Forest of Dean

DISTRICT COUNCIL

Self-build and Custom Housebuilding

Guidance Note

October 2018

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1.0 Introduction

1.1 The government is committed to increasing the supply of housing. The Self-build and Custom Housebuilding Act 2015 and the Housing and Planning Act 2016 place a duty on local planning authorities to keep a register of individuals and associations of individuals, who are seeking to acquire serviced plots of land for self-build and custom housebuilding in their area as well as have regard to the register when they are carrying out their planning, housing, regeneration and disposal of land functions. The Government has put in place a series of Acts and Regulations which require Local Authorities to support increasing the number of developments which come forward as custom and self-build properties.

1.2 This guidance note provides the detail and further clarification on the self-build and custom housebuilding process, and how the Council will aim to support the delivery of serviced plots

What is Custom and Self Build?

2.1 For the purposes of planning policy, Custom and Self Build dwellings share the same definition and the terms are used interchangeably.

2.2 Government definition from the Self-build and Custom Housebuilding Act 2015 (as amended): ‘’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. 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’.

2.3 There are various types of self-build and custom build projects including:

Individual self/custom build - an individual purchases a plot of land and builds a house to live in. They may do some or all of the build themselves (self-build), or employ a builder, architect and in some cases, a project manager to oversee the build (custom housebuilding).

Group self/custom build - a group of people come together to design and develop a custom build housing development which they then live in. They may build this themselves or with help from a developer to manage the project.

Custom build - is where someone works with a developer to help deliver their own home. This can include where a developer divides a larger site into individual plots and provides a design and build service to purchasers.

2.4 To clarify, self-build and custom housebuilding does not include where a developer delivers speculative units and the purchaser chooses the final specification of for example the kitchen or bathroom, as this is outside the definition. Proposals where

the dwelling is not built or designed by the occupant will not be considered by the Council to be true self build and are not recognised as such by the CIL regulations.

3.0 Provision of Self Build

3.1 Serviced Self Build plots can be delivered in a number of ways, including the following key routes;

- Multiple individual serviced plots delivered on allocated strategic sites within the Allocations Plan,
- Single or small sites delivering open market plots – these are likely to be windfall sites(not identified in the Local Plan);
- Sites delivered by Town or Parish Councils via their Neighbourhood Plans

Securing individual serviced plots as part of Policy CSP5

3.2 Policy CSP 5 Housing its supporting text identifies that a mix of house sizes and types will be encouraged in accordance with prevailing evidence. On housing sites comprising of 25 or more dwellings, the council will seek to secure 4% of the dwellings proposed as serviced plots for sale to self and custom builders, subject to appropriate demand being identified on the Council's Self and Custom Build Register.

Location of proposals

3.3 The Government and the Council are keen to promote self-build development within the overall framework of achieving sustainable development.

3.4 Planning applications for self-build proposals will be determined in accordance with the policies of the Core Strategy and adopted Allocations Plan. Therefore proposals will need to be in accordance with national and local policy and the fact that the proposal is for self-build will be one of the material considerations and given appropriate weight in the planning balance when making a decision.

3.5 The Council has an adopted Allocation Plan which sets Development Boundaries for a wide range of settlements across the district. In terms of assessing proposals, potential applicants may find it useful to consider the pre-application service offered by the Council.

Securing self-build and custom housebuilding

3.6 In order to ensure that serviced plots identified for self-build and custom housebuilding are delivered, the Council will require appropriate conditions to be put in place on any outline planning permission. The Council will consider including planning obligations or conditions to ensure the following issues are addressed;

- The Council will consider implementing appropriate mechanisms (eg agreed marketing strategy) to ensure plots are advertised for sale for the appropriate period;
- Where appropriate and subject to further legislation, the Council may require plots to be offered at open market values to people on the Council's Self Build Register; and
- The Council may consider requiring other matters such as phasing for delivery on large mixed tenure schemes and Valuation and Resale

3.7 On schemes providing a range of housing types and tenures, development proposals should be divided into separate phases for site infrastructure, speculative development and each serviced plot.

