

FAREHAM
BOROUGH COUNCIL

**Self and Custom Build
Housing Action Plan
Review**

July 2024

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1. Introduction & Background

Introduction

- 1.1 In September 2018, the Council adopted the Self-build and Custom House Building Action Plan¹, setting out a number of actions identified to support the Council's objective to 'positively influence or help secure development opportunities where we can support individuals or organisation in our local communities to deliver high quality self-built or custom-built homes to meet demand in the Borough'.
- 1.2 This review considers what progress has been achieved in respect of each action and to establish whether the original actions identified are proving to be successful in supporting the Council's objectives. The review also considers what further steps the Council can take in supporting the delivery of custom and self-build homes.

Background

What is self-build and custom build housing?

- 1.3 Self-build and custom build housing involves the occupier having a substantial input into the design of their home. This can range from commissioning a full design and build from a builder to an occupier's specification, to the building of watertight shell homes by a builder for their occupiers to finish or the purchase of a plot from a developer with the scope to commission the build from a package company. What distinguishes a home as self/custom build is that ***the first occupants of the home have had a primary input into the design of the home, and the home will be their principal residence.***
- 1.4 The Glossary of the 2023 National Planning Policy Framework² (NPPF) defines custom-build and self-build housing as: 'Housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing. A legal definition, for the purpose of applying the Self-build and Custom Housebuilding Act 2015 (as amended), is contained in section 1(A1) and (A2) of that Act.'

¹ <https://modern.gov.fareham.gov.uk/documents/s21131/Appendix%20A%20Self-build%20and%20Custom%20House%20Building%20Action%20Plan.pdf>

²

https://assets.publishing.service.gov.uk/media/65a11af7e8f5ec000f1f8c46/NPPF_December_2023.pdf

What is the Council's duty in regard to self and custom build housing?

- 1.5 The Self-build and Custom Housebuilding Act 2015 placed a duty on Local Planning Authorities (LPAs) to keep and publicise a register of people who want to self or custom build their home in the LPAs area. The register establishes the level of demand that the Council will need to have regard to when exercising planning, housing, land disposal or regeneration functions. This demand is recorded in 'base periods', which run from 31st October to the 30th October each year. In addition to providing a register and having regard to it, the Housing and Planning Act 2016 placed a further duty on LPAs to grant sufficient development permissions for enough suitable serviced plots of land to meet the demand for self and custom housebuilding in their area. The duty sets out that the number of new entrants joining the register in each base period should be met with sufficient permissions within the following 3 base periods.
- 1.6 The 2023 Levelling Up and Regeneration Act added a requirement that where a Local Planning Authority fails to grant sufficient development permissions to meet the annual requirement identified by the register, it must be carried forward as an unmet need and therefore a continuing requirement.
- 1.7 These duties do not place a requirement on the Council to deliver self and custom build homes itself, but to provide mechanisms and strategies to support delivery by applicants and developers.

2. Action Plan Review

2.1 The following table sets out the actions identified in the 2018 action plan, provides an update of the progress achieved to date and whether the action has been effective in supporting the Council's objectives and will continue to form part of the future action plan in addressing self and custom build delivery. Where the action is proving to be effective, the review also sets out the continuing and future work that the Council consider appropriate to further progress the Council's objectives in relation to self and custom build homes.

Action 1	Work to date	Effectiveness of action	Continuing/Future Work
<p>Explore and implement innovative methods for engaging with customers who are interested in self-build and custom house building in the Borough and raising awareness of the grant of suitable planning permissions or suitable Council land disposals.</p>	<ul style="list-style-type: none"> • The Council sends emails informing those people on the register (registrants) when permission is granted in respect of self and custom build plots. • At the request of developers, the Council have shared marketing information with registrants regarding specific self and custom build development. <p>NB. Both the notifications regarding planning permission granted and marketing information is only sent to those people on the register who have selected to receive such information.</p> <ul style="list-style-type: none"> • In 2021, the Council secured planning permission for 4 self-build plots at Sea Lane and have undertaken an initial expression of interest exercise (with registrants). 	<p>Engagement ensures people on the register are made aware of potential self and custom build opportunities in the borough.</p>	<ul style="list-style-type: none"> • The Council will continue to provide such notifications and will seek to further engage with registrants as new developments progress through the planning system. • Work to progress the Sea Lane self-build plots has been delayed whilst legal agreements are secured with Homes England. Once this has been secured, marketing of the plots to registrants will be undertaken.

