

## **Annex C: Policy Extracts from the City of York Local Plan Publication draft (2018)**

### **Policy H4: Promoting Self and Custom House Building**

As part of meeting housing need, proposals for self and custom house building, to be occupied as homes by those individuals, will be supported where they are in conformity with all other relevant local and national policies.

On strategic sites (sites 5ha and above) developers will be required to supply at least 5% of dwelling plots for sale to self builders or to small/custom house builders subject to appropriate demand being identified. Plots should be made available at competitive rates, to be agreed through Section 106 agreements, which are fairly related to the associated site/plot costs. In determining the nature and scale of provision the Council will have regard to viability considerations and site-specific circumstances.

These schemes will:

- be individually designed employing innovative approaches throughout that cater for changing lifetime needs;
- provide for appropriate linkages to infrastructure and day to day facilities; and
- include a design framework to inform detailed design of the individual units where more than one self/custom build unit is proposed.

Where a developer is required to provide self and custom build plots the plots should be made available and marketed for at least 12 months. Where plots have been appropriately marketed and have not sold within this time period these plots may be built out as conventional plots for market housing by the developer.

Communities preparing Neighbourhood Plans will be encouraged to consider the identification of sites for self and custom build projects within their neighbourhood plan area.

**See also Policy D1**

### **Explanation**

5.26 The Council is seeking to find new ways to deliver the homes York needs. This policy is intended as a mechanism for supporting self and custom build development in appropriate locations as sought in national policy. This policy approach will strengthen and grow the local economy and workforce, increase annual delivery rates on site and result in a more varied and locally distinctive development form. The Council will maintain a local register of self builders who wish to acquire a suitable plot of land to build their own home, to evidence demand.

5.27 A self build scheme should be genuinely innovative in the use of materials, methods of construction and its contribution to protecting and enhancing the

environment. The value of such a building will be found in its reflection of a high standard of contemporary architecture, the enhancement of its immediate setting and sensitivity to the defining character of the local surrounding area. Opportunities for pooled renewable energy facilities should be utilised where possible.

- 5.28 Where developable plots are demonstrably and appropriately marketed at competitive rates for a period of 12 months without interest, they may revert to delivery through conventional methods. Developers will be required to demonstrate to the local planning authority that appropriate marketing has taken place before self and custom build plots can be released for development through conventional market housing.
- 5.29 Planning permissions relating to self-build plots will require self build developments to be completed within three years of a self-builder purchasing a plot. Self or custom build housing is subject to the policy requirements of the Local Plan, including affordable housing; housing mix and density; older people's housing; space standards; and design and planning obligations
- 5.30 Further guidance from the government on self build is expected. The council will review the need to publish additional local guidance/supplementary planning guidance relating to the practical delivery of self/custom build sites. Any future updates of this evidence will be published on the council's web site.

#### **Definitions of Self and Custom Build**

- 5.31 For the purpose of this policy self house builders are being defined as, someone who directly organises the design and construction of their new home i.e. DIY self build home. This can also include: projects where the self builder commissions an architect/ contractor to build their home; projects delivered by kit home companies; or community led projects where the community organises construction work.
- 5.32 For the purpose of this policy custom build projects are where someone who works with a specialist developer to help deliver their new home. In this scenario, the custom builder may secure the site for you and manage the build of your home.
- 5.33 For the purpose of this policy the terms custom and self build relate to a range of dwellings which may be based on:
- Self build homes: Where a person manages the design and construction and may undertake some of the building work or contract it to others;
  - Contractor built homes, after deciding on a design, a contractor is employed to do all of the building work;
  - Independent community collaboration where a group of people acquire a site and split into plots for self build homes, which may include sharing labour and expertise; and
  - Supported community self build where a social landlord or a similar supportive body helps people build a group of homes together.
- 5.34 For the purposes of this policy small house builders are defined as being a company, joint venture or delivery vehicle which, alone or in conjunction with any parent or partner organisation, has delivered an average of fewer than 200 residential units

per annum over its last five operating years. Preference should be given in selection process to those small house builders who are unlisted and who have been established in the York or Yorkshire area for more than two years.

- 5.35 Homes built to a customer’s specification by a developer, based on a range of their designs do not represent a custom-build home.

### **Delivery**

- Key Delivery Partners: Developers.
- Implementation: Planning applications.

