SITE SPECIFIC
PART 2 LOCAL PLAN (SSP2)

SELF-BUILD AND CUSTOM BUILD HOUSING BACKGROUND PAPER

August 2019
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1. Introduction

1.1 The purpose of this paper is to provide an overview of Self-Build and Custom Housing in Kettering Borough, using various sources of data, including the Self-Build and Custom Housebuilding Register to gauge the level of demand and need for this type of housing in the local area. This document will set out the level of demand which is primarily obtained through the register and how these findings along with other secondary data will inform the relevant policies in the Kettering Borough Local Plan Part 2 (SSP2).

1.2 The data collected from the register will provide a basis on which the content within the SSP2 is based and provides an indication of the preferred locations and size of plots that are required.

2. Self-Build and Custom Build Housing

2.1 National Planning Practice Guidance defines Self-build and Custom housebuilding as being:

‘Where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals’

2.2 The National Custom and Self-Build Association (NaCSBA) have clearly set out definitions which set out the difference between both self and custom build housebuilding:

Self-build – When someone gets involved in, or manages, the construction of their new home (with or without the help of subcontractors).

Custom build – When people commission the construction of their home from a developer/enabler, builder/contractor or package company. With ‘custom build’ the occupants usually don’t do any of the physical construction work but still make the key decisions.

3. National Context

3.1 The Self-Build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016 requires local authorities to meet the demand for custom and self-build and custom build housing. As part of this, local authorities are required to:

- Prepare, publicise and maintain a register of individuals and associations of individuals ‘who are seeking to acquire serviced plots of land’;
- Have regards to the register ‘when carrying out their planning, housing, land disposal and regeneration functions’; and
• Give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three year basis

3.2 All relevant authorities are required to maintain a register of individuals and associations who wish to obtain serviced plots of land in the local authority’s area to enable them to build properties to occupy.

3.3 In order to be placed on the register individuals or organisations must meet the following criteria:

• Be aged 18 or over;
• Be a British citizen, a national of an EEA State other than the United Kingdom, or a national of Switzerland;
• Be seeking (either alone or with others) to acquire a serviced plot of land in the relevant authority’s area for their own Self-Build and Custom-Build housing project; and
• Have paid any fee required by the relevant authority and complied with any financial solvency test, if introduced.

3.4 The Housing and Planning Act 2016, requires Kettering Borough Council to grant planning permission to meet the demand within each base period. The base periods start on 31st October every year and ends on the 30th October in the following year. This is apart from the first base period which began on the day on which the register was published and ended on 30th October 2016. The Council is then required to grant planning permissions which meet the number of entries on the Register received within each base period inside 3 years.

4. Local Context

4.1 The Self-Build Register was published on the Kettering Borough Council website in March 2016, in accordance with the Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016). This register will inform the Council of the level of demand for serviced building plots in Kettering Borough and help the Council carry out the duties, as mentioned above, including decisions on planning applications and bringing forward new housing and planning policies to support the kind of projects that people on the Register want to build. In order to obtain this information, the following questions are included on the Kettering Borough Council Self-Build Register.

• Personal Details
• Are you registering on behalf of a group or as individual?
• Do you have a local connection to Kettering Borough?
• Are you 18 or over?
• What is your current tenure?
• How many adults are there is your household?
• How many children under 18 are in your household?
- Are you on Keyways?
- Is your household income under £60,000?
- Are you a British Citizen, a national of an EEA State other than the United Kingdom, or a national of Switzerland?
- Will the scheme be your sole/main residence?
- Preferred location of proposed scheme/plot
- Type of scheme
- Type of house
- Type of tenure
- How many bedrooms do you require?
- How many parking spaces do you require for your new property?
- What size of plot do you require?
- How long would it take you to progress a scheme?
- Overall budget
- What is the maximum anticipated amount you can afford to acquire your plot of land?
- Can you confirm that you meet the sufficient resources to purchase land for self-build and custom housebuilding?

5. Plan Policies

5.1 Policy 30 of the North Northamptonshire Joint Core Strategy states that: ‘Housing development should provide a mix of dwelling sizes and tenures to cater for current and forecast accommodation needs and to assist in the creation of sustainable mixed and inclusive communities’

5.2 There is more specific reference to self and Custom Build housing in this policy, where it is stated that:

Proposals for individual and community Custom-Build developments that are in line with the spatial strategy will be supported. SUEs and other strategic developments should make available serviced building plots to facilitate the sector of this market’.

5.3 There is also a recognition of the benefits of self and custom build housing as well as identification of the potential for Part 2 Local Plans and Neighbourhood Plans to identify sites to ‘enable custom build housing to play a greater role in the delivery of housing in North Northamptonshire’. Although it is important to emphasise that this should be based on evidence of local demand.

5.4 The Draft version of Site Specific Part 2 Local Plan (SSP2) which was subject to consultation between 22nd June 2018 and 3rd August 2018, stated ‘it is the intention of the Council to include a policy in the Pre-submission version of the plan, which would encourage the delivery of serviced plots for self and custom build housing. However further work is required to determine the size of site the requirement would be placed on as well as the percentage of plots, on each site, that would be required for self and custom build housing’. In addition to this, as part of the Plan it was also stated that the potential of a
policy which would allow single plot exception sites in the rural would be explored.

6. **Local Demand**

6.1 The Council’s self-build register is the key source of data for assessing local demand but that where necessary this can be supported by additional data from secondary sources, and that this section of the report begins by analysing the data provided on the register and is then followed by reporting the findings of secondary sources. The analysis of the register can be found below.

6.2 The table (Figure 1) below shows the number of entries onto the register per base period, since the publication of the register in March 2016, until March 2019, which represents exactly 3 years of the register being in place.

**Figure 1: No. of entries received on the Self –Build Register and no. of permissions for self-build housing received**

<table>
<thead>
<tr>
<th>Base Period</th>
<th>No. of entries received on the register</th>
<th>No. of permissions specifically for self and custom build housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2016 – 30th October 2016</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>31st October 2016 – 30th October 2017</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>31st October 2017 – 30th October 2018</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>31st October 2018 – March 2019</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>0</td>
</tr>
<tr>
<td>Average (per base period) *</td>
<td>9.1</td>
<td>0</td>
</tr>
<tr>
<td>Average (per annum)</td>
<td>10.3</td>
<td>0</td>
</tr>
</tbody>
</table>

*The first and current base periods do not represent full years – Measured Oct to March for the fourth base period (0.42 of the full base period Oct-Oct)

6.3 At present (March 2019), there are 31 individuals on the Self-Build Register, as shown in Figure 1. All of these entries are individuals and there are no groups or associations on the register. One of the questions included on the online form, is for the applicant to confirm whether a new property would be their sole/main residence, all of those of the register have done so.

6.4 The information gathered by the register provides details on the predilection of applicants, including identifying key preferences for the types of self and custom build plots. However, there is not a duty on local authorities to directly provide plots for self and custom build housing themselves or to allocate plots to those on the register. In addition to this, government guidance *there is no duty to permission land which specifically meets the requirements expressed*
by those on the register’ (NPPG – Paragraph 028 Reference ID: 57-028-201760728 28/07/19). Furthermore, this guidance also advises local authorities to use the ‘preferences expressed by those on the register to guide its decisions when looking at how to meet its duty to grant planning permission’. (NPPG – Paragraph 028 Reference ID: 57-028-201760728 28/07/2019)

6.5 In order to obtain an overview of the demand obtained by the register, the answers to a number of key questions asked as part of the application process have been analysed, this is shown below.

7. Analysis of the Register

Preferred Development Location

7.1 As part of the online form which is used to obtain data from applicants, one key question asked was to indicate a preference for the location of self-build plots within Kettering Borough.

Figure 2: Preferred Development Location

<table>
<thead>
<tr>
<th>Preferred Development Location</th>
<th>Settlement</th>
<th>No.</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kettering</td>
<td>10</td>
<td></td>
<td>32.3</td>
</tr>
<tr>
<td>Burton Latimer</td>
<td>5</td>
<td></td>
<td>16.1</td>
</tr>
</tbody>
</table>
7.2 Figure 2 shows that approximately half on those current on the register have indicated a preference for an urban location for their plots, with Kettering the strongest preference above, Burton Latimer and Desborough. There are no applicants who have expressed an interest for a plot in Rothwell. The remaining 48.4\% have indicated a preference for a plot in the rural area and therefore on the whole the urban-rural split is 52\%-48\%.

**Preferred Development Type**

7.3 To order to understand the type of project that applicants would be interested in, a question was asked as to whether they would wish to progress a scheme through self-build or custom build. The results of this question can be found in Figure 3 below.

**Figure 3: Preferred Development Type**

a)

<table>
<thead>
<tr>
<th>Development type</th>
<th>No.</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-build</td>
<td>13</td>
<td>41.9</td>
</tr>
<tr>
<td>Custom build</td>
<td>18</td>
<td>58.1</td>
</tr>
</tbody>
</table>

b)
7.4 This shows a relatively even split between a preference for self and custom build housing in Kettering Borough, despite a majority preferring the self-build route.

8. Summary of Analysis

8.1 All applications were found to be come from individuals, with no associations currently on the register in Kettering Borough. A significant proportion of applicants to the register were found to currently reside within Kettering Borough, which to some extent suggests that Kettering is a popular district for a self-build or custom build housing project.

8.2 In addition to this, the preferred plot location of each applicant was analysed. The most popular area of the Borough for a plot was the Rural Area, closely followed by Kettering town, which accounted for 48.4% and 32.3% of those on the register, respectively. This suggests that although 52.6% of applicants wish to obtain a plot in an urban location, a significant number prefer a plot in less sustainable locations.

8.3 The most popular project type was found to be custom build, and although not shown in the above analysis, the majority of applicants were interested in building a detached house with at least 3 bedrooms and 2 parking spaces.

8.4 With regards to plot size, there was fairly equal distribution between the given options for this particular question, with applicants indicating a preference for sites between 151m² and 400m².

8.5 It is evident that there is a significant disparity between applicants on the register with regards to the cost of plots, which range from £30,000 and over £250,000. In comparison the disparity increases when looking at the overall budget, including the build cost, of those on the register, which ranges from £50,000 to £500,000. There is no clear correlation between the amount of finance available and the preferred location for a plot.

9. Three Dragons Demand Assessment Report

9.1 Planning Practice Guidance advises local planning authorities to use data obtained from the register, but this should be ‘supported as necessary by additional data from secondary sources’ (Paragraph: 011 Reference ID: 57-011-20160401 1/4/16).

