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Study to Assess the Potential for Self Build and Custom Build Homes in Sefton

Final Report

Sefton Council

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1. Introduction

- 1.1 Sefton Council (the Council) submitted its Local Plan to the Planning Inspectorate on 3rd August 2015 and examination hearings are anticipated later this year. One area that the submitted Local Plan is currently silent on is in regard to the needs of those who wish to build a custom or self build home. This is an area of housing supply that is gaining in popularity and prominence within the market and planning system. The recent Self-build and Custom Housebuilding Act (2015) places a:
- 1.2 ***'duty on local authorities to keep a register of individuals and community groups who have expressed an interest in acquiring land to bring forward self-build and custom-build projects and to take account of and make provision for the interests of those on such registers in developing their housing initiatives and their local plans; to allow volume house builders to include self-build and custom-build projects as contributing towards their affordable housing obligations, when in partnership for this purpose with a Registered Social Landlord; and for connected purposes.'***
- 1.3 In support of the Self-build and Custom Housebuilding Bill, Planning Minister Brandon Lewis said 'Custom build should not be the preserve of a select few but a realistic opportunity for anyone who wants to build their own home ...'

Scope of the Assessment

- 1.3.1 Sefton Council commissioned North Star Consulting & Research to undertake an assessment of the demand for custom build and self-build homes in Sefton. The assessment has involved a review of the legal and statutory framework which sets out the definition and requirements for custom and self-build homes. It also includes a review of current practice in other local authorities and other groups whose remit covers custom and self-build homes. A desktop review of the emerging Sefton Local Plan, Strategic Housing Market Assessment (SHMA) and Strategic Housing Land Availability Assessment (SHLAA) has also been undertaken to provide an overview of the local housing market.
- 1.3.2 The assessment of potential demand in Sefton has relied primarily on desk based research and qualitative analysis of information gathered from individuals and groups. The Council do not currently hold much information on the demand for custom build homes as it is not an area that has had much prominence to date. Our approach also included a workshop with sessions for potential self builders and detailed interviews with a range of housing providers, custom build homes facilitators and others able to contribute to the debate.
- 1.3.3 In addition to the assessment of demand for custom build homes in Sefton, the study explored a number of other issues in relation to custom build homes, such as a discussion of the barriers to people building their own home, what level of servicing on plots should normally be provided, how the Council should develop and maintain a record of interested parties, how the Council and others should best meet demand, and how the Council could consider and implement a local connection policy and consideration of issues around aspiration versus affordability.

Study Outputs

1.3.4 The study brief required that this assessment include following:

- An estimate of the potential demand for custom build homes in Sefton, over the plan period and beyond;
- The likely type and location of demand for custom build homes in Sefton;
- The types and size of sites required to meet the demand.
- The implications of the level of demand, in terms of potentially providing sites in council ownership, financial implications, planning policy, management, etc.;
- The mechanisms needed to be put in place to deliver sites to meet an identified demand, including the partner agencies the Council may seek to work with and also including assessing the potential for working with social housing providers and private homebuilders;
- How the Council should go about identifying those who wish to build their own custom build homes, and how it should set up and manage a 'register of demand'.
- The implications for planning policy, either as an proposed modification to the Local Plan and/or as Supplementary Planning Document.

Report Structure

1.3.5 The remainder of this report includes:

- Chapter 2 – Legislative and Literature Review
- Chapter 3 – Practice Review
- Chapter 4 - Consultation Findings
- Chapter 5 – Conclusions and Recommendations

2. Legislative and Literature Review

2.1.1 In this section we provide a review of legislation and literature around self and custom build homes, including an exploration of current definitions of custom and self build. We also provide a review of existing evidence and research relating to housing need and demand in Sefton to consider where this might be met by custom/self build. The aim of the review is to draw on data already held and to analyse, evaluate and draw on existing data sources, to ensure that the reader has a full understanding of the contextual environment specific to the research topic.

2.1.2 The key documents included in this review are:

- Legislation
 - Self-build and Custom Housebuilding Act 2015
 - The Self-build and Custom Housebuilding Act 2015 House of Commons Library Briefing Paper Number 06998, 15 June 2015
- Literature Review
 - Self-build and custom build housing (England) House of Commons Library Briefing Paper Number 06784, 15 June 2015
 - Right To Build: Supporting Custom and Self Build, Government Response to Consultation March 2015
 - Custom Build Serviced Plots Loan Fund – Continuous Market Engagement Prospectus, Homes and Communities Agency (HCA), January 2015
 - Custom Build Serviced Plots Loan Fund, HCA
 - Builders Finance Fund, HCA
 - Many Councils are Taking Action to Boost Private Homebuilding, National Custom and Self Build Association (NaCSBA)¹ Press Release, 10th July 2015
 - Early Tips and Emerging Good Practice to Help Local Authorities Support Private Homebuilders, NaCSBA, April 2015
 - Why Local Authorities Should Make Land Available For Self or Custom Build Projects, NaCSBA, February 2014
 - How the Public Sector can Help People Build Their Own Homes, A Practice Guide, NaSBA May 2013
 - Planning for Custom Build Housing, A Practice Guide, NaSBA, November 2012
 - Planning for Custom Build Housing: Frequently Asked Questions, NaSBA August 2013
 - Custom & Self Build Scheme (CSB) Treasury Solutions Factsheet NaCSBA
 - Build It Yourself? Understanding the Changing Landscape of the UK Self Build Market, University of York, Spring 2013
- Local Contextual Documents
 - Strategic Housing Market Assessment (SHMA) (JG Consulting, November 2014)
 - Draft Housing Strategy (2015-2020)
 - Economic Viability Study (Keppie Massie, December 2014)
 - Strategic Housing Land Availability Assessment (SHLAA, Sefton 2015)
 - Submitted Local Plan for Sefton (July 2015)

¹ The NaSBA changed its name to the NaCSBA following the introduction of the term 'custom build' through legislation

2.2 Legislative Review

Self-build and Custom Housebuilding Act 2015

- 2.2.1 **Following agreement by both Houses on the text of the Self-build and Custom Housebuilding Bill 2015 it received Royal Assent on 26 March. The Bill is now an Act of Parliament (law)**². In summary the Act places a duty on local authorities to keep a register of individuals and community groups who have expressed an interest in acquiring land to bring forward self-build and custom-build projects. They must also take account of and make provision for the interests of those on such registers in developing housing initiatives and local plans. The Act sets out that they should allow volume house builders to include self-build and custom-build projects as contributing towards their affordable housing obligations, when in partnership for this purpose with a Registered Social Landlord; and for connected purposes.

The Self-build and Custom Housebuilding Act 2015 House of Commons Library Briefing Paper Number 06998, 15 June 2015

- 2.2.2 The Act builds on existing Government initiatives, particularly the proposed 'Right to Build,' with the aim of increasing the number of self/custom built properties in England and Wales. The Act's provisions aim to improve the data held on the demand for self/custom build and place a requirement on authorities to have regard to individuals/bodies who have expressed an interest in acquiring land for self-build purposes when carrying out their housing and planning functions.
- 2.2.3 A consultation paper, The Right to Build: Supporting Custom and Self Build, was published in October 2014 to coincide with the Bill's Second Reading. The outcome of the consultation process was announced in March 2015. The then Government said it would build on the legislative framework provided by the Self-build and Custom Housebuilding Act 2015 to introduce a Right to Build under which local authorities would be required to bring forward plots of land for registered custom builders in a reasonable time. There is an ongoing pilot of the Right to Build in 11 local authority/National Park Authority areas.
- 2.2.4 The Conservative Party's 2015 Manifesto contained a commitment to introduce a Right to Build, with the aim of doubling the number of self and custom build homes by 2020. Measures to take forward the Right to Build will be included in a forthcoming Housing Bill which is currently expected later in 2015.

Right To Build Pilot

- 2.2.5 Eleven councils have been chosen to pilot the government's new Right to Build self-build initiative, offering local people the right to design and build their own homes. The chosen areas will establish and maintain a register of prospective custom and self-builders in their area and begin to identify 'shovel-ready' sites for those on the register. Announcing this, Housing Minister Brandon Lewis said:

² <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

“We’re determined to help anyone who aspires to own their own home – whether that’s buying on the open market through schemes like our Help to Buy, or to build... 11 areas across the country will be the first to offer a new Right to Build, one of a range of measures we’re taking to ensure anyone who wants to build their own home has the opportunity and help they need to do so.” He added: “This will not be a free-for-all - those looking to build will still need to go through the normal planning application process. But it will open up the opportunity to self-build beyond those with ‘grand designs’ so even more people can realise their self-build ambitions.”

2.2.6 The 11 areas, sharing a pot of funding worth £550,000, are:

- *Cherwell District Council, (£90,000) to deliver 2,000 custom-build homes over the next 10 years.*
- *South Cambridgeshire District Council, (£50,000) for at least 100 plots of land for custom builders and to begin selling land from January 2015.*
- *Teignbridge District Council (£100,000) will be implementing a ‘5% self-build’ policy in their Local Plan so 5% of all new homes in the area are delivered by custom and self-builders*
- *Shropshire Council, (£10,200) to bring forward six hectares of land for self-builders by linking with Stoke Council and local social landlords to find suitable plots*
- *Oldham Metropolitan Borough Council (£15,000) to bring land forward for sale in Autumn 2014, using previously developed council-owned land.*
- *West Lindsey District Council, (£5,000) for self-build plots available on previously developed public sector land in the area*
- *Exmoor and Dartmoor National Park Authorities, (£28,000) to explore how self-builders can be helped while protecting countryside*
- *Pendle Borough Council, (£46,000) to deliver self-build plots explore further how to deliver affordable homes*
- *Sheffield City Council (£100,000), to deliver more than 800 self-build sites, and look to support groups planning their own custom builds*
- *South Norfolk District Council, (£25,000) to work with Saffron Housing Association to deliver 40-60 custom build plots*
- *Stoke-on-Trent City Council, who will bring forward 72 hectares of land for local self-builders in the area.*

The pilot scheme will inform the planned consultation on Right to Build later this year, which will decide whether proposals should be extended across the country.³

³ <http://www.link2portal.com/right-build-pilot-underway>

2.3 Literature Review

Definition of Self and Custom Build

- 2.3.1 In 2011, the Government's Housing Strategy for England introduced the term 'custom build housing'. Since then there has been some debate about what the terms 'custom build' and 'self build' mean. The National Custom and Self Build Association (NaCSBA) provide their definitions of self build and custom build as:

'...projects where someone directly organises the design and construction of their new home. This covers quite a wide range of projects. The most obvious example is a traditional 'DIY self build' home, where the self builder selects the design they want and then does much of the actual construction work themselves. But self build also includes projects where the self builder arranges for an architect/contractor to build their home for them; and those projects that are delivered by kit home companies (where the self builder still has to find the plot, arrange for the slab to be installed and then has to organise the kit home company to build the property for them). Many community-led projects are defined as self builds too – as the members of the community often do all the organising and often quite a bit of the construction work. Some people have summarised self build homes as those where people roll their sleeves up and get their hands dirty by organising or doing the physical work themselves.

