

## **Note to Cabinet Briefing**

**Subject: Custom Build – Information / discussion paper**

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### **Introduction**

The Self-Build and Custom Build Bill received Royal assent in March 2015, there now as the Bill comes into force there is a duty to maintain a register of those individuals or groups wishing to build in a local area.

Local authorities need to give regard to the register and demand when carrying out their planning; housing; public land disposal; and, regeneration functions. This means the Act is a material planning consideration when councils prepare their Local Plans and determine planning applications. Plans could be found unsound (Gt Dunmow, Essex appeal decision – Uttlesford didn't have a 5 year land supply) when the local plan was silent on custom build.

The case for legislation was made to address low levels of self and custom build compared to other countries, and there is evidence that creating opportunities can increase the speed of delivery of new housing. The duty goes further than keeping a list. A minimum level of promotion and analysis of demand is necessary. The assessments of housing mix and tenure required from SHMA now extends to those wishing to build their own home.

### **Changes to National Planning Policy Framework (NPPF)**

“Council's need to plan for a mix of housing .... This should take account of current / future demographic and market trends and the needs of different groups in the community including people wishing to build their own homes (para 50)”

### **Requirements – and how to assess demand**

1. Minimum levels of activity are set out in the Act and include:

- Need for a strong presence on council websites
- Press releases
- Annual contact with register applicants

2. Analysis of demand:

- Register should capture what, where, type of plot, budget, tenure
- Use secondary sources of data including building plot search website, 'need a plot' information from the government endorsed self-build portal

- Use of local – even site specific surveys of demand/ expressions of interest (commonly used in Germany).

The objective of the Act and its requirements is that the local council ‘facilitates’ service plots in response to objectively assessed need. This can be undertaken through various planning policy routes including direct allocation for Custom build use.

There are broadly seven different approaches that councils are currently taking:

Extract below from custom and self-build toolkit website – National Custom and Self-Build association <http://customandselfbuildtoolkit.org.uk>

- Policies promoting housing mix - a popular approach to date have been to encourage or, in some cases, require private homebuilding alongside other market housing on windfall sites and allocations. The proportion is typically assessed on a case by case basis and takes into account the level of local demand
- Land allocations, disposals and acquisitions - a growing number of councils are identifying suitable sites or locations where private homebuilding is specifically encouraged, promoted or required. Sites can be allocated for the purpose of private homebuilding e.g. Cherwell / Graven Hill In some cases land is made available by disposing of public land or by buying land.
- Action through Housing Strategy - some Councils set out their general approach to supporting private homebuilding through their Housing Strategies. This then informs planning and development policies, and the council’s engagement with industry enablers and communities on projects or initiatives
- Promotion as part of affordable housing - a growing number of councils are bringing forward private homebuilding opportunities through their affordable housing policies and, in some cases, they facilitate development through exception sites e.g. Shropshire
- Specific support for projects - some councils identify specific projects that they support. A good example is Bristol City Council, which has set up its own Community Land Trust See Case Study Bristol CLT
- Percentage policy asking for private homebuilding plots to be provided on larger housing sites (typically 5-10% on sites of more than 20 homes) - a growing number of councils are introducing policies that ask for a proportion of allocated or windfall sites over a certain size to make provision for private homebuilding. The most common approach is to require developers to provide serviced building plots, with a Design Code. This simplifies the planning process for individuals and reduces the need for the council to determine a large number of planning applications

•Financial help (mortgages/development finance) - a small number of councils are helping people get access to mortgage finance or are offering mortgages. An example is Capita Asset Services' Custom and Self-Build Finance Scheme supported by Lloyds Banking Group

#### **Next steps?**

- Consider any council owned sites/ or other sites that could be acquired for development of serviced plots (consolidated funding pot from HCA)
- Planning policy approaches – in conjunction with demand analysis
- Press release and political support in relation to increasing supply and meeting aspirations of custom home builders
- Put in place register arrangements - Off- the –shelf register being favoured.
- Policy task group? In the same way an LDF Task Group was arranged covering activities and policies to increase the housing supply to include Custom Build, Starter Homes, Wider Enabling delivery