9.2 To supplement the data obtained by the Self-Build Register, Three Dragons were commissioned in April 2018 to undertake a demand assessment for self and custom build housing by the North Northamptonshire Joint Planning and Delivery Unit for all four North Northamptonshire authorities. The report is available to view at Appendix 1.
The primary aim of this report was to understand whether the register was a true reflection of the demand for self and custom build housing. A model was created in partnership with the Right to Build Task Force, which measures the potential for households in an area to develop their own home using the national profile of potential custom and self-builders to identify and comparing this with the profile of the local population, including data from the existing Kettering Borough Council Self-Build register. Although, the model recognises that only a proportion of households are likely to take up self and custom build housing and there are other limiting factors such as local costs and values as well as the availability of finance.

10. **Notional Supply**

10.1 It is recognised by the Three Dragons report that there are two measures of notional supply of self and custom build housing currently taking place.

10.2 The first measure is the number of single dwelling plots that have been developed, where a reasonable assumption is made as to the involvement of the purchasers have had in designing the new property. Although this is not a wholly accurate measure it does provide an initial indication of supply. As shown in Figure 1 the number of permissions that have been granted specifically for self and custom build housing is 0 and therefore this initial measure of demand does show to some extent that some of those individuals who wish to build their home are delivering these schemes.

10.3 The table below, included in the Demand Assessment Report, shows the number of permissions and completions of single dwelling schemes in Kettering Borough between April 2015 and March 2018.

**Figure 4 – Single dwelling permissions and completions**

<table>
<thead>
<tr>
<th>Kettering Borough Council</th>
<th>Single dwelling schemes (total dwellings – permissions and completions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015/16</td>
</tr>
<tr>
<td>Permissions</td>
<td>12</td>
</tr>
<tr>
<td>Completions</td>
<td>10</td>
</tr>
</tbody>
</table>

10.4 It is evident that when Figure 1 and Figure 2 are compared, that the demand obtained by the register is sufficiently being met by the granting of permissions of single dwelling schemes on an annual basis (April-March).
Figure 5 - No. of entries received on the Self –Build Register and no. of permissions on single dwelling schemes

<table>
<thead>
<tr>
<th>Base Period</th>
<th>No. of entries received on the register</th>
<th>No. of permissions granted on single dwelling schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>March 2016 – 30th October 2016</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>31st October 2016 – 30th October 2017</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>3</td>
<td>31st October 2017 – 30th October 2018</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>4</td>
<td>31st October 2018 – March 2019</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>Average (per base period) *</td>
<td>9.1</td>
<td>13.5</td>
</tr>
<tr>
<td>Average (per annum) **</td>
<td>10.3</td>
<td>11.5</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>46</td>
</tr>
</tbody>
</table>

- * Base period 4 does not represent a complete base period, a figure of (3.42) base periods have been used accordingly.

10.5 Figure 5 shows that the number of dwellings granted permission on single dwelling schemes exceeds the number of applicants currently on the register (March 2019). When the base period averages are compared, it is evident that the difference between demand and supply is greater than that when the averages per year are compared. Although these fall below the potential demand indicated by the modelling, this is discussed below.

Figure 6 – Completions on single dwelling schemes 2015-2018

<table>
<thead>
<tr>
<th>Monitoring Year</th>
<th>No. of completions on single dwelling schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>10</td>
</tr>
<tr>
<td>2016/17</td>
<td>6</td>
</tr>
<tr>
<td>2017/18</td>
<td>10</td>
</tr>
<tr>
<td>3 year average</td>
<td>9</td>
</tr>
</tbody>
</table>

10.6 In comparison Figure 6 shows that the over the last 3 years an average of 9 dwellings have been completed on single dwelling schemes. This is lower than both the number of entries that are placed on the register on average over the last 3 years as well as the number of permissions granted on single dwelling schemes over the same period. Although it recognised that the delivery of self-build plots, in this case more on a notional basis, is important, the Self-Build and Custom Housebuilding Act 2015 as amended by the
Housing and Planning Act 2016 only requires local authorities to ‘give suitable development permission for enough serviced plots of land’. However, the approach, as discussed further in this paper, the Council recognises the importance of the delivery of self and custom build housing and will be positive in delivering such housing through to the longer term.

10.7 However, in order to understand the longer term demand for self and custom build housing, further analysis of this data is required to assist the delivery of self and custom build housing through positive action. This will be in the form of the inclusion of relevant policies in the Part 2 Local Plan for Kettering Borough with the aim to provide a diverse and accessible housing market.

11. Demand Estimates

11.1 The model created by Three Dragons looks to identify underlying demand that is not captured by the Council’s register. The results of which can be used to inform the creation of planning policies and other strategies to deliver self and custom build housing over the longer term. This is compared to the figures shown above in Figure 2 which only represents an indicative short term measure of demand.

11.2 The headline results of Demand Assessment report are shown in Figure 7 below.

**Figure 7 – Modelled demand for self and custom build housing**

<table>
<thead>
<tr>
<th></th>
<th>Demand for CSB - units per year (yrs 1-5)</th>
<th>Demand for CSB - units per year (yrs 6-15)</th>
<th>Demand for intermediate sale units per year (yrs 1-5)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kettering Borough Council</strong></td>
<td>66</td>
<td>72</td>
<td>7</td>
</tr>
</tbody>
</table>

11.3 This shows that the potential demand as determined by the Three Dragons model is significantly higher than that shown by the current register and the number of single dwellings being consented and built out. The difference is approximately 56 dwellings, during years 1 to 5. These findings assume that potential self-build and custom build households take up to 3 years to proceed and therefore the potential demand increases beyond the initial 5 year period to 72 units per year which would require the supply of 62 units per year in years 6 to 15.

11.4 This shortfall indicates that action is required by the Council to facilitate the growth and acceleration of self and custom building house building in the area.
12. Implications

Figure 8 – Summary of findings on self and custom build housing

<table>
<thead>
<tr>
<th>Supply</th>
<th>Demand identified from CSB register</th>
<th>Demand identified from CSB modelling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single dwelling schemes (total dwellings – completions)*</td>
<td>2015/16</td>
<td>2016/17</td>
</tr>
<tr>
<td>10</td>
<td>6</td>
<td>10</td>
</tr>
</tbody>
</table>

12.1 As shown in Figure 8, the Demand Assessment report indicates that the potential demand for self and custom build housing may exceed that identified by the register.

12.2 The modelling indicates an initial shortfall of 56 plots per annum over the next five years, with a subsequent increase to 62 plots over the following five years.

12.3 It also estimates that ‘approximately half of the plots would be expected to come forward as self-build housing, with the other half as custom build developments.

12.4 This to some extent reflects the register of which 13 applicants indicated a preference for self-build development, whereas 18 applicants indicated a preference for custom build housing.

12.5 It is also important to consider the various household types that will be required to meet the diverse range of needs, based on both the Register and the modelling as undertaken by the Three Dragons, which indicates a guide to the mix of plot types as follows:

Figure 9 – Estimated split of plot types

<table>
<thead>
<tr>
<th>Plot Type</th>
<th>Plot Size (sqm)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low cost/small plots/ terrace style developments</td>
<td>100-120</td>
<td>15</td>
</tr>
<tr>
<td>Suitable for 3 bed semi/detached homes</td>
<td>300</td>
<td>45</td>
</tr>
<tr>
<td>Suitable for 4 or 5 bed detached homes</td>
<td>300</td>
<td>40</td>
</tr>
</tbody>
</table>

12.6 These figures will not be used as target for the provision of self and custom build housing; however, it provides an overarching perspective and guide to assist in the provision of future self and custom build housing.

13. **Affordable Housing/Rural Exceptions**

13.1 The Three Dragons report has indicated that 10% of future self and custom build housing should be affordable housing. This is based on data obtained through the 2015 North Northamptonshire Joint Planning Unit SHMAA Housing Requirement Update. It is recognised that there are various affordable housing tenures, such as intermediate sale and affordable rented schemes, both of which can be used to deliver affordable self and custom build housing.

13.2 Further to this, of the self and custom build affordable housing that is delivered the Three Dragons report sets out that 75% of this should be smaller units with the remaining 25% for larger families.

13.3 However it is considered that these estimates to meet the need of those looking for affordable self and custom build schemes are a guide and should not be used as a definitive target but does give an indication of the likely scale and type of demand for this type of housing in Kettering Borough.

13.4 The SSP2 Draft Plan stated that ‘the option to include a policy which would allow single plot exception sites in the rural area’ would be considered in the Pre-submission version of the Plan.

13.5 It has been considered that a single plot exception site policy would provide an additional option for those whose needs aren’t being meet by the market to build their own affordable home in the rural area. Therefore, a policy is included within the pre-submission plan. In addition to this, this mechanism would offer an alternative offer to the more mainstream tenures. This type of scheme can be delivered through registered providers, self-build groups or community trusts. At present Policy 13 of the JCS, allows the provision of housing which meets locally identified need, located adjacent to settlement boundaries in the rural area. The proposed policy and further detail can be found in Section 15.

14. **Potential Supply – Historic and Future Delivery**

14.1 In order to include a policy requirement based on robust evidence, both from the Self-build register as well as the Three Dragons, it is important to use historic housing delivery information to justify the requirements of a policy and to ensure the delivery of self and custom build housing to meet the demand determined by both primary and secondary sources.
14.2 The emerging SSP2 forecasts a total of 8499 net dwellings to be delivered between 1st April 2019 and 31st March 2031, equating to an approximate average of 708 dwellings.

14.3 The Kettering Borough Council Site Specific Part 2 Local Plan includes a section on self-build and custom housing. The analysis of those currently on the Self-Build Register and the Three Dragons Demand Assessment Framework, as undertaken in this background paper has allowed an assessment of the demand of self-build and custom build housing in the Borough.

14.4 This assessment has subsequently informed the self-build and custom housing, Policy SB01, that is included the Pre-submission version of Kettering Borough Council Site Specific Part 2 Local Plan.

14.5 Where there is an established demand for self and custom build housing an effective approach to deliver a consistent supply of plots is to require a proportion of larger housing developments. To determine a suitable threshold, sites of above 25 and 50 dwellings were considered.