Providing a mix of plot sizes

3.8 Plot providers should seek to provide a mix of serviced plot sizes to meet the range of demand and affordability. This may include plots for lower cost market housing, family accommodation and for older people looking to downsize from large family houses.

3.9 The range of plots provided on development schemes should be informed by evidence including the Local Housing Needs Assessment, the self-build and custom housebuilding register as well as information from the Council's Planning and Housing teams.

Serviced Plots

3.10 The Housing and Planning Act 2016 (9) (4), defines a serviced plot of land as

(a) has access to a public highway and has connections for electricity, water and waste water, or
(b) can be provided with those things in specified circumstances or within a specified period.

3.11 The Council will expect plots to be sold with the minimum service connections available at the boundary as identified above. To aid deliverability it is desirable that plots also have surface water drainage, telecommunications services, and gas (or district heating) where available. The cost of servicing plots may therefore be reflected in the plot value.

Design Requirements

3.12 To ensure that self-build and custom housebuilding is of high quality design, sites with multiple serviced plots will be required to be supported by a Design Code

3.13 A Design Code should be prepared by the plot provider at the outline planning stage and should provide the Council as well as potential self and custom housebuilders with a clear set of design rules and parameters that future

development will have to comply with. Design Codes are likely to be site specific and may vary between locations. A Design Code or sufficient information to ensure a high quality design is achieved should be provided. Such information should consider:

- Building height, massing and bulk
- Plot size and width
- Plot ratios, site coverage and density
- Urban grain – street and building pattern and connectivity
- Building lines and boundary treatments
- Building orientation
- Landscaping and the public realm
- Building frontage and townscape features
- Car parking and cycle provision and access
- Provision of waste and recycling storage

4. Delivery of Self Build Plots

Phasing

4.1 On large sites the Council will expect custom and self build plots to be released when not more than 50% of the total dwellings are commenced. However, the Council accepts this will vary from site to site, and is subject to access options and size of the overall development. The Council will work with developers to understand any challenges to the early phasing and release of the Self Build element of developments.

4.2 Where it is proposed that more than one self-build plot will be provided upon a development the Council expects that the marketing of serviced plots will be carried out in accordance with an agreed marketing strategy. The Council will expect the plots to be marketed for a minimum period of 12 months. Whilst marketing of plots may begin sooner, the Council will only consider the 12 month period marketing period to have commenced from when the serviced plot(s) are first available for purchase, and ideally available for purchasers to view with the plot boundary fenced or set out as appropriate. The plot provider shall notify the Council that the formal 12 month marketing period has begun.

4.3 Once plots have been marketed for the minimum period, they may then remain on the market as Self Build plots, be offered for purchase to the Council or partner Housing Associations, or be built out by the landowner as appropriate.

Plot Passport

4.4 All providers of Self Build plots being marketed within the district should provide sufficient minimum information in the form of an accompanying ‘Plot Passport’. The ‘plot passport’ should provide potential purchasers with clear and concise information

on available plots, including the total plot size (m2),any design and siting parameters, as well as cost and location of the plot. Some of the information in a plot passport may include key extracts from any relevant agreed Design Code.

5. Self-build as affordable housing

5.1 Whilst self build housing can make a contribution to meeting local housing need, it does not automatically come under the definition of affordable housing. It may be low cost but it is generally considered to be market housing unless it meets the definition of affordable housing. The Council will not normally expect a development to offer its self-build element as affordable housing.

5.2 There are a number of mechanisms for delivering Custom and Self Build housing that is also affordable housing. These mechanisms include:

- Where developers/landowners are able to work in partnership with a recognised Housing Association or alternative registered affordable housing provider;
- Where a self-builder commits (via an agreed legal document) that the resale of the dwelling shall be restricted to an eligible household for at least a 20% discount on market prices.

