

Self-build and Custom Housebuilding: Progress report

November 2019

**New Forest District outside the New Forest
National Park**



Introduction

The government is committed to boosting housing supply and believes that the self-build and custom housebuilding sector has an important role to play in achieving this objective. It has enacted legislation and regulations which require local authorities to keep track of the demand for self-build and custom-build housing in their area and to find ways of meeting that demand. This report sets out how demand has been met for the first monitoring period and progress to date towards meeting demand for subsequent years. An update to this report will be published annually (in December).

1. Statutory duties

- 1.1. As required by the Self-build and Custom Housebuilding Act 2015, the Council has held a Self-build and Custom Housebuilding Register since April 2016. This is a register of individuals or groups of individuals who are seeking to acquire serviced plots of land in the district to build their own houses.
- 1.2. The Act (as amended by the Housing and Planning Act 2016) places two further duties on the Council:
 - A duty to have regard to the register when carrying out its planning, housing, land disposal and regeneration functions
 - A duty to grant, within three years, 'suitable development permission' to enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area.
- 1.3. The Act defines 'suitable development permission' as '*permission in respect of development that could include self-build and custom housebuilding*'; and a 'serviced plot of land' as a plot of land with '*access to a public highway*' and '*connections for electricity, water and waste water*' (or one that '*can be provided with those things in specified circumstances or within a specific period*').
- 1.4. The level of demand is determined by reference to the number of entries added to the register during a base period:
 - The first base period starts on the day on which the register was launched (1st April 2016) and ends on 30th October 2016 and subsequent base periods run annually from 31st October to 30th October of the following year;
 - The Council has three years from the end of each base period to fulfil the 'duty to grant planning permission etc' (The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016).
- 1.5. In line with the Self-build and Custom Housebuilding Regulations 2016, New Forest District Council introduced a local connection test in October 2019. This enabled the register to be split into 2 parts, with individuals/associations with a local connection on Part 1 and all other individuals/associations on Part 2 of the register. The 'duty to grant planning permission etc' described above only applies to Part 1 of the register.

2. Meeting the duty to have regard to the register when carrying out planning, housing, land disposal and regeneration functions

- 2.1. The duty to have regard to the register relates to the Council's planning, housing, land disposal and regeneration functions. National planning guidance (Planning Practice Guidance Paragraph: 014 Reference ID: 57-014-20170728) suggests ways in which the duty may be demonstrated in carrying out each function. For planning functions, it is advised that *'relevant authorities with plan-making functions should use their evidence on demand for this form of housing from the registers that relate to their area in developing their Local Plan and associated documents'*.
- 2.2. The Council is currently reviewing its Local Plan and this process is reaching its final stages. Following its examination in public in June-July 2019 by Planning Inspectors, the Local Plan was found sound subject to modifications. The modifications identified by the Inspectors as necessary to make the Local Plan sound will be put forward for a public consultation (from 13 December 2019 to 31 January 2020), which will inform the Inspectors' final report. Adoption of the Local Plan by the Council is expected to follow shortly after. However, national planning policy indicates that a significant degree of weight can already be attached to the draft Local Plan because it is in an advanced stage of preparation.
- 2.3. Policy 16: Housing type, size and choice of the draft Local Plan (as proposed to be modified) will seek *'to improve the diversity of housing choice, and to achieve an overall balance of housing provision in general accordance with housing needs evidence'*. Supporting text to the policy sets out the types and tenures of homes that the Council is looking to promote and this includes plots for self- and custom-build housing. It is also proposed in the supporting text that where serviced self-build plots are provided, legal agreements or other appropriate mechanisms will be out in place to ensure that for a reasonable period, the first opportunity to purchase is offered to persons already on the New Forest District Self-Build and Custom Housebuilding Register who can demonstrate a local connection to the New Forest District.
- 2.4. It is considered that the inclusion of Policy 16 in the Local Plan and the provisions set out in its supporting text regarding self- and custom-build housing will assist the Council in meeting the duty to have regard to the register.

3. Demand for self-build and custom housebuilding in the district

- 3.1. Table 1 sets out the number of new entries on the register by base period since it was launched in April 2016. During the first base period, 43 people were included on the register. As required by the legislation, for this first base period the Council needs to have granted planning permission for as many plots as there were entries on the register by 30th October 2019.
- 3.2. The local connection test was introduced during the fourth base period (in October 2019) and from then on, the register will be split into two parts.

