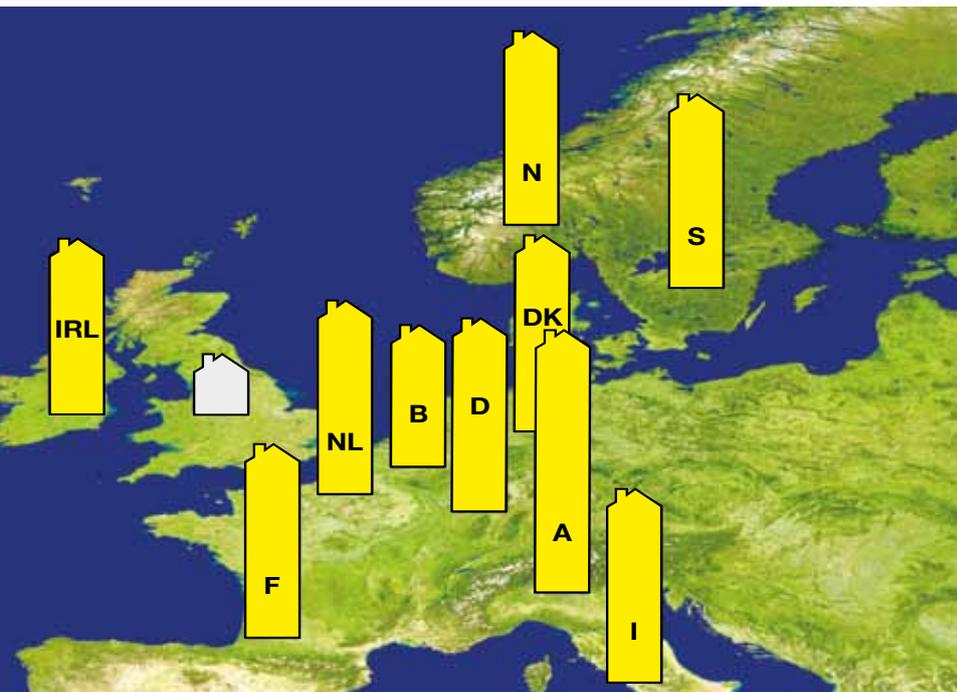


# A progress report to Government on the implementation of the Action Plan to promote the growth of self build housing



APRIL 2012

# Introduction

Over the last 15 months the Government has worked closely with the self build (or 'custom build' home) industry to progress a range of initiatives that should result in a significant growth in the number of self build homes constructed in the UK.

This unparalleled partnership has already resulted in several real breakthroughs, and there is a growing groundswell of support at a local, regional and national level to see much more custom home building across the country.

Since the *Action Plan to promote the growth of self build housing*<sup>1</sup> report was launched in July 2011 a joint Government-Industry Implementation Group has been working to progress all the main recommendations set out in the Action Plan.

This work has meant that we have sought to engage with several new groups and audiences, to convince them that the Plan is viable and to secure their support – from local councils and regional building societies to housing associations, small contractors, numerous community groups and medium sized house builders.

The progress that has been made to date would not have been possible without the huge voluntary efforts of those involved on the Implementation Group. The organisations that they work for should also be applauded for enabling them to devote so much time and practical support to driving forward the Action Plan.

If I was a Headteacher writing a school report on our progress to date I'd give us a "B" and say: "A promising start, but still some way to go". We have certainly made a fair amount of headway, and there is growing evidence that there is a significant shift taking place in the UK housing landscape – a shift which is beginning to favour anybody who is looking to build their own home.

But there is still a long way to go before our efforts are translated into thousands more people getting their self build projects off the ground.

**Ted Stevens**



**Chairman  
National Self Build Association (NaSBA)**

<sup>1</sup> *An Action Plan to promote the growth of self build housing: the report of the Self Build Government-Industry Work Group (National Self Build Association, July 2011)*

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# Background

In January 2011 the Minister for Housing and Local Government, Grant Shapps MP, asked the National Self Build Association (NaSBA) to pull together the views of more than 100 industry experts, so that an Action Plan could be drawn up setting out how the self build homes sector could be significantly expanded.

During the spring and early summer of 2011 there were many meetings, looking at four main areas – how more land could be made available for the self build sector; what could be done to make it easier for people to get finance for their projects; how might the burden of red tape and regulation be reduced; and how could the self build industry itself help to promote and authoritatively explain the many ways of undertaking a self build housing project.

Some international research was also undertaken looking at the self build markets in a number of other European countries, the US and Australia.

When the Action Plan to promote the growth of self build housing report was published in July of 2011, the Minister welcomed its recommendations, saying it was “a really good charter for the self build revolution”.

To ensure the recommendations were progressed the Minister asked that a joint Government-Industry Implementation Group be established and that the Group report back by March 2012, so that he could monitor the progress it had made.

This document details everything that has been done to date, and is intended as the formal progress report to the Minister.

