



**REPORT FROM: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
MANAGER**

TO: EXECUTIVE

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FOR INFORMATION

RIGHT TO BUILD VANGUARD

PURPOSE OF REPORT

To inform the Executive of the Council's progress with being a Right to Build Vanguard.

ISSUE

Background

1. In November 2014, we reported to the Executive that Pendle was one of 11 Council's across the country to be selected as a Vanguard authority for the Government's Right to Build programme.
2. The core of the Right to Build proposal is to place a requirement on local planning authorities to:
 - A) Open and promote a register for prospective custom builders,
 - B) Make available, for sale at market value, a sufficient number of suitable serviced plots for those on the register within a reasonable period of time. Land for plots could come from local authorities own land ownings or land from other land owners.
3. The purpose of the Vanguards is to test the practicalities of operating the Right in advance of the policy being finalised in the next Parliament. The Government view custom/self-build

as a way of increasing the rate of development of new homes, as well as providing greater quality and diversity within the housing market.

4. The key features of Pendle's Vanguard is to:
 - Open up and publicise a register to establish the level of interest in self build and to identify barriers to development,
 - Bring forward sites for development and secure planning permission (including a number of Council owned sites which have been declared surplus),
 - Identify small local builders who would be interested in carrying out self-build – thereby also helping to support the local economy.
5. The council received £46,000 for being a Vanguard authority to support the delivery of the programme.

PROGRESS TO DATE

The Register

6. Pendle Borough Council launched their Right to Build register on 21st November 2014 and it has remained open and accessible via the Council's website ever since. Below is a summary of the key points from the register:
 - As at 30th April 2015, 25 people have registered their interest in Right to Build;
 - The majority (76%) are already resident in Pendle;
 - The main reason respondents have given for not having built their own home previously is the availability of a site (80%). 20% stated access to finance as an issue.
 - The greatest preference/desire is for sites/plots in the more rural areas of the borough;
 - Just over a third (36%) of registrations do not wish to disclose family income or their amount saved for a deposit;
 - 59% of respondents are looking for a single plot with preference split between a serviced plot with outline or full planning approval;
 - 80% want a detached house and 80% want space for 2 cars;
 - Highest preference is shown for 3 and 4 bedroom properties.

Securing plots and making them available

7. A number of Council owned sites which were agreed for disposal by the Executive in October 2014 could be made available for custom build housing. All of the sites are located within the three main urban areas of the borough (Nelson, Colne and Brierfield).
8. A basic assessment has been carried out on four of these sites: Bamford Street (Nelson), Cooper Street (Nelson), Mansfield Crescent (Brierfield) and Hartley's Terrace (Colne). This assessment included a desk top site history, utility search, initial discussions with planners and some indicative plot layouts.
9. Further work is currently being carried out on the financial feasibility of the sites; considering the cost of creating serviced plots and their likely end value. There is the potential on some sites, particularly where there may be land remediation issues, for the costs to be greater than the end value.

10. Once this feasibility work is complete, one or more sites may be taken forward to outline planning stage and the appropriate people on the Right to Build register will be contacted to see if they are interested in buying a plot.

ISSUES

11. A number of issues have been highlighted from our work so far:
 - There is a mis-match between the location of the sites desired by the majority, though not all, of those on the register and the location of the sites owned by the Council which have been declared surplus and could be made available to custom builders.
 - The housing market in Pendle, especially in the urban areas, has low valuations which could mean that the cost to the Council of providing a serviced plot with outline planning permission would be greater than the market value of the plot. Whilst the Government has made available finance to help bring forward serviced custom build plots, this is a loan fund which must be repaid with interest. This will not help where 'gap funding' is required.
 - It is unclear whether the Council is able to restrict the sale of the sites/plots solely to custom builders.
 - Should more than one person be interested in a plot, the issue of how it will be allocated will need to be addressed.
 - Expectations need to be managed - whilst the register has to be kept open and maintained, there is a reluctance to promote it any further until greater progress has been made to make sites available.

NEXT STEPS

12. The new Self-Build and Custom Housebuilding Act 2015 received Royal Assent on 26th March 2015 but hasn't yet come into force. It will only do so when Regulations to this effect are made.
13. Pendle Council, along with the other Vanguard authorities, has recently fed back to the Government its experiences of operating the Right. Lessons from these practical experiences will help to inform the Regulations and any associated guidance, which are due to be issued early in the next Parliament.

IMPLICATIONS

Policy: The Right to Build Vanguard Programme is in line with our Housing Strategy objective of ensuring sufficient quantity, quality and appropriate type of housing supply. The introduction of Right to Build as a legal requirement will need to be reflected in future planning documents.

Financial: The council received £46,000 for being a Right to Build Vanguard authority to support the delivery of the programme.

Legal: The new Self-Build and Custom Housebuilding Act 2015 received Royal Assent on 26th March 2015 but hasn't yet come into force. It will only do so when Regulations to this effect are made and the Government has suggested it intends to do this early in the next Parliament. The Act contains provisions placing a duty on all local authorities in England to keep a Register of individuals and community groups who have expressed an interest in acquiring land to bring

forward self-build and custom-build projects and to have regard to the demand on their local Register when exercising their planning and other relevant functions.

Risk Management: There is a risk that the final structure of Right to Build is not reflective of the housing market in Pendle.

Health and Safety: None as a result of this report.

Sustainability: The Council owned sites which are being considered for disposal for custom build are brownfield sites

Community Safety: None as a result of this report.

Equality and Diversity: None as a result of this report.

APPENDICES

LIST OF BACKGROUND PAPERS

'Right to Build Vanguard' report to Executive, 20th November 2014.