demand using a 3 year basis as we consider this the most likely timescale for project completion at present; a 2 year timescale would show an increased demand level which may be unrealistic

Figure 4.1: Outline of the demand assessment model



4.4 Data used in the model is set out in the annex along with a more detailed description of the modelling process.

Demand estimates from the model

Headline results

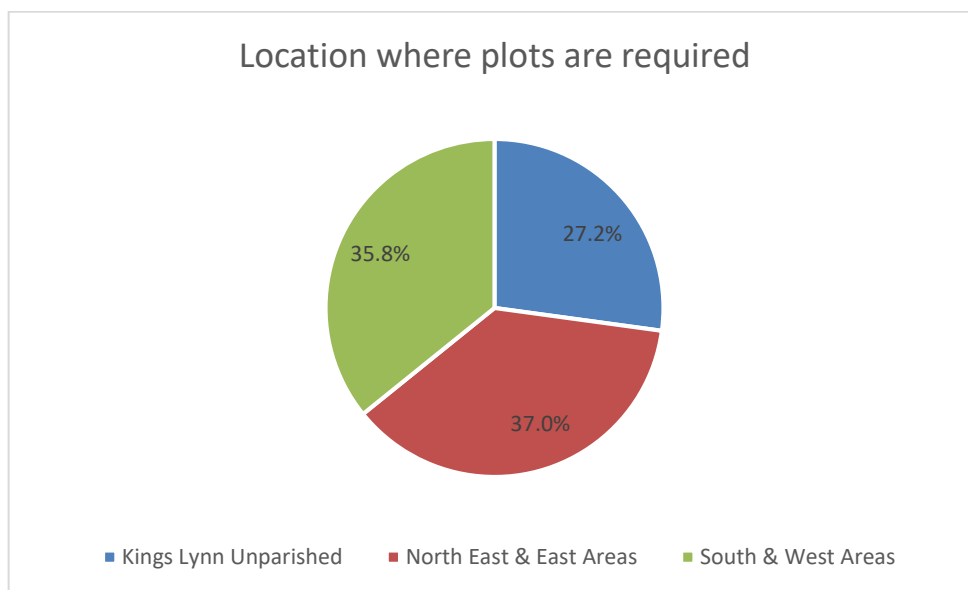
4.5 The results of the modelling exercise are shown in the table below. The results assume that potential households taking up CSB take three years to proceed.

Table 4.1: Headline results showing demand for CSB housing - assuming 3 years lead in time

	Demand for CSB - units per year (yrs 1-5)	Demand for CSB - units per year (yrs 6-15)	Demand for intermediate sale units per year (yrs 1 – 5)
Total	83	89	7

- 4.6 The potential demand for CSB across the borough is 83 units per annum over the next 5 years, rising to 89 pa in years 6 to 15.
- 4.7 Three Dragons has also used local socioeconomic data to determine where plots are likely to be required in each of the three areas. Figure 4.2 demonstrates a broadly equal requirement between the 'North East & East' parishes and the 'South & West' parishes. The Kings Lynn Unparished area indicate a requirement of just over one quarter. Based on the estimated demand for 83 plots per annum (over the next 5 years) this equates to approximately 22 in Kings Lynn area, 31 in North East & East area and 30 in the South & West area³³. It should be noted that use of population data at sub-district level will be less reliable as a predictor of where households may require plots as they are likely to be prepared to move between areas.

Figure 4.2: Location where plots are required



- 4.8 No distinction is made in the modelling between individual households and groups taking up CSB. It should be assumed that demand from any group taking up CSB will be from within the numbers shown in the table above.

Comparison with CSB Register and notional supply

- 4.9 The levels of demand modelled is significantly higher compared to the demand demonstrated by the earlier analysis of the Custom and Self Build Register. The comparison is set out in the following table. This draws on the analysis at para 3.11 which was recognised as being a series of best estimates. The table also shows the estimated notional supply already achieved – again noting that the figures are estimates based on partial data. The data in the table is for years 1 – 5.

³³ The modelling for the sub-areas is derived from 2011 census hence the actual figures are slightly different from the district-wide modelling which uses 2016 based population projections – the 2011 census derived figures are 22 in KL, 30 in NE and 29 in SW which is 2 fewer than the district-wide modelling (population projections do not show level of detail required at sub-area level)

Table 4.2: Demand for CSB housing Years 1 – 5 - assuming 3 years lead in time

	Modelled demand for CSB - units per year	Demand for CSB – based on the Register ³⁴	Estimated current levels of supply of CSB
Borough Council of King’s Lynn & West Norfolk	83	47	50

4.10 Current levels of supply (as estimated for this exercise) are short of the modelled demand. This difference equates to about 30 dwellings per annum (rounded). (The difference should not be views as a maximum and potential additional demand could be higher, our demand modelling does not account for households moving to the area to custom or self-build.)