Custom build homes tend to be those where you work with a specialist developer to help deliver your own home. A new breed of custom build developer has emerged over the last two years, and these organisations take on most of the gritty issues for you – everything from securing or providing a site in the first place, through to managing the construction work and even arranging the finance for you. This is more of a 'hands off' approach. It also de-risks the process for the person who is seeking to get a home built.

One or two custom build developers also provide a menu of custom build options – for example, they may offer to just sell you a serviced building plot (that you then take over and organise everything on); or they might offer to build your home to a watertight stage (so that you can then finish it off and fit it out to your requirements).'

- 2.3.2 The 2015 NaCSBA paper 'Early Tips and Emerging Good Practice' includes a further definition of what they consider to be 'private homebuilders', that is:

'private individuals or groups of people who commission the construction of their own home from a builder, contractor or package company (also known as 'custom build' housing) or in a limited number of cases physically build the home on their own with or without the help of sub contractors (this is known as 'self build' housing).

Demand for Self Build and Custom Build

2.3.3 There is no clear picture of the actual level of demand for Self Build and Custom Build across the UK. NaSBA commissioned two IPSOS MORI polls which found that:

‘at any one time around 14% of the population across the UK is researching how they might build their own home, and 2% have done all their research and want to start building within the next 12 months.’

2.3.4 The House of Commons Library Briefing Paper 06784 and the University of York⁴ both state that while there is no conclusive figure, *‘self build accounts for between 7% and 10% of new housing (around 12,000 new homes per year) across the UK’.*

Routes to Self Build

2.3.5 There are many ways of delivering self and custom build projects. The NaSBA Practice Guide for the Public Sector (2013) and the NaSCBA Early Tips (2015) paper set out the main routes to self build, highlighting a number of techniques which councils can use to make land available for self and custom builders, these include:

- Serviced Plots for Sale
- Developer Led Custom Build
- Land Designation/ allocation policies
- Community Land Trusts
- Co-Housing

2.3.6 We explore how a number of these approaches are working in practice in Chapter 3 of this report, but first we set out a brief description of each from the literature.

Serviced Plots for Sale

2.3.7 Service plots for sale are described by NaCSBA (2015) as: *the provision of ‘shovel ready’ plots or parcels of land with planning permission, where access is provided and each plot has utilities/services provided to the plot boundary, is seen as a key way to respond to local demand for private homebuilding. This approach is supported by Government and is a popular approach internationally. Councils may choose to provide plots in a number of ways including:*

- *Using the Council’s own land holdings, putting in the infrastructure and selling the plots directly to self builders;*
- *If the Council has no land it could acquire land, split it into serviced plots to sell directly to self builders;*
- *Land allocations in local plans where specific sites are identified for release as serviced plots;*
- *Promoting the provision of building plots by local landowners or asking developers to provide plots as part of a larger development when they apply for planning permission.*

⁴ Build It Yourself, CHP, University of York, Spring 2013

2.3.8 NaSCBA provide some examples from the 'Vanguard or pilot authorities' which include:

- Plot numbers and site sizes have ranged from a modest 5 to 10 plots to around 2,000 plots, as seen in Cherwell
- Councils will have to carefully understand the total costs associated with the provision of serviced plots before disposal
- Council officers from property development, valuation, procurement, construction management, admin, marketing, legal and finance will all have a role to play in bringing such sites to the market
- A range of site sizes should be provided for the different requirements of self builders and their finances
- Councils should acknowledge that timescales may cover two or five years to prepare plots for sale (2-3 years for smaller sites and 4-5 years on larger sites).

Developer Led Custom Build

2.3.9 There are a number of specialist custom build developers active in the UK, although local, national and regional developers may also start to become involved in these projects. This approach involves the developer providing the complete service from site acquisition, design and build and construction services. Some custom build developers have a menu of house types and finishes which the self builder can choose from including:

- Working with individual self builders
- Working with a group of self builders
- Provision of a serviced plot
- A home build to a watertight shell
- Self finish options – room layout, finishes, bathroom/kitchen choices etc.

This approach could also include using the Council's own land and partnering with the private sector to manage the process.

Land Designation/ allocation policies

2.3.10 NaCSBA (2015) suggest that the planning system can play a critical role in facilitating custom and self build opportunities. They recommended that authorities first understand local demand and that this should inform development and delivery of local policies and initiatives.

2.3.11 Once demand is understood NaCSBA (2015) recommend four key Local Plan approaches through which authorities can create local opportunities:

- *Allocating suitable housing sites in their local plan where private homebuilding is encouraged or preferred; selling Council-owned land or buying land*
- *Adopting policies which ask for a mix of different types of housing on larger sites, with private homebuilding listed as suitable development*
- *Promotion of private homebuilding as part of affordable housing policies (e.g. through Rural Exception Sites or affordable housing policies)*

- *Adopting policies which ask for a percentage of private homebuilding plots to be provided when larger housing projects come forward (typically 5-10% for sites over 20 homes).*

2.3.12 The NaCSBA paper also sets out a number of other actions which local authorities may wish to consider:

- *Introducing a **presumption in favour of 'infilling'** and encourage windfall opportunities by introducing **area-wide planning designations** which establish the principle of development*
- *Use **settlement boundaries** as a tool to 'shake out' development opportunities and identify **modest extensions to settlements** where the impact of new private homebuilding is limited and would deliver homes for local people*
- *Consider using a **'call for sites'** as part of the site allocations process to identify potential sites on land in private ownership*
- *Prepare **Supplementary Planning Documents** to set out what the Council's expectations would be for private homebuilding development in certain circumstances (e.g. extensions to settlements; on Rural Exception Sites; when plots come forward as part of larger housing sites)*
- *Ask for and be open to the use of **Design Codes** linked to planning applications. **Local Development Orders** and **design briefs** can also provide greater certainty to applicants and ensure the development meets the Council's objectives*
- ***Light touch** but effective planning conditions are critical - for example you can require building work to commence within two years; limit (or prohibit) living on site during construction; control work on weekends; and, how site traffic is managed*
- *Use **pre-application discussions** to provide certainty and manage expectations, particularly for private homebuilders who are not knowledgeable about the planning process*
- *Take a more balanced approach when selling land - **best value** should be considered against 'best consideration'. Councils can and often do dispose of their land at a marginally lower value to meet their wider objectives; this often happens when dealing with building groups. For example, Plymouth City Council factors in a **'local residents weighting'** when disposing of land*
- ***Work with larger housebuilders and housing associations** to bring forward opportunities for private homebuilding. Many are open to working with smaller builders or enablers to bring forward opportunities. Some housing associations such as the Accord Group have a good track record of delivering private homebuilding opportunities. Provision should be informed by local demand assessments and be aware that plot location is critical to secure take-up;⁵*

Community Land Trusts

2.3.13 NaSBA (2013) indicate that around one third of the value of a home is the price of land and that many self build projects fail due to difficulties in purchasing land. Community Land Trusts can be a useful mechanism in reducing these costs by using the model to enable self build by

⁵ Early Tips and emerging Good Practice to help Local Authorities support private homebuilders, NaCSBA, April 2015, pg 8

taking the land value out of the individual projects to make it more affordable. The Council could make land available at a reduced rate, for example transferring part or all of the land value into a Community Land Trust, which means that the land does not form part of the value of the property. If the self builder moves on, the home will remain 'affordable' for future owners. Councils could consider donating land to a Community Land Trust and encourage landowners to do the same. The Community Land Trust approach can be used in conjunction with some of the other models described above.

Cohousing

2.3.14 Cohousing is a Danish concept which began in the 1960's. It involves the creation and running of a cohousing community by its residents. Each household has its own private home but comes together with other residents to manage their community and share activities. Typically a group agree certain principles in advance, working with an architect on design issues, purchase some land and commission a builder to construct the homes. Existing examples have shown that it can be difficult to raise the finance to purchase the land and to get a loan for the building work. Once the homes are completed individual households obtain their own mortgage finance to pay off any loans accrued. Councils can support this approach by:

- Encouraging those interested in cohousing to come together
- Providing short term finance to the group for site acquisition
- Making public sector land available for purchase by cohousing groups
- Ensuring that planning applications progress smoothly.

Financing Self Build

2.3.15 The University of York (2013) study⁶ found that between 50% and 60% of self builders did not require mortgage finance to complete their self build, instead they drew on equity within or sold their current home, or by taking a bank loan. The study also found that 12 of the 13 (92%) self builders in their study had only one offer of mortgage finance for the project and the majority had found the application process '*arduous*' and '*uncertain*'. Some of the self builders characterised the lenders as '*unrealistic*'.

2.3.16 The University of York found that the key issues encountered by self builders looking for finance were:

- *A disjuncture between the need for certainty about finance early on and the ability to provide detailed plans, evidence of planning permission and detailed build costs at the mortgage application stage. This is described as a 'chicken and egg' issue that can lead to repeated requests for additional information*
- *Lack of certainty about finance engendered uncertainty and caused delay; it led to some self-builders proceeding at risk*
- *Slow decision-making by lenders*
- *Very limited choice of lenders and refusals from lenders*

⁶ Build-it-yourself? Understanding the changing landscape of the UK self-build market, University of York, Lloyds Banking Group, 2013

- *Higher than expected mortgage interest rates*
- *Mortgage products are standardised and procedure driven with no flexibility in relation to the type of procurement process*
- *Additional and unpredictable costs associated with applications, brokers' fees, lending charges and legal fees*
- *Lenders were perceived as disproportionately risk-averse and requiring significant deposits that were thought to be unreasonable*
- *Low valuations in relation to risk and security*
- *Lenders were viewed as being unwilling to recognise that the land on which they were building was worth more than the outstanding mortgage if there was default on the mortgage or abandonment of half-built properties*
- *Inefficient administration including poor local staff and no central contact point*
- *Retentions that were often released late resulting in the individual having to take a loan elsewhere to complete the project.*

2.3.17 In terms of financing group or custom build projects, the University of York (2013) cites earlier studies (Building Societies Association, 2011; Broer and Titherridge, 2010), which found the financing of group self-build schemes to be a major obstacle. Findings indicated that such schemes rely on a considerable amount of voluntary assistance and donations to make the overall scheme stack up, from volunteers and corporate one-off and on-going donations or materials and/or services in kind. It also found that delays can be caused by a lack of development finance with most schemes having to attract a patchwork of grants and loans to make the scheme viable.

2.3.18 A major problem was also reported in terms of group members securing mortgage finance, particularly for more affordable models attempting to attract low-income working households. The study also found that mortgage lenders were reluctant to fund a full scheme, preferring to offer mortgages on perhaps half of the houses, meaning that a number of mortgage lenders had to be found for prospective owners.

2.3.19 The NaSCBA (April 2015) found that, while there were almost 30 lenders offering specialist mortgages for private homebuilders, finance remains constrained and the products that are available do not adequately respond to the new building models which are emerging. They suggest that there are two models of finance which should be considered as local solutions:

- ***Build Now, Pay Later** is one way in which you could offer land for sale for an agreed price, but defer payment until completion, when a home can be re-mortgaged. This model is already used widely by Government and some Councils in land disposals*
- *Local mortgages or revolving funds can provide a helpful source of finance for private homebuilders. Some Councils are already part of the Local Authority Mortgage Scheme and we are aware that a new mortgage scheme has been launched where Councils can work in partnership with lenders to help more people build their own homes. Funds which are recycled locally to create serviced building plots is also a model being considered by some Councils.*

2.3.20 The Homes and Communities Agency (HCA) launched a Custom Build and Serviced Plots Loan Fund in 2014 which provides a fund of £150 million for schemes of between 5 and 200 units.