The Implementation Group was established within a few weeks of the original Action Plan’s publication and it has been meeting every month since then to drive forward the recommendations. Many hours have been given to take forward the plan’s recommendations – from numerous meetings with contractors and lenders, to the staging of special workshops for planning officers and the preparation of a comprehensive ‘self build portal’ that helps all future would-be self builders. In addition more than £100,000 worth of support has also been provided by many of the self build industry’s leading organisations to help fund some of the initiatives that are being progressed.

There is still some way to go however. Certain issues – like some of the more significant changes to the detailed planning regulations that the Action Plan called for – cannot be implemented overnight, although the Government’s recently published new National Planning Policy Framework<sup>2</sup> (NPPF) has addressed many.

The key to growing the sector will be the ‘enabled development’ of more multi-plot sites. As the first wave of these developments take place over the next

three years, pushed by the new ‘Revolving Fund’ which Government announced as part of its Housing Strategy for England<sup>3</sup>, the viability of the model will be proven, and its widespread replication is then expected to take off.

So, although we believe the groundwork has been done, there is still some way to go yet before we can be confident that a major uplift in the number of self build projects is taking place across the country.

Nonetheless, the Implementation Group is confident that, with continued support from both the Government and the self build industry, this will happen in the foreseeable future.



<sup>2</sup> National Planning Policy Framework (Department for Communities and Local Government, March 2012)

<sup>3</sup> Laying the Foundations: A Housing Strategy for England (HM Government, November 2011)

# Land and procurement models

**T**he biggest challenge facing would-be self builders is the availability of suitable land. In our initial report we highlighted this and suggested a number of actions that would, for the first time, mean that self build featured in the planning system. Since then we have made a strong start, we have worked closely with DCLG and the HCA, and there have been some real breakthroughs – not least the references to people who want to build their own homes in the NPPF. The HCA has also identified sites for self build projects and we have begun to engage with smaller builders, developers and land owners to explain the innovative procurement models that can help them to deliver more self build housing. The Action Plan recommendations and our Actions to date are listed below:

## Policy context

*1. Government should ensure that the forthcoming National Planning Policy Framework recognises the importance of self build housing development by asking local planning authorities, when preparing their evidence base of housing need and demand to inform the preparation of their plans and policies, to assess the demand for self build in their areas and to consider how any need and demand can best be accommodated, taking account of the strategic planning objectives and policy outcomes envisaged for the area.*

## Action to date:

The Final version of the Government's new NPPF, which was published on 27 March 2012, makes express reference to "people wishing to build their own homes", carrying forward the draft policy set out in consultation draft NPPF which was published in July 2011. The final Framework, which is relevant for the preparation of all local development plans in England and to the determination of planning applications, requires local planning authorities to do two main things. Firstly, it asks local planning authorities (at Para. 159) to prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs and to ensure that this identifies the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period. Importantly, such Assessments are asked to address the need for all types of housing, including the need for housing by people who wish to build their own homes. Having assessed this need the Framework asks local planning authorities to prepare a Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about the availability, suitability and the likely economic viability of land

to meet the identified need for housing over the plan period. This means that SHLAAs will also now need to take account of the established needs of people who wish to build their own homes.

Secondly, the framework asks local planning authorities to use their evidence base to ensure that their Local Plan meets the assessed needs for market and affordable housing in the housing market area in full and (at Para. 50) to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, by planning for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community, including people wishing to build their own homes.

The policy's reference to self build housing in the assessment of housing need and in the planning for new homes is undoubtedly a significant policy change and is seen as a major breakthrough by the industry. It should lead, in time, to much more land being allocated and/or policies to be implemented by local planning authorities which enable more people to build their own homes through a variety of procurement routes.

## Next steps:

We believe some work will be required with local planning authorities to explain the implications of the policy in the NPPF, how they can measure the need in their areas and the sort of actions or policies they might introduce in their development plans, policies and local strategies to ensure they are sound when tested at Examination by an appointed Inspector.

With this in mind NaSBA is planning a series of four regional workshops for local planning authorities in the early summer of 2012. Later in the year NaSBA will also prepare some Practice Guidance to help local planning authorities meet the requirements of the NPPF. We envisage this will also inform any revision to Government Guidance on SHLAAs and SHMAs which currently is silent on the assessment of need of self build housing, and we will be looking to engage with the DCLG on this over the coming months.

## Transparency of public land disposals

*2. Government should be transparent about the rules governing the disposal of public land for housing (and other uses) and should work with industry to ensure that all public land intended for disposal is listed on key self build land availability websites and that information on the new Community Right to Reclaim Land is made available on such sites.*

### **Action to date:**

The new self build Portal has links to all the Government websites that list public land for sale, or potential sites that will become available in the future. The Portal also provides practical guidance for self builders on how to enquire about public land that may be coming up for sale, and there are links to the new sections on the DCLG website about the Community Right to Reclaim Land.

### **Next steps:**

We will look at how we can further refine the information of public land availability on private databases so that people who are looking for land on private land sites are alerted to public land disposals at both local and national level. As part of this work we will look to provide better advice to individual self builders, so they understand that they are unlikely to be able to directly acquire an individual building plot via the Government's land portfolio, as nearly all the sites being sold are for multi-home developments. We will also help facilitate a workshop with HCA/DCLG for self build enablers and community groups to give clarity about the bidding process for sites being disposed of by the HCA, so they are in a stronger position to bid for such sites.