CSB - Affordable housing

4.11 Demand for relatively small numbers of intermediate affordable housing CSB units has been identified –around 7 units per annum. It has been assumed that affordable units will be delivered as intermediate sale housing (most likely as shared ownership or shared equity). However, this is not to preclude CSB Affordable Rent if that were to come forward. Data from the SHMA was used to generate the estimates of demand for intermediate CSB plots³⁵.

4.12 There is a limited amount of data available on households purchasing shared ownership or shared equity housing as a section of the total population, making it difficult to predict in any other way, who is likely to require intermediate sale CSB. What we do know from CORE³⁶ is that shared owners tend to be younger and are likely to be in couple or single person households³⁷. In shared ownership provided by a registered provider, just under 75% of households are under 40 and just over 75% are singles or couples. Based on this we would suggest that of the 35 units required over the next 5 years as affordable CSB, 75% should be smaller units for younger, potentially 1 or 2 person, households and 25% should be for families with children.

Build route

4.13 The available data does not allow for a comprehensive analysis of demand by type at the local authority level. However, national data indicates the following:

- Between 50-70% of those taking up CSB will be self-builders - half on single plots and half as part of larger site;
- 30-50% will be Custom Builders.

³⁴ Ref para 3.11

³⁵ Based on Strategic Housing Market Assessment – Update June 2014 Figure 10.1: shared ownership as a percentage of market + shared ownership requirement

³⁶ The COntinuous REcording (CORE) data collection run by MHCLG

³⁷ MHCLG statistical datasets - live tables on social housing sales – table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17

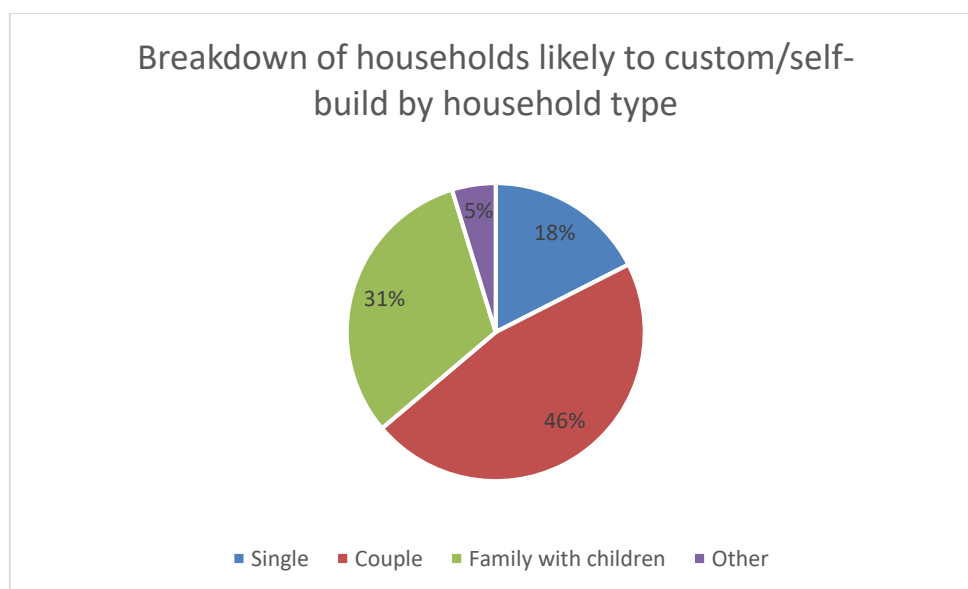
Given the growth in the market and increasing interest amongst younger households – a reasonable starting point for planning purposes would be 50% self-build / 50% custom build.

- 4.14 These proportions are based on current experience and will likely be influenced by the supply of plots and types of build route that are available. Over time, as the potential for custom build develops, especially if promoted on larger sites, it is reasonable to expect that the balance between self and custom build demand will change

Plot types

- 4.15 Guidance on the type (size) of plots that are needed can be inferred from the demand profile for CSB. The data collected on the profile of custom and self-builders over the past 5 years indicates that whilst the traditional pattern of wealthy middle-aged couples building their own home remains part of the picture, younger households on lower incomes are also entrants to the market, attracted by elements including affordability, quality of design and eco-sustainability³⁸.
- 4.16 The chart below shows the profile of potential CSB households in the Borough in terms of their age and household type. Couples make up the largest group with a share of 46% of the total, which is higher than the national average for CSB households³⁹. Families with children are the second largest group, accounting for 31%. Of the remainder 18% are single persons and 5% are other household types including non-related adults and extended families.