Action 2	Work to date	Effectiveness of action	Continuing/Future Work
<p>Continue to improve the Council's understanding of those individuals or organisations that are interested in self-build or custom housebuilding opportunities within the Borough (as well as their ability to afford available options) by undertaking detailed research.</p>	<ul style="list-style-type: none"> Data is gathered at the point of joining the register, including the ward(s) in the borough in which people are interested in building their own home, the size and type of home they are interested in. Additional research has been undertaken to gain a better understanding of need. In 2020 and 2022 questionnaires were sent to people on the register to collect up to date information on desired area, size and type of homes, as well as the financial viability of undertaking a development and the barriers they are encountering to achieving self and custom build. The result of this research has been published in the Self and Custom Build Housing Background Paper (2020) to support the Local Plan and the Self & Custom Build Questionnaire (2022) which are both available on the Council's Self and Custom Build Webpage. 	<p>Gathering data regularly enables the Council to provide evidence of the type of need to developers. Continuing this action should assist in delivering future self and custom build developments address recognised need.</p>	<ul style="list-style-type: none"> The Council will continue to gather data to ensure an up-to-date picture of the borough's self and custom build need is provided. The information gathered both at the point of registration, and in the bi-annual update questionnaires will be expanded to include further information regarding financial planning and requirements for Affordable self/custom build homes.

Action 3	Work to date	Effectiveness of action	Continuing/Future Work
<p>Assess sites potential for self-build and custom house building through the Council's housing availability assessment (e.g., Strategic Housing Land Availability Assessment).</p>	<ul style="list-style-type: none"> As part of the work to produce the adopted Fareham Local Plan 2037, the Council undertook a Strategic Housing and Employment Land Availability Assessment³ (SHELAA). Developers and Landowners who wished to submit land to be assessed as suitable for development were required to complete a 'Call for Sites' form. Developers were required to identify from a number of options, what kind of development their land would be suitable for. This included self and custom build development. As a result of the SHELAA work, a site at Bye Road in Sarisbury was promoted for self-build development, identified by the Council as developable and is now an allocation in the adopted Fareham Local Plan 2037. 	<p>Highlighting self and custom build as a potential method for delivering housing ensures awareness of the sector, maximising opportunities for the provision of self and custom build homes in the borough.</p>	<ul style="list-style-type: none"> The Fareham Local Plan 2037 was adopted in April 2023. Local Planning Authorities are required to undertake a Local Plan review every five years. As part of any future review, the Council will ensure that any Call for Sites and SHELAA work continues to highlight self and custom build as a development option and will assess promoted sites' development potential for self and custom build homes.
Action 4	Work to date	Effectiveness of action	Continuing/Future Work
<p>The Council will work with interested parties to produce design guidance to achieve high-quality design on self and custom build</p>	<ul style="list-style-type: none"> As part of the planning application process, Council officers provide support, guidance, and information to assist applicants in submitting successful applications which are of a high-quality design. The suite of guidance available on the Council's 	<p>Providing information and support to applicants increases awareness of the requirements of the planning system.</p>	<ul style="list-style-type: none"> The Council will continue to support applicants with design advice and guidance. The Council's Self and Custom Build SPD includes explanation and examples of design codes

