



## Report of the Cabinet Member for Homes & Energy

Cabinet – 19 September 2019

### Welsh Government Self Build Programme at Swansea Council

<b>Purpose:</b>	To inform Cabinet of the new scheme to be launched in the Autumn 2019 by Welsh Government and how Swansea Council believes it can contribute to its success.
<b>Policy Framework:</b>	The proposal sits within the scope of the Policy Commitment and Corporate Plan to increase the supply of affordable housing. Involvement will maximise our contribution to achieving not only Swansea's well-being goals but national goals too. It will support the well-being objective, to progress strategic housing and mixed development sites to meet housing need and provide employment.
<b>Consultation:</b>	Access to Services, Finance, Legal, Planning.
<b>Recommendation(s):</b>	It is recommended that:  <ol style="list-style-type: none"><li>1) Swansea Council work with the Housing Department in Welsh Government to pilot a self-build project within the county via their Plot Shop Initiative due to be launched in the Autumn of 2019.</li><li>2) Swansea Council will consider the use of the Welsh Government loan in terms of resourcing the project.</li></ol>
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## **1. Introduction**

- 1.1 The UK has a much lower rate of self-building than other European countries. The sector currently accounts for between 7-10% of completions while in Austria it accounts for around 80%. A Building Societies Association (BSA) survey identified 53% of people in the UK would consider building their own home given the opportunity. This significant unmet demand for self-build in the UK is further evidenced by around 100,000 people subscribing to Buildstores, one of the main plot-finding websites.
- 1.2 Apart from the obvious benefits of design etc. one of the key drivers in self-building is the ability to save money. The average self –build house in the UK costs on average 59% of its final value as self-builders cut out the developer’s profit.
- 1.3 Self-Build Wales is an exciting and highly innovative new scheme, supporting the increase in more affordable housing. This Welsh Government initiative tries to eliminate all the barriers to allow entry into the self-build market by providing a maximum 2 year loan from the Development Bank of Wales. There are no repayments on the loan until the house is completed and mortgaged. The new home cannot be rented or sold for a minimum of five years post completion and contractors must be approved by the Development Bank of Wales (DBW).
- 1.4 Swansea Council would like to trial three plots as part of Self-Build Wales.

## **2. The Scheme details**

- 2.1 At the core of the scheme is a ‘plot shop’ which is established through partnership between WG, the DBW and LA’s where land assets would be divided into individual plots and sold to qualifying self-builders. The plots will need to be ‘oven ready’ and have all planning and site requirements completed presale. This would de-risk the development and also enable the self-builder to just decide which home they want to build (From pattern book supplied as part of the purchase).
- 2.2 In summary, applicants will be able to see plots that are ready for application on an interactive map. The map will also contain information about plots being prepared for the scheme.
- 2.3 Each plot will have a ‘plot passport’ which will contain information including:
  - The price of the plot and required deposit.
  - The location, size and where the proposed build can be located on the plot.
  - The approved property designs from the pattern book, which will also provide an estimated build cost to a standard fit and finish.
  - The application process and deadlines for submission.

- 2.4 Successful applicants will only need to provide a deposit of 25% of the cost of the plot. The Development Bank of Wales will provide (subject to qualifying criteria) a self-build development loan to cover the balance of the plot (75%) and the full cost of building the property.
- 2.5 Site plots will be available to everyone, not just first time buyers. Self – Build Wales is designed to suit as many needs as possible, including those that need a bigger house, are looking to downsize but stay in their area or are looking for an adapted home.
- 2.6 Local Authorities would be asked to:
- Identify suitable plots
  - Agree pattern book options or simplified design guides for the plot
  - Streamline the planning process
  - Carry out any remediation work prior to site sale
  - Assess applications.
- 2.7 Swansea Council has been invited to sit on a working group with Cardiff University who are developing the pattern book.
- 2.8 Funding for self-builders is estimated as an average of £150k development loan per site. There is also a £10m fund pot for the LA's to borrow from to cover resources required to deliver the initiative. There is no cap to the loan requested but it must reflect the work being undertaken.
- 2.9 The LA can recover the overhead from developing the plots through to sales in the plot price. Loans will be interest free and fee free and repayable in year 16 of the scheme.
- 2.10 Each plot sold will have a Development Bank fee built into the plot cost (up to £500) to cover the management of the pattern book/design guide, interactive map and LA loans.
- 2.11 This strategy addresses barriers in planning, regulation, land procurement and finance. In addition to developing and supporting a self-build market it is expected the scheme will have a number of other wider community benefits. These include bringing derelict land into use and supporting local SME building companies and the employment opportunities this creates.
- 2.12 In addition, the LA will be able to address social needs as well as housing needs.

### **3. Swansea Plots**

- 3.1 Officers from Property Services and Planning have attended the Self-Build Wales workshops and have had initial discussions with agreement to explore the project by only looking at plots that are easily accessible from the pavement, where there is easy access to mains utilities and would be relatively easy to acquire, and planning consent will be forthcoming.

Currently there would be enough resource internally to manage the project on this scale but if it were to expand then the funding of more dedicated resource would need to be considered, maybe accessing the available loan.

3.2 There are three potential sites that could be added to the 'plot shop' when it goes live in the Autumn.

- Plot at Wychtree Street, Morrision
- Corner plot at Gomer Road and Gors Avenue
- Plot at Baptist Well Place and Baptist Well Street.

3.3 As no firm action has been undertaken to date on the project, there has been no local consultation on the three sites as proposed, any decision would be subject to normal consultation and feedback on responses.

3.4 This report seeks approval to dedicate resource to taking this project to the next stage of making these plots available for release into the 'plot shop' in the Autumn/Winter of 2019.

#### **4. Equality and Engagement Implications**

4.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

4.2 An EIA Screening Form has been completed (**Appendix A**) with the agreed outcome that a full EIA report is not required as the intention is to trial two or three plots across the county as part of the Self Build Wales Scheme. Once these have been decided upon, the relevant planning consent etc. would be required for each and this would follow an already approved process of consultation.

#### **5. Financial Implications**

5.1 All costs incurred to get the plots ready for sale will be factored into the selling price of each plot. There could be potential opportunity for future income generation from this project if successful.

## **6. Legal Implications**

- 6.1 The Council has a statutory and fiduciary duty pursuant to section 123 of the Local Government Act 1972 to secure the best consideration possible for any property disposal. A lease granted for a term of years in excess of 7 years would be deemed a disposal under this Act.
- 6.2 However, there are exemptions and dispensations. Under the General Disposal Consent (Wales) 2003, where the asset to be disposed of has an 'undervalue' of less than £2million and the transfer helps to secure the promotion or improvement of the economic, social or environmental well-being of an area, the Council is able to transfer its land and buildings at 'less than best consideration', i.e. below market value.
- 6.3 The Council also has powers to support social well-being in its area pursuant to section 2 of the Local Government Act 2000.

**Background Papers:** None

### **Appendices:**

Appendix A: EIA Screening Form

Appendix B: Plans (Plot at Wychtree Street, Morriston; Corner plot at Gomer Road and Gors Avenue; Plot at Baptist Well Place and Baptist Well Street)