



Report To: Leader and Cabinet

9 July 2015

Lead Officer: Director of Planning and New Communities

Right to Build Project

Purpose

1. The purpose of this report is to enable Cabinet to approve the next steps for the Right to Build project.

Recommendations

2. It is recommended that Cabinet provide approval on the following:
 - i) Continuing to take forward the Right to Build project
 - ii) Buying the registration module and continuing to promote the scheme, to be developed and programmed alongside the re-procurement of the sub-regional housing register, and to the implementation of the Self-Build and Custom Housebuilding Act
 - iii) Writing a Supplementary Planning Document (SPD) for the Right to Build, to sit alongside the Affordable Housing SPD
 - iv) Further developing land and finance options, to be the subject of a report at a later date.

Reason for Recommendations

3. To ensure that Cabinet can consider the implications of continuing to support Right to Build, including self-build and custom-build housing, in the district.

Executive Summary

4. The Government announced the Right to Build scheme in the 2014 budget. In September 2014, South Cambridgeshire District Council became a Vanguard Authority, and received £50,000 in grant funding. This report outlines progress on the project, and seeks approval to take the programme forward.

Background

5. The Government announced the Right to Build scheme in the 2014 budget. The Right to Build scheme aims to allow more people to build their own home by giving them the opportunity to purchase plots through local authorities. The Right to Build covers both self build and custom build. Self build is generally defined as projects where someone directly organises the design and construction of their new home. This ranges from the traditional 'DIY self build' home (where the self builder selects the design they want and then does much of the actual construction work themselves) to projects that are delivered by kit home companies. Custom build homes are usually

those where a specialist developer helps to deliver the home chosen and is more of a 'hands off' approach than self build. Custom build ranges from a developer selling a serviced building plot, to them building the home to a watertight stage to be finished off by the purchaser.

6. A Vanguard programme was announced and, in September 2014, South Cambridgeshire District Council's (SCDC) bid to become a Vanguard was approved. As a Vanguard, the Council received £50,000 in grant funding. Part of this was used to fund a Project Officer, who was appointed in January 2015, for a six month secondment. The grant was also awarded to develop a Right to Build Register and for input from two external consultants who have experience of the development, planning and housing aspects of the self build industry.
7. In February 2015, the Council launched a register for people interested in Custom Build and a register for landowners. Work has been done on the requirements for a register to sit alongside the Housing Register, but procurement was deferred pending the outcome of a larger procurement exercise. The current register was developed as an interim measure.
8. As part of the vanguard programme, we participated in a series of meetings with DCLG and the other vanguard authorities, and provided feedback to inform further work at a national level. Through this, the Council has developed links with the other vanguards, including most locally, South Norfolk District Council.
9. The Self-Build and Custom Housebuilding Act received Royal Assent on 26th March 2015. The Act requires councils to establish local registers of people looking to buy plots of land to commission or build their own home. The Act also requires councils to take account of the demand for self and custom build when exercising their planning, housing, regeneration and land disposal functions. Consideration now needs to be given as to how the project goes forward in recognition of this. It is expected that the new government will be consulting on draft Regulations for the implementation of the new Act during the coming months. The Government has also made self-build exempt from the Community Infrastructure Levy (CIL) and Section 106 Affordable Housing Contributions. It is expected that, later in the year, the Government will bring forward measures regarding land for Right to Build.
10. The Council's bid outlined a range of options that would be explored to provide suitable serviced sites for self and custom build. Discussions have taken place with Taylor Wimpey and Bovis, Laragh Homes and the Council's housing team.

Considerations

11. There are four key elements to the custom build project and Cabinet are asked to consider and provide approval on taking the project forward in these areas.

Register for Interested People

12. In regard to the Self-Build and Custom Housebuilding Act, the Council will have to keep a local register of people looking to custom build. We currently have our registers in house through the website and the consideration is to whether we look to purchase a register module from an external company, such as Locata who currently provide our housing register Home-Link. This will allow applicants to manage their details online, allow them log an interest in land advertised and match them to land which meets their criteria. Detailed reports on data gathered can also be run.

13. As at 30 June 2015, 159 people have registered an interest with the project. The Council held a very-well attended workshop on 25 June for everyone who has registered. At the workshop it was clear that many people on the register would like the council to help to bring land forward, and would be interested in coming together on sites with a number of plots for self-builders/co-housing groups. They would be interested in land on new settlements as well as land in villages.