³ https://www.fareham.gov.uk/PDF/planning/local_plan/DS004_Strategic_Housing_and_Employment_Land_Availability_Assessment.pdf

developments in the Borough (e.g. design codes/plot passports).	website includes the Design Guidance SPD ⁴ . In addition the Self and Custom Build Housing SPD ⁵ includes guidance on what the Council expects to see in relation to design codes and plot passports.	This is important as the regular engagement with individuals on the register lists the planning system as a potential barrier to people progressing with self and custom build.	and plot passports to assist applicants in their preparation. The Council will support developers with advice and guidance in using this document.
Action 5	Work to date	Effectiveness of action	Continuing/Future Work
The Council will work with interested parties to produce procedural guidance on how to apply for planning permission for self-build and custom house building developments in the Borough (e.g., standard conditions).	<ul style="list-style-type: none"> • The Council provide advice and guidance to applicants throughout the planning application process, including a pre-application advice service. • The Council's local information requirements for planning applications now includes a self and custom build checklist which provides clear guidance on application requirements. • In Spring 2023, the Council consulted on a draft Self and Custom Build (SPD) which seeks to provide information, guidance and advice to the local planning authority, developers, landowners, aspiring self and custom builders and the community in relation to the implementation of the Self and 	Providing a suite of information and guidance ensures that applicants/ developers have a good understanding of the Council's expectations with regard to applying for planning permission. Engagement with the Council through the pre-application process can assist further in dealing with any uncertainty.	<ul style="list-style-type: none"> • The Council will continue to provide advice and guidance throughout the planning application process and ensure that local information requirements are kept up to date. • The Council will ensure the SPD is reviewed in the event of changes to policy.

⁴ https://www.fareham.gov.uk/PDF/planning/local_plan/FBCDesignGuidanceSPD.pdf

⁵ https://www.fareham.gov.uk/pdf/planning/local_plan/SelfCustomBuildSPD_Oct23.pdf

	Custom Build Homes policy in the Fareham Local Plan 2037. The SPD was subject to a six-week consultation and was formally adopted in October 2023.		
Action 6	Work to date	Effectiveness of action	Continuing/Future Work
Any new significant change to national policy or in evidence on the local demand for self-build and custom house building, should be reflected in reviewing the Local Plan, as well as other emerging strategies.	<ul style="list-style-type: none"> Recognising the requirements of the NPPF and government regulation and guidance relating to self and custom build delivery, the Fareham Local Plan 2037 adopted in April 2023 includes a specific Self and Custom Build Homes policy (HP9). The policy outlines the Council's support for the principle of self & custom build development and required developments of 40 dwellings or more to provide 10% as self and/or custom build plots. 	It is essential that preparation of any future Local Plan, any supporting documents and the work undertaken by the Council are in line with national policy and guidance.	<ul style="list-style-type: none"> The 2023 Levelling Up and Regeneration Act (LURA) included changes to self and custom housebuilding duties. The LURA has tightened up what can be considered as a relevant self and custom build permission and where previously, any identified need which was not met within the three following base periods fell away, the LURA has changed this, with local authorities now required to roll over any unmet need into the next base period. The Council have always taken a cautious approach to recording relevant permissions, ensuring that there is robust evidence of self and custom build in the permissions recorded. In addition, the under-delivery of each base period has been reported. The Council will continue to seek to fulfil its duties in relation to self and custom build

	<ul style="list-style-type: none"> In addition to the specific self and custom build policy, the Local Plan 2037 includes a policy to support small scale housing development outside the urban area which is sustainably located within or adjacent to existing housing. Policy HP2 – New Small-Scale Residential Development Outside the Urban Areas will be of particular relevance to self-builders who are seeking an individual plot, rather than a home on a larger development. 		<p>and support the delivery of sustainably located self and custom build homes.</p> <ul style="list-style-type: none"> In December 2023 the government published a revised national planning policy framework (NPPF) which included a new paragraph setting out that Local Authorities should ‘seek opportunities, through policies and decisions, to support small sites to come forward for community-led development for housing and self-build and custom-build housing’ As evidenced in the introduction of policy HP2 in the Local Plan 2037, the Council already consider this as an area where self and custom build can be supported.
Action 7	Work to date	Effectiveness of action	Continuing/Future Work
The Council will actively work with Government and other partners to secure funding to enable self and custom-build	<ul style="list-style-type: none"> In 2022, the government launched the Help to Build scheme, designed to make it more affordable and realistic for more people to self-build their home. The £150 million scheme allows for low-deposit mortgages through equity loans on self and custom build homes. The Council’s self and custom build 	The availability of funding is important in supporting the delivery of self and custom build.	<ul style="list-style-type: none"> The Council will continue to share information on funding opportunities on the Fareham Borough Council self and custom build webpage.