**Figure 10 – Potential completions of self and custom building housing 2011-2018**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Completion s</th>
<th>No. completion s on sites of 25 dwellings or more</th>
<th>% completion s on sites of 25 dwellings or more</th>
<th>No. of plots if 5% achieved for self-build</th>
<th>No. of completion s on sites of 50 dwellings or more</th>
<th>% completion s on sites of 50 dwellings or more</th>
<th>No. of plots if 5% achieved for self-build</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/18</td>
<td>495</td>
<td>333</td>
<td>67</td>
<td>17</td>
<td>333</td>
<td>67</td>
<td>17</td>
</tr>
<tr>
<td>2016/17</td>
<td>706</td>
<td>587</td>
<td>83</td>
<td>28</td>
<td>567</td>
<td>80</td>
<td>28</td>
</tr>
<tr>
<td>2015/16</td>
<td>547</td>
<td>456</td>
<td>83</td>
<td>23</td>
<td>454</td>
<td>79</td>
<td>23</td>
</tr>
<tr>
<td>2014/15</td>
<td>282</td>
<td>247</td>
<td>88</td>
<td>12</td>
<td>226</td>
<td>80</td>
<td>11</td>
</tr>
<tr>
<td>2013/14</td>
<td>540</td>
<td>341</td>
<td>63</td>
<td>17</td>
<td>323</td>
<td>60</td>
<td>16</td>
</tr>
<tr>
<td>2012/13</td>
<td>351</td>
<td>233</td>
<td>66</td>
<td>12</td>
<td>170</td>
<td>48</td>
<td>9</td>
</tr>
<tr>
<td>2011/12</td>
<td>313</td>
<td>174</td>
<td>56</td>
<td>9</td>
<td>156</td>
<td>50</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3234</strong></td>
<td><strong>2371</strong></td>
<td><strong>-</strong></td>
<td><strong>118</strong></td>
<td><strong>2229</strong></td>
<td><strong>-</strong></td>
<td><strong>112</strong></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>462</strong></td>
<td><strong>339</strong></td>
<td><strong>72</strong></td>
<td><strong>17</strong></td>
<td><strong>318</strong></td>
<td><strong>66</strong></td>
<td><strong>16</strong></td>
</tr>
<tr>
<td><strong>Last 3 years</strong></td>
<td><strong>1748</strong></td>
<td><strong>1376</strong></td>
<td><strong>79</strong></td>
<td><strong>68</strong></td>
<td><strong>1354</strong></td>
<td><strong>77</strong></td>
<td><strong>68</strong></td>
</tr>
</tbody>
</table>

14.6 As shown above, over the last three years (17/18 as most recent) there have been 1376 dwellings completed on sites of 25 dwellings or more, this accounts for 79% of all completions, during this period. However, taking into account
more historic delivery data to 2011/12, up to 17/18, 3234 dwellings have been completed, 2371 of which have been on sites of 25 or more, accounting for 72% of all completions.

14.7 When calculated, a 5% requirement on these sites would have provided 68 plots over the last three years at an average of 23 per year and 118 over the extended period between 2011 and 2018 at an average of 17 plots per year.

14.8 In comparison, on sites of over 50 dwellings, there have been 1354 dwellings have been completed, accounting for 77% of all completions over the last three years. Over a longer period between 2011 and 2018, 66% of completions have been on sites of 50 dwellings or more.

14.9 If a 5% requirement was placed on all these sites, 68 plots, at an average of 23 per year would have been provided over the last three years, the same as if the requirement was for sites over 25 dwellings. However, over an extended period, between 2011 and 2018, 112 plots would have been delivered with this requirement in place, at an average of 16 plots per year.

14.10 When considering both of these options it is evident that the differences between the threshold of 25 dwellings or 50 dwellings or more would be fairly small. Figure 9 shows that, when based on previous delivery between 2011 and 2018, the 5% requirement would have resulted in 118 and 112 plots respectively, although over the last 3 years this figure is the same, 68. This exceeds the level of demand which although represents 3 full years, shows 31 entries between March 2016 and March 2019.

14.11 In relation to projected delivery of housing in Kettering Borough, the latest available site schedule from the 2017/18 monitoring year has been used to calculate the levels of potential future delivery of self-build delivery using both thresholds. This is to show the extent to which this policy has the potential to deliver in comparison to the demand estimates provided in the Three Dragons report.

14.12 The indicative measure of supply as shown in Figure 6 shows that on average 9 single dwellings completed per annum over the last 3 years. However, the figures used as part of the Three Dragons report this has been rounded to 10, therefore leaving a residual figure of 56 dwellings in the short term, years 1 to 5, and increasing to 62 in years 6 to 15.

14.13 When applying the 5% requirement on the next 5 years projected housing delivery, it is anticipated that 185 plots would be delivered between 2019 and 2024, averaging 37 plots, on sites of 25 dwellings or more. In comparison, when the same requirement is placed on sites of 50 or more this would decrease the future supply of plots to 170, averaging 34 plots, over the same period.

14.14 To achieve the estimated levels of provision as set out the Three Dragons report of 56 units in years 1 to 5 (2019-2024), a requirement of 7.59% in the
policy on sites of 25 dwellings or more would be required to provide 280 plots (5x56). In comparison to achieve the same level of supply on sites of 50 dwellings or more over the same period (2019-2014), a requirement of 8.24% would be required in order to achieve the same level of supply.

14.15 The Three Dragons report estimated provision figures as mentioned previously go up to year 15, however the current site schedule does not project beyond 2031, given that this the plan period for the adopted North Northamptonshire Joint Core Strategy and the emerging Part 2 Local Plan for Kettering Borough. Despite this, the omission of 3 years is unlikely to affect the figures used to project the likely supply of self and custom build when using the 2017/18 site schedule for Kettering Borough.

14.16 In comparison to the analysis undertaken for the period, 2019-2024, that undertaken for the period 2024-2031 shows that the requirement for sites of 25 or more dwellings would be 12.5% and for sites of 50 dwellings or more would be 13.36% during the same period.

14.17 However, when calculating provision between 2019 and 2031, the requirement for sites of 25 or more would be 9.97% and for sites of 50 dwellings of more at 10.74%. Over this period, if the threshold was set at 25 or more dwellings, 358 plots would be delivered, in comparison if it was 50 dwellings or more 332 plots would be delivered. These figures are significantly less than the modelled demand for this period, which has been calculated at 714 plots.

14.18 Therefore it is evident that, in order to achieve the estimated levels of demand up to 2031, the percentage requirement on sites of both 25 and more, or 50 or more exceed the proposed percentage of 5%. A summary of this can be found in the tables below, in Figures (11-13).

14.19 It is considered that using a significantly higher percentage of approximately 10% is likely to affect the viability and deliverability of larger sites. This is because there is already a requirement for sites of 11 or more to provide 30% of the dwellings as affordable housing in the Growth Towns and Markets Towns and increasing to 40% the rural areas as set out in Policy 30 of the North Northamptonshire Joint Core Strategy.

14.20 Therefore, the proposed approach when taking into account the evidence provided above, is to require 5% on sites on 50 dwellings or more, this is in favour of sites of 25 or more. On sites of 25 dwellings, 5% which would be 1.25 dwellings required to be self-build, this could impact on viability.

14.21 It is important to recognise some of the sites within the site schedule have planning permission and therefore will not deliver self-build plots, these sites are shown in Figure 14. Therefore, the findings included within Figures 12-14 are theoretical not an actual representation of future delivery. The only sites that could potentially deliver self-build plots within the plan period are sites allocated for housing, shown in Figure 15, totalling between 60 and 62 dwellings as well as those sites again allocated for housing in the Kettering
Town Centre Area Action Plan which do not benefit from planning permission at present.

14.22 There are some sites which are included within Figure 1 which do only have Outline planning permission, including Hanwood Park which is yet to receive reserved matters applications on a number of its parcels. Therefore, through the approval of reserved matters process there is the potential that these sites could deliver self-build plots, which could increase supply of this type of housing, given that including the remaining 4644 units yet to obtain full planning permission on Hanwood Park, total 6208 dwellings currently with outline planning permission. If the 5% requirement in the proposed policy were to be implemented on all these sites this is likely to result in the delivery of approximately 310 self-build plots. This is a significant proportion of the 9,476 dwellings that are projected to be complete between 2019 and 2031, a difference of 3,268.

**Figure 11 – Projected housing delivery 2019-2024**

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Completions</th>
<th>Completions on sites of</th>
<th>Potential demand</th>
<th>Projected Supply</th>
<th>% required to meet potential demand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>25 or more</td>
<td>50 or more</td>
<td>25 or more</td>
<td>50 or more</td>
</tr>
<tr>
<td>2019/20</td>
<td>566</td>
<td>375</td>
<td>355</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>2020/21</td>
<td>849</td>
<td>722</td>
<td>651</td>
<td>36</td>
<td>33</td>
</tr>
<tr>
<td>2021/22</td>
<td>1027</td>
<td>926</td>
<td>819</td>
<td>46</td>
<td>41</td>
</tr>
<tr>
<td>2022/23</td>
<td>1016</td>
<td>920</td>
<td>827</td>
<td>46</td>
<td>41</td>
</tr>
<tr>
<td>2023/24</td>
<td>833</td>
<td>747</td>
<td>747</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>4889</td>
<td>3690</td>
<td>3399</td>
<td>280</td>
<td>185</td>
</tr>
<tr>
<td>Average</td>
<td>815</td>
<td>738</td>
<td>680</td>
<td>56</td>
<td>37</td>
</tr>
</tbody>
</table>

**Figure 12 – Projected housing delivery 2024-2031**

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Completions</th>
<th>Completions on sites of</th>
<th>Potential demand</th>
<th>Projected Supply</th>
<th>% required to meet potential demand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>25 or more</td>
<td>50 or more</td>
<td>25 or more</td>
<td>50 or more</td>
</tr>
<tr>
<td>2024/25</td>
<td>787</td>
<td>643</td>
<td>630</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>2025/26</td>
<td>851</td>
<td>723</td>
<td>683</td>
<td>36</td>
<td>34</td>
</tr>
<tr>
<td>2026/27</td>
<td>905</td>
<td>577</td>
<td>508</td>
<td>29</td>
<td>25</td>
</tr>
<tr>
<td>2027/28</td>
<td>701</td>
<td>533</td>
<td>510</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>2028/29</td>
<td>621</td>
<td>435</td>
<td>358</td>
<td>22</td>
<td>18</td>
</tr>
<tr>
<td>2029/30</td>
<td>356</td>
<td>280</td>
<td>280</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>2030/31</td>
<td>356</td>
<td>280</td>
<td>280</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>4577</td>
<td>3471</td>
<td>3249</td>
<td>434</td>
<td>174</td>
</tr>
</tbody>
</table>
### Figure 13 – Projected delivery 2019-2031

