

## **RIGHT TO BUILD EXPO SOUTH WEST**

**8 March, Westpoint Exeter, Clyst St Mary, Exeter, EX5 1DJ**

### **THE NEIGHBOURHOOD PLANNING DIMENSION - HOW TO INCORPORATE CUSTOM AND SELF BUILD INTO A NEIGHBOURHOOD PLAN MASTERCLASS**

#### **Led by:**

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#### **1. Importance of Neighbourhood Plans to supporting Custom and Self Build housing:**

- Enables communities to decide for themselves where and what type of housing should be built locally
- Can help Councils discharge their duties under the Right to Build legislation, support much-needed local housing, and secure affordable homes for local people for future generations in perpetuity
- Helps local people to access home ownership and live in homes designed to meet their needs
- Promotes more diverse, better designed, more sustainable and greener housing that can be better value compared to volume developer-built equivalents
- Supports community cohesion because it enables people to stay in their local areas and get to know their neighbours during the building process, particularly for group projects
- Supports builders, suppliers and tradespeople in the local construction industry, which helps the local economy

#### **2. Neighbourhood Plans to supporting Custom and Self Build housing:**

- There are many ways Neighbourhood Plans can be used to help facilitate Custom and Self Build.
- Policies encouraging Custom and Self Build housing in the area or asking new housing developments to include serviced building plots in a scheme
- Identifying specific sites and areas where Custom and Self Build should be directed (including small scale infill development or development on the edge of built-up areas)
- Promote affordable private homebuilding projects on rural exception sites - either as single homes or as part of a larger site (could be subject to meeting criteria such as a local connection test, and the homes being subject to below market value resale restrictions in perpetuity)
- Asking for a percentage of affordable housing on a site to be delivered as affordable privately built homes via serviced plots, either individually or as a group project. Encouraging and identifying suitable sites where group projects can be build
- Promoting specific projects (possibly using the Community Right to Build)

#### **3. Funding support:**

- Communities can apply for grant funding under the Government's Neighbourhood Planning programme, or the Community-led Housing and Buildings programmes to help them progress their projects and secure professional help where needed



- There are two types of grant available for community-led housing and building projects (a community can apply for both but there are restrictions):
  - Pre-Feasibility support of between £1,000 and £10,000 This can be used to assess the feasibility of a project before submitting a Community Right to Build Order or a traditional planning application
  - Project Grants of between £5,000 and £40,000. These can be used to prepare a community-led housing project proposal in detail up to the point of submitting a Community Right to Build Order or a traditional planning application
- Grants are not available to buy land or to fund the building of homes or infrastructure works. Support for these is potentially available under other programmes - such as the Home Building Fund
- The Neighbourhood Planning Programme also makes small grant finance available to help communities prepare their plans and proposals:
  - Grants of up to £9,000
  - Technical support packages and an additional grant package of £6,000
- There are also a number of private finance options which are geared towards supporting development which is both affordable of benefit to the community. Some examples are:
  - Locality – national network of community-led organisations
  - Big Society Capital – provides unsecured loans for pre-development
  - Buckinghamshire Building Society – provides mortgages for custom and self-build.
  - CAF Venturesome – provides an unsecured, affordable and flexible source of finance where other lenders may be unable to help.
  - Nationwide Foundation – backs community-led housing
  - Power to Change – independent charitable trust set up to support community businesses to create better places
  - Resonance Social Impact Investment – social impact investment company that provides pre-development and development funding
  - Triodos Bank – ethical and sustainable investment



#### 4. Lessons from the Petersfield Plan:

- There tends to be instinctive support for Custom and Self Build housing from the community – in contrast to ‘normal’ development which is typically opposed. The mantra of ‘affordable homes for local people’ resonates with communities where young people can’t afford to stay and buy their own home.
- Demonstrating demand is key. Self build registers are vital for this, but also consider setting up your own register, speaking to plot-finding websites and extrapolating data from national surveys.
- Developers are, at best, wary of Custom and Self Build housing and can be openly hostile. It is not a model which is widely understood (yet)
- As the Custom and Self Build model is not necessary understood or proven, the Self Build allocation may need to be made on top of the minimum allocation in order to convince the examiner that the plan is sound
- Sites can be exclusively allocated for Custom and Self Build housing. Finding co-operative and sympathetic landowners who had no previous expectation of development is helpful. Exception sites or allocation a percentage of larger developments are also good options.
- Dwellings can be restricted to local ownership in perpetuity – if you want to do this.
- Neighbourhood Planning is an opportunity to create new and innovative policies. If you can demonstrate the demand and show that your model is viable then you should be able to convince the examiner. Don’t listen to those that say ‘it can’t be done’
- Once the plan is made, there is still a lot of work to be done to ensure that the sites come forward. The local Council and community groups are likely to need to be involved in some way as there is no co-ordinating developer to drive the project forward. Think about this when you are writing the plan ...
- You need dedicated and capable volunteers who have time to invest in the plan making and beyond ...

#### 5. Discussion themes

- Challenges and opportunities when including Custom and Self Build housing opportunities into Neighbourhood Plans
- Importance of local demand assessment to inform the plan and site-specific proposals and how such an assessment relates to a Council’s Custom and Self Build Register
- What happens after the plan is made – how do the homes get built?
- Is restricting future use to those with a local connection worthwhile and appropriate?
- How do we encourage more sustainable homes if we can’t enforce higher technical standards?

Further details can be found here: <http://righttobuildtoolkit.org.uk/briefing-notes/how-neighbourhood-planning-can-encourage-private-homebuilding/#>



## Pen Picture of the Petersfield Plan

The Petersfield Neighbourhood Plan recognises that Custom and Self Build housing can be a way of providing affordable housing for local people. It encourages this form of development in the plan and has allocated two sites for about 120 homes exclusively for Custom and Self Build housing.

The plan supports proposals for new homes submitted by individuals, by a builder or a developer acting on behalf of an individual, or by a community group such as a Community Land Trust. To be acceptable the proposal will need to conform with the site design brief in the Plan and meet the requirements in the East Hampshire District Local Plan.

Landowners or developers who have an interest in these sites are encouraged to provide roads and services to the individual plots. They will also need to facilitate the same amount of affordable housing as for any other site, although they can do so using alternative mechanisms - such as via a Community Land Trust.

Planning permission for individual privately built homes on identified sites will only be granted where applicants enter into a planning agreement that:

- Restricts the occupancy to people with a local connection in perpetuity
- Requires people to live in the property once it is complete
- Completes construction of the home within two years

