

Self-build and Custom-build (SCB) Housing Demand & Supply Position on 31 October 2022

January 2023

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. While the previous version of this document was based on known data on the demand for and the supply of such plots in Stratford-on-Avon District as at 1 April 2022, this version has reverted to using the 30th of October as the period end. This now brings this document in line with all previous Self and Custom Build periods and details of the Self and Custom Build register reported annually to Government based on the November-October period.

This briefing note is based on the period of 31 October 2021 to 30 October 2022. This provides a statement of where we stand regarding demand and supply for the associated self and custom build period. It is envisaged that this briefing note will be generated on a 6 monthly basis in future, with the next one due in April 2023, 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 30 October 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.

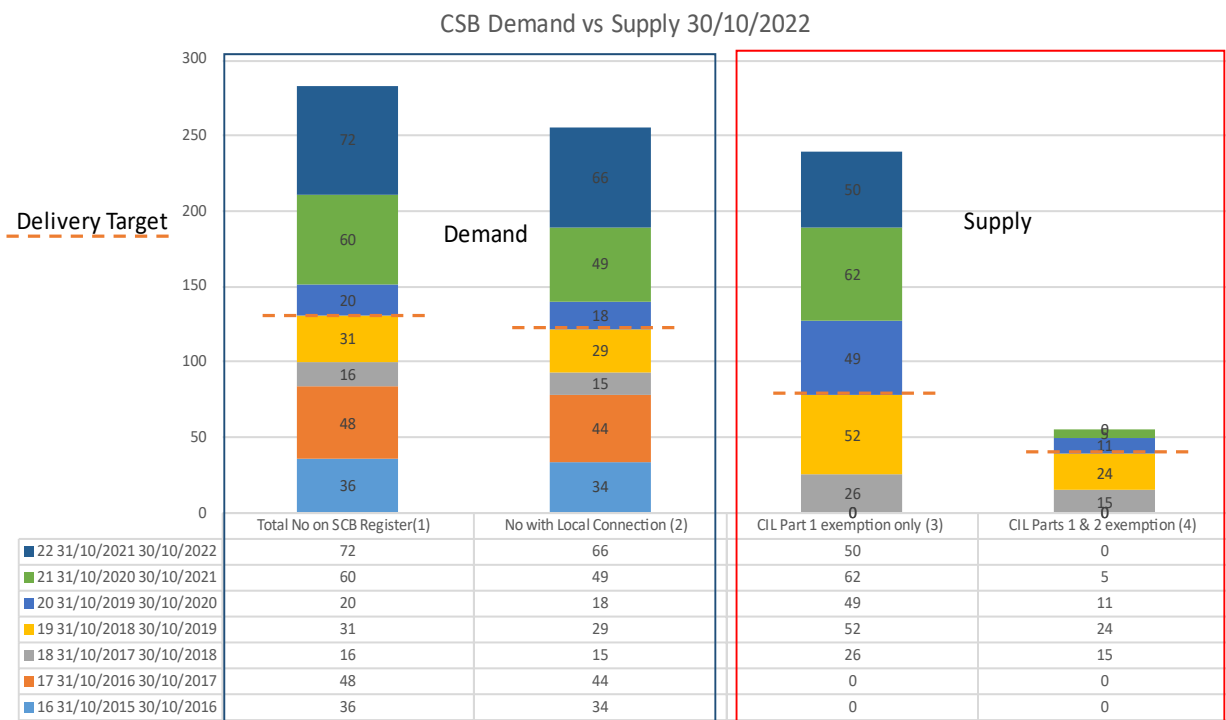
In respect of the demand side, there are two components to the register: the total number of entries (first column) and, of those, the number of entries with a local connection (second column). As can be seen, the vast majority of people on the register have a local connection.

It is important to note that although the figures have been broken down to show those people on the register with a local connection, we do not currently use this as a test. As such we are required to base our demand and supply only on the full register numbers.

In order to only use the local connection numbers, this would have to be introduced as a formal test with evidence being provided by the applicant of their local connection. This would by definition then create a two part register where the Council would only be required to meet demand on part one of the Register (i.e. where people meet a local connection test).

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 one and a half years, 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 31 October 2019 there were 131 people on the Register while three years hence at 31 October 2022, a total of 239 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 31 October 2022 (i.e. those that have been completed and occupied as a SCB dwelling) is substantially lower at only 55 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 131 people on the Register at 31 October 2019, of which 122 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 31 October 2022. As stated above, a total of 239 such plots had planning permission and Part 1 CIL exemption, but only 55 had been implemented and attained Part 2 CIL exemption.

This means that at 31 October 2022, based on the total number of entries on the Register there is a shortfall in supply of 76 plots, while counting only those with a local connection there is a shortfall of 67 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 and a half. This means that, over time, there is likely to remain 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 31 October 2022 there were 283 people on the Register, while at 31 October 2019 a total of 78 plots had planning permission with Part 1 CIL exemption. At 31 October 2022, this had increased to 239 plots. This means that there remains an overall shortfall of 44 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 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 or so. In comparison, the number of people joining the Register has varied each year but between October 2021 and October 2022 it was the highest ever at 72. If the number of entries on the Register continues to grow at this rate it could continue to 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., 55 compared with 239 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.

DEMAND - People on Register			SUPPLY - Planning Applications in progress			
Period end	Annual	Cumulative	Part 1 CIL exemption only		Part 1 & Part 2 CIL exemption	
			Annual	Cumulative	Annual	Cumulative
31/10/2016	36	36	0	0	0	0
31/10/2017	48	84	0	0	0	0
31/10/2018	16	100	26	26	0	0
31/10/2019	31	131	52	78	1	1
31/10/2020	20	151	49	127	3	4
31/10/2021	60	211	62	189	14	18
31/10/2022	72	283	50	239	37	55

Figures in the row highlighted yellow compare the supply of dwellings at 31 October 2022 with the demand at 31 October 2019, i.e. applying the three-year rolling period.

Based on the table above and projecting the number of CSB plots that would need to be delivered by 31 October 2025 a further 44 Planning application with Part 1 CIL exemption would be needed by 31 October 2025 to meet our requirements under the CSB regulations.

Using these figures, we currently have a deficit of 76 on delivery and would need to deliver a further 228 Pt2's by 31 October 2025 to meet our current

requirements, this would equate to a Pt2 increase of 76 per annum to meet targets.

Looking at the data there is a significant 'lag' in moving from Pt1 to Pt2, with some applications falling out of the count due to not meeting the requirements or being sold commercially and no longer being counted as CSB.

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.

There is currently an appeal on the site at Millers Close, Welford-on-Avon that we are awaiting a decision for. A recent appeal on a site at Collingham Lane, Long Itchington has been dismissed (Planning ref 21/02854/OUT, Appeal Ref: APP/J3720/W/22/3298087). There are currently live applications for 5 other CSB sites as allocated in the SAP, shown below:

- Proposal SCB.4: North of Idlicote Road, Halford
- Proposal SCB.7: North of Dog Lane, Napton-on-the-Hill
- Proposal SCB.8: West of Evesham Road, Salford Priors
- Proposal SCB.10: West of Jubilee Fields, Stockton
- Proposal SCB.12: North of Walton Road, Wellesbourne

It is intended to update and re-publish the supply and demand data on a 6 monthly basis in order for the most up-to-date information to be taken into account when determining planning applications and dealing with appeal cases.

Planning Policy Team
January 2023