## **Homes and Communities Agency and local authority land disposals strategies**

*3. Government Department land disposal strategies, the Homes and Communities Agency in implementing its Land Disposal and Development Strategy, and local authority land disposal programmes should include opportunities (enabled, where appropriate, through competitions) for the development of sites by individual selfbuilders and self build group projects.*

### **Action to date:**

The HCA is looking for opportunities to promote self build development on its land. The HCA has identified an initial five sites which will be disposed of in a targeted way to the self build development sector to test the capacity of self build enabling developers and assess the competitiveness of the bids against the open market value of the sites. If there is a good demand the HCA may make more multi-plot sites available in the future.

We have also seen an encouraging trend from proactive local authorities to promote self build opportunities in their areas through a variety of means, and more are coming on stream all the time – for example Swindon, Stoke on Trent, Cherwell, Derby, Teignbridge. In many cases they are making sites available as part of their initiatives, or working with social landlords to bring multi-plot self build schemes to fruition. Some promote self build as part of their local policies – for example Cornwall and Shropshire.

### **Next steps:**

We will continue to engage with HCA and will use *Data.Gov* to identify suitable public sector housing sites which might be suitable for self build

development. We will engage with local authorities to promote land for self build through their disposals (as part of our planned workshops). We will also look to how more information can be made available on the new Portal on land disposals by other land holding Government departments so that enablers know when sites are being disposed so they can bid to bring forward multi-unit schemes.

## **Engagement with house builders and land owners**

*4. As part of the proposed communications campaign Industry and Government should actively engage with private house builders and land owners to communicate the opportunities and rewards they can generate from making serviced plots available to individual selfbuilders or supporting group self build schemes.*

### **Action to date:**

We have collated information on a growing number of smaller house builders who have some experience in promoting self build development. We have also engaged with the Federation of Master Builders, and the Home Builders Federation's Small Developers Group. This Group has supported our efforts to communicate the opportunities that exist for HBF members to get involved in the growth in self build. We have also met with a number of larger house builders and social landlords to explain the Action Plan proposals and the various ways they can get involved in delivering larger scale custom build home developments. So far the response has been enthusiastic from the 25-30 organisations we have engaged with.

In early summer the DCLG and HCA will be hosting a workshop for builders/developers/enablers who wish to bid for HCA land to build multi-unit self build schemes. This will explore some of the more interesting procurement models that can be used to deliver multi-plot self build schemes and explain the formal bidding process developers/enablers need to follow if they wish to acquire sites that the HCA is seeking to dispose.

### **Next steps:**

We will organise a series of regional workshops for small builders/developers and enablers to explain the different procurement models that can be used for self build, and outline the scope of the Revolving Fund (see below). We expect to organise these in the summer.

We have also begun to examine the feasibility of preparing some form of practice guidance to builders and enablers who might be interested in self build development projects. More details about this will be announced later in the year.

A "house builders/developers" sub-group of NaSBA is also being actively discussed and is likely to be set up in the near future.

# Lending and Finance

**T**he second major hurdle that faces would-be self builders is the availability of mortgage finance to fund their projects. Good progress has been made here – with the publication of a new Toolkit to encourage more lenders to enter the sector, and we understand that a number are currently looking at offering new self build products. The Government has also announced the introduction of a £30 million Revolving Fund to help small builders/developers and community groups get multi-plot self build projects off the ground. The Action Plan recommendations and our Actions to date are listed below:

## Market information and research

1. That Government, working with industry, should:
  - a) Urgently undertake detailed market research into the self build sector to assess its scale, trends and market opportunities to help inform future lending strategies by Lenders and promote the growth potential of the sector to financial investors.
  - b) Explore the scope to adjust the standard planning application form to enable data on the type of build to be collected in the future.
  - c) Explore the scope to align ONS, HMRC and DCLG housing supply and planning statistics to provide an improved and consistent evidence base for national and local policy and market information.

### Action to date:

In Summer 2011 the Housing Minister wrote to Chief Executives of the UK's biggest mortgage lenders with a request to lend more to those who aspire to build their own home and to make more specialist mortgage products available. In autumn 2011 DCLG, working with data from the Building Societies Association, Homebuilding and Renovation Magazine, Buildstore and other sources, assembled an exhaustive analysis of the current scale of the self build sector, the levels of demand and likely future trends which has informed the Toolkit (see 2. below).

Preliminary discussions have been held with ONS and DCLG to explore the scope to align and provide better ongoing data on the size of the self build market. DCLG has also reassured us it is considering how the standard planning application form on the Planning Portal can be adjusted as proposed in the Action Plan.

### Next steps:

We will continue to press for the standard planning application form to include a "box" which asks an applicant if the project is a self build scheme. We believe this is an essential part of the knowledge base

around planning for, and delivering, self build housing.

Further work will be undertaken to see if better long term data on the sector can be provided.