<table>
<thead>
<tr>
<th>Year(s)</th>
<th>Projected Completions</th>
<th>Completions on sites of 25 or more</th>
<th>Completions on sites of 50 or more</th>
<th>Potential demand</th>
<th>Projected Supply</th>
<th>% required to meet potential demand 25 or more</th>
<th>% required to meet potential demand 50 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-2031</td>
<td>9466</td>
<td>7161</td>
<td>6648</td>
<td>714</td>
<td>358</td>
<td>332</td>
<td>9.97</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10.74</td>
</tr>
</tbody>
</table>

### Figure 14 – Sites with planning permission or with current planning applications

<table>
<thead>
<tr>
<th>Sites of 50 dwellings or more</th>
<th>Self-build plots secured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosworth’s</td>
<td></td>
</tr>
<tr>
<td>Higham Road</td>
<td></td>
</tr>
<tr>
<td>Higham Road (north of Grace Homes)</td>
<td></td>
</tr>
<tr>
<td>Desborough (land to the south of)</td>
<td></td>
</tr>
<tr>
<td>Desborough North</td>
<td></td>
</tr>
<tr>
<td>East of Kettering</td>
<td></td>
</tr>
<tr>
<td>Gipsy Lane (land west)</td>
<td></td>
</tr>
<tr>
<td>Rothwell Road (land off)</td>
<td></td>
</tr>
<tr>
<td>East of Kettering (R19)</td>
<td></td>
</tr>
<tr>
<td>Westhill (land at)</td>
<td></td>
</tr>
<tr>
<td>East of Kettering (R7, R9, R10)</td>
<td></td>
</tr>
<tr>
<td>Convent of Our Lady, Hall Lane</td>
<td></td>
</tr>
<tr>
<td>Westhill (land at)</td>
<td></td>
</tr>
<tr>
<td>Westhill (land at) – Phase 2</td>
<td></td>
</tr>
<tr>
<td>Rothwell Town Football Club, Cecil Street</td>
<td></td>
</tr>
<tr>
<td>Cranford Road (land to the rear of 30-50)</td>
<td></td>
</tr>
<tr>
<td>Polwell Lane (land at) – Phase 1</td>
<td></td>
</tr>
<tr>
<td>Polwell Lane (land west of) – Phase 3</td>
<td></td>
</tr>
<tr>
<td>Polwell Lane (land at) – Phase 4</td>
<td></td>
</tr>
<tr>
<td>Rothwell North</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

None of these sites will deliver any self-build or custom build plots.

### Figure 15 – Sites allocated in the Plan

<table>
<thead>
<tr>
<th>Sites of 50 dwellings or more</th>
<th>Potential self-build plots</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land adjacent A14 opposite crematorium</td>
<td>4</td>
</tr>
<tr>
<td>Former Kettering Town Football Club, Rockingham Road</td>
<td>4</td>
</tr>
<tr>
<td>Land west of Kettering</td>
<td>18</td>
</tr>
<tr>
<td>McAlpine’s Yard, Pytchley Lodge Road</td>
<td>9-11</td>
</tr>
<tr>
<td>Land off Buxton Drive and Eyam Close</td>
<td>7</td>
</tr>
<tr>
<td>Land to the west of Rothwell (Rothwell North)</td>
<td>15</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>---</td>
</tr>
<tr>
<td>Land to the west of Mawsley</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60-62</strong></td>
</tr>
</tbody>
</table>

14.23 It is considered that the policy approach to self-build and custom housing is supported by evidence of need and will be effective in assisting the delivery of plots to meet this need through both allocated sites and on windfall sites.

14.24 Taking into account the historic delivery over the last 3 years on windfall sites as well as the allocated sites, Policy SB01 would meet the needs of those on the register as well as those identified by the Three Dragons as part of their demand estimates.

15. Proposed Policies

15.1 It is considered that a 50 dwelling site size provides a reasonable threshold for requiring 5% of plots on the site to be provided self-build or custom build housing. In addition to this, a site size threshold of 1.6ha is included within the policy. Sites of this size and above, will be required to provide a proportion of self-build plots. This is based on a density of 30 dwellings per hectare on a 50 dwelling scheme. This figure has been informed by the density of the proposed housing allocations. The information can be found within the Housing Land Supply Background Paper.

15.2 In order to ensure that these plots are not left vacant, it is the intention of the relevant section of the Part 2 Plan to include a requirement to allow the developer of the site on which these plots are located to build out these plots. This will only be once they have been marketed at a prevailing market value for 6 months, this is shown below.

### Policy HOU2

Housing developments of 50 or more dwellings or with a site area of 1.6ha or more, should provide 5% of plots to be made available as self-build or custom build serviced plots.

The provision will take account of:

- Evidence of local need
- The nature of the development proposed; and
- The viability of the development

Serviced building plots which have been appropriately marketed at a prevailing market value and which have not been sold after 6 months can be built out by the developer.

To ensure that Policy HOU3 meets local need as set out in Policy 13, applicants need to have a strong local connection and the property will needs to remain affordable in perpetuity. Permitted development rights will be removed to ensure that any future proposals to extend the property are
regulated through the planning application process. Beyond this, the future sale of these properties will be restricted by a planning obligation to restrict the resale to only those with a local connection. The future resale value of the property will be capped at a percentage of the open market value.

Applicants for single affordable plot exceptions sites should use the Council’s pre-application advice service. Before applying for planning permission applicants must ensure that must meet the requirements as set out in Policy HOU3 below and be the person intending to occupy the dwelling as their principal residence. Speculative development will be resisted. Further details on how this policy will operate, will be provided in a Supplementary Planning Document.

**Policy HOU3**

Single plot affordable exception sites will be supported for self-build housing in the rural area, where the proposal is in accordance with Policy 13 of the Joint Core Strategy and:

- The applicant is the prospective owner of the proposed affordable dwelling
- The applicant can demonstrate a strong local connection to the village
- The applicant has a need that is not met by the market
- The property is built to the minimum nationally described space standards

A planning obligation will be used to ensure that the property remains affordable for the local community in perpetuity. Permitted development rights will also be removed.

### 16 Potential further work to assist self-build delivery

16.1 To ensure that the demand for self and custom build housing is met, a number of alternative approaches should be considered in addition to the policies included with the Part 2 Local Plan. This is likely to provide diversity and choice for those wishing to progress a self-build or custom build housing scheme in Kettering Borough and ensure that the right products are delivered, especially on smaller sites, which Policy SB01 is unlikely to assist with.

- Working with and encouraging SME builders to provide small sites either to sell as self-build plots or on to provide custom build homes
- Require larger developers to deliver part of a site through a specialist provider
- Marketing on plots on a council owned site.
- Focus decision-making on ways which might enable larger individual self-build plots
- Further engagement with community led housing organisations such as EMCLH (East Midlands Community-Led Housing) to engage with the local community, affordable housing providers and land owners.
17. **Conclusions**

17.1 As shown by the evidence presented as part of this document, the level of demand obtained by the register, the primary source of data of which the Council relies on to measure its supply of self and custom build plots against, is unlikely to be representing the true level of demand for this type of housing in Kettering Borough. This is because it is unlikely that all interested parties with regards to this type of housing are on the register at present. It is also recognised that the level of demand shown by the self-build register reflects the approach taken to promoting self and custom build housing locally, rather than a true reflection of demand.

17.2 For this reason, the Three Dragons report has provided an additional, useful source of evidence, although secondary, to inform planning policies in relation to self and custom build housing in the Part 2 Local Plan, supplementing the evidence of demand obtained by the register, as mentioned above.

17.3 The level of modelled demand in the Three Dragons report represents an aspiration for the Council with regards to the delivery of self and custom build housing in Kettering Borough, but it should not be considered as a strict target or represent the primary source in determining the demand, as this is not purpose of the report.

17.4 However, it is considered that the proposed policies for self-build and custom build housing in the Part 2 Local Plan are capable of delivering diverse developments whilst meeting the evidenced level of need above that obtained by the register with the likelihood that delivery via the policies in the Part 2 Plan will exceed the need on the register. It is evident that the likely demand exceeds that on the register and therefore it is considered through the inclusion of policies in the Part 2 Plan, positive action is being taken towards the delivery of self-build and custom build housing in the long term both for both open market and affordable self-build housing.

17.5 Although as mentioned above, alternative approaches to delivering self and custom build housing, in addition to the policies within the Part 2 Local Plan should be explored in order provide choice for those interested in this type of housing in Kettering Borough.
Appendix 1 – Three Dragons Custom and Self-Build Demand Assessment Framework December 2018
EXECUTIVE SUMMARY

1. Self-Build housing has been part of the UK housing market for many years, traditionally meeting the aspirations of a niche market where future home owners are involved in the design and delivery of their dream home. Over time, self-build has gradually diversified through a range of models from the self-builder doing everything, through to a full ‘design & build’ approach with the self-builder commissioning contractors to build their homes for them. ‘Custom build’ models are now also entering the housing market enabling the consumer to buy a shell or part finished home to complete the fit-out themselves.

2. This report has been prepared for Kettering Borough Council as part of a larger study for the local planning authorities of Corby Borough Council; East Northamptonshire Council; Kettering Borough Council; Borough Council of Wellingborough which together make up the North Northamptonshire Joint Planning and Delivery Unit (NNJPDU) and are referred to in the report as the North Northamptonshire Councils. There are separate reports for each council. This report provides information to assist the Kettering Borough Council in planning for custom and self-build housing, responding to national legislation, policy and guidance, in the context of local demand. The report is divided into three parts
   • Part A – The national position
• Part B – The local context
• Part C – Demand estimate

**Part A – The national position**

3. The key requirements of the legislation are set out in two acts of Parliament, The Self-Build and Custom Housebuilding Act 2015\(^1\) as amended by the Housing and Planning Act 2016, with guidance given by two main statutory instruments\(^2\). The Acts introduced three duties for local authorities to meet demand for custom and selfbuild housing (collectively known as “the Right to Build”), requiring them to:

- prepare, publicise and maintain a register of individuals and associations of individuals “who are seeking to acquire serviced plots of land”;
- have regard to the register “when carrying out their planning, housing, land disposal and regeneration functions”; and
- give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.

**Part B – The local context**

4. The Joint Core Strategy for North Northamptonshire 2011 – 2031, (adopted July 2016)\(^3\) supports Custom & Self-build (CSB) delivery and includes specific policies (Policy 30) to encourage development across the 4 authorities.