Funding is intended support the development of serviced plots to help those who want to custom build their own home. Access to the fund is on a fully recoverable loan basis and can be accessed by private sector developers, housing associations, Community Land Trusts or community groups. The fund is currently open to bids on a continuous market engagement basis.

- 2.3.21 The HCA Builders Finance Fund, also launched in 2014, is another source of funding open to small and medium enterprises to accelerate or unlock unviable housing schemes of between 5 and 250 homes. The funding, which is available as a recoverable loan, is designed to help bring forward stalled but viable sites by sharing risk and addressing difficulties in accessing development finance faced by some house builders and developers. The fund is open for investments until 2017.

Barriers to Self Build

- 2.3.22 The literature has identified a number of barriers to further development of self and custom build in the UK. The University of York (2013) found that the main barriers to self and custom build are:

- The lack of available finance
- Lenders perceptions that self and custom build loans are more risky
- Land supply and procurement
- The planning process and different approaches of individual local authorities
- General regulation and 'red tape'.

- 2.3.23 Similarly the House of Commons Library Briefing Paper 06784 cites the Self Build Housing Market Report 2014–2018 which indicates a recent decline in self build numbers due to difficulties associated with the availability of finance, difficulties in obtaining suitable land and planning permission constraints. The recent Lyons Review: *Mobilising the Nation to Build the Homes our Children Need* (October 2014) argues that, in order to increase the self build numbers in the UK, land must be brought forward which is affordable to self builders up front. The review argues that in order to facilitate this self and custom build, this should be made a priority use for publicly owned land.

Advantages of Self and Custom Build

- 2.3.24 NaCSBA (2014) highlight ten reasons why councils should use public land to encourage more self or custom build homes. These are:

- *Self or custom builders will typically pay a premium for land*
- *It can stimulate regeneration*
- *Self or custom build homes help young local families to get a foot on the housing ladder*
- *It helps to diversify housing supply*
- *It supports jobs*
- *Local communities submit less objections to custom and self build projects meaning a quicker route through the planning process*
- *It boosts local economic activity*

- *Self builders tend to make their homes more sustainable*
- *Self and custom builders create stronger and more cohesive neighbourhoods*
- *Custom or self build projects are built by people who have different objectives than the overriding need to make a profit.*

2.4 Local Context Document Review

- 2.4.1 Following this review of available literature, the next section sets out the local context for custom and self build in Sefton.

Strategic Housing Market Assessment, SHMA 2014

- 2.4.2 The SHMA for Sefton is a long term (up to 2030) strategic assessment of housing demand and supply across different sub-market areas and for different user groups within the local authority area.
- 2.4.3 Affordable housing need in many parts of the Borough is significant and the ability of the affordable housing sector to meet this need is constrained. The stock of affordable housing in the Borough has decreased over the last decade and, with that, the ability to meet housing needs when they arise. As a result there is a net shortfall of affordable housing of 434 affordable homes per annum, if all households in housing need were to be housed in an affordable home with a secure tenancy. Within this figure however the analysis has identified a surplus of affordable housing in Bootle and Netherpton, with a net requirement for 475 homes per annum in the rest of the Borough. In reality, a substantial proportion of this shortfall is met by the Private Rented Sector, often supported by Housing Benefit.
- 2.4.4 A report by Nathaniel Lichfield and Partners (NLP, December 2014) has identified an overall need for 615 dwellings per annum to be provided in the 2012-30 period to meet an Objectively Assessed Need (OAN). The NLP work was been carried out in accordance with the NPPF and NPPG and is considered to be a robust assessment of housing needs in the area. For the whole 2012-30 period, the NLP analysis identifies an OAN for 11,070 dwellings⁷.
- 2.4.5 While the NLP report provides limited detail about the distribution of housing need in the Borough, the distribution of housing should be subject to an assessment of housing land availability as well as consideration of sustainability and infrastructure needs which in practice may push more housing development towards certain areas (e.g. those with better transport links). Any proposal for housing development should be supported through local consultation and take account of the specific needs in different parts of the Borough. This would include demands from older persons and the need to diversify the market housing offer in Sefton to encourage the retention of younger and family households. The SHMA suggested that, due to the aging population and reducing family sizes, there will be greater demand for smaller units in the future.

Housing Strategy 2015 - 2020⁸

- 2.4.6 Within Sefton access to suitable housing which is affordable and of good quality is a key priority for its residents and communities and the Housing Strategy sets out ways to identify and more importantly deliver improvements. The Strategy states that *“Housing should provide a secure foundation for individuals to live the lives they want to live. Finding the right home, in*

⁷ A subsequent (July 2015) NLP report indicated a housing requirement of between 690 – 1,200 homes. The Local Plan, however, was submitted using the December 2014 figures.

⁸ Draft Sefton Housing Strategy 2015 - 2020

the right place, can be an essential platform for people seeking to support their families and sustain work”⁹.

2.4.7 The Borough faces significant challenges with changes to statutory duties for the Authority being felt through the Localism Act, the Welfare Reform Act and the Care Act. Alongside these legislative changes, significant reductions in Local Authority funding have been experienced within Sefton, reducing the resources available to deliver local services.

2.4.8 The recent Elphike-House (2015) review into the Local Authority role in housing supply has suggested that Councils should take a more central role in providing new homes by setting out a clear vision for housing development in their areas. Councils should be proactive in identifying housing needs and share ideas and experience whilst actively using their own assets and knowledge to deliver more homes and build stronger communities.

2.4.9 The draft Sefton Housing Strategy 2015 – 2020 identifies a number of strategic priority themes. Of most relevance to this study are:

Priority Theme: Meeting People’s Housing Needs - This priority looks at how the Council can increase the overall housing supply and encourage a greater choice of homes that meet the needs of existing and future residents. Additional housing is an important factor in allowing demand to be met across all tenures and improve flexibility, and importantly help to develop more mixed and sustainable communities.

Priority Theme: Effectively Utilising Council Assets to Support Housing – Sefton should maximise the use of their existing asset base and help to support new homes and development through asset sales and helping to bring redundant land back into use. The Borough should also use its employee knowledge base and skills to support locally led, large and small scale housing schemes, whilst recognising the use of Council asset’s to achieve strategic aims needs to be balanced with the need to secure adequate capital income.

2.4.10 Approaches to enable these strategic priorities may include supporting self and custom build housing in the borough.

Economic Viability Study¹⁰

2.4.11 The 2013 SHLAA states that 47% of all new residential units will be delivered on strategic and allocated sites. Having regard to this, the economic viability assessment tested the viability of Draft Local Plan strategic sites in order to gain an understanding of viability on larger sites, and also assess the impact on viability of future plan policies on these sites to determine whether they are deliverable.

2.4.12 The economic viability study states that: *‘In order to deliver the growth proposed in the emerging Local Plan, it is likely that some Greenfield development sites either infill or outside the existing built-up areas will need to be developed over the Local Plan period. At the present time, these sites will normally be used for agricultural and grazing purposes or informal open*

⁹ Laying the foundations: a housing Strategy for England

¹⁰ Sefton Council Local Plan & Community Infrastructure Levy Economic Viability Study, 2014

space with site values on this basis typically in the region of £25,000 - £50,000 per hectare (£10,000 - £20,000 per acre) or less. It is probable that a number of such sites have had development expectations, since they are at the edge of or within the settlement area and in some cases may already be subject to option agreements. Naturally, any land owner is unlikely to sell such sites for that level of value and clearly a land owner will be seeking an uplift in value if they are to consider releasing the site for development.'

Strategic Housing Land Availability Assessment 2014

- 2.4.13 The SHLAA 2014 found that 4,898 dwellings could be accommodated in the urban areas of Sefton, after discounting. However, the net figure reduces to 4,404 once programmed demolitions are taken into account. The cumulative under-provision against the (last available) Regional Spatial Strategy for the North West (RSS) housing target at 1st April 2014 was 1,245. This backlog of under-provision will be incorporated into the forward housing requirement.
- 2.4.14 Residential development in Sefton has been shaped by the social and economic differences across the Borough. The presence of Housing Market Renewal Pathfinder Areas in Bootle and the consequent focus of demolition and redevelopment both at Bedford Queens and the Klondyke have led to a high concentration of new housing development in the lower value areas of Bootle.
- 2.4.15 Having regard to planning policy, recent developments, and the general character of the borough, new development is likely to comprise the development of strategic and allocated sites. Over half of the strategic and allocated sites comprise Green Belt release, which are complemented by a provision of Brownfield sites.
- 2.4.16 In the higher value areas including Birkdale, Formby and Blundellsands it is considered likely that some schemes may be built at a lower density and may comprise predominantly detached dwellings. In such instances, there is likely to be a focus on 3, 4 and 5 bed dwellings which will provide a more 'executive' mix of dwellings. The SHLAA does not consider the role of self and custom build development.

2.4.1 Local Plan¹¹

Sefton Local Plan Objectives

2.4.1.1 The emerging Sefton Local Plan sets out the following objectives:

- To support **urban regeneration** and **priorities for investment** in Sefton.
- To help meet the **housing needs** of Sefton's changing population for market and affordable housing; homes for families, the elderly, people with other special housing needs and others.
- To promote **economic growth, tourism** and **jobs creation** and support new and existing businesses.
- To **meet** the diverse **needs** for homes, jobs, services and facilities, **as close to where they arise as possible**.

¹¹ Sefton Council Local Plan January 2015

- To help Sefton’s **town and local centres** to diversify and thrive
- To make the most of the value of **the Port** to the local economy and jobs, while making sure that the impact on the environment and local communities is mitigated.
- To make sure that new developments include the essential **infrastructure, services and facilities** that they require.
- To improve **access to services, facilities and jobs**.
- To protect and enhance Sefton’s **natural and heritage assets**
- To achieve high quality **design** and a **healthy** environment
- To respond to the challenge of **climate change**, encouraging best use of **resources and assets**.
- To work with partners and make the most of Sefton’s place within the **Liverpool City Region**.

Policy SS1 – Spatial Strategy for Sefton

2.4.1.2 Sefton is a diverse Borough with a number of distinct towns and settlements. Whilst the total housing requirement is Borough-wide (key demographic information is only available at the local authority level), evidence of affordable need is available for the 6 settlement areas – Bootle, Netherton, Crosby, Sefton East Parishes (referred to as Maghull/Lydiat in the SHMA), Formby, and Southport. The Spatial Strategy aims to meet housing needs as close to where they arise as is possible. This aim has been taken into account in selecting the housing and employment allocations identified in policy MN2, albeit some settlements are too constrained to contribute the amount of development expected in proportion to their size.

Housing Requirement

2.4.1.3 A key aspect of securing sustainable development is positively meeting the needs of local residents and businesses. The Local Plan seeks to achieve this by identifying the total amount of new land required for new housing, employment, and other development to 2030.