## Information sharing

2. Industry should prepare a self build development toolkit for lenders which includes information on what self build development is and the different forms it can take; the scope for growth of the self build market and the profiles of typical self builders; information on the risks associated with self build lending and ways these can be mitigated; information on the capital and regulatory requirements for lenders wishing to offer self build mortgages; and, identify useful contacts for lenders.

### Action to date:

The Toolkit has now been finalised by the Building Societies Association and is available on the Building Societies Association website ([www.bsa.org.uk](http://www.bsa.org.uk)). We will be asking the Housing Minister to write to all the Chief Executives of the key lending institutions to draw their attention to the new Toolkit.

We are pleased to report that Data Monitor's Annual UK Mortgage Market map has predicted a 141% growth in gross self build lending over the next three years, from £790m to over £1.9bn. It attributes this expected growth mainly to the higher profile in the media and the Government's proposals to support the self build sector. It says that while the general UK mortgage market has yet to show any significant signs of recovery the self build sector is the 'one to watch' and is expected to be one of the best performers over the next five years. As well as doubling in size, the self build sector is also predicted to take a share from the overall mortgage market.

### Next Steps:

We will continue to engage with lenders on self build mortgages and use their feedback and experiences to review and enhance the toolkit on an ongoing basis.

We understand from several sources in the industry that one or two former lenders to the self build sector are now considering re-entering the market again. We will be following these encouraging developments carefully and look to encourage others to follow suit and take advantage of what is a growing market with considerable business opportunities for lenders.

## Valuation information

3. Industry, in conjunction with the RICS, should prepare and publicise guidance for valuers on the

*valuation of self build properties.*

**Action to date:**

RICS convened senior members involved with development of its guidance on valuation of new build properties to assess how it could meet its commitment in the Action Plan. This concluded that the principles for the valuation of new build applied equally to self build. The RICS's guidance on new build has recently been put to public consultation and includes a reference to self-build and stage payments. In essence, the principles involved in valuing self-build properties are no different to those employed in valuing any new-build proposal, and the danger in promoting a different methodology is the risk that such schemes could potentially be stigmatised and valuations be distorted as a result.

The issue, clearly identified, is not with the value of the property itself, but the appropriate assessment of the property during construction where stage payments are requested. RICS Residential Professional Group produced a paper to lenders which highlights this topic and requests lenders to consider their own policies with regard to risk during the period before the completed property is delivered.

Based on the outcome of these discussions, RICS will be able to ensure that the guidance on valuation of new build properties also meets the requirement of valuation for self build properties.

**Next Steps:**

Further discussions will be needed so that we fully capture lender requirements. We also need to fully understand how those risk management requirements are driven by compliance with FSA regulation. As part of this, RICS will facilitate a meeting, with members of the Self Build Implementation Group, officials from DCLG, BSA members, RICS members and the FSA.

The RICS member working group, which oversees the development of the guidance on valuation of new build, has only recently met following the closure of the public consultation. At this stage the future publication date of the guidance is 27th June, but if it is approved by the Valuation Standards Board in good time, this may be brought forward.

## **Community self build**

*4. Industry, working with Government, should establish a working group to look at identifying suitable revolving fund facilities which can be made available to qualifying group self build projects to fund land acquisition and early development costs prior to arranging development loans and mortgages.*

**Action to date:**

We have engaged closely with the DCLG to take forward this proposal. We were therefore pleased that in November 2011 The Housing Strategy for England announced that Government would make available up to £30 million of new funding to support provision of short-term project finance on a repayable basis. This commercially-focussed £30m 'Revolving Fund' is aimed at stimulating the self build home industry

by enabling developers/contractors/enablers and community organisations (including local groups of people) to access capital funding to finance multi-unit self build projects. The full details of the mechanics of the Fund are currently in the process of being finalised and it is currently expected to be formally launched in the late Spring and will run for three years until 2015. Over the next three years, with appropriate take-up from industry, we expect the Fund to help initiate a variety of multi-plot schemes, to deliver several hundred new self build homes.

The Fund, which is likely to be administered by the HCA (and possibly by the Mayor in London), will be available to part fund the purchase of land, the installation of any infrastructure and the build cost of the homes. To maximise success, the Fund is likely to be targeted at smaller scale multi-plot schemes (perhaps with a lower threshold of five or more units) while supporting a range of different group self build projects to come forward.

Funding will be subject to strict repayment terms with interest and phased repayment envisaged as each home is completed

**Next Steps:**

Discussions have begun with the private sector to explore the possibility of the Fund being taken over by the private development finance sector, and extended beyond its current three year lifetime. A small working party is being established to explore this opportunity.

Publicity around the Fund will be essential to ensure it is a success. We will therefore work with the HCA and DCLG to ensure we maximise publicity when the Fund is introduced to encourage take-up among developers, communities and registered housing providers so that we can demonstrate success of this innovative funding model. We will also draw attention to the Fund as part of our plans to run a series of workshops with smaller builders and enablers in the summer and through the further workshops we are planning with local authorities.

