

**Self-build and Custom-build (SCB) Housing
Demand & Supply Position on 1st April 2022
May 2022**

Background

The assessment set out in this Briefing Note has been produced by SDC's Planning Policy Team to inform the consideration and determination of planning applications for schemes comprising SCB dwellings. It is based on known data on the demand for and the supply of such plots in Stratford-on-Avon District as at 1 April 2022.

Although the official monitoring year for SCB is 1 November to 31 October, this assessment is based on annual periods from 1 April to 31 March. This is considered appropriate and useful for the following reasons:

- The SCB Register for Stratford District was established in April 2016.
- The CIL charging regime in Stratford District was introduced in February 2018.
- It overcomes producing an assessment that uses figures that are six months out-of-date.

While the Briefing Note is based on an April to March period, assessment of the demand and supply situation will need to be reviewed all year round to ensure that information in officer reports on planning applications and in appeal statements is accurate and up-to-date.

It should also be noted that the District Council will submit the required national annual returns and incorporate data on SCB in its Authority Monitoring Report based on the official November to October monitoring year in order to comply with the SCB Regulations.

It is acknowledged that at some point in the future it may be appropriate and necessary to base such an assessment on secondary sources of demand that national guidance currently says 'could be' taken into account, and by counting dwellings that are SCB based on the description of development and condition/s106 Agreement, even though the applicant hasn't sought CIL exemption.

The use of secondary data needs careful consideration to ensure that the data set is not only robust in itself but, equally, relevant to Stratford-on-Avon District.