Land Supply Register

14. Two plots of land have been registered since the Land Register was launched, and a proposal for three more plots is being considered. For the register to be truly useful, it is critical that further work be undertaken to identify meaningful land options.
15. Meetings and discussions have taken place with three major developers. They are interested in making plots available, including at Cambourne West, but highlighted practical issues about managing construction traffic and management of health and safety during construction.
16. All landowners included within the Fen Drayton SPD were contacted and, as a result, two indicated willingness to make their plots available to self build but only one is progressing through an outline planning application at the moment as the other has now decided to build on the land themselves. From the feedback received, it appears that a developer has already been in contact with many of the landowners and some are using that route to develop their plots.
17. It has been agreed that all letters that provide pre-application advice shall include mention of the Right to Build Register.
18. There is potential for custom build plots to be made available on rural exception sites, but at present, this work is at an early stage. Other options include re-assessment of some SHLAA sites that were not taken forward into the Local Plan and consideration of allocation for self-build. Further work on land options could be taken forward within the framework of the Council's housing delivery teams and the Housing Delivery Vehicle, set up through City Deal.
19. There are potentially 3-4 garage sites and odd pieces of land owned by the Council that are not suitable for affordable development but may have potential for one or two plots for self-build. These sites could be made available for serviced plots but this would have both financial and staffing implications. Costs would be incurred to take schemes through the pre-app and planning stage, with the potential that these could be abortive costs if unsuccessful. As these will not be for affordable council housing, consideration needs to be given as to whether funding should be made available. There is the potential to recoup the monies from the sale of land but this would be taken 'at risk'. There is also some concern about existing staff capacity as the housing development team concentrate on bringing council new-build homes forward.

Planning Policy

20. When the Proposed Submission Local Plan was being developed in 2012/2013 the most relevant national policy was contained in paragraph 50 of the National Planning Policy Framework (NPPF). The NPPF did not and does not set out how this need can be met by Local Plan policies (unlike for example in respect of affordable housing where it sets out clear policy guidance). At that time there was no information on the need or demand for such housing in the district and no examples from elsewhere of policy approaches that had been supported by Planning Inspectors through a Local

Plan Examination. It follows that the approach to self build in the Submitted Local Plan which is currently being examined was a cautious one. Our existing Development Control Policies DPD policy (policy HG/7) on replacement dwellings in the countryside was simplified and made less restrictive by removing the arbitrary enlargement limit of 15% of volume. The equivalent Local Plan policy is H/13. The soundness of this policy approach to the issue of self-build will be examined by the Inspector conducting the examination into the Local Plan. Policy H/13 has yet to be examined at a hearing. The Inspector could conclude that self-build is or is not an issue important to the soundness of the Local Plan.

21. The Council intends to prepare a Self Build Housing SPD to add further detail to the policies of the Local Plan. It will be prepared to accompany the adoption of the Local Plan and subject to the progress of the Local Plan examination. The SPD will provide further guidance on the issue of self build housing in regard to:
 - Policy S/7 Development Frameworks
 - Policies S/8, S/9, S/10, and S/11 (settlement hierarchy)
 - Policies SS/5, SS/6, SS/7 and SS/8 (new settlements and extended settlements)
 - Policy H/10 (Rural Exception Site Affordable Housing)
 - Policy H/13 (Replacement Dwellings in the Countryside)
22. Foundation East is currently working closely with East Cambridgeshire DC on Community Land Trusts (CLTs) which now form an important part of the Council's delivery of affordable homes in village and small town locations. CLTs frequently unlock sources of land that might otherwise not be available, and greater support from local people who see CLTs as 'their' development, or development with them, rather than being done to them. This experience has led the Council to adopt a Community Led Development Supplementary Planning Document to encourage communities to support more development, where new housing enables other community benefits to be delivered as part of the proposal.
23. Cherwell District Council has purchased a site from the Ministry of Defence to provide up to 1,900 homes. The scheme will include kit homes, group-build schemes and properties designed by the owners but built by contractors. The properties will vary in size and design according to the residents' needs but are likely to include detached, semi-detached and terraced homes of differing sizes, apartment blocks and bungalows. They will be available on a range of tenures including outright ownership, shared ownership and renting, with 30 per cent of the homes being classed as affordable.
24. Teignbridge have included in the Local Plan (adopted May 2014) a requirement that 5% of the dwelling plots on development sites with more than 20 plots can only be provided by self-builders. The policy makes provision that if the self build plots have not been sold after 12 months the developer has the option of building them out for sale on the open market.
25. Exmoor National Park Authority has adopted planning policies to help provide housing for local people. The policies allow for affordable housing in a number of circumstances including self building a new house within or adjoining a village or town. All the options apply to private individuals as well as Housing Associations. A legal agreement is required to ensure that the housing provided will always remain affordable for local people.
26. These practices will be researched as part of the SPD process.