# Regulation and Red Tape

**M**any would-be self builders currently find the administrative process of building a new home extremely challenging, as they need to become conversant with a plethora of regulations – from Planning and Building Regulation guidance, to Health and Safety laws and VAT legislation. The NPPF has helped clarify and simplify many of our planning policy concerns, and fair progress has been made in other areas too. The Action Plan recommendations and our Actions to date are listed below:

## Planning

1. Government planning reforms, where appropriate through the forthcoming National Planning Policy Framework, should:

- a) Facilitate the conversion of redundant farm buildings into homes and live-work units.
- b) Make it easier for self builders and other small scale housing developments to obtain outline permission to establish the principle of a right to build.
- c) Facilitate permissions for replacement dwellings by setting out clearer guidelines about how the size of replacement dwellings should be determined. In doing this, provide clarity that local planning authorities can take permitted development rights into account when calculating allowable floor spaces for replacement dwellings where restrictive local policies apply, particularly in the Green Belt and Areas of Outstanding Natural Beauty.
- d) Either extend the time limits for implementing planning permissions to 5 years or make the provisions set out in the Development Management Procedure Order (2010), which allow applications for the extension of time limits, a permanent feature in the planning process.
- e) Make it clear that unnecessary planning conditions and obligations should be avoided, particularly when this would undermine the viability of development proposals.
- f) Further simplify the information requirements for planning applications, particularly in the context of Design and Access Statements and Flood Risk Assessments and their application to small scale development, including self build projects.
- g) Encourage the use of Neighbourhood and Local Development Orders (NDOs and LDOs) as a means of facilitating multiple-plot self build developments and group self build projects. NDOs and LDOs would provide up-front certainty to would be self-builders that development specified in within these Orders can proceed without the need to specifically apply for local

*authority planning permission, therefore de-risking the consent process.*

*h) Improve pre-application advice by local planning authorities to applicants by introducing a standard pre-application advice pro forma.*

## Action to date:

We are pleased that the new National Planning Policy Framework (NPPF) responds positively to the objectives of the above recommendations. For example:

- ◆ At Para. 28 the NPPF asks local planning policies to take a positive approach to sustainable new development in rural areas by supporting the sustainable growth and expansion of all types of business and enterprise, both through conversion of existing buildings and well-designed new buildings
- ◆ At Para. 51 the NPPF asks local planning authorities to identify and bring back into residential use empty housing and buildings and to normally approve planning applications for change to residential use and any associated development from commercial buildings where there is an identified need for additional housing
- ◆ At Para. 54 the NPPF makes clear that in rural areas local planning authorities should be responsive to local circumstances and plan housing development to reflect local needs, particularly for affordable housing, including through rural exception sites. Local planning authorities are asked in particular to consider whether allowing some market housing would facilitate the provision of significant additional affordable housing to meet local needs
- ◆ At Para. 55 the NPPF enables isolated homes in the countryside where there are special circumstances, such as where the development would re-use redundant or disused buildings and lead to an enhancement to the immediate setting
- ◆ On pre-application engagement and front loading, at Para. 193 the NPPF makes clear that local planning authorities should publish a list of their information requirements for applications, which should be proportionate to the nature and scale of development proposals and that they should only request supporting information that is relevant, necessary and material to the application in question
- ◆ At Para. 199 the NPPF asks local planning authorities to consider using Local Development Orders to relax planning controls for particular areas or categories of development
- ◆ On planning conditions and obligations, at Para. 203, the NPPF makes clear that planning obligations should only be used where it is not possible to address unacceptable impacts through a planning condition. In addition, Para. 206 makes clear that planning conditions should only be imposed where they are

necessary, relevant to planning and to the development to be permitted, enforceable, precise and reasonable in all other respects.

In terms of the extension of the time limits for implementing planning permissions, we understand that the Government is aware of this issue and is currently giving consideration to the future of this policy. We will therefore continue to engage with DCLG on this matter.

It is also likely that the suggestions generated by the Red Tape Challenge will address more of the key planning concerns voiced by self builders.

#### **Next Steps:**

NaSBA is drafting guidance for planning authorities that will cover many of the recommendations raised here – particularly the need to limit the number of onerous planning conditions that are sometimes applied to self build projects. The guidance will also encourage LPA's to proactively help facilitate more self build and work positively with communities who want to bring forward new Neighbourhood Development Orders and Community Right to Build Orders where these promote self build development.

#### **Non-Planning**

- a) Government should promote the use of online benchmarking and feedback tools to improve customer service and information on local authority performance.*
- b) Industry, working with Government, should explore how new warranty based products can be developed to reduce the number of bodies and certifying parties involved in self build projects. This work should initially focus on provision of Building Control, Warranty and valuation services but should also consider if there are longer term opportunities to simplify interaction with the planning process (including discharge of planning conditions) and help to improve Health and Safety on self build sites.*
- c) Government should identify how existing Building Regulations Guidance can be made more readily accessible for both professional and non-professional selfbuilders. Industry should, in turn, explore how a domestic only version of this guidance could be developed to help self builders comply with the Building Regulations.*
- d) Industry should provide better information to prospective selfbuilders about relevant VAT charges on their developments and it supports any move to simplify the current VAT arrangements on domestic construction without reducing tax revenues.*
- e) Industry should provide better information to self builders about the challenges of working with utility providers and work with the National Federation of Builders to encourage utility providers to improve the service offered to small scale domestic projects and self builders, including the adoption of transparent pricing, and should work with Government and the Regulators to achieve this.*
- f) Industry should work with the National Federation of Builders, Building Control and Warranty Providers*