2.4.1.4 During the period 2012 – 2030 provision will be made for the development of a minimum of 11,070 new homes in Sefton. The housing requirement will met at the following average annual rates:

- 2012-2017: 500 dwellings per annum
- 2017-2030: 660 dwellings per annum

The housing requirement will be met from the following sources:

- The housing allocations identified in Policy MN2
- Sites with planning permission for housing development
- Other sites identified in the Strategic Housing Land Availability Assessment
- Unanticipated or ‘windfall’ sites

2.4.1.5 Successive Strategic Housing Market Assessments (SHMAs) have found a significant need for affordable housing in the Borough. This need is most pressing in Southport, but is also significant in Formby, Maghull / Aintree, and Crosby. Policy HC1 requires developments of 15

or more dwellings to provide 30% affordable housing across most of the Borough. This will play a significant role in meeting local affordable housing need. This is in addition to Homes and Community Agency (HCA) / Housing Association funded schemes and the anticipated increased provision of private rented housing as anticipated in the 2014 SHMA. In this respect, the housing allocations identified in Policy MN2 offer a significant opportunity to provide new affordable housing, often focused in the areas of highest need.

Policy SR6 – Regeneration

2.4.1.6 This policy identifies the priority regeneration areas and sites in Sefton. The policy is in three parts: regeneration in Bootle, the regeneration of town / retail centres, and regeneration of the Dunnings Bridge Road Corridor, Netherton. Additionally, four centres in Sefton are identified as priorities for regeneration – Southport, Crosby, Maghull, and Seaforth. These four centres each experience different issues, and all require particular attention. Both Southport and Crosby Centres are subject to separate more detailed policies (Policies ED7-ED9). All the regeneration areas identified in this policy contain vacant and under-used ‘brownfield land’. The re-use and redevelopment of this land for modern high-quality development is central to the regeneration of these areas, and is a priority for the Local Plan.

3. Practice Review

3.1 Through the desk top review we have identified a number of local authorities who are currently supporting and enabling self and custom build across the UK. We carried out telephone consultations and additional desk and web based research to establish current practice in these areas. The examples below will help to illustrate how different approaches are working in practice and include demand analysis, planning constraints and delivery options as well as the authorities' engagement with potential self builders as at June/July 2015.

Registers of Interest

3.2 We have examined the number of people who have registered on four of the Right to Build pilot authorities' Registers of Interest in relation to Self and Custom Build. Each of the four registers (Oldham, Sheffield, South Norfolk and Teignbridge) opened in late 2014 (usually November or December). At the time of consultation few of the authorities had carried out any detailed analysis of demand from the Register.

3.3 Each of the four authorities had between 50 and 166 people on their Register of Interest. Using 2015 Population Estimates, Table 3.1 shows the percentage of the overall population in each area who have registered. This ranges from 0.02% in Oldham to 0.12% in Teignbridge. Using the same simple methodology we provide an estimate of potential demand to register in Sefton. If demand for the register was 0.02% a total of 55 people would be likely to register an interest in self or custom build, if the figure was 0.12% as in Teignbridge it is likely that around 328 people would register their interest in self and custom build.

Table 3.1 Demand Registers and Estimate of Demand in Sefton

Authority	No. on Register	Total Population	% of Population on Register
Oldham	50	228,765	0.02%
Sheffield	166	563,749	0.03%
S. Norfolk	59	129,226	0.05%
Teignbridge	150	127,357	0.12%
Sefton	<i>55 – 328 estimate</i>	273,531	<i>0.02% - 0.12%</i>

3.4 In terms of the information required from an individual to register, across the four examples the following questions were asked:

- Name
- Date of birth
- Address
- Email address
- Nationality
- Age
- Ethnic Origin
- Disabilities
- Number of dependents, including names and dates of birth

- Preferred area for self build
- Preferred plot size
- Preferred size and type of self build home
- Whether require parking spaces/ garage
- Whether on the social housing register
- Levels of knowledge and interest in self and custom build
- The type of self build interested in
- Preferred ownership options/ tenure
- Current tenure
- Funding mechanism and/ or current savings
- Maximum purchase prices (for plot and the build)
- How quickly they would be able to proceed
- Declaration that the self build would be the place where they would live
- The type of support they would like from the Council

3.5 The links below open a number of examples of registration forms:

- <https://webforms.ictmanagedservices.com/popup.aspx/RenderForm/?F.Name=rTFxjzciyVd>
- https://www.oldham.gov.uk/forms/form/366/en/custom_build_register
- <http://surveys.lasos.org.uk/TakeSurvey.aspx?SurveyID=740J7p2>
- <http://www.south-norfolk.gov.uk/planning/7215.asp>
- <https://eforms.teignbridge.gov.uk/doitonline/selfbuildinterest2/>

3.6 Cherwell District Council – The Build! Project

3.6.1 Cherwell Council is one of 11 areas to have been named by the Department for Communities and Local Government as a Right to Build Vanguard. The Council has been awarded £90,000 to facilitate the delivery of 2,000 custom-build homes over the next 10 years.

3.6.2 Cherwell Council has established a company called 'Build!' to promote and facilitate Custom and Self Build in its area. Build! offers an individuals, or groups, the opportunity to come together to either build a new home, or to renovate and decorate an existing property. In return for the work they put in, they can benefit from a reduced purchase price or lower rental rates. Those involved also get a greater opportunity to create a home that is more suited to their individual needs.

3.6.3 The Build! Project offers four options of self build, these are:

- **Final-finish** - with this option, the self builder will work on a property that just requires decorating and the outside area landscaping
- **Self-finish** - requires the self builder to add all of the fittings and fixtures as well as decorating, they will also be responsible for finishing the walls, floors and ceilings, as well as putting in internal doors and landscaping the external area. Self builders will also need to install the kitchen and bathroom.

- **Watertight shell** - with this option the self builder will get to work on a building that has been completed up to the point where it is watertight. All internal structures, such as partition walls, will need to be added as well as the plumbing and wiring. The self builder will also need to complete the self-finish aspects (see above)
- **Serviced plot** - This is the most challenging option within the project. The prospective buyer will work get to work on a plot of land, to which all services are supplied up to the boundary (electricity, gas, sewerage, roads etc.). The plot will have secured detailed planning permission allowing the self builder to build a property from scratch, they also opt to build 'kit home' or commission a builder to build the property on their behalf.

3.6.4 During 2014 and 2015 Build! aims to create 250 new homes in Banbury and Bicester, the properties will be available to buy on a shared ownership or outright sale basis, or to rent at 80% of the open market value. Build! can also signpost self builders to mortgages that are specifically tailored for self-build properties. The properties will be of the following types and locations:

- Banbury
 - Broughton Road - 1 & 2 bedroom flats (equity loan)
 - Calthorpe House - 1 & 2 bedroom flats (affordable rent)
 - Drapers House - 2 bedroom flats homes (equity loan)
 - Spring Gardens and Spring Walk, 2 & 3 bedroom houses (equity loan)
 - The Orchard - 2 & 3 bedroom houses (shared ownership)
 - St Leonards House, West Street - 1 & 2 bedroom flats (equity loan)
 - Hope Close - 2 & 3 bedroom houses (shared ownership)
- Bicester
 - Gardeners Close, London Road - 1 & 2 bedroom flats (affordable rent and equity loan)
 - Newton Close, Kingsmere - 2 & 3 bedroom houses (shared ownership)

Marketing packs for all schemes will be available to download from the Council website.

Register of Interest

- 3.6.5 Those people interested in the Build! Project are asked to complete the Build! registration form in order to be kept updated as projects become available. Those interested in the private ownership option are asked to contact Build! Who will check whether the applicant meets the eligible criteria for the scheme and offer them mortgage advice.
- 3.6.6 Those interested in the shared ownership scheme must earn under £60,000 p.a. and need to register with Help to Buy South website. They are also required to undertake a financial and mortgage assessment. For affordable rent option, applicants need to have an active registration on the housing register.

3.7 Oldham Council

3.7.1 As a Vanguard Council, Oldham have been exploring how to make it easier for people who want to build their own homes. The Council has developed a number of approaches to achieve this, including:

- Assessing the demand for custom build in the city by creating and publicising a register of interested individuals and groups
- Providing guidance and information to support interested parties in progressing their aspiration to deliver their custom build development
- Identifying sites it owns suited to custom build and preparing them for ease of development
- Seeking Developer-led custom build homes on sites in council ownership own and are already marketing for new homes – such as the Lancaster Club site in Failsworth
- Working with [Community Build Werneth Ltd](#) to develop 37 bespoke homes on land which the Council has sold to the group at open market value.

Self Build Interest List

- 3.7.2 Oldham Council maintains a list or register of people interested in self build. A registration form can be found on the self build section of the Council's website. The Council intends to use the data collected to understand the demand for custom build housing, helping to support its policies to improve the supply of land for custom build housing.
- 3.7.3 There are currently around 50 people who have registered on the self build interest list. As it is a relatively new register extensive analysis of the interest list has not taken place. The register has been designed to be simple to complete and to encourage people to register by only asking for contact details, the size and type of home they wish to build and the area in which they are seeking a plot. The register will help the Council to understand the number and location of sites which are required in Oldham, and the types of houses that people would like to construct or have built for them. Those who register are deemed to be registering their interest in purchasing, at market value, a plot within Oldham Council boundaries, and will be contacted by the Council if a site meeting their requirements becomes available.
- 3.7.4 Feedback from the Council indicates that self builders are mainly seeking sites in one of the most desirable housing market areas (Saddleworth). Typically self builders are looking to build a three or four bedroom detached home.

Community Build Werneth Ltd¹²

- 3.7.5 Oldham Council approved the sale of land in South Werneth for the construction of 37 new 'custom-built' homes in February 2014. As part of wider plans to complete the regeneration of the area, following the loss of Housing Market Renewal (HMR) funding, land between Cambridge Street, Durham Street and Lynn Street was sold to a community-led association.
- 3.7.6 Community Build Werneth Ltd (CBW) are to create bespoke four to six bedroom detached homes on the land. The development will enhance this area of Werneth, part of which has been vacant for more than ten years. The council supports custom build and self-build opportunities, and this will be the largest scheme of its type in Greater Manchester.
- 3.7.7 CBW was formed after a series of meetings of interested residents who, with professional advisers, developed the plans. The development received full planning permission in February 2015 and will take around two years to complete. CBW is paying the council the full market value for the land.
- 3.7.8 The custom built homes are part of a wider plan to complete the regeneration of South Werneth, which also includes:
- Selling 'under licence' 38 properties, which are being brought up to a high-quality standard
 - A major scheme with Great Places Housing Group to convert 33 empty homes into 20 new family houses was completed in March 2014.

¹² http://www.oldham.gov.uk/info/200891/investment_and_regeneration/1330/werneth_custom_build

Laureates Places, Springhead

- 3.7.9 Oldham Council planning committee have also granted permission for a self build eco-community in Springhead. The community group, comprised of nine families have been given the go ahead to turn the old breakers yard off Cooper Street into an ecological, custom-built community. The group secured a £79,194 grant to aid with the planning process from the Homes and Communities Agency. The homes in 'Laureates Places' will be built with reused materials to keep down costs and will feature efficient solar panels, bodpave road and green roofs to blend with surroundings.