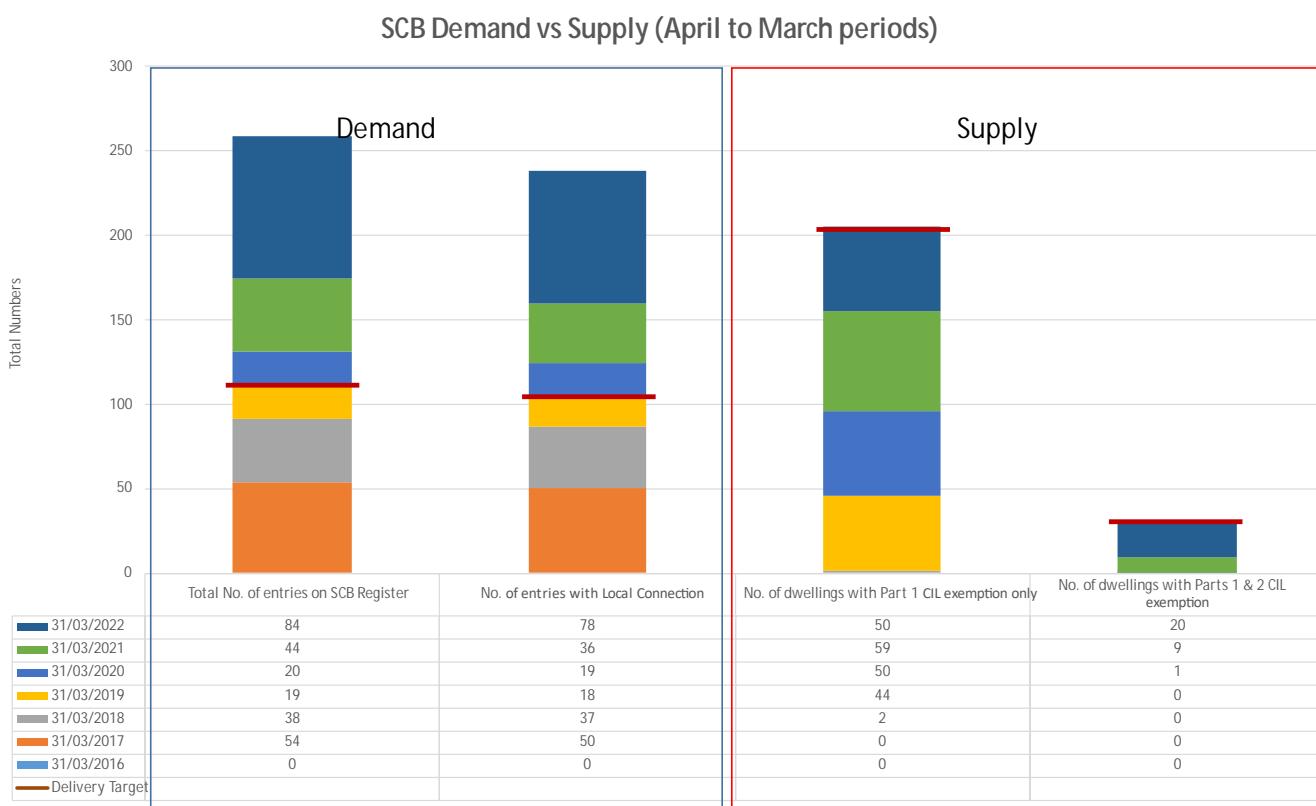
Demand and Supply Position

The graph illustrates the situation at 1 April 2022. On the demand side, this relates to the number of people on the Council's SCB Register; while the supply side relates solely to dwellings that are the subject of CIL exemption.

In respect of the demand side, there are two components to the register: the total number of entries (first column) and, of those, the number of entries with a local connection (second column). As can be seen, the vast majority of people on the register have a local connection.

There are also two components to the supply side using the CIL self-build exemption data. The first (shown in the third column) shows those dwellings that have applied for a Part 1 exemption and the second (fourth column) shows how many of those Part 1 exemption dwellings have also applied for a Part 2 exemption. A Part 2 exemption is sought upon occupation of the dwelling. There will always be a time-lag between the grant of a consent and its occupation (i.e., between Parts 1 and 2). Also, it should not be assumed that every permission will be implemented (and thereby occupied); and whilst the Part 1 exemptions is a useful indicator of supply, it is the Part 2 exemptions that determine actual supply.

It is worth pointing out that, as shown on the graph, there was virtually no supply of plots in the first two years since the Register was introduced because CIL wasn't in operation in Stratford-on-Avon District at that time. Supply of plots with Part 1 CIL exemption then outstripped demand for the three years from April 2018 up to April 2021. However, in the past year, the number of people coming onto the Register has been much higher than the supply of such plots.



On the face of it, the supply of SCB plots is sufficient based on those that have Part 1 CIL exemption. This is certainly the case based on the three-year rolling period specified in the SCB Regulations within which sufficient plots should be provided to equate to the number of people on the Register three years earlier. In applying this principle, at 1 April 2019 there were 111 people on the Register while three years hence at 1 April 2022, a total of 205 SCB plots with Part 1 CIL exemption had been provided.

However, the number of plots with both Part 1 and Part 2 CIL exemption at 1 April 2022, i.e. those that have been completed and occupied as a SCB dwelling, is substantially lower at only 30 dwellings. On that basis, there is a significant shortfall between demand and supply. It is this situation that needs to be addressed through the provision of additional plots.

The graph illustrates the situation through the red horizontal lines on each column. Accordingly, there were 111 people on the Register at 1 April 2019, of which 105 had a local connection. On that basis, in applying the three-year rolling period, that number of SCB plots should have been provided in the District by 1 April 2022. As stated above, a total of 205 such plots had planning permission and Part 1 CIL exemption, but only 30 had been implemented and attained Part 2 CIL exemption.

This means that at 1 April 2022, based on the total number of entries on the Register there is a shortfall in supply of 81 plots, while counting only those with a local connection there is a shortfall of 75 plots.

From the graph, it is evident that while the supply of potential SCB dwellings has increased significantly year on year, demand for such plots continues to grow at a seemingly faster rate, as reflected by the number of people that came onto the Register in the past year. This means that, over time, there is likely to be a considerable 'gap' in the demand for SCB dwellings that should be provided for and delivered.

Detailed points relating to the graph:

1. In accordance with the SCB Regulations, it takes into account the three-year rolling period for providing the number of plots that equate to the number of people on the Register. In applying this principle, as at 1 April 2022 there were 259 people on the Register, while at 1 April 2019 a total of 98 plots had planning permission with Part 1 CIL exemption. At 1 April 2022, this had increased to 205 plots. This means that there remains an overall shortfall of 54 plots at the present time when not taking into account the three-year rolling period.
2. When comparing the two sides of the graph for each April to March period it is apparent that, although there are differences between individual years, there is a close match overall. However, the supply of plots continues to lag behind demand. This is partly because CIL didn't come into effect in Stratford District until 1 February 2018 while the Register came into operation in April 2016. Since then, there has been a consistent provision of plots with Part 1 CIL exemption of about 50 per annum over the past

four years. In comparison, the number of people joining the Register has varied each year but in 2021/22 it was the highest ever at 84. If the number of entries on the Register continues to grow at this rate it could have implications for matching demand with the supply of plots in the coming years.