*to publish information on Health and Safety for self builders with their documentation.*

#### **Action to date:**

NaSBA has submitted a formal response to the Building Regulations and Standards Division at DCLG as part of a consultation exercise it conducted into the building control system. In particular we supported the proposed changes to the Approved Inspector arrangements and an extension of the competent persons self certification scheme. This would enable suitably qualified professionals to certify other areas of domestic building work, provided they were backed by a third-party warranty or professional indemnity insurance. In addition we have established that some existing warranty providers have removed the need for duplicated inspection requirements by combining the Building Control, Warranty Audit, and staged payment certificates into one audit service for all parties concerned. Depending on the outcome of the RICS's efforts to further define the stage inspection requirements of lenders, it is possible that a further cost to the self-builder could be eradicated by rolling the 'valuation' inspection into the warranty providers audit.

We have also held discussions with DCLG about the possibility of more accessible information being made available to self builders, and we understand that this may be in the pipeline once the regulations go online in the form of tailored searches that return only those regulations specific to the project being undertaken. If implemented this will considerably cut down the amount of information that has to be assessed by a typical self builder.

Meetings have also been held with the Health and Safety Executive. This has resulted in the preparation of new HSE guidance on the health and safety responsibilities of self builders, which will be posted on the self build portal and has been released to industry generally.

We have also gathered information from across the construction industry on the delays, frustrations and high costs that are often associated with utility connections. These views have been assembled into a draft Ministerial letter, which we believe should be sent to the CEO's of all the main utility companies in order to improve the service for small builders, including self builders.

#### **Next Steps:**

We are in discussion with the DCLG to engage with HMRC to explain some of the VAT anomalies that relate to the self build sector and to investigate if these can be made more consistent. We want to explore in particular the scope for the alignment of the VAT relief framework for self-builders under VAT 431C with VAT Notice 708 'Buildings and Construction'. In the interim, clearer guidance on how the VAT system currently works and the importance of dealing with it before works even start on site, will be made available on the Portal.

We will also engage further with Government on a 'push' from DCLG to address utilities connection issues.

# The Self Build Industry

**I**n the past it has been very difficult for would-be self builders to find really reliable and independent information to help them work out the best way of going about their self build project. To address this we recommended that a new Self Build Portal be created. After much effort this was formally launched in April by many of the top TV presenters active in the property and home building sector. We also called for a concerted publicity campaign – aimed at would-be self builders and all the other stakeholders active in the sector. The Action Plan recommendations and our Actions to date are listed below:

## Improved communication and capacity building

*1. Industry will work with Government to undertake a wide ranging self build development communications campaign to proactively engage with lenders, land owners, house builders, suppliers, contractors, planners, housing officers and local council members. This campaign will aim to promote the growth of the self build sector by demystifying the self build housing model, highlight opportunities to attract new entrants and promote more collaborative and innovative delivery models like those now seen in Continental Europe and many other countries.*

### Action to date:

A fair amount of work has been undertaken in this area, with the DCLG's communications team and the Minister for Housing and Local Government spearheading much of the publicity. For example, Grant Shapps has championed the self build cause on many occasions over the last six months – on TV, radio, online and in the press. In addition, the Implementation Group has arranged more specialist coverage in some of the technical media – for example Property Week, and the specialist self build magazines.

We have also held numerous meetings with a wide variety of organisations – for example house builders, planning authorities, local authorities, housing associations, developers/enablers and lenders. We are also planning a series of local authority-specific workshops – five in total – across England in the next few months to explain the Action Plan and the Government's Custom Build Homes programme and to help local authority planners implement self build housing policies in their development plans and local strategies, particularly in the context of the new NPPF and the Housing Strategy for England.

In early summer the DCLG and HCA will be hosting a workshop for builders/developers/enablers

who wish to bid for HCA land to build multi-unit self build schemes. This will explain some of the more interesting procurement models that can be used to deliver multi-plot self build schemes and the formal bidding process developers/enablers need to follow if they wish to acquire sites that the HCA is seeking to dispose.

In mid-May a trade visit is planned to Almere in the Netherlands with the Minister for Housing and Local Government, Grant Shapps, to study one of the most innovative European self build projects and identify lessons for practice in England, particularly for large scale planned development and multi-unit self build projects.

### Next Steps:

A new programme of communications and PR activity is being planned over the coming months in association with DCLG. NaSBA is also looking into broader publicity activities it could run to communicate the self build housing model as widely as possible and engage with key stakeholders across the industry, including local authorities.