## **Policy H10: Affordable Housing**

To help maximise affordability across the housing market, the Council will support residential schemes for 2 or more dwellings which:

- reflect the relative viability of development land types in York by providing affordable housing percentage levels for site thresholds as set out in Table 5.4:

**Table 5.4: Affordable Housing Site Thresholds**

<b>Threshold</b>	<b>Target</b>
Brownfield sites = > 15 dwellings	20%
Greenfield sites = > 15 dwellings	30%
Urban, Suburban and Rural sites 11-14 dwellings	20% <sup>1</sup>
Urban brownfield sites 5-10 dwellings <sup>2</sup>	15% <sup>1</sup>
Urban greenfield sites 5-10 dwellings <sup>2</sup>	19% <sup>1</sup>
Urban brownfield sites 2-4 dwellings <sup>2</sup>	6% <sup>1</sup>
Urban greenfield sites 2-4 dwellings <sup>2</sup>	10% <sup>1</sup>
Sub-urban brownfield sites 5-10 dwellings <sup>2</sup>	10% <sup>1</sup>
Sub-urban greenfield sites 5-10 dwellings <sup>2</sup>	15% <sup>1</sup>
Sub-urban brownfield sites 2-4 dwellings <sup>2</sup>	2% <sup>1</sup>
Sub-urban greenfield sites 2-4 dwellings <sup>2</sup>	7% <sup>1</sup>
Rural brownfield sites 5-10 dwellings <sup>2</sup>	11% <sup>1</sup>
Rural brownfield sites 2-4 dwellings <sup>2</sup> that	3% <sup>1</sup>

Rural greenfield sites 5-10 dwellings <sup>2</sup>	17% <sup>1</sup>
Rural greenfield sites 2-4 dwellings <sup>2</sup>	8% <sup>1</sup>
<b>Notes to Table</b>	
1	This is the target percentage to be used in the off-site financial contribution calculation following sub-clause (iii) below
2	For sites that have a maximum combined gross floorspace of more than 1,000sqm

- ii. on sites of 15 homes and above on-site provision will be expected, unless off-site provision or a financial contribution of equivalent value can be robustly justified.
- iii. on sites of 2–15 homes an off site financial contribution (OSFC) is required in accordance with the approved formula set out below:

$$\text{Average York Property price} - \text{Average York Fixed RP Price} \times \% \text{ Target} = \text{OSFC per dwelling}$$

- iv. make provision which reflects tenure split in terms of social renting and intermediate housing, as set out in the most up to date SHMA.
- v. fully integrate the affordable housing by pepper potting throughout the development with no more than two affordable dwellings placed next to each other. The size and type of homes should be a pro rata mix of the total homes provided on site, taking into account current assessments of local need where on-site provision is required. The affordable housing should be visually indistinguishable from the open market dwellings.

A vacant building credit (VBC) will be applied to appropriate development where a vacant building is either converted or demolished and is necessary to incentivise the scheme. This credit will be equivalent to the gross floorspace of the building to be demolished or brought back into use. This credit does not apply when a building has been ‘abandoned’.

The affordable housing should remain affordable in perpetuity, through use of a planning condition or obligation or if these restrictions are lifted, for subsidy to be recycled for alternative affordable housing. On completion, the affordable housing must be transferred to a Registered Provider approved by the Council.

Where a developer believes the criteria set out in this policy cannot be fully met, they have the opportunity through open book appraisal to demonstrate through open book appraisal to demonstrate to the Council’s satisfaction that the development would not be viable

**See Policy GB4**

## **E x p l a n a t i o n**

### **Thresholds**

- 5.60 NPPF (2012) requires Councils to set policies for meeting identified affordable housing need, and that those policies should be sufficiently flexible to take account of changing market conditions.

- 5.61 Given the conclusions reached in the City of York Affordable Housing Viability Study (2010) and Annex 1 (2011) (AHVS) and the City of York Local Plan and CIL Viability Assessment (2017), developments within York should be able to provide the target levels of affordable homes approved for development management purposes. Therefore no individual site assessment will be required where submissions achieve these targets and this is to be encouraged in order to reduce time on further analysis and negotiation.
- 5.62 Where a developer believes because of development viability that a site cannot meet the requirements of the policy, the developer will be required to submit an open book appraisal to justify any reduction from the target, at their expense. If agreement cannot be reached on the appropriate level of affordable housing between the Council and the developer it will be referred to the Valuation Office Agency at the expense of the developer, to determine the viable level of affordable housing. If a reduction is proven the Council may firstly seek Homes and Communities Agency subsidy (or other public subsidy) to achieve the level and mix of affordable housing consistent with the policy. If such subsidy is not available the Council may seek to vary the tenure mix or types of units of the affordable component where appropriate to assist in meeting the delivery of affordable housing objectives of the Council before agreeing a reduction in the overall amount of affordable housing.

### **Types**

- 5.63 Affordable housing in York includes social rented and intermediate housing provided to specified eligible households whose needs are not being met by the open housing market, and who cannot afford to enter that market. The definition specifically excludes low cost market housing.