Developer-led custom build homes on Strategic Sites

- 3.7.10 The Council also has a number of strategic sites which are currently being marketed. Two sites are currently subject to OJEU tendering processes with Development Briefs in place. The Council has indicated its interest in the inclusion of an element of self/ custom build on these sites and this aspiration will be reflected in the evaluation of tenders received, with additional points available for bids which include self/custom build plots.

Identifying Council Owned Sites

- 3.7.11 The Council is also exploring the potential to identify smaller sites across the borough for self/ custom build. These sites are in council ownership and it is anticipated they would be able to offer between one and five plots for self build. No sites have yet been formally identified or come to market as the Council continues to examine the options around achieving Best Value and ensuring market value of the sites is achieved. The Council previously received a bid from a Custom and Self Build group but the group were significantly outbid for the site by a commercial developer.

3.8 Sheffield City Council

3.8.1 The Council defines self build as: *‘where an individual, couple or group purchases some land and commissions the construction of a new home or homes from a builder, contractor or package company or, physically build a house themselves/ works with sub-contractors to do so. This includes serviced plots and ‘shell’ homes (where the purchaser carries out the fit out of a home). The occupant of the home must have a choice and influence in the design of the house and intend to occupy the property for at least 3 years. As a minimum, all the below criteria must be met. The property purchaser to have a choice of:*

- *Which plot their property sits on*
- *The external design of the house (this can involve a choice of 2 or more pre-existing designs)*
- *At least 3 configurations of the internal property layout*
- *Kitchen and bathroom fit-out’*

Self Build Interest List

3.8.2 Sheffield Council maintains a list or register of people interested in self build. A registration form can be found on the self build section of the Council’s website. Those on the register will receive details of sites which are suitable for custom build as soon as they are released for sale, they will also receive email updates on the progress of the Sheffield Council custom build project.

3.8.3 There are currently 166 people registered on the self build interest list. Analysis of the register shows that over half of all the register respondents have knowledge or experience of custom build housing and are interested in individual/DIY custom build projects. In addition, detached properties are the most popular choice, with 58% interested in semi-detached and terraced housing. Moreover, two-thirds of people said they would be willing to renovate an existing building.

3.8.4 A third of people want to build 3-bed properties, with a further third wanting 4-bed properties; this result matches the previous analysis on property types and so can be assumed to accurately reflect demand. This shows that majority of those on the register would like larger, more aspirational homes. This also corresponds with the current city housing stock, as 3 and 4-bed properties account for 44% and 19% of the total stock respectively. The lack of affordable housing of this size is exacerbated by the shortfall of 725 properties across the city per annum, as well as 56% of existing households wanting to move into a property with 3 or more bedrooms. One third of people want to finance their home using savings, with a further third willing to sell their own home. Only 22% are now planning to use a mortgage to fully or partially fund their custom build project.

3.8.5 The most popular postcodes are those locations which represent higher value housing markets. Just over a third of the respondents own their current home with a mortgage, with slightly less than a third either renting privately or owning their current home outright. This shows a marked increase in the proportion of people in rented accommodation considering

custom build, so appropriate support and resources need to be made available for this group. In addition, the Council have identified a need to encourage engagement with social landlords.

- 3.8.6 The Council has found, therefore, that most self builders are seeking a three bedroom home in the more affluent areas of the city. The Council plans to conduct an extensive marketing campaign to raise awareness of self build so that other interested people may also register. There is also significant interest from those who have registered in the creation of a custom-build website resource, which would be specifically tailored to Sheffield and provide a central hub for information and networking with builders/developers and other self-builders.

Sheffield Council Approach to Supporting Self Build

- 3.8.7 Sheffield Council is also supporting a developer led approach. One approach is where the developer will purchase the whole site, divide it into plots, fund the servicing of those plots and sell the individual plots to self builders. The Council has identified 21 sites which are suitable for custom build development and are currently marketing the following 10 sites:

Table 3.2 Sheffield Council Self Build Sites

Site	Area (M ²)	Area (Acres)	Estimated no. units
Beighton Road, Woodhouse	30,000	7.4	13
Danewood Avenue/ Castlebeck Drive	1,880	0.46	5
Fife Street, Wincobank	6,800	1.67	15-20
Gaunt Road, Gleadless Valley	10,000	2.471	18
Manor Oaks Road	1,250	0.31	1
Merton Lane	842	0.21	5
Newman Court, 95 Newman Road, Wincobank	1,750	0.43	8
Olivers Mount	180	0.044	1
Westfield Crescent	728	0.18	2
Whitehouse Lane	2,905	0.71	8
Wincobank Close	610	0.15	3

- 3.8.8 These sites have been marketed since November 2014 and closing dates will be set once sufficient developer interest has been generated.
- 3.8.9 Sheffield Council are also supporting other developer led approaches, including those where the developer offers a design and build service. The council is also offering planning support and guidance to potential purchasers wishing to develop custom build proposals for these sites. Planning policy guidance documents have been created for each of these sites, and more detailed, Informal Planning Advisory Notes are also available for the larger sites. Site investigations have been carried out on some of the sites, so that the people building on them can have more certainty about site conditions and the costs that will be involved in development.

3.9 South Norfolk Council

- 3.9.1 The Government has chosen South Norfolk Council to be one of 11 Vanguard authorities to work on a Right to Build pilot project, to identify and test various approaches to enable custom build housing in their area. Right to Build is the latest government-backed initiative designed to help aspiring custom or self-builders get their project off the ground. As a Vanguard authority, the Council will provide information to the Department for Communities and Local Government about their learning from this pilot project, which will be taken into account in future policy-making and guidance to local authorities.

Self Build Register of Interest

- 3.9.2 South Norfolk Council has established a Self Build Register of Interest. The register will be used to understand where people would like their plot to be and the type of house that they would like to build. The Council will use the information to explore ways in which it might be possible for people and plots to be brought together. Registration does not however guarantee that a suitable plot will be identified, or become available.
- 3.9.3 There are currently 60 people on the Register, which opened in November 2014. Most of those currently on the register are owner occupiers and around 50% could apparently proceed with their self build project without having to sell their existing property. Overall, the information on the register suggests that the people who have registered are financially stable with access to property and funds. Some people on the register are seeking plots in very rural locations while others are seeking locations within the market towns.
- 3.9.4 The register comprises a word document application form and the Council intends to maintain this approach until Guidance is issued and a greater understanding of the resources required for the register is known.
- 3.9.5 In April the Council held an evening meeting with people on the register to discuss self build, understand what is important to potential self builders and provide information on how and where plots might be found. People who attended the meeting said that the biggest challenge to them was finding plots.

Saffron Housing Trust

- 3.9.6 The Council is currently working with Saffron Housing Trust to identify mechanisms to develop self build as affordable housing. This work is at an early stage.

Community Land Trust

- 3.9.7 South Norfolk Council has also explored the development of a Community Interest Company model. Difficulties which have been identified with this approach have included identification of how this model might help individual self builders, being able to source land at an affordable cost, demonstrating that the CIC is a 'community' and how the community interest would be maintained over the longer term.

Funding

- 3.9.8 The Council has done some work in exploring funding options available to self builders. Land values in South Norfolk are high because of demand, and a relatively modest plot is likely to cost a self builder in the region of £100,000. A recent illustration of this was provided by the council indicating that the owner of a 1 acre site with planning permission for a 300m² house, was seeking to sell the plot for over £400,000.
- 3.9.9 The level of interest for self build in South Norfolk suggests that it is currently not a mainstream aspiration and the market for self build may therefore take time to develop.

3.10 Teignbridge Council

- 3.10.1 Teignbridge District Council has been given £100,000 to help self-builders get their projects off the ground. The revenue funding will allow Teignbridge to continue work in ensuring developers of large sites bring forward 'shovel-ready' sites, and help secure plots through other means such as Rural Exceptions Sites, to help people secure a suitable plot of land so they can design and build their own home.
- 3.10.2 The Council's website states that Teignbridge DC is committed to supporting access to both affordable and market housing for local people and that this includes supporting people wishing to build their own homes.

Self Build Interest List

- 3.10.3 Teignbridge Council maintains a list or register of people interested in self build. A registration form can be found on the self build section of the Council's website. The Council intends to use the data collected to understand the demand for custom build housing, helping to support its policies to improve the supply of land for custom build housing.
- 3.10.4 While the Council has held two self build information events (in 2013 and 2014) it has not widely publicised the self build interest list. There are currently over 150 people who have registered on the self build interest list. As it is relatively new, extensive analysis of the interest list has not taken place. The council has used the list to understand the areas where people are seeking to self build, this will help the Council understand if the Right To Build requires them to match sites to demand in the future. This analysis shows that self builders are seeking sites across the whole area and not only in the most desirable housing market areas. Evidence from those registered shows that those pursuing self build are owner occupiers, usually with equity in their current property and therefore confident that they can secure a mortgage for self build or are in a position to complete the build without accessing finance. Anecdotal evidence also suggests self builders fall into the 40 to 60 year age bracket, whose children have left home and are now looking to custom build and potentially downsize, however the Teignbridge Register does not ask for information relating to applicant age so is unable to confirm this hypothesis.

Planning Policy

- 3.10.5 Teignbridge Council is supporting self build by including a specific Custom Build policy in its Adopted Local Plan which requires a proportion (min. 5%) of self build plots to be provided in all large developments. It is also supporting Neighbourhood Planning and appropriate larger schemes seeking to deliver sites as dedicated multiple self build plots and working with affordable housing providers or Community Land Trusts (CLTs) to provide affordable self build plots for local people in housing need.
- 3.10.6 The min. 5% Custom Build Policy applies to every new housing development of 20 units or more. There are currently 6 sites (totalling 1,176 units) across Teignbridge with planning permission, the Custom Build Policy means that there will be a total of 67 plots available for self build across these developments when they come to be developed. Six plots are on a single site which is not part of a larger development. Anecdotal feedback suggests that there has been early resistance from a few developers who initially were not happy with the policy, but have accepted this as Government policy and that it will continue to be in place. They also recognise some of the benefits of the scheme such as being able to realise early capital receipts when the self build plots are sold at an early stage.
- 3.10.7 The scheme works with the land owner or developer delivering the individual self build plots with all services in place up to the site boundary and access to the plot. The plot is then marketed. Developers must adhere to clauses in the S106 agreement which states that, prior to a specific percentage of the overall development being occupied, the self build plots must be brought forward and marketed or the rest of the development will be halted. Currently the maximum percentage of site occupation sits at 50%.
- 3.10.8 The self build sites will be sold on the open market at a price set by the developer (and agreed by the Council). The intention is that the Self Build officer will match people on the register to available sites, linking them directly to the agents marketing details. If the site is not sold within a defined period, the plots will then go on general release for anyone to acquire. The plots are marketed with an outline planning consent.
- 3.10.9 On multi-plot sites, plots will be light touch controlled via a Design Code. Investing in the development of the design code helps give all parties certainty in terms of what may be developed on the site. Providing the submitted dwelling design complies to the code, it should also ensure that the application receives a smooth and speedy approval at reserved matters stage.
- 3.10.10 Teignbridge DC has also had extensive discussion with developers in relation to where the self build plots should be situated within the wider development. The council have engaged with the developer at an early, pre application stage to discuss the most suitable location. Developers are encouraged not to place the self build plots at the back of the site, leaving them until the rest of the site is developed. In order to facilitate access and not to impede progress on the main development, it is suggested that the plots are grouped together on the perimeter of the development with a separate permanent or temporary construction access.
- 3.10.11 To date the process has been hampered by the process of development sites coming forward, with none having come to the market to date. The council have had to manage public

expectation in terms of standard delivery timescales for residential development, against a backdrop of Government supporting the initiative on self build. If there is no take up of identified sites after the developer has effectively marketed the site for 12 months, the Council will be offered an option to buy the site. The site will then be offered to a local Registered Provider to develop and if this is not pursued, the developer will have the option to build on the plot themselves.