Financial Barriers

27. It has been identified that interim finance is a key issue for people looking to custom build, and with our consultants, we believe that four means of funding could be considered.
- A revolving finance fund which developers/builders could access to pay for design/planning/project costing/project management. This fund could be held by the council as a possible loan/legal charge, repaid upon either start on site when project/person gets development finance or at completion. Council could use PWLB finance and make small uplift charge for use of fund, probably still cheaper than other sources.
 - Development finance offered to developer/builder to construct project. Again possible role for Council or sign posting to other lenders e.g. through Buildstore or supportive banks/lenders.
 - Mortgage finance, long term loan to developer/builder.
 - Government funding is largely available through:
 - A £25 million Custom Build Homes Loan Fund, which provides short-term project finance to help unlock custom build/self-build schemes. This fund aims to stimulate growth in the custom build sector by enabling group (over 5 units/plots) schemes and attracting lenders and investors to the market.
 - A £150 million Custom Build Serviced Plots Loan Fund for the provision of short term loans to bring forward 'shovel ready' serviced plots ready for the development of custom build housing. The fund is intended to help address the primary difficulty faced by many custom builders – securing a suitable plot for their project.

Resources and Next Steps

28. The pilot seems to support the concept of setting up a bespoke service model within the Council. Staffing would be required to provide the service. The grant funding is not fully spent, and longer term resourcing will be considered in the budget setting process. The staffing roles could include:
- Project officer to maintain both the customer and land registers, and be a link to other local authorities and the Government.
 - Enabler to bring forward land, and provide advice and support to landowners/customers.
 - Policy officer to prepare an SPD, and promote and co-ordinate good practice to interest groups, Parish Councils developing Neighbourhood Plans and local councillors.
 - Accountancy support to develop financing models to support Right to Build projects.

Options

29. Fundamentally, the Council has an option to continue the Right to Build programme, or end it until the Self-Build and Custom Housebuilding Act requirements are confirmed. In view of the identified demand for Right to Build homes, it is recommended that the programme be continued.

Register for Interested People and Land Available

30. The Council could continue to run the registers in house or run them through a system similar to the current Housing Register. The current system is an online form completed via SCDC website then a PDF emailed to the Project Officer. This is a manual process inputting data onto an excel spreadsheet. This is cheap but time consuming. A system linked to the housing register would allow people to register

on-line, amend their details, and make an expression of interest on land advertised. It would also allow matching of people with land, and reports could be run directly from the database. An on-line register would be more user-friendly, interactive and efficient. The recommended option is to procure a module linked to the housing register. This would be aligned to the re-procurement of the housing register, and could be taken forward on a sub-regional basis.

Land

31. There is some level of interest from landowners in providing land for the Right to Build programme. One option would be only to put a register in place for Interested People, and not go any further. However, it is proposed that options to bring forward land be further explored, including through the Housing Delivery Vehicle, and be the subject of a future report.

Policy

32. The option to produce an SPD for Right to Build in conjunction with Affordable Housing is recommended, to be taken forward as resources permit as part of the overall Local Plan timetable and within the context of forthcoming national policy announcements. An alternative option would be to leave all policy work for the future.

Resources

33. Currently the project is managed by a dedicated project officer. Longer term resources will be considered within the budget-setting process.

Implications

34. 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

35. The £50,000 government grant allocated was made up of the following estimated costs and actual costs at the end of accounting period 2014/2015:

Resource	Est. Budget	Spend	Balance
Procurement of database (Locata)	£15,000.00	£0.00	£15,000.00
Provision of specialist advice	£15,000.00	£2,850.00	£12,150.00
Marketing and Promotion	£3,000.00	£0.00	£3,000.00
Design Guide	£2,000.00	£0.00	£2,000.00
Project Officer	£15,000.00	£4,174.42	£10,825.58
	Total	£7,042.42	
		Balance	£42,975.58

36. We have identified that finance is a key issue for people looking to custom build, and there will be a financial implication dependent on whether the Council wishes to become directly involved in bringing land forward. This will be explored at a later date.
37. There will be financial implications for the cost of staffing in the longer term, which will be addressed during the budget-setting process. Currently, the Project Officer post is funded through the government grant. The annual cost of this part time post (22 hours) is £31,800, including on-costs.

Staffing

38. The longer term staffing implications will be considered as options for longer term resourcing are developed.

Risk Management

39. There are risks to the Council from raising expectations of people interested in the project and from failing to identify suitable plots of land.

Equality and Diversity

40. Some people have indicated that they would like a custom build property as they want a home purposely designed to meet their disability needs. This is an area that we need to look at in more depth as part of the next stage for the project.

Climate Change

41. The majority of people on the register have indicated that they would like a home that is of a higher economical performance than the standard. This is an area we need to explore and discuss with developers and people on the register.

Effect on Strategic Aims

Aim 1 - Engagement

42. In order to support the Right to Build project we will need to work with tenants, parish councils and community groups. The project will have a positive effect on sustaining successful, vibrant villages.

Aim 2 - Wellbeing

43. The Right to Build will have a positive effect on the wellbeing of South Cambridgeshire residents as it can help to establish successful and sustainable New Communities with housing and employment.

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