5. Kettering Borough Council’s emerging Site Specific Part 2 Local Plan – Consultation Draft \(^4\) states

   “In order to meet the demand that has been determined through the Self-Build Register, it is the intention of the Council to include a policy in the Pre-submission version of the plan, which would encourage the delivery of serviced plots for self and custom build housing. However further work is required to determine the size of site the requirement would be placed on as well as the percentage of plots, on each site, that would be required for self and custom building housing”\(^5\)

6. A simple comparison between demand for CSB (as measured by the register) and notional supply (as measured by single dwelling completions) indicates that most of the apparent demand is being met through small site developments. For Kettering, we have identified a demand from the register for 10 plots a year and a current supply of the same figure.

7. The above analysis relies on the register as an accurate measure of underlying demand and assumes there are no larger scale CSB developments. The scale of demand shown by registers can be as much a reflection of the approach taken to

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\(^1\) [Link](http://www.legislation.gov.uk/ukpga/2015/17/contents)

\(^2\) [Link](http://www.legislation.gov.uk/uksi/2016/950/made)

\(^3\) [Link](http://www.nnjpu.org.uk/publications/docdetail.asp?docid=1573)

\(^4\) [Link](http://kettering.limehouse.co.uk/portal/draft_ssp2?pointId=2373732)
promoting CSB locally as a pattern of local demand. Whilst it can be a useful indicator of demand it is not useful as a long term planning tool.

**Part C – Demand estimate**

8. In order to understand whether the registers provide a true reflection of demand, Three Dragons, with the support of the Right to Build Task Force, has developed an alternative model for determining underlying longer-term demand for CSB at local level. The model measures the potential for households in an area (on their own or by working with others in a group or ‘association’) to develop their own home – as custom or self-build. It compares the national profile of potential custom and selfbuilders with the profile of the local population. The model recognises that only a proportion of households which fit the characteristics are likely to go on to take up CSB and that local costs and values as well as availability of finance will have an impact on this.

9. Headline results from the modelling are shown in the table below.

<table>
<thead>
<tr>
<th></th>
<th>Modelled demand for CSB plots</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kettering Borough Council</td>
<td>Demand for CSB - units per year (yrs 1-5)</td>
</tr>
<tr>
<td></td>
<td>66</td>
</tr>
</tbody>
</table>

**Implications**

10. The demand assessment model indicates that potential demand for CSB development is greater than the CSB register would suggest.

11. Limited CSB development is already occurring through single plots. The current rates of supply fall below the potential demand indicated by the modelling. This implies that positive action is required by the council to enable faster rates of CSB development in the area.

12. As a guideline and taking account of current levels of supply, we recommend the following levels of provision for CSB to be facilitated through the local plan process
for Kettering Borough Council. The figure is on an annual basis. For the next 5 year period

**CSB estimated annual demand for plots = 56 plots**

Rising to 62 plots per annum for years 5-10

13. The above figures should not be viewed as maximum. There may be particular circumstances which would support provision of a greater number of CSB plots.

14. Of the requirements set out above, approximately half would be expected to come forward as self-build housing and half as custom build developments. Of the selfbuild units, only a small number are likely to come forward as single plots delivered through traditional planning routes unless the council is able to do more to encourage such provision.

15. Demand for CSB plots is from a mix of household types and planning policies will need to encourage a diverse range of plots to meet the need. In framing future policies and dealing with planning applications, the following is put forward as a guide to the mix of plot types likely to be required:

- **15%** - low cost/small plots/terrace style developments;
- **45%** - suitable for 3 bed semi/detached homes;
- **40%** - suitable for 4 or 5 bed detached homes.

16. About 10% of future CSB development should be as affordable housing. It is anticipated that this will be focused on intermediate sale products, but suitable Affordable Rented schemes should also be welcomed. National data indicates that take up of (non CSB) shared ownership housing tends to be from younger and smaller households. Therefore we would suggest that 75% of the affordable CSB plots should be smaller units aimed at this market and the remaining 25% for larger families.

17. There is an opportunity for KBC to use the information in this report as evidence base for policies in its emerging Local Plan and to encourage, through the Local Plan process, greater provision of CSB plots across the authority. Plan policies should take account of and reference all demand information.

18. This report has made best use of the available data. However, it is acknowledged that the growth in CSB in the area needs to be carefully monitored in line with the Government’s Planning Practice Guidance to identify trends in demand and delivery against the duties under the legislation. The data collected can inform future reviews of plan policies and action to support this form of house building.

19. The Framework has been produced by Three Dragons and its contents are the responsibility of Three Dragons. The Right to Build Task Force has supported its development and continues to work with Three Dragons on its application.

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5 The Task Force was established by the National Custom and Self Build Association and is supported by a range of organisations including the Royal Town Planning Institute, Royal Institution of
1  INTRODUCTION

Purpose of the Demand Assessment Framework

1.1 Self-Build housing has been part of the UK housing market for many years, traditionally meeting the aspirations of a niche market where future home owners are involved in the design and delivery of their dream home. Over time, self-build has gradually diversified through a range of models from the self-builder doing everything, through to a full ‘design & build’ approach with the self-builder commissioning contractors to build their homes for them. ‘Custom Build’ models are now also entering the housing market enabling the consumer to buy a shell or part finished home to complete the fit-out themselves.

1.2 There is no doubt that custom and self-build homes can help provide a diverse mix of local housing and widen the potential for home ownership as well as providing new affordable housing options. Custom and self-build can also help encourage small and medium sized builders to diversify their businesses and take advantage of a wider range of customers.

1.3 The Government has recognised these benefits and has steadily introduced measures to support the growth of Custom and Self-Build (CSB) housing.

The Framework Report

1.4 This report has been prepared for Kettering Borough Council (KBC) as part of a suite of reports for the 4 authorities that make up the partnership North Northamptonshire Joint Planning & Delivery Unit (NNJPDU): Corby Borough Council; East Northamptonshire Council; Kettering Borough Council; Borough Council of Wellingborough (referred to in the report as the North Northamptonshire Councils - NNCs). The report provides information to assist the authority in planning for custom and self build housing, responding to national legislation, policy and guidance in the context of local demand. The report is divided into three parts:

Part A – The National Position:

1.5 A summary of the relevant legislation and guidance and other actions the Government is taking to support CSB housing. Part A includes definitions of custom and self-build;

Part B – The Local Context

1.6 A review of relevant local authority policies (including its local plan and other guidance e.g. SPD6), current estimates of demand (including from the Custom and Self-Build Register as well as from the authority’s SHMA7) and progress in meeting demand for CSB housing;

Chartered Surveyors and the Local Government Association. More details about the Task Force are available at www.righttobuildtoolkit.org.uk

6 Supplementary Planning Document
7 Strategic Housing Market Assessment

Final Report – Three Dragons – December 2018
Part C – Demand Assessment

1.7 An assessment of future demand for CSB – for the next 5 years in detail, with broad estimates for the following 10 years. Estimates of the make-up of the demand (e.g. size of dwellings, affordable housing) are also provided.

1.8 The Framework has been produced by Three Dragons and its contents are the responsibility of Three Dragons. The Right to Build Task Force\(^8\) has supported its development and continues to work with Three Dragons on its application.

\(^8\) The Task Force was established by the National Custom and Self Build Association and is supported by a range of organisations including the Royal Town Planning Institute, Royal Institution of Chartered Surveyors and the Local Government Association. More details about the Task Force are available at www.righttobuildtoolkit.org.uk
2 NATIONAL CONTEXT

What is custom and self-build housebuilding

2.1 The Self-build and Custom Housebuilding Act 2015 (as amended by Section 9 Housing and Planning Act 2016) sets out a statutory definition of Self-build and Custom housebuilding as:

“(A1) In this Act “self-build and custom housebuilding” means the building or completion by—
individuals,
associations of individuals, or
persons working with or for individuals or associations of individuals, of
houses to be occupied as homes by those individuals.
(A2) But it does not include the building of a house on a plot acquired from a person
who builds the house wholly or mainly to plans or specifications decided or offered by
that person.”

2.2 National Planning Practice Guidance interprets the definition of Self-build and Custom housebuilding as being:

“.....where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals.”

2.3 In simple terms, CSB is generally recognised as a form of housebuilding where the purchaser buys a building plot and funds their own build. This early acquisition gives them scope to influence the design and build of their home, either on their own or by working with others in a group or ‘association’.

2.4 The legislation does not distinguish between self-build and custom housebuilding and, in practice, there is a spectrum of options between the two. One definition of the difference was put forward by the former Minister for Housing and Planning, Brandon Lewis, in the House of Commons on 24 October 2014, where he said:

“[the] definition of ‘Self Build’ covers someone who directly organises the design and construction of their new home, while ‘Custom Build’ covers someone who commissions a specialist developer to help to deliver their own home. ....”

2.5 The National Custom and Self Build Association (NaCSBA) has provided a more detailed description of the differences between self-build and custom housebuilding:

**Self-build** is when someone gets involved in, or manages, the construction of their new home (with or without the help of subcontractors).

**Custom build** is when people commission the construction of their home from a developer/enabler, builder/contractor or package company. With ‘custom build’ the occupants usually don’t do any of the physical construction work but still make the key design decisions.

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2.6 Both of the above forms of housebuilding provide routes into home ownership for individuals and groups or associations of individuals who want to play a role in developing their own homes. Clearly there is a blurring in the distinction between the two forms of housing but, in terms of how they are treated for planning purposes, regulation, exemptions and outcome are the same whatever route the self-builder takes. However each build route will require different types of plot to be made available.

2.7 CSB housing is not, of itself, Affordable Housing as set out in the National Planning Policy Framework (NPPF) (July 2018) although CSB housing can produce cost savings compared to market housing. Models of CSB housebuilding are emerging which more directly fall within the NPPF definition of Affordable Housing, for example, as intermediate sale products such as shared ownership and discount market sale. There are also a small number of schemes of CSB housing which are developed as Affordable Rent.

2.8 The delivery of self-build and custom housing through affordable housing policies is now starting to be found in local plans\textsuperscript{10}.

2.9 CSB homes can be undertaken by local community groups. The groups can be organised in different ways, for example as co-operatives or co-ownerships or through community land trusts. Community groups may have a common purpose and wider community objectives or may simply provide a means for individuals to build/commission their own home. Housing associations, local authority housing companies and specialist organisations such as the Community Self Build Agency can also bring forward affordable CSB housing schemes.