Affordable Housing Policy

3.10.12 The Council's Affordable Housing Policy requires 20% of sites in urban areas and 30% of sites in rural areas to be provided for affordable housing. To date, no self build units have counted towards the affordable housing requirement on main allocations. However the council have granted permission for a scheme of 6 affordable self build homes, led by a Community Land Trust in a nearby village. It is currently considering exploring an affordable housing self build model by trialling the approach on a small number of council owned sites. If the approach works the Council may decide to grant permission for affordable self build on rural exception sites. Exception sites are restricted in terms of achievable land values to a maximum of £10,000 per plot and these savings could be passed on to a self builder who would be able to acquire a typical sized serviced plot for between £10,000 and £30,000. This approach would require the development of local occupancy and compressed end value restrictions within standard clauses. The trial is in its very early stages but, if it proves successful, self build could be opened up to households on incomes of around £36,000 per annum.

Supplementary Planning Guidance

3.10.13 Teignbridge District Councils 'Custom and Self Build Housing Supplementary Planning Document' (SPD) sets out the council's objectives and expectations in delivering custom and self build housing and will play an important role in supporting planning decisions which deliver land for potential self builders. The SPD is due for public consultation in August and the draft approved by the Council's Executive is currently available here: <http://www.teignbridge.gov.uk/CHttpHandler.ashx?id=44636&p=0>

4. Consultation Findings

4.1 It is important in any research exploring the potential demand for and policy solutions to meet demand for self and custom build housing to understand the views of both policy makers, providers and those interested in pursuing self build opportunities. Our approach included a programme of telephone consultations with key stakeholders and a Consultation Workshop of interested individuals to explore demand and key issues/options.

4.2 Key Stakeholder Consultation

4.2.1 We carried out semi-structured interviews with key stakeholders within Sefton Council, local Registered Providers and other partner agencies. The purpose of the consultation was to gauge initial views on demand for custom and self build, barriers to people building their own home, current provision of services, maintaining a register of interested parties, local connection policies, where there are gaps, future demand (aspiration versus affordability, practicality and deliverability issues) and types of future provision.

4.2.2 Those who took part in the consultation programme included:

- Rod Ainsworth, Rodney Ainsworth Architects
- Rob Anderson, RAL Architects
- Hannah Austin, Wirral Council
- Roy Carthy, Senior Business Partner, Your Housing Group
- Andrew Cunningham Building Design
- Neil Davies, Service Manager - Housing and Investment Services, Sefton Council
- Tony Diaz, Diaz Associates
- Entwistle Green
- John Ghader, Chief Executive, Pierhead HA
- Tim Gibbs, Halton Council
- Morna Harthan, Development Manager, Adactus
- Ed Holden, St Helens Council
- Jeremy Ince, Regional Manager, Charity Bank
- Adele Lewis Ward, Homes and Communities Agency
- Loc8 Estate Agents
- Peter Richards, West Lancashire Council
- Robinson Homes
- David Street, Service Manager -Property & Building Services, Sefton Council
- Peter Whiteside, Whiteside Surveyors
- Nick Yates, Team Manager – Investment and Strategic Housing, Sefton Council
- Alan Young, Strategic Planning Manager, Sefton Council

- 4.2.3 We approached a wide range of stakeholders and found that many local, national and regional developers did not want to discuss self build and custom build. Similarly many Registered Providers declined to take part in the consultation exercise.

Existing Experience

- 4.2.4 Through consultation with a variety of stakeholders including neighbouring local authorities, Registered Providers, local, regional and national developers, and local agents such as architects and builders it was clear that there is very little local experience of custom and self build in the Sefton area.
- 4.2.5 Neighbouring authorities confirmed that they were very new to custom and self build and that recent Strategic Housing Market Assessments had not taken account of demand for this. One local authority had referred to the National Self Build website to see how many people had said that they were seeking a site in their area. These figures had contributed to an initial assessment of demand for custom and self build.
- 4.2.6 Another had conducted a recent survey of developers active in their borough. The survey included a question about whether developers would consider sites which were expired or withdrawn for custom or self build purposes. Overall there was limited interest in this approach, with only 3% of developers saying that they would consider this option. General feedback from developers indicated that their key concerns were in securing finance to get their developments started.
- 4.2.7 One authority said that they had recently established a register of interest for self and custom build, which was administered by the Estates department. When land becomes available for disposal the estates team contact those on the register to notify them that the land is being sold to determine if they wish to purchase the site.
- 4.2.8 Several authorities indicated that, until clear guidance is published, they will not be formulating a definitive approach to custom and self build. These authorities recognised the potential positive impact of custom and self build but wished to avoid abortive work developing approaches which may then be superseded when the guidance is made available.
- 4.2.9 Local letting and estate agents, architects and those submitting planning applications on behalf of local clients also had little experience of the self and custom build market. These consultees were evenly split between those who had no experience and thought that there would be very little demand and those who had worked on behalf of building firms who undertake individual plot developments and sell these on and self builders who build their dream home. Those who thought there would be demand for custom and self build opportunities cited high land values and lack of land availability as key stumbling blocks in the process. They suggested that if more land was available demand would be higher.
- 4.2.10 One Registered Provider thought that self and custom build may be an option in high value rural areas where it is difficult to bring affordable housing to the area due to land availability and supply issues.

Housing Market Priorities

- 4.2.11 Several consultees indicated that there were many competing priorities which local authorities and Registered Providers have to juggle at present. While it was recognised that self and custom build developments could meet some of the housing need in the borough, other issues such as affordable housing provision were of higher priority.
- 4.2.12 Site viability was also a consideration for consultees who questioned whether provision of infrastructure and potentially limited capital receipts for sites would mean that there would be little political will to pursue custom and self build on council provided and serviced plots.

Preferred Approaches

- 4.2.13 Consultees recognised that the provision of serviced plots may be an option for consideration, but also thought that there are many uncertainties within this approach, including: who would be responsible for preparing the sites, and how would costs be recouped; how would the local authority be able to control the development, how prescriptive would the local authority have to be and what are the resource and development implications of this.
- 4.2.14 Some thought that Registered Providers would take the lead, but the Registered Providers consulted said that they too had other priorities and some were unsure of how to square self and custom build where owners will likely be in higher income brackets and seek a capital return from the value of their home with the associations charitable objectives and primary purpose of providing affordable housing.

Pilot Projects

- 4.2.15 Several consultees thought that it was too early in the development of a response to custom and self build in Sefton to progress wholesale with a suite of fully developed approaches. Instead consultees advocated an approach whereby initial steps towards understanding demand are undertaken, such as the development of the Register of Interest and hosting events to publicise self and custom to potential applicants. Once demand is better understood consultees suggested that the Council pilot one or two favoured approaches to test the market and to learn from practical experience before deciding which options to fully develop. At this stage it was considered by some to be too risky to allocate large sites in the Local Plan without fully understanding demand and the processes involved.

4.3 Consultation Workshop

- 4.3.1 North Star, in conjunction with Sefton Council, held a workshop of interested individuals; providers and policy makers on Tuesday 4th August 2015. A total of 30 people attended the workshop including:
- Adactus Housing
 - CLA Architects
 - Crosby HA
 - Halton Council

- Liverpool City Council
- Mersey Design Group
- Pierhead Housing
- Savills Smiths Gore
- Sefton Council Planning, Property and Economic Development
- West Lancashire Council
- 11 potential self builders

4.3.2 The format of the workshop was a presentation of the research findings to date, including Vanguard authorities' approaches, followed by four breakout discussion groups covering the following topics:

- Breakout Sessions A and B – Delivery Options
- Breakout Sessions C and D – What Self Builders Need

Breakout Sessions A and B – Delivery Options

- 4.3.3 Those attending breakout sessions A and B were all professionals and policy makers working for local authorities, registered providers, architects and planning practices.

Definition of Self Build

- 4.3.4 One group discussed the definition of self build and indicated that a widely understood definition should be agreed locally. Current practice shows that there are a wide range of options available to self builders ranging from simply buying a plot through to buying a home to 'self finish'.

Register of Interest

- 4.3.5 The group discussed the need to assess demand in order to comply with statutory obligations set out by Government and to address any potential questions asked by a Local Plan inspector through the Local Plan inquiry (the submitted Local Plan currently does not address this issue in any detail). Overall, participants concluded that once the demand is assessed for Sefton, specific policies can then be developed based upon this evidence and knowledge.
- 4.3.6 Other issues included how to distinguish between aspiration and real demand which will result in completion of a self build home. The group suggested that there is a need for some guidance to assist potential self builders to understand the entire process, each stage within it and the potential risks and barriers to completion.
- 4.3.7 A neighbouring authority confirmed that they have had an on-line register that is free to the public in place for around 6 months. However, at the time of the workshop no potential self builders have registered. It was discussed that promotion of Sefton's self build register would have to be extensive using traditional print based media as well as electronic and social media. The information obtained from a register should not be too onerous or people would be 'put off' from registering.

Preferred Options

- 4.3.8 It was recognised by the group that individual self builders would find it difficult to compete with volume house builders in terms of purchasing land/sites on the open market. Self builders also face developmental issues regarding economies of scale (or more importantly the lack of them) where larger developers can purchase larger discounted volumes of building materials self builders cannot.
- 4.3.9 We provide a synopsis of the issues discussed during the breakout sessions at 4.2.1 and 4.2.2 below.
- 4.3.10 It was also considered that, given the very different housing markets across the borough, different approaches may require to be developed in different geographies according to land values, land availability and demand for self build opportunities. It was suggested that the Council could undertake a strategic mapping exercise to identify plots in Council ownership

which could obtain outline planning consent, these could then be matched to the Self Build Register.

- 4.3.11 Participants identified issues with using council land assets to deliver custom/self build units. It was thought that there are potential conflicts within the Council through maximising the assets of the Council by obtaining the highest capital receipts for land versus incentivising groups, individuals or organisations to deliver custom/self-build homes, especially given that such groups may be less able to pay market value for the land. It was also identified that Council land assets are finite and there are many competing pressures and potential buyers for land to be sold on the open market.
- 4.3.12 The Council may find it a difficult proposition to develop a policy to allocate proportions of a larger site e.g. 5% on sites over 20 units. This inclusion may affect the viability of sites in terms of affordable housing. Currently, a viability study carried out on sites allocated in the submitted Local Plan has suggested that 30% affordable housing is broadly achievable on most sites. However adding custom/self-build delivery targets may be to the detriment to the delivery of affordable housing on some sites, and this may be unacceptable.
- 4.3.13 There were potential issues and concerns from all Councils around providing serviced plots of land. There is an uncertainty over the level of servicing required (this is not clear from current guidance). West Lancashire currently identify sites for disposal with outline planning permission but the group questioned whether these sites would now have to be provided with services and infrastructure. There were also concerns over custom/self builders purchasing land from Councils over a longer period, for example in staged payments and the associated risks to the authority within this.
- 4.3.14 The local political will and support of land disposal for custom and self-build homes has not been tested on these issues, therefore there is not a clear developmental policy steer as yet.