## Showcasing good practice

*2. Industry will prepare and publicise a series of up to date self build housing best practice notes and case studies through an action learning network to encourage further innovation in the sector. This information will describe innovative financial solutions, procurement models and projects that the UK self build sector could learn from and, where desirable, replicate and how planning tools and local protocols could be used most effectively to facilitate different types of self build housing applications.*

### Action to date:

The new self build portal contains a good selection of case studies and more will be added in the coming months.

### Next steps:

Specialist practice guidance for local authority planners is in the process of being prepared by NaSBA to encourage planners to plan proactively for self build development in their areas and minimise the burden of regulation on self builders, including the more effective use of planning tools like development orders and streamlined planning conditions. The guidance will be provided in a downloadable format and hosted on the portal when available later in the year.

We have also begun to examine the feasibility of preparing some form of practice guidance to builders and enablers who might be interested in custom home

building. More details about this will be announced later in the year.

### **Provide independent information to would be self builders**

*3. To provide clearer independent information to would-be selfbuilders the selfbuilding industry will implement an internet selfbuild 'portal'.*

#### **Action to date:**

The self build portal was assembled in late 2011 and early 2012, and is being formally launched at Number 10 Downing Street on 19 April 2012. The cost of setting up the portal and its running costs for three years has been fully funded by the self build industry.

The portal provides good advice to would-be self builders, to help them work out the best way of getting their dream home off the ground. The information has been independently developed by a team from NaSBA, and the site has been linked to all the relevant Government websites. Initial responses from people who have seen/used the test site have been positive and enthusiastic. To visit the site go to [www.selfbuildportal.org.uk](http://www.selfbuildportal.org.uk).

#### **Next steps:**

NaSBA will be appointing a web editor to keep the portal up to date and expand its scope over the coming years.

### **Land scams**

*4. Industry will look to provide better information to would-be selfbuilders about the malpractices that exist in the marketing of selfbuild plots which have no realistic chance of gaining planning permission and what measures are available to report and take timely action against such practices.*

#### **Action to date:**

Information on land scams is included on the portal.

#### **Next Steps:**

The RICS has also offered to highlight the problem.

### **Implementation**

*5. Industry and Government forms an implementation group to take forward the actions identified and to report on progress with this work by the end of March 2012.*

#### **Action to date:**

An Implementation Group was formed in September 2011. This report summarises all the work that has been done by the Group to date.

## Next Steps

**M**any of the proposed actions set out in the Action Plan have now been, or are about to be, implemented. However, as we progressed the various Actions new issues have emerged that have triggered new activities that we have had to undertake.

### Priorities going forward

Looking forward, our main priorities for the rest of 2012 are:

1. Assist Government to help launch and promote the forthcoming group self build Revolving Fund to ensure take up is maximised. We will also engage with the private development finance sector to seek to secure private sector support for a group self build funding model once the Revolving Fund closes in 2015.
2. Further engagement with local authorities and planning officers across the country to highlight the policy context in the Housing Strategy for England and the Custom Build programme and explain how the new requirements in the NPPF can be implemented. As part of this we will prepare Practice Guidance to assist local authorities in planning for new self build development in their areas. We will also take forward a communications programme aimed at both local planning officers and elected Members.
3. Further engagement with small, medium and large house builders, developers, RSLs and self build housing enablers to explain the potential procurement models that can be applied and to encourage them to bring forward multiple unit group self build projects. To assist in this action we will examine the scope for, and if needed prepare, practice guidance or case study material.
4. Ongoing communication with current and particularly potential future larger lenders to ensure more mortgage finance is made available for self builders. As part of this we will look to explain the different procurement models that are emerging for group self build schemes, and garner lender support for them.
5. A further 'push' to ensure the remaining actions identified in the Plan are followed up. Some of these are challenging to progress quickly, but we are keen to ensure all are eventually implemented, wherever possible.

### Refreshed Implementation Group

Given the importance of the above priorities we will look to refresh the membership of the Implementation Group so that we have the right skills on board to undertake these Actions. For example, as there is still a lot of work to be done around local authority engagement and the planning system we will co-opt further expertise onto the Group to help us deal with this.

The imminent appointment of a self build champion should also enable us to boost our promotional and communications activities, so we may look to also reinforce our expertise in this area.

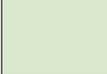
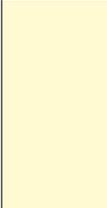
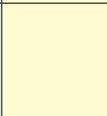
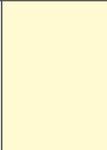
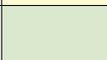
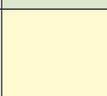
Given the importance of galvanising support from local authorities and the private sector we will also be co-opting elected Members and larger house builders/developers onto the implementation group.

### Reporting progress

We plan to progress the above outlined priority actions over the coming months and report back to Government again at the end of 2012.