\textit{Custom \& self-build Housing Delivery Rates}

2.10 The CSB sector currently completes about 13,000 homes each year in the UK. At this rate, the UK lags well behind other European countries and those elsewhere in the world in terms of the contribution from Self-build and Custom housing development to overall housing numbers (see below).

There is no single explanation to account for the scale of difference in incidence of self-building between similar countries but various hypotheses have been put forward. A study by the University of York suggests that important factors may be “historic developments within housing and planning systems, the propensity of the government to provide housing, and the emergence of large volume housebuilders and/or local commitments to the ethos of homeownership”. A recent parliamentary research paper suggests that the level of local authority support for community projects is greater in countries with higher rates of self-building.

The Government stated in the White Paper ‘Fixing our broken housing market’ that it wants to support the growth of custom and self-build housing to help drive the diversification of the housing market in England, boost housing supply and give more people more choice over the design of their own home. Alongside two Acts of Parliament and associated regulations (see below), the Government supported the establishment of an industry-led Right to Build Task Force to support delivery, as recognised in the White Paper.

Key requirements of the legislation

Two acts of Parliament set out the responsibilities of local authorities to help promote CSB housing. The Self-Build and Custom Housebuilding Act 2015 as amended by the Housing and Planning Act 2016 introduced three duties for local authorities to meet demand for custom and self-build housing (collectively known as “the Right to Build”). This legislation requires local authorities to:

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11 Build it Yourself? University of York Spring 2013 p16 – based on previous research ‘Self-provided housing in developed societies’ Dol et al 2012
12 Parliamentary Research Paper 06784 Self-build & Custom Build Housing (England) March 2017 see p5 – example given of how municipality of Belin actively seeks to help self-builders (quoting a speech by Richard Bacon MP)
• prepare, publicise and maintain a register of individuals and associations of individuals “who are seeking to acquire serviced plots of land”;
• have regard to the register “when carrying out their planning, housing, land disposal and regeneration functions”; and
• give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.

Preparing and managing the Register

2.14 As of 1 April 2016 all relevant authorities in England (including all local planning authorities) are required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in the authority’s area in order to build houses for them to occupy as homes. According to NaCSBA, all relevant authorities have now established their Self-build and Custom Housebuilding Register.

2.15 For an individual or organisation to be eligible to join the register they must:

• be aged 18 or over;
• be a British citizen, a national of an EEA State other than the United Kingdom, or a national of Switzerland;
• be seeking (either alone or with others) to acquire a serviced plot of land in the relevant authority’s area for their own Self-build and Custom housing project; and
• have paid any fee required by the relevant authority and complied with any financial solvency test, if introduced (see below).

2.16 Authorities cannot preclude anyone who wishes to join the register and who fulfils the above criteria. However, authorities can separate the register into two parts (Part 1 and Part 2) if they introduce a local connection test, with those people who meet such a test being placed on Part 1 of the register. Those who meet all of the eligibility criteria except for the local connection test must be entered onto part 2 of the register. This does not apply to members of the armed forces.

2.17 Conditions for a local connection are very broadly defined in legislation and it is largely left to the authority to decide the criteria they want to use “as the authority reasonably considers demonstrate that the individual has sufficient connection with the authority’s area.”, provided such a test is justified, proportionate and introduced in response to a recognised local issue. Government guidance also says such tests should be reviewed periodically to ensure they remain appropriate and are still achieving their desired effect.

2.18 The effect of this in practice is that the requirement to give suitable development permission for enough serviced plots of land to meet the demand on the register only applies to the number of households entered on
Part 1 of the register (although it does not have to be those same households who apply for permission to develop custom or self-build housing).

2.19 Authorities can also introduce an optional eligibility test, the financial solvency test, which can be used to assess whether an applicant can afford (ie. has sufficient resources) to purchase the plot of land they are seeking.

2.20 Once on a register, there are only two ways in which an individual (or association of individuals) can be removed. The first is if the individual or association of individuals request it. The second is if the local authority considers the individual or association of individuals to no longer be eligible, or to have already acquired land to build their home or where they fail to pay any fee required.

2.21 The legislation does not require authorities to check whether those on the register remain interested in obtaining a serviced plot to build their own home.

2.22 Further details on preparing and maintaining a register are found in the Self-Build and Custom Housebuilding Regulations 2016\(^{13}\) and The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016\(^{14}\).

**Assessing the number of serviced plots to be provided**

2.23 The Housing and Planning Act 2016 places a duty on local authorities in England to “give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority’s area.........” This includes land which has ‘permission in principle’\(^{15}\). The duty came into force on 31 October 2016.

2.24 Authorities have a rolling three-year deadline in which to respond to the level of demand established in their registers each year, ending 30th October. Where an authority has two parts to its register, it does not need to make provision for the demand identified in Part 2 but the level of interest across both parts of the register is a measure of the strength of demand for custom and self-build plots and must be taken into account by the authority in undertaking its planning, housing, regeneration and land disposal functions.

2.25 The regulations define a series of ‘base periods’ used to determine the number of serviced plots to be provided. The first base period ended 30 October 2016 (all names on that register as of 30 October 2016 must be taken into account for purposes of the duty to provide plots). Subsequent base periods run 31/10-30/10 each year, on a rolling basis (i.e. the second base period ended 30/10/17, the third base period will end 30/10/18 and so on.

\(^{13}\) [http://www.legislation.gov.uk/uksi/2016/950/made SI 950 (2016)]


\(^{15}\) Section 10 of the Self-build & Custom Housebuilding Act 2016 allows for land allocated on part 2 of a brownfield register to be considered towards Custom and Self Build provision even though the site must receive a grant of technical details consent before development can actually proceed; from June 2018 it will also be possible to apply for PIP.
Once accepted onto the register, the local authority must count individuals on the register for the base year on which they were accepted.

2.26 Local authorities must provide plots to meet demand for each base period within the three years after the end of the base period. This is illustrated in the following example for Local Authority A:

<table>
<thead>
<tr>
<th>Base Period One</th>
<th>Number of Names</th>
<th>Provision Required</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/10/16 - 30/10/19</td>
<td>50</td>
<td>50 serviced plots</td>
<td>30/10/19</td>
</tr>
<tr>
<td>Base Period Two</td>
<td>100</td>
<td>100 serviced plots</td>
<td>30/10/20</td>
</tr>
<tr>
<td>31/10/17 - 30/10/18</td>
<td>30</td>
<td>30 plots</td>
<td>30/10/21</td>
</tr>
</tbody>
</table>

2.27 Authorities need to be aware that the legislation does not allow for a reduction in the requirement for ‘suitable development permission’ if names on the register at the end of a base period are subsequently withdrawn by the individual or removed by the authority (because they are no longer eligible). Authorities therefore need to be very careful to ensure names entered onto the register are eligible and still interested in obtaining a plot at the end of the base period. Authorities can ask people to re-register if optional eligibility tests have been introduced and/or to check if people who are registered will wish to remain on the register. This provides the ability to remove people from the register if they are no longer deemed to be eligible\(^\text{16}\). However, this will not affect the established demand for previous base periods described above.

2.28 Local authorities may apply for an exemption from the requirement to provide serviced plots to meet the numbers on their register if, for any base period, the number is greater than 20% of the land identified by the authority as being available for future housing\(^\text{18}\). In this case, the number of plots required is capped at 20% of available land. The exemption applies only to the relevant base period(s).

2.29 This does not affect the duty of local authorities to have regard to their register when carrying out their planning, housing, land disposal and regeneration functions.

2.30 Government guidance provides more detail on how the exemption works in practice, including the process for applying for an exemption.

**Providing serviced plots**

2.31 The duty placed on local authorities is to give suitable development permissions for enough serviced plots of land to meet the demand for self-build and custom housebuilding.

\(^{16}\) If an applicant fails to meet eligibility on the grounds of local connection alone (but wishes to remain on the register) they can only be removed from pt1 – they must remain on pt2, which is the part of the register that is not counted towards the requirement for serviced plots \(^\text{18}\).

in their area. This is not a duty on authorities to directly provide the serviced plots themselves or to ensure that plots are allocated to those households on the register. Neither is it a duty to match (i.e. specifically meet) the requirements expressed by those on the register. Government guidance instead advises that local authorities should use the preferences expressed by those on their register to guide decisions when discharging their duties under the legislation.

2.32 A serviced plot is one with access to a public highway and has connections for electricity, water and waste water or, if this is not immediately available, can be provided in specified circumstances and within a specified period. This allows infill development on land alongside a road frontage to be considered as serviced. There is no specific expectation that services must be physically connected to the plot of land at the time of grant of planning permission.

2.33 Local authorities can meet their obligations in a variety of ways including, for example:

- direct provision of serviced plots on their own land (or in partnership with another landowner - a public body or a private landowner);
- through a plan policy that requires new development to make provision for a proportion of plots as part of the development; the plots are then secured at the time of a planning permission through a section 106 agreement;
- by seeking to encourage and permit applications, either as windfall or as part of a larger, allocated site.

2.34 Depending on the form of CSB housing, there may be implications for the viability of the development. This requires careful assessment alongside other community benefits such as affordable housing, both when preparing local plans and in decisions about individual applications.

**The Community Infrastructure Levy**

2.35 Custom and self-build housebuilding is exempt from paying the Community Infrastructure Levy. The exemption applies to anybody who is building their own home or has commissioned a home from a contractor, house builder or subcontractor. Individuals claiming the exemption must own the property and occupy it as their principal residence for a minimum of 3 years after the work is completed.\(^\text{17}\)

**Wider duties of local planning authorities**

2.36 The NPPF asks local planning authorities to assess the demand for CSB housebuilding and use their local plans to meet such demand.\(^\text{18}\)

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\(^{17}\) For more details of the operation of the exemption see Planning practice Guidance - 135 Reference ID: 25135-20140612 through to 153 Reference ID: 25-153-20140612 see also CIL reg 54a which defines self-build housing as ‘a dwelling built by P (including where built following a commission by P) and occupied by P as P’s sole or main residence’ (where P is a ‘Person’)

\(^{18}\) Para 61 NPPF July 2018
2.37 In terms of assessing demand, the most up to date Government guidance\(^{19}\) sets out that local authorities should use the information from their registers, supported as necessary by data from other sources, when preparing their Strategic Housing Market Assessment (SHMA) to understand and consider future need for such housing locally.

2.38 In terms of plan-making, the Government’s intentions were highlighted in a letter from the Minister for Housing and Planning to all English local authorities on 5 March 2015. This made it clear that plans risk being found unsound if they fail to provide sufficient evidence to demonstrate that they have taken the demand for people who want to build their own homes into consideration.