The Role of Registered Providers

- 4.3.15 Participants felt that at present it is difficult to assess the role Registered Providers could have, as demand is unknown and therefore it is difficult to assess what type of self/custom build is required (e.g. building from scratch or finishing of internal fittings only). Registered Providers could potentially assess housing priority lists to assess demand and where geographically the demand exists. This however would be a large and onerous project for the larger Registered Providers and could potentially be assessed more easily in smaller organisations. It was questioned whether people seeking custom/self-build housing would overlap with Registered Providers priorities for those in affordable housing need.
- 4.3.16 It was recognised, given the uncertain nature of real demand, that demand expressed through any register should, initially, be tested through a small number of 'pilot sites' potentially using public land assets, in a few different geographical areas in the Borough. This would help to identify the scale of effective demand and achievable build out rates for these custom/self-build units. It will also provide a body of experience to inform future policy/potential allocations.

4.3.17 One Registered Provider indicated that, due to increased pressure on resources and associated Business Plans, there may be greater scope for Registered Providers to provide self build opportunities through sale of their land assets.

Breakout Sessions C and D What Self Builders Need

Motivations

4.3.18 Those attending breakout sessions C and D were all potential self builders. The discussion found that there were a variety of motivations for these people to pursue self build, these included:

- To provide specialist accommodation for a family member with a disability, so that the individuals' needs can be accommodated in a family home rather than in a specialist care setting in the longer term
- Individuals who have had a long term interest in building own home, including some people who had previously built their own home.
- To meet their housing needs in retirement and to live in a house more suited to their needs
- To enable a move to owner occupation or to enable their children to get on the property ladder
- To use sustainable building methods and renewable energy techniques
- In terms of location self builders wanted to build in the local area in which they currently live.

- 4.3.19 Most people anticipated that they would remain in their self-build for the long term as they would have investment (both financial and personal) in the property. One thing people did have an interest in was making their property energy efficient, both to save costs and to help the environment.

Register of Interest

- 4.3.20 In terms of the Council developing a Register of Interest in Self Build most participants stated that they would be happy to sign up to the Register and to share information which would allow the Council to assess demand and determine the type of approach to develop according to the profile of those on the Register. Overall people thought that the Register should not be complicated or intrusive and should be a means of signposting potential self builders to useful information. At the time of the workshop, participants were not aware of organisations which could offer support. Some participants thought that the Council could provide a list of trusted builders and have draft contracts or checklists available to the potential self builders.
- 4.3.21 Some believed the Register should only require minimum details such as name and address to be provided and that all available land should be circulated to those on the Register.
- 4.3.22 There is also potential to use the Register as a mechanism for self builders to contact other self builders and possibility combine resources to bid for sites. The importance of publicising the Register and ensuring it was easily accessible was also supported and discussed.
- 4.3.23 It was also considered important that the Register should reflect those who are genuinely interested in building their own home and not be a vehicle for speculative builders.

Barriers

- 4.3.24 The main barrier was the lack of information that is available, particularly for people who haven't done this type of project before. People also thought the lack of knowledge of qualified, trustworthy, builders was a major stumbling block for many people to do this type of work.
- 4.3.25 Another key barrier which potential self builders have encountered so far has been the availability of land. Several people said that it was difficult to compete with house builders who were able to pay more for the land.
- 4.3.26 Finance was also cited as a major barrier to self build with participants saying that it is difficult to get finance from the bank to undertake a self build project.

Preferred Approaches

- 4.3.27 Potential self builders indicated that it is important that sites which become available are deliverable and should not, for example, be contaminated brownfield sites which self builders could not afford to remediate. The preference was also for the provision of serviced plots due to the costs of providing infrastructure. Despite this self builders also considered a variety of options would provide choice for self builders.

- 4.3.28 There was a range of interest in what type of project people wanted to engage in. Some would be happy to undertake much of the building work themselves, while others would commission the work, others would prefer to choose only the layout, fixtures etc.
- 4.3.29 The breakout sessions preferred the approach where surplus publicly owned sites are marketed for custom or self build as individual plots or a small number of plots suitable for small builders or a group of self builders. Participants suggested that a subsidy or loan to self builders would be beneficial and hoped that the Council could make land available specifically to self-builders instead of on the open market. It was recognised that in order to achieve such an approach, political will is important and that the council should take the lead in ensuring self-build plots are available.
- 4.3.30 It was considered that available sites should be suitable to a range of needs and not constrained to only starter homes or larger homes. Some participants thought that the Council should offer land to local people first or people with a connection to the local area who wish to move there. They also recognised the potential of a shared equity self build scheme.

Support from the Council

- 4.3.31 There were a number of areas people thought the Council may be able to offer support and assistance, these were to:
- Give potential self-builder priority when selling Council owned land
 - Provide a list of accredited/trusted self-builders
 - Produce a range of fact sheets setting out step by step what people could do to undertake a self-build project.
 - Inform people of the anticipated costs involved with a self-build project so people would not be exposed to over-charging
 - Put likeminded self-builders in touch with other to encourage co-operatives to form making it easier and less daunting for people
 - Promote recent successful self build projects as good practice so that others can be inspired to consider this themselves.
 - Have a community champion to promote self-build as a valid option
 - Accept phased payments on smaller pieces of land
 - Provide details of different financing options available to self builders.

5. Conclusions and Recommendations

- 5.1 In this section we bring together the key conclusions from the study and provide recommendations for the Council to proceed in developing its response to assessing demand for and developing appropriate responses to that demand for Custom and Self Build homes.

5.2 Conclusions

Strategic Context

- 5.2.1 It is useful to remember the wider operating context within which any response to the need for Custom and Self Build homes will be framed. Successive Strategic Housing Market Assessments (SHMAs) have found a significant need for affordable housing in the Borough. This need is most pressing in Southport, but is also significant in Formby, Maghull / Aintree, and Crosby.
- 5.2.2 The Council also faces significant challenges ahead in relation to a reduction in the resources available to deliver housing priorities. The Council should be proactive in identifying housing needs and share ideas and experience whilst actively using their own assets and knowledge to deliver more homes and build stronger communities. The Council may wish to develop support for self and custom build to assist in the delivery of strategic priorities.
- 5.2.3 The overall strategic priorities and resource constraints may mean that Custom and Self Build housing is not a significant priority within the area. Nonetheless, even where there are competing priorities, the Council could support a variety of approaches to custom and self build which do not have significant resource implications.

Local Experience

- 5.2.4 Through consultation with a variety of stakeholders including neighbouring local authorities, Registered Providers, local, regional and national developers, and local agents such as architects and builders it was clear that there is very little local experience of custom and self build in the Sefton area. Neighbouring authorities confirmed that they were very new to custom and self build and that recent Strategic Market Assessments had not taken account of demand for this. All neighbouring local authorities were very supportive of the study and were willing to learn from experience elsewhere and share good practice as it emerges.

Definition of Custom and Self Build

- 5.2.5 In 2011, the Government's Housing Strategy for England introduced the term 'custom build housing'. Since then there has been some debate about what the terms 'custom build' and 'self build' mean. The National Custom and Self Build Association (NaCSBA) have provided a number of definitions of self build and custom build over recent years.
- 5.2.6 Consultees and workshop participants discussed the definition of self and custom build and indicated that a widely understood definition should be agreed locally.

5.2.7 The 2015 NaCSBA definition is:

'private individuals or groups of people who commission the construction of their own home from a builder, contractor or package company (also known as 'custom build' housing) or in a limited number of cases physically build the home on their own with or without the help of sub contractors (this is known as 'self build' housing).

5.2.8 This is simpler and more succinct than previous definitions and the Council may wish to adopt this definition while it further explores levels of demand and the nature of that demand. Once the nature of demand is better understood the definition of self build and custom build may develop further.

Assessment of Demand

5.2.9 There is no clear picture of the actual level of demand for Self Build and Custom Build across the UK and it is very challenging to reach an accurate figure. NaSBA commissioned two IPSOS MORI polls which found that up to 14% of the population are currently researching how they might build their own home. The University of York estimates that self build accounts for between 7% and 10% of new housing delivery.

5.2.10 We have examined the number of people who have registered on four of the Right To Build pilot authorities Registers of Interest in relation to Self and Custom Build. The percentage of the overall population in each area who have registered ranges from 0.02% to 0.12%. Using these figures as an indicator of demand, we find that if demand for the register was 0.02% a total of 55 people would be likely to register an interest in self or custom build in Sefton, if the figure was 0.12% it is likely that around 328 people would register their interest in self and custom build.

5.2.11 There is no robust method of calculating demand for custom and self build in Sefton and the best approach would be to open and maintain a Register of Interest so that actual demand could be quantified. Demand levels would be likely to fluctuate (and most probably increase) over time as self build developments come to completion and awareness of self build opportunities increases.

Register of Interest

5.2.12 The Self-build and Custom Housebuilding Act 2015 places a duty on local authorities to keep a register of individuals and community groups who have expressed an interest in acquiring land to bring forward self-build and custom-build projects and to take account of and make provision for the interests of those on such registers in developing their housing initiatives and their local plans; to allow volume house builders to include self-build and custom-build projects as contributing towards their affordable housing obligations, when in partnership for this purpose with a Registered Social Landlord; and for connected purposes.

5.2.13 The Planning Inspectorate examination hearings may question why the Local Plan is silent on the issue of Custom and Self Build Homes and the Council should proceed with creation of the

Register so that they can inform the inspectorate of progress made, the emerging evidence and consideration of appropriate responses.

5.2.14 In terms of the Council developing a Register of Interest in Self Build most workshop participants stated that they would be happy to sign up to the Register and to share information which would allow the Council to assess demand and determine the type of approach to develop according to the profile of those on the Register. Overall people thought that the Register should not be complicated or intrusive and should be a means of signposting potential self builders to useful information.

Motivations for Potential Self Builders

5.2.15 Evidence drawn from the literature and consultation shows that there are a variety of motivations for people wishing to pursue self build, these include:

- To provide specialist accommodation for a family member with a disability, so that the individual's needs can be accommodated in a family home rather than in a specialist care setting
- Individuals who have had a long term interest in building own home, including some people who had previously built their own home
- To meet their housing needs in retirement and to live in a house more suited to their needs
- To enable a move to owner occupation or to enable their children to get on the property ladder
- To use sustainable building methods and renewable energy techniques
- In terms of location self builders wanted to build in the local area in which they currently live.

5.2.16 Most people anticipated that they would remain in their self-build long term as they would have investment [both financial and personal] in the property. One thing people did have an interest in was making their property energy efficient, both to save costs and to help the environment.

Barriers for Potential Self Builders

5.2.17 The main barrier was the lack of information that is available, particularly for people who have not undertaken this type of project before. People also thought the lack of knowledge of qualified, trustworthy, builders was a major stumbling block for many people to do this type of work. Another key barrier which potential self builders have encountered so far has been the availability of land. Finance was also cited as a major barrier to self build with participants saying that it is difficult to get finance from the bank to undertake a self build project.