3. Currently, the number of permissions that have been built and occupied is much lower than those with consent, i.e., 30 compared with 205 in total, because it takes time for SCB permissions to be implemented. Analysis of these permissions shows that it takes 874 days on average to progress from Part 1 to Part 2 exemption. It is also likely that some permissions may never attain Part 2 for various reasons outside of the control of the planning process.

Assessment of Annual Demand and Supply

The table below focuses on plots with Part 1 CIL exemption in order to give an indication of trends in demand and supply.

No. of people on Register	DEMAND		SUPPLY				No. of dwellings
	Annual	Cumulative	Part 1 CIL exemption only		Part 1 & Part 2 CIL exemption		
		Cumulative	Annual	Cumulative	Annual		
at 1.4.22	84	259	[259]	[-54]			at 1.4.25
at 1.4.21	44	175	[175]	[+30]			at 1.4.24
at 1.4.20	20	131	[131]	[+74]			at 1.4.23
at 1.4.19	19	111	205	50	30	14	at 1.4.22
at 1.4.18	38	92	155	59	16	12	at 1.4.21
at 1.4.17	54	54	96	50	4	4	at 1.4.20
at 1.4.16	0	0	46	44			at 1.4.19
			2	2			at 1.4.18

Figures in the row highlighted orange compare the supply of dwellings at 1 April 2022 with the demand at 1 April 2019, i.e. applying the three-year rolling period.

Figures in [] on the supply side of the table extrapolate the number of plots that would need to be provided by 1 April 2025 to meet the level demand as reflected by the number of people coming onto the Register over the past three years up to 1 April 2022 when applying the three year rolling period. These show that for the first two years there will be a surplus of plots provided, but by 1 April 2025 there will be a deficit. This is mainly due to the increased rate at which people have joined the Register in the last year.

At this point in time, it isn't known whether the granting of planning permission for single plots with CIL exemption will continue at the current rate of

approximately 50 per annum. Even if it does, that might not be sufficient to maintain the required supply of plots. Furthermore, it must be emphasised that this situation is based solely on plots with Part 1 CIL exemption. The rate at which these are translated into dwellings with Part 2 CIL exemption is unknown at this point in time.

Conclusion

As set out in this Briefing Note, it is considered appropriate to calculate supply based on those dwellings that have achieved Part 2 CIL exemption, since this is proof that the dwelling has been completed and occupied by the applicant as a bone fide SCB dwelling. Since it cannot be assumed that every permission will be implemented (and thereby occupied), whilst the Part 1 exemptions is a useful indicator of supply, it is the Part 2 exemptions that determine actual supply.

Taking Part 2 CIL exemption as the basis for establishing supply, while the number of such dwellings will no doubt increase over time, it is clear that there is a substantial shortfall of SCB dwellings provided at the present time. This is the case both in overall terms and when applying the three-year rolling period.

It would not be appropriate to count permitted sites comprising multiple plots towards the supply of SCB dwellings until they have been implemented as such. Nevertheless, it would be reasonable to at least recognise what effect such permissions would have on helping to reduce the shortfall in supply. At the present time, the only site with this status is at Bush Heath Lane, Harbury which comprises six dwellings.

An effective and appropriate way of bolstering supply, rather than relying solely on permissions comprising single plots, would be to grant permission for sites comprising multiple plots that are both suitable and deliverable. Not to do so is highly likely to mean that the shortfall in supply will not be met. This is because, based on the situation to date, it is evident from the data compiled that the level of supply provided by schemes for single plots will be insufficient to keep up with demand.

It is intended to update and re-publish the supply and demand data on a quarterly basis in order for the most up-to-date information to be taken into account when determining planning applications and dealing with appeal cases.