housing to be delivered.	webpage has been updated with links to information on criteria and how to apply, to ensure that prospective self-builders are informed of funding opportunities.		
Action 8	Work to date	Effectiveness of action	Continuing/Future Work
The Council hosting or facilitating a series of events or forums, such as Expos, workshops, and webpages, to encourage skills and experience sharing with interested parties.	<ul style="list-style-type: none"> In 2018 the Council hosted a Self & Custom Build Expo in conjunction with the Right to Build Task Force with the aim of promoting and supporting self and custom build and its potential. The Expo included presentations from Richard Bacon MP - Task Force Ambassador and Chair of the All-Party Parliamentary Group on Self-Build, Custom and Community Housebuilding and Place-Making and representative from NaCSBA – the National Custom and Self Build Association. The expo also ran masterclasses on a range of topics including mortgage and finance and community led projects. 	Sharing information, experience, and skills in relation to the self and custom build sector is beneficial to all parties.	<ul style="list-style-type: none"> The Council are continuing to work with the Right to Build Task Force to gain information and experience in supporting self and custom builders in the borough, including a recent workshop for Councillors and Officers to gain a better understanding of the subject. The Council’s website has been recently updated with new information, links and guidance and will ensure this is kept updated. A member of the Planning Strategy Team has also joined the Task Force as an Expert which ensures that the Council is aware of and able to ensure the implementation of best practice in relation to the support of self and custom build and to share experience with the wider planning community.

Conclusion

- 2.2 As identified in the 2018 Action Plan, the delivery of self and custom build in the Borough is not the sole responsibility of the Council, it relies heavily on those wishing to and having the means to build houses themselves, organisations who would like to facilitate or deliver self-build plots or build custom built houses and interested landowners and developers promoting sites for such products. The aim of the original action plan was to ‘positively influence or help secure development opportunities where we can support individuals or organisations in our local communities to deliver high quality self-build or custom house building to meet demand in the Borough’.
- 2.3 In reviewing progress against the actions set out in the 2018 action plan, the Council considers that it has taken significant steps in supporting delivery of self and custom build. Gathering robust evidence from the register enabled the Council to prepare robust Local Plan policies which provide a framework to support sustainable self and custom build development. The Council’s adopted Self and Custom Build Housing SPD gives applicants and developers information and guidance on how they can fulfil policy requirements and the meet the Council’s expectations in delivering self and custom build, which is further augmented by the Council’s Planning Officers who offer pre-application services and support applicants through the application process.
- 2.4 Despite the significant steps the Council has taken to date in supporting the delivery of self and custom build in the borough outlined above, it is recognised that the Council’s duty to grant development permissions for enough serviced plots to meet the register demand has not been met. This is predominantly due to the delays the Council experienced in plan-making, with the review, examination and adoption of the Fareham Local Plan taking approximately six years due to considerable changes by Government in plan-making requirements. As a result, the Council were unable to put policies in place which require developers to consider self and custom build housing need. With the adoption of the plan taking place in 2023, the Council expect that the application of the new self and custom build policies will have a positive impact on this delivery. The Council will continue to support the progress of self and custom build in the borough, working with developers and applicants in achieving successful applications in order to meet the identified need for self and custom build through the granting of relevant development permissions.