2.39 In the Government’s 2017 consultation on a proposed new approach to assessing housing need its stated objective was to, “……make it easier for local planning authorities to identify the need for other types and tenures in their area…” “These include, but are not limited to… Self-build and custom-build development”\(^{20}\).

2.40 The revised NPPF (July 2018) does not introduce any radical change to the way CSB is defined or delivered. However, there are several paragraphs that could impact on the way local authorities plan for CSB, including those discussed in the following paragraphs.

2.41 The first is a policy from which CSB is to be excluded. This is a requirement that, “Where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” As CSB readily lends itself to providing affordable home ownership as its contribution to affordable housing, this could be unhelpful – leaving CSB to rely more heavily on Affordable and Intermediate Rent to make up any required percentage of affordable housing. This possible consequence of the revised NPPF may not have been foreseen (see para 64).

2.42 In addition the NPPF includes an obligation on planning authorities to identify, “land to accommodate at least 10% of their housing requirement on sites no larger than one hectare”. If this leads to an increase in the number of small sites allocated in plans, this could be a useful way of extending the range and type of sites suitable and available for CSB (see para 68).

2.43 Also with possible implications for CSB is where planning authorities are asked to support proposals for, “…the development of entry level exception sites, suitable for first time buyers (or those looking to rent their first home)”. Similar to rural exception sites, these sites would be, “… on land which is not already allocated for housing” and “adjacent to existing settlements”. Such sites could add opportunities for CSB, especially for smaller and more affordable CSB products, on sites not already allocated (see para 71).

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\(^{19}\) PPG ref 57-011-20160401 (1/4/16)

\(^{20}\) DCLG, Planning for the right homes in the right places: consultation proposals, September 2017
3 LOCAL CONTEXT

Current and emerging planning policy

3.1 Planning policy for provision of CSB is currently set out in the NNJPDU and KBC’s adopted and emerging local plans. We summarise these policies in the table on the next page.
### Table 3.1: Local plan policies

<table>
<thead>
<tr>
<th>Authority</th>
<th>Document</th>
<th>CSB policy</th>
</tr>
</thead>
</table>
| North Northamptonshire Joint Planning & Delivery Unit | i) North Northamptonshire Joint Core Strategy 2011 – 2031, (adopted July 2016)<sup>21</sup> | i) **Policy 30 – Housing mix and tenure** sets out the overarching requirement that “[h]ousing development should provide a mix of dwelling sizes and tenures to cater for current and forecast accommodation needs and to assist in the creation of sustainable mixed and inclusive communities”  
In relation to CSB housing in particular, the policy states that “[p]roposals for individual and community Custom-Build developments that are in line with the spatial strategy will be supported. SUEs and other strategic developments should make available serviced building plots to facilitate this sector of the market”, though no specific targets are set.  
**Para 9.47 – 9.49:** sets out a recognition of the benefits of CSB housing alongside a brief summary of the relevant legislation at the national level.  
**Para 9.50:** allows that Part 2 Local Plans and Neighbourhood Plans “may identify specific sites to enable custom built housing to play a greater role in the delivery of housing in North Northamptonshire” and that this should be based on “evidence of local demand”. |
| Kettering Borough Council | 1995 Local Plan  
Saved Policies (adopted 30 January 1995)<sup>24</sup>  
Site Specific Part 2 Local Plan - Draft | 1995 Local Plan Saved Policies do not make reference to CSB Housing  
The emerging Local Plan, currently at consultation (22<sup>nd</sup> June 2018 to 3<sup>rd</sup> August 2018), considers the CSB housing in **Para 4.24 – 4.28**. |

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<sup>24</sup> [https://www.kettering.gov.uk/downloads/file/317/saved_policies](https://www.kettering.gov.uk/downloads/file/317/saved_policies)
Plan (emerging)\(^{22}\)

| Para 4.28 indicates that “In order to meet the demand that has been determined through the Self-Build Register, it is the intention of the Council to include a policy in the Presubmission version of the plan, which would encourage the delivery of serviced plots for self and custom build housing. However further work is required to determine the size of site the requirement would be placed on as well as the percentage of plots, on each site, that would be required for self and custom building housing.”

Para 4.28 adds that “[t]his additional work, will also look at the option to include a policy which would allow single plot exception sites in the rural area, which would seek to meet the need for affordable housing, through an additional mechanism to that provided by Policy 13 of the Joint Core Strategy (Rural Exceptions).”

\(^{22}\) [http://kettering.limehouse.co.uk/portal/draft_ssp2?pointId=2373732](http://kettering.limehouse.co.uk/portal/draft_ssp2?pointId=2373732)
3.2 Current local plan policies will reflect the time when they were prepared and adopted, hence the lack of reference to CSB. The preparation of the draft part 2 Local Plan provides the council with the opportunity to develop a pro-active approach to CSB and to reflect longer terms patterns of demand in their policies, taking account of a range of evidences of demand.

**Evidence of demand for CSB**

*From the Self build register*

3.3 The Council holds a self build register and collects information about the number of households registering in each ‘base period’. As discussed in chapter 2, each authority has to give suitable development permission for enough serviced plots of land to meet the demand for custom and self-build housing in their area on a rolling, three-year, basis.

3.4 Information provided by Kettering Borough Council shows the numbers registering across the authority as the table below sets out.

<table>
<thead>
<tr>
<th>Base period</th>
<th>3 year average (assuming final period projected to full year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/10/2017 to 1/7/18</td>
<td>9</td>
</tr>
<tr>
<td>30/10/16 to 30/10/17</td>
<td>6</td>
</tr>
<tr>
<td>to 30/10/16</td>
<td>7</td>
</tr>
</tbody>
</table>

3.5 The evidence from the register suggests that there has been a slow initial demand for plots. There is only partial data for the current year but nonetheless there has been a rise in demand.

**SHMA and other local evidence of demand**

3.6 The Strategic Housing Market Assessment\(^{25}\) for the North Northamptonshire housing market area covers all 4 North Northamptonshire planning authorities. Its preparation predates the Right to Build legislation and therefore does not provide any specific evidence of demand for CSB. However, use is made of the SHMA later in this report, in estimating the level of potential demand for intermediate sale CSB.

**Notional supply**

3.7 There are two available measures of the notional supply of CSB housing that is already taking place (but noting that increasingly authorities are monitoring CSB delivery in its own right).

3.8 The first measure is the number of single dwelling schemes being developed and where it is reasonable to assume that the purchasers will have significant input into the

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\(^{23}\) Information supplied by KBC 20\(^{th}\) July 2018

\(^{24}\) when projected to full year – \((10/8 \times 12 = 15)\)

design and layout of their new home. This is not an absolute measure of current CSB supply as some single dwellings will be developed on a speculative basis but it is an indication of the level of supply. We have therefore looked at planning permissions and completions for the last 3 years\(^{26}\).

3.9 Thus the figures in the next table should be treated as an indication of the current level of CSB activity rather than an absolute measure.

**Table 3.3: Indicative measures of current supply of CSB dwellings**\(^{27}\)

<table>
<thead>
<tr>
<th>Kettering Borough Council</th>
<th>Single dwelling schemes (total dwellings – permissions and completions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015/16</td>
</tr>
<tr>
<td>Permissions</td>
<td>12</td>
</tr>
<tr>
<td>Completions</td>
<td>10</td>
</tr>
</tbody>
</table>

3.10 In addition there has been an average of 2 double plots permissions in the same period.

3.11 A simple comparison between demand for CSB (as measured by the register) and notional supply (as measured by single dwelling completions) indicates that most of the apparent demand is being met through small site developments. A very rough assessment of the pattern for the authority is:

- Demand (as measured by the register) – about 10 households pa;
- Notional supply about 10 pa.

3.12 Of course, the above analysis relies on the register as an accurate measure of underlying demand and assumes there are no larger scale CSB developments. Registers for different authorities can produce very different numbers, implying that the scale of demand shown by registers may be as much a reflection of the local approach taken to promoting CSB as differences in patterns of demand. In the next chapter we address this issue by providing an alternative measure of underlying longer term demand for CSB.

### 4 DEMAND ANALYSIS

**Approach to measuring demand**

4.1 With the support of the Right to Build Task Force, Three Dragons has developed a bespoke model for measuring demand for CSB at the local level. The model measures the potential for households in an area to develop their own home (on their own or by working with others in a group or ‘association’) – as custom or selfbuild. The model compares the national profile of potential custom and self-builders (using data provided by NaCSBA for

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\(^{26}\) Had they been available we would also have utilised CIL exemptions

\(^{27}\) Information supplied by the local authority
this exercise\(^{28}\)) with a profile of the local population. The model recognises that only a proportion of households which fit the characteristics are likely to go on to take up CSB and that local costs and values\(^{29}\) as well as availability of finance will have an impact on this.

4.2 The model also takes into account that the custom and self-builders identified will not all be ready to build on day-one. Our research shows that from being ready to purchase land to project completion takes on average 2-3 years\(^{30}\). This is reflected in the demand modelling which gives results on an annual basis\(^{31}\). It can also be assumed that in future years demand for CSB will grow or contract dependent upon future growth in the population.

4.3 The diagram below illustrates the process of modelling demand for CSB.

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\(^{28}\) Raw data profile provided by NaCSBA from 4 years wide ranging survey on, inter-alia, propensity to CSB (IPSOS MORI unpublished) alongside profile of households who have completed a project (NaCSBA unpublished)

\(^{29}\) Local costs and values based upon i) for income *Regional gross disposable household income by local authority per head* ONS May 2018 (for 2016) and ii) for values *House Price Statistics for Small Areas (HPSSAs)* ONS 2017 (median prices). The datasets are based on current values which could be subject to future change e.g. if new housing schemes tend to be at generally lower or higher values than the current stock.

\(^{30}\) Profile of households who have completed a project (NaCSBA 2017 unpublished)

\(^{31}\) We have modelled demand using a 3 year basis as we consider this the most likely timescale for project completion at present; a 2 year timescale would show an increased demand level which may be unrealistic
4.4 Data used in the model is set out in the annex along with a more detailed description of the modelling process.

**Demand estimates from the model**

**Headline results**

4.5 The results of the modelling exercise are shown in the table below. The results assume that potential households taking up CSB take three years to proceed.