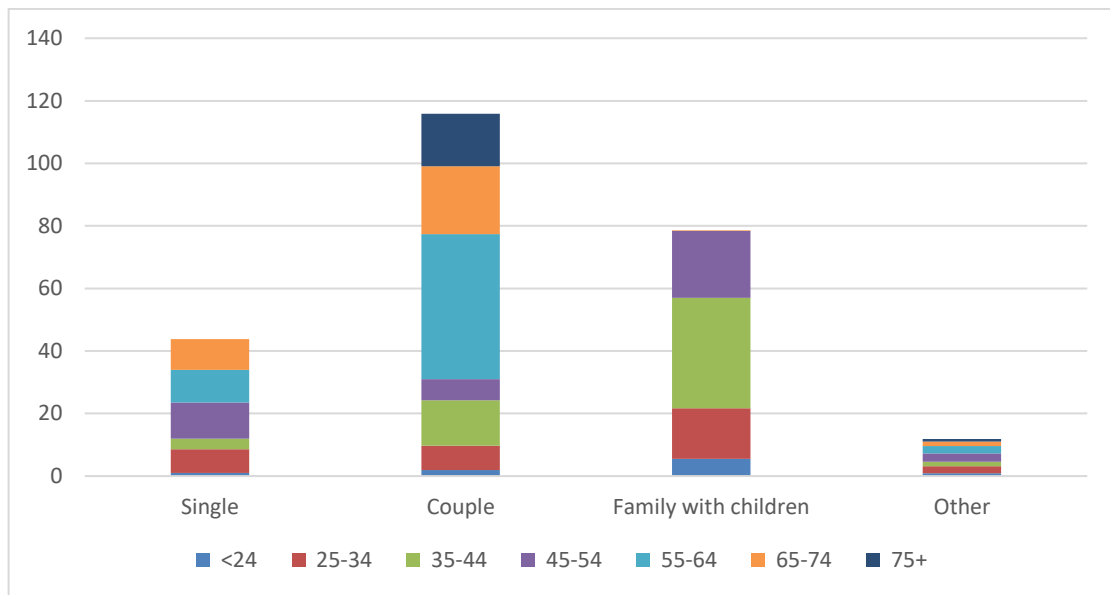
Figure 4.3a: Potential demand for custom & self-build in the Borough Council of King's Lynn & West Norfolk by household type



³⁸ Raw data profile provided by NaCSBA from 4 years wide ranging survey on, inter-alia, propensity to CSB (IPSOS MORI unpublished)

³⁹ Nationally, based on raw data from NaCSBA (ibid) nearly 40% of those likely to custom/self-build are couples and nearly 30% are families with children

Figure 4.3b: Potential demand for custom & self-build in the Borough Council of King's Lynn & West Norfolk by age and household type



4.17 The chart also shows two key demographics in that approximately one third (34%) of those likely to require custom and self build plots are couples aged 55 and over and roughly another third (31%) are families with children aged 54 and under.

4.18 The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

4.19 As a guide to the mix of plot types required, we suggest planning on the basis of:

- 20% - low cost/small plots/terrace style developments;
- 30% - suitable for 3 bed semi/detached homes;
- 50% - suitable for 4 or 5 bed detached homes.

As this is largely a demand-led rather than need-led market, we have assumed that most households will looking for a property which is bigger than their immediate household requirements.

5. IMPLICATIONS

- 5.1 The demand assessment model indicates that potential demand for CSB development is greater than the CSB register would suggest.
- 5.2 CSB development is already occurring through development of single plots. However, the current rates of supply fall below the potential demand indicated by the modelling. This implies that positive action is required by the council to enable faster rates of CSB development in the area.
- 5.3 As a guideline, we recommend the following levels of provision for CSB to be facilitated through the local plan process for the Borough Council of King's Lynn & West Norfolk. Taking account of the notional 50 plots already supplied across the district, the figure is on an annual basis. For years 1-5
- CSB estimated additional demand = 30 plots per annum**
- Rising to **35** plots per annum for years 5-10
- 5.4 The requirements for CSB set out above include any community groups that come forward with schemes to be developed through, for example, a co-ownership or co-operative model.
- 5.5 The above figures should not be viewed as maximum. There may be particular circumstances which would support provision of a greater number of CSB plots than the figures in 5.3 suggest. In the case of Kings Lynn & West Norfolk Council, we understand there is a high number of households moving into the district to self-build and these households will not have been captured in our demand modelling, which is locally based, but they will have been included in our assessment of current supply⁴⁰.
- 5.6 Of the demand for CSB, approximately half would be expected to come forward as self-build housing and half as custom build developments. Of the self-build units, a significant number are likely to come forward as single plots delivered through traditional planning routes. The local demographic suggests that although there will continue to be a demand from households seeking individual plots for detached homes, there will be a significant demand for smaller plots on larger sites that will be more affordable to local families and younger households generally. It would be beneficial to consider how the demand for both types of CSB project can be satisfied away from single plot provision.
- 5.7 Demand for CSB plots is from a mix of household types and planning policies will need to encourage a diverse range of plots to meet the need. In framing future policies and dealing with planning applications, the following is put forward as a guide to the mix of plot types likely to be required:
- 20% - low cost/small plots/terrace style developments;