# Summary of progress

	Largely completed		A good start has been made		Limited progress to date
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Land and Procurement Models				
Proposed Action	Approach	Progress to date?	Ongoing actions	Likely timeframe to complete
1. Include reference to custom build in the NPPF	Completed		Run further regional workshops with local authority planners on NPPF/Custom Build programme	Summer 2012
2. Provide better access to information on public sector land that is being sold	Discussions commenced with HCA and DCLG		Join up information between public and private data bases about land availability; provide better advice to would-be self builders that makes it clear most public sector sites will not be suited to individual homes; hold workshop with HCA/DCLG to give clarity about the bidding process for public sector sites to self build enablers and community groups	Summer 2012
3. Government to include opportunities for multi-plot self builds as part of land disposals	Several sites have been identified by the HCA		Further work is needed to identify more sites	Summer-Autumn 2012
4. Engage with house builders and land owners to encourage them to deliver multi-plot self build opportunities	25-30 of the key house builders/developers have been engaged		A series of regional workshops may be needed to reach SME builders across the country	Summer-Autumn 2012
Lending and Finance				
1. Research the sector, explore scope to include self build on standard planning applications and ways to deliver better data on the sector	Current data has been assembled		Need to investigate scope to provide tick box for self build on standard planning application forms, and better data collection on self build	Autumn 2012
2. Toolkit for Lenders	Completed		Promotion to encourage more lenders to provide self build products and look to review toolkit	Autumn 2012
3. Preparation of clear guidance for valuers on self build	Discussions have begun with RICS, BSA, CML and FSA		Need to get better understanding of the key issues from FSA and lenders	Summer 2012
4. Set up a Revolving Fund to help groups and developers finance multi-plot self build projects	£30 million Fund announced in the Housing Strategy for England by Government		Need to publicise the Fund to encourage take up and work proactively with private sector investors to take over funding model once Fund closes in 2015	Throughout 2012-2015
Regulation and Red Tape				
1. Reform and streamline planning regulations to facilitate more self build development	Some progress has been made as a result of the publication of the Government's National Planning Policy Framework and the Red Tape Challenge, but a number of the actions in the Action Plan remain outstanding and are related to the Government's drive to reduce the burden of regulation on the house building industry		Practice Guidance is being prepared by NaSBA to encourage planners to plan proactively for self build development in their areas and minimise the burden of regulation on self builders, including the more effective use of planning tools like development orders and streamlined planning conditions	Autumn 2012
2. Reform and streamline Building Regulations, health and safety, VAT, warranty and utilities issues	NaSBA has submitted proposals to the Building Regulations Division of DCLG on self certification, and HSE has produced guidance on self build responsibilities		Engagement with HMRC on aligning the VAT relief framework for self-builders under VAT 431C with VAT Notice 708 'Buildings and Construction', and engage with Government on addressing utilities connection issues	Summer 2012
The Self Build Industry				
1. Launch a communications campaign across all stakeholders to promote more self build	A considerable amount of publicity has been generated with the support of Government and many meetings and workshops held with a wide range of stakeholders across the industry.		Further on-going publicity is planned to keep self build high up the news agenda and engage with key stakeholders across the industry, including local authorities In May a trade visit is going to the Netherlands to study their approach to self build	Throughout 2012
2. Best practice information and case studies	The first wave of these have been prepared and are on the self build portal		More will be added	Throughout 2012
3. Launch an independent self build portal to help would-be self builders	Launched with more than £100,000 of industry funding. Links also established to Government web sites		Will need to be kept regularly updated	Throughout 2012
4. Highlight the problem of Land Scams	Information is included on portal		RICS to highlight the issue	Throughout 2012

# Acknowledgements and thanks

This report has been prepared by the National Self Build Association (NaSBA) who has chaired the joint Government-Industry Implementation Group to take forward the Action Plan.

This document does not represent a statement of Government Policy.

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## Members of the Self Build Implementation Group

Colette Best (Mortgage Policy Adviser, Building Societies Association)

Tim Doherty (Consultant to the National Self Build & Renovation Centre)

Ron Gibbons (Director, Urban Self Build)

Blase Lambert (Treasurer, Confederation of Co-operative Housing)

Simon Middleton (Director, Buildzone)

Ian Smith (Sales Director, Travis Perkins)

Ted Stevens (Chairman, NaSBA)

Sally Tagg (Director, Foxley Tagg Planning)

Stephen Teagle (Managing Director, Affordable Housing and Regeneration, Galliford Try)

## Team from the Department of Communities and Local Government and the Homes and Communities Agency

Victoria Molho (DCLG)

Mario Wolf (DCLG)

Paul Wren (DCLG)

Suzanne Kennan (Senior Manager, Land and Regeneration, Homes and Communities Agency)

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Jeremy Blackburn (Head of UK Policy, RICS)

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Irene Graham (Managing Director, Business Finance & Strategic Initiative, British Bankers' Association)

Reg Honeybul (Managing Director, Concept2Construction)

Paul Humphries (Partnerships Director, Miller Homes)

Alex Lessware (Senior Planner, Teignbridge Borough Council)

Steve Midgley (Managing Director, Fairgrove Homes)

Jackson Moulding (Director, Ecomotive)

Peter Quinn (Business Development Director, Lovell)

Mary Riley (Managing Director, Mary Riley Solutions)

John Stewart (Director of Economic Affairs, Home Builders Federation)

Ron Willers (Director, Federation of Master Builders)





[www.nasba.org.uk](http://www.nasba.org.uk)