5.2.18 Consultation also suggested that individual self builders would find it difficult to compete with volume house builders in terms of purchasing land/sites on the open market. Self builders also face developmental issues such as the lack of economies of scale which larger developers can access such as discounted prices due to greater volumes of building materials being purchased.

Delivery Options

5.2.19 There are a number of options which the Council may wish to consider when exploring the model to be adopted for the pilot projects and in the longer term the most appropriate approach or suite of approaches to implement. To summarise the key approaches could include:

- **Option 1 as part of a larger site** – The Council could introduce a policy requiring say 5% of larger sites to be available to custom/self builders. This would need to be supported by a design code for the development. If this approach is to be pursued it should be added to the Housing Type Mix and Choice section and Policy HC2 of the Local Plan
- **Option 2 specific sites allocated in the Local Plan** - Specific sites could be allocated entirely or in part for custom/ self build and identified as such in the Local Plan. Again a design code would be required to set out guidance
- **Option 3 Sale of publically owned land and plots** - Surplus publically owned sites could be marketed for custom/self build as individual plots or a small number of plots suitable for small builders or a group of self builders or a co-housing scheme. These sites may not necessarily need to be allocated in the Local Plan as may be classed as windfall sites. Those in urban areas may be suitable for small affordable rent/ shared ownership homes.
- **Option 4 Develop Co-Housing Scheme(s)** – the Council could consider working with a co-housing cooperative to redevelop / reuse sites in the urban area for live / work co – housing scheme. These schemes can deliver high quality sustainable housing to high eco standards with a good mix of housing types and sizes.
- **Option 5 Rural Exception Sites** - If there is a demonstrated need for Rural Affordable Housing these could be linked to the provision with up to 50% of homes being self build to encourage landowners to bring sites forward. In other parts of the country these schemes have been limited to people with local connection, but the housing market in Sefton may not be such as to justify this. This approach will require careful justification through the Affordable Housing SPD.

5.2.20 It was also considered that, given the very different housing markets in existence across the borough, that different approaches may be required in different geographies according to land values, land availability and demand for self build opportunities. We must also remember that the self build market is not easily defined but comprised of many different types of individuals, experience and circumstance.

5.2.21 Research participants identified issues with using council land assets to deliver custom/self build units. It was thought that there are potential conflicts within the Council through maximising the assets of the Council by obtaining the highest capital receipts for land versus subsidising groups, individuals or organisations to deliver custom/self-build homes, especially

given that such groups may be less able to pay market value for the land. It was also identified that Council land assets are finite and there are many competing pressures and potential buyers for land to be sold on the open market.

- 5.2.22 The Council may find it a difficult proposition to include a policy to allocate proportions of a larger site e.g. 5% on sites over 20 units. This inclusion may affect the viability of sites in terms of affordable housing. Currently, a viability study carried out on sites allocated in the submitted Local Plan has suggested that 30% affordable housing is broadly achievable on most sites. However adding custom/self-build delivery targets may be to the detriment to the delivery of affordable housing on some sites, and this may be unacceptable.
- 5.2.23 At this stage we do not recommend the development of an overarching policy requirement in favour of self and custom build. This may, however, be something that the Council wishes to consider over the longer term once a greater understanding of the levels of demand has been established.
- 5.2.24 Potential self builders indicated that it is important that sites which become available are deliverable and should not, for example be contaminated brownfield sites which self builders could not afford to remediate. The preference was also for the provision of serviced plots due to the costs of providing infrastructure. Despite this self builders also considered a variety of options would provide choice for self builders.
- 5.2.25 Study participants suggested that a subsidy or loan to self builders would be beneficial and hoped that the Council could make land available specifically to self-builders instead of on the open market. It was recognised that in order to achieve such an approach political will is important, but overall the council should take the lead in ensuring self-build plots are available.
- 5.2.26 Our findings indicate that there is overall support for sites which are made available being suitable to a range of needs and not constrained to only starter homes or larger homes. Some participants thought that the Council should offer land to local people first or people with a connection to the local area who wish to move there. They also recognised the potential of a shared equity self build scheme.
- 5.2.27 Overall it was recognised, given the uncertain nature of real demand, that demand expressed through any register should, initially, be tested through a small number of 'pilot sites' potentially using public land assets, in a few different geographical areas in the Borough. This would help to identify the scale of effective demand and achievable build out rates for these custom/self-build units. It will also provide a body of experience to inform future policy/potential allocations.

The Role of the Council

5.2.28 There are many ways in which the Council may be able to offer support and assistance to self and custom builders. Some of these should be developed immediately while others should be considered over the longer term as demand and delivery options are better understood.

5.2.29 In the short term the Council should establish a dedicated web page on the Council website which provides information on:

- What self and custom build is
- Routes to self and custom build
- Information about the register, its purpose and the benefits of registering
- A link to the register
- Links to supporting organisations and research
- Information about proposed and current pilot projects as they develop
- Signposting to wider support
- Signposting to potential funders

5.2.30 Other roles which the Council should consider over the longer term include:

- Give potential self-builder priority when selling Council owned land
- Provide a list of accredited/trusted self-builders
- Produce a range of fact sheets setting out step by step what people could do to undertake a self-build project.
- Inform people of the anticipated costs involved with a self-build project so people would not be exposed to over-charging
- Put likeminded self-builders in touch with other to encourage co-operatives to form making it easier and less daunting for people
- When self-build projects complete in the borough the Council could promote these as good practice so that others can be inspired to do this themselves.
- Have a community champion to promote self-build as a valid option
- Accept phased payments on smaller pieces of land
- Provide details of different financing and funding options available to self builders, including information on relevant HCA initiatives
- Provision of guidance to assist potential self builders to understand the entire process, each stage within it and the potential risks and barriers to completion.

The Role of Registered Providers

5.2.31 Overall it is difficult to assess the role Registered Providers could have in custom and self build at this stage, particularly while demand is unknown. A number of suggestions were made in relation to the role of Registered Providers including their provision of Housing Register analysis. Registered Providers were, on the whole, open to exploring potential opportunities within the self and custom build process and this is something which should be explored further in partnership as greater understanding of the level and nature of demand grows. One Registered Provider indicated that due to increased pressure on resources and associated

Business Plans there may be greater scope for Registered Providers to provide self build opportunities through sale of their land assets.

5.3 Recommendations

5.3.1 It is difficult for the Council to proceed in developing appropriate policy responses without first gaining a better understanding of the demand for self and custom build and the preferred routes of those who register an interest. We therefore recommend that the Council takes an incremental approach to developing its response to self and custom build and we suggest that this should include a number of short term actions which will lead to a greater understanding of demand for self and custom build including the piloting of a small number of schemes so that the mechanisms, costs and potential barriers to such development can also be understood in greater depth.

5.3.2 Short Term

Recommendation 1: The council should continue to work in partnership with neighbouring authorities to understand approaches being developed elsewhere and learn from emerging practice. Sefton Council should also share and publish key findings in relation to local experience in relation to custom and self build with key stakeholders.

Recommendation 2: The Council should consider adopting the NaCSBA 2015 definition while it explores the level and nature of demand. If this definition is adopted there should also be a commitment to review this definition as understanding develops.

Recommendation 3: Sefton Council should create and promote a Register of Interest in relation to Custom and Self Build. It may take some time for the Council to determine its preferred approach in terms of the content and format of the Register but a list should be maintained while the preferred approach is being developed. The Register should be web based informed by existing practice elsewhere. The register should be used to map demand by type of home, area of preference and level of self build sought (i.e. serviced plot versus self finish, etc.).

Recommendation 4: The Council should establish a dedicated web page on the Council website. It should draw on current examples from the 11 pilot authorities and select the aspects which work best for Sefton and should provide information on:

- What self and custom build is
- Routes to self and custom build
- Information about the register, its purpose and the benefits of registering
- A link to the register
- Links to supporting organisations and research
- Information about proposed and current pilot projects as they develop
- Signposting to wider support
- Signposting to potential funders

Recommendation 5: Promotion of Sefton’s self build register should be extensive, using traditional print based media as well as electronic and social media. Overall the information obtained from a register should not be too onerous as to risk deterring people from registering. It should also signpost interested parties to other organisations which can offer support and advice.

Recommendation 6: Once the Register is in place, regular analysis of the information collected should be undertaken so that the Council can take account of and make provision for the interests of those on such registers in developing their housing initiatives and their local Plan.

Recommendation 7: The Council could undertake a strategic mapping exercise to identify plots in Council ownership which could obtain outline planning consent, these could then be matched to the Self Build Register/map of interest.

Recommendation 8: Within the context of the findings of this study Sefton Council should identify a small number of pilot sites on which to promote and deliver self and custom build opportunities. The model to be used will be determined by the suitability and individual characteristics of the individual sites which are selected. The pilot approach will provide first hand experience in relation to what works locally and what doesn’t. We envisage that the pilot project would deliver between four and ten plots subject to individual site characteristics.

Recommendation 9: Self builders who have previously been involved in the research should be contacted to ensure that the views of self builders continue to be taken into account as the pilot projects develop.

Recommendation 10: Several potential self builders who took part in the research were interested in self build as a means to address specific needs of family members. The Council should consider whether the development of one of the self build pilots could be tailored to address specific needs. If this approach is pursued Health and Social Care should also be involved in the pilot project.

Recommendation 12: Sefton Council should continue to work with local Registered Providers to explore their role, particularly when there is more information available from analysis of the register of interested self builders. Any pilot projects should consider whether there is scope for Registered Provider involvement.

5.3.3 Medium to Long Term

Recommendation 13 The Council could facilitate access to training courses to potential self builders through linking with a local further education college. These training sessions could include an introduction to self build in order to ensure those proceeding to build their own home have a good understanding of the process and what is involved. A professional qualification could be associated with the training for those who develop a particular interest.

Recommendation 14: Over the longer term other roles which the Council should consider include:

- Give potential self-builder priority on appropriate sites when selling Council owned land
- Provide a list of accredited/trusted self-builders
- Produce a range of fact sheets setting out, step by step, what people could do to undertake a self-build project.
- Inform people of the anticipated costs involved with a self-build project so people would not be exposed to over-charging
- Put likeminded self-builders in touch with other to encourage co-operatives to form making it easier and less daunting for people
- When self-build projects complete in the borough the Council could promoted these as good practice so that others can be inspired to this themselves.
- Have a community champion to promote self-build as a valid option
- Accept phased payments on smaller pieces of land
- Provide details of different financing and funding options available to self builders, including information on relevant HCA initiatives
- Provision of guidance to assist potential self builders to understand the entire process, each stage within it and the potential risks and barriers to completion.

Recommendation 15: Once further research and understanding of the practical application of self and custom build approaches has been undertaken through the register of interest, analysis of the register data and findings from the pilot projects, the Council should formally appraise the following options (and any others which emerge throughout the process):

- Option 1 as part of a larger site
- Option 2 specific sites allocated in the Local Plan
- Option 3 Sale of publically owned land and plots
- Option 4 Develop Co-Housing Scheme(s)
- Option 5 Rural Exception Sites