⁴⁰ We understand that a high proportion of households move to the district to build, taking advantage of cheaper land in the south of the district or prime location in the north of the district

- 30% - suitable for 3 bed semi/detached homes;
 - 50% - suitable for 4 or 5 bed detached homes.
- 5.8 About 8% of future CSB development should be as affordable housing. It is anticipated that this will be focused on intermediate sale products, but suitable Affordable Rented schemes should also be welcomed. National data indicates that take up of (non CSB) shared ownership housing tends to be from younger and smaller households. Therefore we would suggest that 75% of the affordable CSB plots should be smaller units aimed at this market and the remaining 25% for larger families. The affordable element of CSB housing could be delivered by affordable housing providers, custom build developers or enablers, as well as community groups.
- 5.9 The locally based demand modelling suggests a roughly equal split between provision in the South & West and North & East.
- 5.10 There is an opportunity for the Council to use the information in this report as evidence base for policies in its emerging Local Plan and to encourage, through the Local Plan process, greater provision of CSB plots across the authority. Plan policies should take account of and reference all demand information.
- 5.11 This report has made best use of the available data. However, it is acknowledged that the growth in CSB in the area needs to be carefully monitored in line with the Government’s Planning Practice Guidance to identify trends in demand and delivery against the duties under the legislation. The data collected can inform future reviews of plan policies and action to support this form of house building.
- 5.12 A summary of findings is presented in the table below

Table 5.1: Summary of findings on custom & self-build for Borough Council of King’s Lynn & West Norfolk

Supply	Demand		
Identified from CIL exemptions and single dwelling completions	Demand identified from CSB register	Demand identified from CSB modelling	
86	47	83 Years 1-5	89 Years 5-15

ANNEX I – THE MODEL

Modelling process and data sources

Steps	Modelling	Data source
1	National profile of households (by age and type) with realistic prospect of becoming CSB demand.	2013-2016 data from an Ipsos Mori survey for NaCSBA (available from the NaCSBA on request)
2	Compare with local profile of households by age and type Provide a base figure of all households with potential to take up CSB	2014 based household projections - DCLG https://www.gov.uk/government/statistical-data-sets/2014-based-household-projections-detailed-data-for-modelling-and-analytical-purposes
3	Calculate a ratio of local house prices to incomes and compare with the national average. Increase/decrease base figure to reflect whether CSB is likely to be 'more affordable' in the local area than nationally.	Gross Disposable Household Income per head – ONS May 2018 (2017 data) House Price Statistics for Small Areas (HPSSAs) - Dataset 9. Median price paid for administrative geographies – ONS (2017 data)
4	Assume a 'drop out' rate – based on likelihood of completing project taking into account ability to obtain loan finance or to finance directly as well as other general circumstances that may prevent a project being completed (e.g. family issues, loss of interest etc).	Data on how many households can be expected to complete a CSB project if plots were available - data provided by BuildStore, other CSB financiers, and sense checked with a number of small CSB developers affiliated to NaCSBA.
5	Assume a timetable for development of 3 years - starts from 1 st steps towards CSB project through to completion. Data indicates that this is a reasonable approach as no other data is systematically collected on this	Data on 500 households who have completed a CSB project - Self & Custom Build Market Report (Homebuilding and Renovating, 2017)
6	Estimated demand for CSB in years 1-5	Model output
7	Demand for CSB allocated by whether will be for traditional self-build (single plots and larger schemes) or custom build	2013-2016 data from an Ipsos Mori survey for NaCSBA (available from the NaCSBA on request) Sense checked against data on households who have completed a project (Self & Custom Build Market Report (Homebuilding and Renovating, 2017) and local data from registers where available.
8	Demand for intermediate sale housing as a % of the total CSB demand	Based on Strategic Housing Market Assessment – Update June 2014 Table 10.1: shared ownership as a percentage of market + shared ownership requirement