



Report To: Housing Portfolio Holder
Lead Officer: Director of Housing

20 March 2018

Council Right to Build Vanguard work update

Purpose

1. This report is an end of year update on the Council's activity as a Right to Build Vanguard; in addition to its associated activity identifying and bringing land forward for self and custom build through the planning process and onward sale of identified HRA plots; with receipt from plot sales supporting the new build development programme.

Key Decision

2. This is not a key decision

Recommendations

3. It is recommended the Portfolio Holder for Housing notes the contents of this report.

Reasons for Recommendations

4. The report update shows progress against the Business Plan initially approved in concept by Cabinet in July 2016 and thereafter confirmed as a costed business plan by EMT in June 2017. 2017 representing Year 1 of the work to bring forward HRA owned plots for sale.

Background

5. SCDC is a Right to Build Vanguard authority – one of 11 in the UK chosen by the Government to help promote self and custom build nationally. "Right to Build" is the blanket term used by the Government and DCLG to cover the new focus and promotion of self build and custom build.
6. Via the Self & Custom Housebuilding Act 2015 and the Housing & Planning Act 2016 each local authority has a statutory duty to:
 - Hold a register of applicants for self build
 - Promote that register
 - Provide sufficient planning permissions to meet demand (where demand is demonstrated by the numbers on the Register)
7. More generally, in a high demand area such as ours a combination of Planning policy and work around growth sites to bring more self build plots forward is required to begin to address these requirements.

8. The Self Build 'function' at SCDC began in Planning but has been sat in the Housing Strategy Section of Affordable Homes since 2016. Affordable Homes has now employed a Self & Custom Build Regional Manager sat under Head of Development (New Build) who focusses on providing support and advice to self build applicants, seeking land opportunities within the HRA assets as well as with SME developers and landowners across the District. In addition the post has a regional focus, bringing best practice together across the east and hosting events for self builders and other councils.
9. Our work as a Right to Build Vanguard has 2 distinct strands being HRA plot sales (circa 100 plots identified) and a regional roll out of stakeholder and council engagement.
10. The DCLG has provided a nominal 'burden grant' to fund the administration of the self build registers but this is insufficient at circa £15k per annum to finance our wider aspirations; therefore the most recent business case clearly set out a means using internal fee of ensuring that our overall function is entirely self sustaining. We take a 'fee' per self build plot brought to market and this ensures longevity of function. In addition, to front fund the work required in terms of surveys, planning, demolition or decontamination to bring a plot to market we established a "rolling fund" of £150,000 to cover those costs to kick start our programme of HRA plot sales.

Considerations

Register

11. In line with legislation we hold, run and promote our self build register. Currently it has nearly 819 applicants on it, all keen to build a home via the self build or custom build route.
12. This register is currently a joint register with Cambridge City Council. The legislation allows each council to use a two tier register and focus initially on those applicants that live in the district. It should be noted, however, that self build registers are required to allow applicants from anywhere within England to register on them.
13. The Council's Affordable Homes team are bringing HRA plots to market, but it is acknowledged that this is not the main solution to the new responsibilities to promote self and custom build and provide suitable planning permissions that is now enshrined in the recent legislation.
14. The solution to accelerating growth in the provision of land for self and custom build primarily sits within the remit of the Planning Authority and includes the following work already underway between Planning and Housing:
 - Robust Planning Policy – including a bespoke Self/Custom Build SPD – to ensure that planners have the tools to give due weight to the requirement to provide land for the purpose. Housing and Planning are working together on this in 2018.
 - A planning policy benchmark for self/custom build. For example some Local Authorities require 5% self build on schemes over a certain number of new homes – often 20 or 30.
 - Working with larger developers on major growth sites to ensure that self/custom build is part of the mix.

- Working with individual small-medium developers on individual sites across South Cambs DC to lever some self or custom build onto schemes.

Right to Build promotion – including regional work

15. To lead as a Right to Build Vanguard we have run a number of successful and well attended events and workshops for would be self builders, partners and stakeholders. Including CDM for self builders, a specific workshop covering modular housing for self builders and an event highlighting the Right to Build Task Force self Build Toolkit and a workshop with the DCLG as key speaker promoting the Governments focus on self build.
16. We have made useful links and forged relationships with the DCLG, National Custom and Self build Association (NaCSBA), Igloo, Potton, Building Control, and of key importance the Right to Build Task Force. This Taskforce is a Government funded body to bring together all aspects of the self and custom build market and promote and increase its leverage across England.
17. At the end of January 2018 we hosted a NaCSBA workshop to Discuss Implementation of the Right to Build with a focus on planning and we invited our City Council Planning colleagues along.
18. We plan to host an Eastern Region EXPO in Sept/Oct 2018 in partnership with NaCSBA/Right to Build Task Force.

HRA land audit and plot sales

19. We have audited our HRA land assets, and have identified over 100 potential land plots that could be brought to market for sale, subject to all appropriate surveys, Legal work and Planning.
20. The purpose is threefold.
 1. To bring land forward for our self build applicants
 2. To sell the plots at market value and reinvest in affordable housing
 3. To ensure additional funds to match fund our Right to Buy Receipts and Commuted Sum monies against
21. Our current self build plots are shown in **Appendix C**. This shows that there are 11 plots in total, with one sold, six with planning approval being marketed and four ready to go to planning committees in March and May 2018. Further plots are being brought through option appraisal and planning Pre App to ensure a rolling programme of plot sales.

Process and consultation

22. As we bring our first plots through planning, to market and through to sale we are honing a process and the current process is shown in the flow chart at **Appendix A**.