Funding affordable self build housing

5.3 There are not many banks or building societies that will provide finance for self build affordable housing, particularly where there is a s.106 planning obligation in place. Before submitting any proposals for affordable self build housing, individuals and groups are advised to make early enquiries about funding, and how much deposit will be needed.

Definition of affordable self build housing

5.4 Self build housing may be considered as affordable housing where it complies with the following criteria

- affordable housing is only provided to eligible households (as determined by local incomes and house prices),
- affordable housing remains affordable for future households,
- it costs no more than 80% of market rates.

To be considered affordable in planning terms, occupants of affordable self build dwellings must satisfy following criteria points 1) and 2);

1) Be an eligible household(s), meaning occupants of self build dwellings must be able to demonstrate need, to be assessed against the following criteria;
   a) Household income of less than£80,000 p/a;
   b) Do not already own a home;
   c) Able to sustain home ownership;

d) Has relevant local connection (in line with the local connection criteria for eligibility for part 1 of the Self Build Register) to the Forest of Dean

2) Put in place a legally binding restriction upon the property, as agreed and implemented via a covenant on the property to ensure that;
a) the resale of the property is limited to at most 80% of market value in perpetuity, and;
b) the property may only be sold, let or sub-let after a period of 3 years following the completion of the dwellings, and only to people who satisfy all the criteria in 1.

Self Build as part of CSP5 affordable housing target

5.5 The Council will not normally expect developments to offer its Self Build element as affordable housing to meet the 40% affordable housing provision sought as part of Policy CSP 5. Housing.

5.6 In line with the National Planning Policy guidance Policy CSP.5 and its supporting text seeks an on-site 40% affordable housing provision on all housing on sites of 11 or more dwellings or has a maximum combined gross floorspace of more than 1,000 square metres. In designated rural areas the Council will seek the 40% affordable housing provision in the form of a commuted sum for developments between 6-10 units. The 40% affordable housing provision is sought on the basis of 70% rented accommodation and 30% as intermediate housing in the form of shared ownership accommodation

5.7 Where developers or landowners propose to deliver self-build plots as part of their affordable housing requirements under Policy CSP5 Housing , this may be considered for the intermediate affordable housing provision that the Council seeks from Policy CSP 5, providing all of the following criteria are satisfied:

1. The Council confirms that there is no existing identified need for traditional affordable properties within the relevant area. The relevant area is the District.
2. The developer must demonstrate that there is realistic deliverable demand for affordable Self Build plots and that this demand can be transferred into the ability to deliver an affordable Self Build scheme. Relevant criteria may include;
   - a list of households interested in affordable Self Build (those households will be required to register on the FoDDC Self Build register to enable an assessment of their eligibility for affordable housing to be undertaken) ;
   - the ability of these households to afford or access the necessary finance to afford the project costs including land and construction;
   - the ability of those households to satisfy any relevant affordable housing eligibility and occupancy limitations ;
3. Demonstrate that satisfactory arrangements have been put in place with a Housing Association for them to acquire all the plots within any one parcel of affordable Self

Build plots. This is to minimise the risk of individual plots of land remaining as undelivered affordable housing;

4. Any affordable Self Build plots shall be provided by the developer to the affordable housing enabler at a cost agreed by both parties, which should be sufficiently low as to enable the delivery of an affordable home;
5. The resale price of the dwellings is restricted to at least 20% below market values.

5.8 In a similar manner to open market self-build, the plots will be advertised as affordable Self Build properties by a Housing Association for a minimum 12 month marketing period. Where the affordable Self Build plot(s) cannot be sold after 12 months of marketing, then to ensure the delivery of affordable housing, the Council will expect the affordable dwellings to be built out and brought forward via Section 106 (of the Town and Country Planning Act 1990) in the normal way as traditional affordable properties .