3. Future Actions

Removal of Local Connection Test

- 3.1 As part of the Action Plan review, to ensure the Council is following best practice, the Council have reviewed the requirements for joining the register and the information gathered at the point of registration to ensure that they are justified and providing the information and evidence needed to support the delivery of self and custom build in the borough going forward.
- 3.2 The 2015 regulations allow that LPAs can apply local eligibility tests, being a local connection test and a financial viability test as well as allowing a charge to be applied for joining the register.
- 3.3 The Council do not charge a fee for joining the register and do not apply a financial viability test but do currently apply a local connection test. This test establishes 2 separate parts to the register, part 1 being those people who have an existing connection with the borough, either through already living in the borough, working in the borough or being a member/ex-member of the armed forces. People who do not meet this local connection test form part 2 of the register.
- 3.4 Planning Practice Guidance (PPG) states that it is the number of people joining part 1 of the register annually that sets the level of relevant self and custom build development permissions that an LPA should permit within a rolling 3-year period. Part 2 of the register does not count towards demand for this purpose but is included as the starting point for establishing overall demand for self-build and custom housebuilding in plan making. The PPG identifies that these tests should only be applied where an LPA has a strong justification for doing so.
- 3.5 The Council's report to Executive dated 10 July 2017 which introduced the local connection test identified that it 'is very easy to gain entry to the Council's register' and that 'applicants gaining entry to the register had not been regulated and individuals can join multiple registers across the country regardless of whether there is a fundamental need to obtain a self-build plot within the borough.' More recent evidence from the National Custom and Self Build Association reported⁶ in February 2024 that local authority self and custom build registers only identify around a third of people interested in pursuing self and custom build, suggesting that registers are considerably under-estimating demand for this type of home. Table 1 demonstrates how the numbers for Fareham would differ if those on part 2 of the register were included as well.

⁶ <https://nacsba.org.uk/news/registers-underestimate-demand/>

Base Period	Number joining Part 1	Number joining Part 2
as at 30 Oct 2016	36	
31/10/2016 to 30/10/2017	61	1
31/10/2017 to 30/10/2018	27	4
31/10/2018 to 30/10/2019	42	10
31/10/2019 to 30/10/2020	24	12
31/10/2020 to 30/10/2021	26	14
31/10/2021 to 30/10/2022	30	17
31/10/22 to 30/10/2023	8	3
Total:	254	61

Table 1: Number of individuals joining parts 1 and 2 of the Fareham Self and Custom Build Register during each base period.

- 3.6 In line with the Council’s proactive approach to support the self and custom build sector and to ensure that a best practice approach to supporting delivery of self and custom build is being followed, the Council consider it appropriate that the local connection test is removed from the register. This action seeks to provide a more accurate picture of need in the borough and provide evidence to the development industry to support an increase in self and custom build delivery.
- 3.7 The Council recognise that making this change will increase the number of self and custom build development permissions the Council has a duty to permit. Currently the Council have a shortfall of 66 permissions against the need of part 1 of the register, which will increase with the addition of those on part 2. It is important however that the Council is ensuring parity in its approach to the provision of housing for the future population, demonstrating robust evidence which reflects genuine need in the borough, which planners and developers can rely on in their planning proposals and decision making. The Council in its role as Local Planning Authority does not require a local connection test in regard to any other form of housing.

Revision of the Register’s Questionnaire

- 3.8 The PPG sets out that Local Authorities ‘can request applicants to provide additional information to that required by the legislation. This can support a greater understanding of the nature of demand for self and custom build housebuilding in their area, inform local planning policies and assist in bring forward appropriate land.’ The Council already gather significant data at the point of registration, and through bi-annual updates.
- 3.9 The quality of data gathered through these additional questions has been reviewed and the Council propose to amend the questions asked at the point of joining the register to ensure that the data gathered provides the most relevant information. These amendments will include amending the location question to reflect the new ward names and boundaries, and new general financial information questions to understand how people intend to finance

acquiring a plot and building their home. The data gathered will be used to provide robust anonymised evidence to support the need for self and custom build delivery.

- 3.10 As well as gaining a general understanding of the financial position of those joining the register, the Council propose to gather information regarding people's eligibility to also join the Council's Affordable Housing register.
- 3.10 Rather than only being the domain of "Grand Designs" the Council consider that self and custom build, particularly custom-build, could be a route to supporting the borough's affordable housing provision. As such the Council wish to understand whether people registered as interested in a self and custom build home, are also eligible for affordable housing and conversely whether people on the affordable housing register would also be interested in custom-housebuilding.
- 3.11 By undertaking cross-departmental work between the Council's Planning and the Housing Teams, the Council seek to gather evidence of need for Affordable self and custom build in the borough. Resulting anonymised evidence can be shared with developers to inform the housing provision on future developments. If there is evidence of need for this type of home, the Council believe Affordable self and custom build homes could be delivered on large development sites which are required to provide self and custom build homes as well as affordable homes.