23. Issues that are known and covered to date include:

- Ensuring good communication and consultation with Parish Councils and Members
- Clear process around tree removal on sites
- Ensuring self builders can raise appropriate mortgage finance by prudent and limited use of restrictions on the plots for sale whilst ensuring build out as self build
- Initial marketing of all SCDC HRA owned plots to the applicant register
- Subsequent public marketing via an agent to market openly for a restricted time – this is a requirement of S123 of the Local Government Act and ensures that we can evidence that we have tested the market and have achieved best value. Further detail on this is found in **Appendix B** attached.

Planning Policy work

24. We are working with Planning on planning policy formation around self build applications. Locally we aim to collaborate to bring forward a Self Build Supplementary Planning Document to ensure appropriate weight is given to self build applications. The emerging Local Plan under H/8 has a clause covering self build and we can expand on this in an SPD. The NPPF also references self and custom build, and this has been in force since 2012. In addition and on a wider spectrum we aim to work with the Right to Build Task Force to bring forward an Accelerated Growth Strategy for Self and Custom Build in the Eastern Region and this work will commence post April 2018.

Identify plots on growth sites

25. In 2018 we intend to focus more on the gains from working with planners and major developers to lever self build plots onto larger sites and growth sites.

Working directly with SME developers

26. In 2018 we will continue our work with SME developers to bring exception or windfall sites forward that include a proportion of self build plots. We are at the start of this work.

Modular Construction

27. SCDC is working with a modular manufacturer to bring forward a 'proof of concept' MMC pilot for a high quality, energy efficient, and robust 2 bed home.

28. A detailed planning application has been made for temporary planning permission to erect this unit on land adjacent to South Cambridgeshire Hall Cambourne where it will be available (STP) for research and tours for up to 12 months.

29. Our main aim is to test the reality of assumed 'facts' around MMC such as - it is faster, it is cheaper, and it is sustainable.

30. Thereafter it will be moved to a site in a South Cambridgeshire village (subject to planning) where it will be sold on with profit reinvested into the General Fund. Our aim here is to prove MMC is portable and there is a market for it in the District.

31. We have brokered successful links between the modular manufacturer and Cambridge Regional College and it is hoped that CRC apprentices will be trained by the modular company and be part of the construction team. Should initial interest from the BBC bear fruit this might also be a project that gains film coverage; although this cannot be assumed.
32. In addition we are currently making a submission for EU funding to support research into sustainability of build and usage, plus a focus on financial models that could bring private finance into play for affordable housing. The aim is for a modular development on a larger council owned site that may (STP and funding) result in 6-8 modular 1 bed units as temporary accommodation for single homeless households in line with our Council statutory duty to provide.

Connections with Greater Cambridgeshire Partnership and the Combined Authority

33. We have successfully bid to the Greater Cambridgeshire Partnership for infrastructure funding to help unlock our “proof of concept” modular pilot, and will use the £25,000 grant to ensure costs of surveys, planning, services, piling plus removal and re erection on another site are covered and then recycled out upon sale.
34. We continue to keep the Combined Authority updated on our aspirations and progress with modular construction and feed into their learning on this. We will continue to explore how we may utilise funding to accelerate self and custom build – for example explore a rolling fund possibly backed by the combined authority that might fund direct land purchase to accelerate self build.

Resources

35. As previously stated the business case 2017 demonstrated a self sustaining service based upon a Self build regional manager (F/T), a Self build development Officer (F/T) and a Project Management Support Officer (P/T).
36. Staff in post from 2016 to Feb 2018 were only the self build regional manager with support from the Head of Development (New Build) to whom they report
37. We have successfully recruited to the Self Build Development Officer who starts work in April 2018 and will be a resource wholly focussed upon bringing HRA plots to market in an efficient and measured way to ensure we hit our targets of an annual net income of around £1m - £1.5m from year 2 onwards.
38. The Part time support officer role is yet to be recruited – awaiting a new financial year.
39. Achievements to date have been supported by a temporary consultant 2 days per week and support from a housing strategy team member on an ad hoc basis.
40. To future proof our operation, and with particular reference to the ground breaking work being undertaken on modular construction we may well seek a fixed term contract post to ensure that area of business is sufficiently supported.

Options

41. The Housing Portfolio Holder may wish to request further information about the self build pipeline.

42. The Housing Portfolio Holder is asked to note this report as a progress update for Year 1 of operation.

Implications

43. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Financial

44. The Right to Build Vanguard work is self sufficient and there are no significant financial implications on the HRA.

Legal

45. No significant implications

Staffing

46. We have successfully recruited to the Self Build Development Officer in Feb 2018.

Risk Management

47. Main risk is not being self sufficient – to mitigate this we will accelerate the plot sale programme as priority to ensure costs are covered. Should this arise other associated work would be impacted but could be accommodated

Equality and Diversity

48. No equality and diversity implications

Consultation responses (including from the Youth Council)

49. None

Effect on Strategic Aims

Corporate Aim 2

Homes for our future: Secure the delivery of a wide range of housing to meet the needs of existing and future communities.

Increase the range of housing and tenure options for residents.
Households have a broader choice of housing in South Cambridgeshire.
Innovative and viable new housing options identified

Corporate Aim 4

An innovative and dynamic organisation: Adopt a more commercial and business-like approach to ensure we can continue to deliver the best possible services at the lowest possible cost

Commercial activities deliver service enhancements and income surpluses for the Council.

Background Papers

HRA Asset Sustainability Policy (Disposals and Acquisitions) – September 2013
Self Build Business Case June 2017

Report Author: Gill Anderton – Head of Development (New Build)
Laurence Castle – Self Build Regional Manager
Telephone: (01954) 713377

Appendix A Self Build process Flow Chart
Appendix B Carter Jonas marketing/principles of valuation letter
Appendix C Confidential – Current SCDC HRA owned plots in process