Table 1: Demand for self- and custom-build as evidenced by NFDC Self-build Register

Base period		Number of new entries in the base period	Suitable permissions required by
1	1 st April to 30 th October 2016	43 individuals	30 th October 2019
2	31 st October 2016 to 30 th October 2017	77 individuals	30 th October 2020
3	31 st October 2017 to 30 th October 2018	64 individuals	30 th October 2021
		1 association* (seeking 5 plots)	
4	31 st October 2018 to 30 th October 2019	42 individuals	30 th October 2022
		1 association* (seeking 26 plots)	
5	31 st October 2019 to 30 th October 2020 <i>(with local connection test)</i>	Part 1: 16 (to date)	30 th October 2023
		Part 2: 6 (to date)	Not applicable

* Government guidance (Planning Practice Guidance Paragraph: 027 Ref. ID: 57-027-201760728) states that for the purpose of calculating demand, local planning authorities should count associations of individuals as a single entry on the register and assume that they would be interested in a single site that is large enough for their needs rather than separate plots of land.

4. Meeting the 'duty to grant planning permission etc'

- 4.1. The Self-Build and Custom Housebuilding legislation does not provide any details on how local authorities should record 'suitable development permissions'. In the absence of guidance, the Council considers that single dwelling plots and small sites of less than 10 homes are the most likely to come forward as self-build or custom-build projects (either entirely or partly, in the case of small sites). Planning permissions for these types of schemes could therefore be 'suitable' for the legislation. This does not mean, or require, that they are delivered as self-build or custom-build homes (and not all will be).
- 4.2. Table 2 shows the number of dwellings that have been granted permissions (full or outline), either on single plots or as part of sites of 2 to 9 dwellings, for each base period. Conversions of buildings from other uses (barn conversions...) to dwellings have been included. Planning permissions for flatted schemes have been excluded (as they are not typically self- or custom-built projects). Retrospective applications have also been excluded.
- 4.3. To complete the picture, the table also includes the number of Community Infrastructure Levy (CIL) exemptions for self-build and custom-build projects. CIL is a tax that the Council charges to developers on most types of new buildings (or extensions), to help it fund a range of local infrastructure projects. Self-build and custom-build homes are eligible for an exemption from liability to pay CIL. Because CIL exemptions are claimed at the commencement of development, they are an effective way to pick up starts on site and give an indication of the number of self-build projects that are actually delivered.

Table 2: Availability of suitable serviced plots to meet the demand for self-build in the New Forest District

Demand	Number of serviced plots permitted			CIL Self-build exemptions	
	Year	Single dwelling-plots	Sites of 2 to 9 dwellings		Total
1st BASE PERIOD: 1ST APRIL TO 30TH OCTOBER 2016					
43 entries	31 st October 2016 to 30 th October 2017	35	83	118	28*
	31 st October 2017 to 30 th October 2018	41	65	106	36
	31 st October 2018 to 30 th October 2019	32	54	86	26
43	TOTAL	108	202	310	90
2nd BASE PERIOD: 31ST OCTOBER 2016 TO 30TH OCTOBER 2017					
77 entries	31 st October 2017 to 30 th October 2018	41	65	106	36
	31 st October 2018 to 30 th October 2019	32	54	86	26
	31 st October 2019 to 30 th October 2020				
77	TOTAL			192 (to date)	62 (to date)
3rd BASE PERIOD: 31ST OCTOBER 2017 TO 30TH OCTOBER 2018					
65 entries	31 st October 2018 to 30 th October 2019	32	54	86	26
	31 st October 2019 to 30 th October 2020				
	31 st October 2020 to 30 th October 2021				
65	TOTAL				
4th BASE PERIOD: 31ST OCTOBER 2018 TO 30TH OCTOBER 2019					
43 entries	31 st October 2019 to 30 th October 2020				
	31 st October 2020 to 30 th October 2021				
	31 st October 2021 to 30 th October 2022				
43	TOTAL				
5th BASE PERIOD: 31ST OCTOBER 2019 TO 30TH OCTOBER 2020					
16 Part 1 entries (to date)	31 st October 2020 to 30 th October 2021				
	31 st October 2021 to 30 th October 2022				
	31 st October 2022 to 30 th October 2023				
16 (to date)	TOTAL				

* CIL exemptions apply retrospectively so exemptions during this year relate to planning applications permitted before 31st October 2016.

- 4.4. According to the self-build legislation, the Council has a rolling three-year deadline from the end of each base period to fulfil its 'duty to grant planning permission etc'. Table 2 shows that, for the first base period, the Council has fulfilled its duty: it has permitted sufficient suitable plots (310 in total) to meet the demand identified on the register (43 entries).
- 4.5. The table also shows that the Council has already met the 'duty to grant planning permissions etc' for the next two base periods, having granted so far 192 suitable permissions against a demand of 77 (for the second base period) and 86 suitable permissions against a demand of 65 (for the third base period).