### **Tenure/Mix**

- 5.64 The City of York Council SHMA and Addendum (2016) recommends an 80% social and affordable rented and 20% intermediate split.
- 5.65 A full range of property sizes and types are needed to satisfy the affordable housing needs of the city and providing small or poor quality accommodation will not be seen as satisfying the policy. In order to help build mixed and sustainable communities the affordable homes need to be pro-rata of the market homes, integrated within the site and indistinguishable from the market housing on site.
- 5.66 The affordable homes need to be fully integrated within the development by pepper potting throughout with no more than two affordable dwellings placed next to each other. The exception to this is apartment blocks if they are to be transferred freehold to Registered Providers. These affordable apartment homes should be provided in an apartment block rather than pepper potted throughout the development. The size and type of homes should be a pro rata mix of the total homes provided on site, taking into account current assessments of local need where on-site provision is required. The affordable housing should be visually indistinguishable from the open market dwellings.

5.67 The Council will make public any updates to the evidence on housing mix and tenure split that is currently provided in the SHMA. Developers should consult the Council's web site prior to making any planning application to confirm the then current position on this matter.

**Provision**

5.68 In accordance with national guidance affordable housing provision for sites of 15 homes and above will normally be expected to be provided on site. Following the change to national planning guidance, the council can no longer seek financial contributions towards affordable housing on rural schemes of 1 to 10 units with a gross area of no more than 1,000sqm. Planning obligations on affordable housing and other matters can only be applied to schemes of 11 new homes or more or 1 to 10 new homes with a total gross floorspace of more than 1,000sqm.

5.69 The commuted sum is calculated using the following formula and will be updated annually:

$$\text{Average York Property price} - \text{Average York Fixed RP Price} \times \% \text{ Target} = \text{OSFC per dwelling}$$

**Table 5.5: Commuted Payment Calculation**

Dwelling threshold	Average York property price (Land Registry March 2017)	Average York fixed RSL price	% target	Commuted payment
Urban, Suburban and Rural sites 11-14 dwellings	£241,042	£75,000	20%	£33,208.40
Urban brownfield sites 5-10 dwellings <sup>1</sup>	£241,042	£75,000	15%	£24,906.30
Urban greenfield sites 5-10 dwellings <sup>1</sup>	£241,042	£75,000	19%	£31,547.98
Urban brownfield sites 2-4 dwellings <sup>1</sup>	£241,042	£75,000	6%	£9,963
Urban greenfield sites 2-4 dwellings <sup>1</sup>	£241,042	£75,000	10%	£16,604.20
Sub-urban brownfield sites 5-10 dwellings <sup>1</sup>	£241,042	£75,000	10%	£16,604.20
Sub-urban greenfield sites 5-10 dwellings <sup>1</sup>	£241,042	£75,000	15%	£24,906.30
Rural brownfield sites 5-10 dwellings <sup>1</sup>	£241,042	£75,000	11%	£18,265
Rural brownfield sites 2-4 dwellings <sup>1</sup>	£241,042	£75,000	3%	£4,981

Rural greenfield sites 5-10 dwellings <sup>1</sup>	£241,042	£75,000	17%	£28,227
Rural greenfield sites 2-4 dwellings <sup>1</sup>	£241,042	£75,000	8%	£13,283
Note				
1	<u>For sites that have a maximum combined gross floorspace of more than 1,000sqm</u>			

5.70 Any other off site provision or commuted payment in lieu of on-site provision for affordable housing will only be acceptable if it is robustly justified. The commuted payment will be calculated as the difference between the transfer price and the market value of the specific home(s) on that site.

### **Artificial Subdivision**

5.71 Artificial subdivision where it is proposed to phase development, sub-divide sites or when there is a reasonable prospect of adjoining land being developed for residential purposes in tandem or the future, the Council, will consider the whole site for the purpose of determining whether the scheme falls above or below the thresholds

### **Vacant Building Credit**

5.72 A VBC will be applied to appropriate development where a vacant building is either converted or demolished and is necessary to incentivise the scheme. A viability appraisal in accordance with this policy is considered to be consistent with the underlying intention of the vacant building credit in order to incentivise brownfield development and, given the high need for affordable housing in York, may be the most appropriate option when weighing up all material considerations. If VBC is applied, this credit will be equivalent to the gross floorspace of the building to be demolished or brought back into use. This credit does not apply when a building has been 'abandoned'.

5.73 A Supplementary Planning Document will be used to set out clear and consistent guidance on all elements covered by Policy H10 and Policy GB4, including the mechanism for updating the OSFC annually.

## **Delivery**

- Key Delivery Partners: Housing Associations; Registered Providers; and Landowners.
- Implementation: Annual review of the dynamic viability model; use of planning obligations or conditions to secure provision; and planning applications.