**Table 4.1: Headline results showing demand for CSB housing - assuming 3 years lead in time**

<table>
<thead>
<tr>
<th></th>
<th>Demand for CSB - units per year (yrs 1-5)</th>
<th>Demand for CSB - units per year (yrs 6-15)</th>
<th>Demand for intermediate sale units per year (yrs 1 – 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kettering Borough Council</td>
<td>66</td>
<td>72</td>
<td>7</td>
</tr>
</tbody>
</table>
The potential demand for CSB across the KBC district is 66 units per annum over the next 5 years, rising to 72 pa in years 6 to 15.

No distinction is made in the modelling between individual households and groups taking up CSB. It should be assumed that demand from any group taking up CSB will be from within the numbers shown in the table above.

**Comparison with CSB Register and notional supply**

The levels of demand modelled are higher than implied by the earlier analysis of the Custom and Self Build Register. The comparison is set out in the following table. This draws on the analysis at para 3.11 which was recognised as being a series of best estimates. The table also shows the estimated notional supply already achieved – again noting that the figures are estimates based on partial data. The data in the table is for years 1 – 5.

<table>
<thead>
<tr>
<th>Kettering Borough Council</th>
<th>Modelled demand for CSB - units per year</th>
<th>Demand for CSB – based on the Register</th>
<th>Estimated current levels of supply of CSB</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>66</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

Modelled demand is significantly higher than that shown by the analysis of the registers. Current levels of supply (as estimated for this exercise) are well short of the modelled demand. This difference equates to about 56 dwellings per annum.

**CSB - Affordable housing**

Demand for relatively small numbers of intermediate affordable housing CSB units has been identified – around 7 units per annum. It has been assumed that affordable units will be delivered as intermediate sale housing (most likely as shared ownership or shared equity). However, this is not to preclude CSB Affordable Rent if that were to come forward. Data from the SHMA was used to generate the estimates of demand for intermediate CSB plots.

There is a limited amount of data available on households purchasing shared ownership or shared equity housing as a section of the total population, making it difficult to predict in any other way, who is likely to require intermediate sale CSB. What we do know from CORE is that shared owners tend to be younger and are likely to be in couple or single person households. In shared ownership provided by a registered provider, just under 75% of households are under 40 and just over

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32 Ref para 3.11
33 Based on NNJPU SHMA Housing Requirement Update January 2015 Table 9.3: intermediate housing as a percentage of market + intermediate housing requirement
34 The Continuous REcording (CORE) data collection run by MHCLG
35 MHCLG statistical datasets - live tables on social housing sales – table 695 (age of purchaser PRPs only) and table 696 (household composition of social housing buyers PRPs only) using average of last 3 years to 2016/17
75% are singles or couples. Based on this we would suggest that of the 35 units required over the next 5 years as affordable CSB, 75% should be smaller units for younger, potentially 1 or 2 person, households and 25% should be for families with children.

Build route

4.12 The available data does not allow for a comprehensive analysis of demand by type at the local authority level. However, national data indicates the following:

- Between 50-70% of those taking up CSB will be self-builders - half on single plots and half as part of larger site;
- 30-50% will be Custom Builders.

Given the growth in the market and increasing interest amongst younger households – a reasonable starting point for planning purposes would be 50% self-build / 50% custom build.

4.13 These proportions are based on current experience and will likely be influenced by the supply of plots and types of build route that are available. Over time, as the potential for custom build develops, especially if promoted on larger sites, it is reasonable to expect that the balance between self and custom build demand will change.

Plot types

4.14 Guidance on the type (size) of plots that are needed can be inferred from the demand profile for CSB. The data collected on the profile of custom and self-builders over the past 5 years indicates that whilst the traditional pattern of wealthy middle-aged couples building their own home remains part of the picture, younger households on lower incomes are also entrants to the market, attracted by elements including affordability, quality of design and eco-sustainability.36

4.15 The chart below shows the profile of potential CSB households in the Kettering district in terms of their age and household type. Similar to the national average for CSB households but with a slightly greater proportion of families,37 36% of households are families with children and 36% are couples. Of the remainder 23% are single persons and 5% are other household types including non-related adults and extended families.

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36 Raw data profile provided by NaCSBA from 4 years wide ranging survey on, inter-alia, propensity to CSB (IPSOS MORI unpublished)

37 Nationally, based on raw data from NaCSBA (ibid) nearly 40% of those likely to custom/self-build are couples and nearly 30% are families with children
4.16 The chart also shows that a high proportion of the potential CSB households in Kettering are 55 years or older (33%) – most of whom are couples. However a larger group (45% of all the households) are younger households aged 35 to 54 years – and nearly 60% of these are families with children. The remaining 21% is made up of households under 35 years and are a mix of single, couple and family households.

4.17 The available evidence indicates that there will be a need for a range of plot sizes. It is likely that some (probably younger and smaller) households may consider lower price terrace style accommodation provided through a custom build route using strong design principles.

4.18 As a guide to the mix of plot types required, we suggest planning on the basis of:
• 15% - low cost/small plots/terrace style developments;
• 45% - suitable for 3 bed semi/detached homes;
• 40% - suitable for 4 or 5 bed detached homes.

As this is largely a demand-led rather than need-led market, we have assumed that most households will looking for a property which is bigger than their immediate household requirements.
5. IMPLICATIONS

5.1 The demand assessment model indicates that potential demand for CSB development is greater than the CSB register would suggest.

5.2 Limited CSB development is already occurring through development of single plots. The current rates of supply fall below the potential demand indicated by the modelling. This implies that positive action is required by the council to enable faster rates of CSB development in the area.

5.3 As a guideline and taking account of current levels of supply of around 10 plots pa, we recommend the following levels of provision for CSB to be facilitated through the local plan process for Kettering Borough Council. The figure is on an annual basis. For years 1-5

**Estimated provision through the Local Plan = 56 plots per annum**

Rising to 62 plots per annum for years 5-10

5.4 The requirements for CSB set out above include any community groups that come forward with schemes to be developed through, for example, a co-ownership or cooperative model.

5.5 The above figures should not be viewed as maximum. There may be particular circumstances which would support provision of a greater number of CSB plots than the figures in 5.3 suggest.

5.6 Of the requirements set out above, approximately half would be expected to come forward as self-build housing and half as custom build developments. Of the selfbuild units, only a small number are likely to come forward as single plots delivered through traditional planning routes. That is, unless the council is able to do more to encourage such provision.

5.7 Demand for CSB plots is from a mix of household types and planning policies will need to encourage a diverse range of plots to meet the need. In framing future policies and dealing with planning applications, the following is put forward as a guide to the mix of plot types likely to be required:

- 15% - low cost/small plots/terrace style developments (say at about 100-120 sqm per plot);
- 45% - suitable for 3 bed semi/detached homes (say at about 300 sq m per plot);
- 40% - suitable for 4 or 5 bed detached homes (say at over 300 sq m per plot)

5.8 About 10% of future CSB development should be as affordable housing. It is anticipated that this will be focused on intermediate sale products, but suitable Affordable Rented schemes should also be welcomed. National data indicates that take up of (non CSB) shared ownership housing tends to be from younger and smaller households. Therefore we would suggest that 75% of the affordable CSB plots
should be smaller units aimed at this market and the remaining 25% for larger families. The affordable element of CSB housing could be delivered by affordable housing providers, custom build developers or enablers, as well as community groups.

5.9 There is an opportunity for KBC to use the information in this report as evidence base for policies in its emerging Local Plan and to encourage, through the Local Plan process, greater provision of CSB plots across the authority. Plan policies should take account of and reference all demand information.

5.10 This report has made best use of the available data. However, it is acknowledged that the growth in CSB in the area needs to be carefully monitored in line with the Government’s Planning Practice Guidance to identify trends in demand and delivery against the duties under the legislation. The data collected can inform future reviews of plan policies and action to support this form of house building.

5.11 A summary of findings is presented in the table below **Table 5.1: Summary of findings on custom & self-build for KBC**

<table>
<thead>
<tr>
<th>Supply</th>
<th>Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single dwelling schemes (total dwellings – completions)</td>
<td>Demand identified from CSB register&lt;sup&gt;39&lt;/sup&gt;&lt;sup&gt;40&lt;/sup&gt;</td>
</tr>
<tr>
<td>2015/16</td>
<td>2016/17</td>
</tr>
<tr>
<td>10</td>
<td>6</td>
</tr>
</tbody>
</table>

**ANNEX I – THE MODEL**

**Modelling process and data sources**

<table>
<thead>
<tr>
<th>Steps</th>
<th>Modelling</th>
<th>Data source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>National profile of households (by age and type) with realistic prospect of becoming CSB demand.</td>
<td>2013-2016 data from an Ipsos Mori survey for NaCSBA (available from the NaCSBA on request)</td>
</tr>
</tbody>
</table>

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<sup>38</sup> Years – April - March
<sup>39</sup> Years 31<sup>st</sup> October – 30<sup>th</sup> October
<sup>40</sup> 10/17 – March 2018
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
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</thead>
</table>
| **3** | Calculate a ratio of local house prices to incomes and compare with the national average. Increase/decrease base figure to reflect whether CSB is likely to be ‘more affordable’ in the local area than nationally. | Gross Disposable Household Income per head – ONS May 2018 (2017 data)  
House Price Statistics for Small Areas (HPSSAs) - Dataset 9. Median price paid for administrative geographies – ONS (2017 data) |
| **4** | Assume a ‘drop out’ rate – based on likelihood of completing project taking into account ability to obtain loan finance or to finance directly as well as other general circumstances that may prevent a project being completed (e.g. family issues, loss of interest etc). | Data on how many households can be expected to complete a CSB project if plots were available - data provided by BuildStore, other CSB financiers, and sense checked with a number of small CSB developers affiliated to NaCSBA. |
| **5** | Assume a timetable for development of 3 years - starts from 1st steps towards CSB project through to completion. Data indicates that this is a reasonable approach as no other data is systematically collected on this. | Data on 500 households who have completed a CSB project - Self & Custom Build Market Report (Homebuilding and Renovating, 2017) |
| **6** | Estimated demand for CSB in years 1-5 | Model output |
| **7** | Demand for CSB allocated by whether will be for traditional self-build (single plots and larger schemes) or custom build. | 2013-2016 data from an Ipsos Mori survey for NaCSBA (available from the NaCSBA on request)  
Sense checked against data on households who have completed a project (Self & Custom Build Market Report (Homebuilding and Renovating, 2017) and local data from registers where available. |
| **8** | Demand for intermediate sale housing as a % of the total CSB demand. | Based on NNJPU SHMA Housing Requirement Update January 2015 Table 9.3: intermediate housing as a percentage of market + intermediate housing requirement |