

Committee: **Executive Committee**  
Date of meeting: **25<sup>th</sup> September 2019**  
Report Subject: **Self Build Wales**  
Portfolio Holder: **Cllr D Davies, Executive Member Regeneration and Economic Development**  
Report Submitted by: **Richard Crook, Corporate Director Regeneration and Community Services**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
20.08.19	03.09.19	11.09.19			23.09.19	25.09.19		

## 1. Purpose of the Report

The purpose of the report is to:

- 1.1 Inform Members of the Self Build Wales programme, about to be launched by the Development Bank Wales; and
- 1.2 Seek approval to engage with the Self Build Wales Programme, to include submission of a self-build plot, to gauge resident interest.

## 2. Scope and Background

- 2.1 The scope of the report is to outline the key principles and requirements of the self-build programme developed by Development Bank Wales. Further to this, the report highlights potential development sites within Blaenau Gwent for consideration under the scheme.
- 2.2 The initiative will contribute to the Council's efforts to stem the flow of outward migration, with a longer term growth aspiration, by providing more homes in the borough.
- 2.3 The scope of the report does not extend to consider other housing initiatives or associated outcomes achieved.

## Background

- 2.4 Within Blaenau Gwent Council there is an agreed housing priority which aligns to Welsh Government's commitment to increasing delivery of an additional 20,000 homes within the current term of office.
- 2.5 Within Blaenau Gwent housing development rates have been relatively low, especially amongst the private sector, attributed to factors including perceived lack of demand, development viability in areas north of the "snow line" and

local land ground conditions.

- 2.7 More recently there appears to be increased confidence, with private development schemes progressing including; Brynserth, Ebbw Vale School/College Site and Northgate. This is additional to the programme of affordable housing development.
- 2.8 The self-build proposal offers an additional means through which to deliver homes that offers an alternative product to local residents wishing to own their own property. Additional to the Self Build initiative, Development Bank Wales currently have programmes to support:
- The encouragement and acceleration of house building - Wales Property Fund (loan facility).
  - Development sites with significant infrastructure and remediation requirements) - Wales Stalled Sites Fund (loan and grant facility).
- 2.9 The scheme is funded via interest free loans which are available to facilitate:
- Local Authorities; A £10m recyclable loan fund to facilitate Local Authorities in preparing sites/plots that are “shovel ready” for development, including SI’s, planning, infrastructure and services. An application to access this funding can be submitted, once an initial site identification proposal is submitted (to advertise the plot) and approved.
  - Individuals; Applicant’s loan may compromise of up to 75% of the plot purchase price and up to 100% of the development costs. There is a requirement to contribute 25% of their own funds to purchase the plot from the LA. An invitation to the individuals who have submitted an Expression Of Interest (EOI) is invited once the site is ready for development.
- 2.10 To help facilitate the process a pan Wales design guide has been developed for use/reference by participating Local Authorities. The design guide can ensure type and design of properties within the borough. Each LA may set criteria for each site based on specific housing requirements e.g. size of homes, energy efficient homes, length of build period.
- 2.11 The loan made to the LA is repayable within year 16 of the scheme.
- 2.12 Self-Build Wales is due to be launched to the public in mid-October 2019. LAs are able to include “plots” on the app with either a “plot passport”, ready to go or a plot of land purely to gauge interest within the locality, prior to undertaking any SI work. Plots are advertised on the app through a Red, Amber, Green (RAG) rating.
- 2.13 The Blaenau Gwent Housing Delivery Group has met to discuss the initiative and explore potential sites that may be appropriate for identifying initial

demand and incorporating as part of the Development Bank self-build initiative. The following sites were among those considered, reflective of the divisions involvement with the sites;

- The Works, Ebbw Vale (Plots opposite the Passivhaus developments), this site lends itself to a self-build scheme due to the size of the land, it can be brought forward quickly and is likely to be popular given its location in terms of accessing services and transport links. This site would adhere to the principles and detailed advice already set out in the approved masterplan and Design Codes.
- Nantyglo School Site, Nantyglo, A consideration for self-build, alongside other development opportunities to be determined as part of the Masterplan commission. The site could be attractive to existing residents/those looking to move in, with convenient links to the A465. The current status of the site (undetermined use) and associated timeline reduces its immediate suitability. Again the site would be subject to an approved Masterplan and Design Codes.
- Abertillery Bowls Centre, small parcel of land, cleared site, no determined after use. Due to the topography of the site there may be challenges in addressing the access to any development.
- Former Six Bells Colliery Site, medium parcel of land in a scenic location within the Ebbw Fach Valley and identified within the housing prospectus as a development opportunity. Highway and infrastructure improvements part of the requirement to bring forward the site.

2.14 The list presented is not exhaustive, with opportunity to consider alternative sites, across BGCBC. The works would be the recommended site to pilot the project as part of the Development Bank Self Build launch, reflecting its readiness for development.

2.15 Feasibility of additional sites could be considered moving forward, aligned to feedback, including that received from the EOI process.

### **3. Options for Recommendation**

#### **3.1 Option 1**

Do nothing; the decision not to proceed with exploring self-build development via the Development Bank Wales Initiative.

#### **3.2 Option 2 (Preferred option)**

To approve BGCBC involvement in the initiative and recommended preferred site (Works) to pilot the self-build initiative and gauge public interest within Blaenau Gwent.

#### **3.3 Option 3**

To approve BGCBC involvement in the initiative and recommend multiple self-build sites to progress through the self-build initiative and gauge public interest within Blaenau Gwent.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 **Corporate Plan Priorities**

Economic Development and Regeneration is a priority within the 2018 to 2022 Corporate Plan, with a specific focus on working with private developers and RSL partners to provide a variety of homes.

4.2 **Blaenau Gwent Well Being Plan**

Engaging with the Self-Build Wales project could meet an unmet housing need in Blaenau Gwent. Thus providing safe, appropriate and affordable housing to local residents will underpin the 5 objectives outlined within the Wellbeing plan.

4.3 **Local Development Plan**

The local authority's LDP has a target of an additional 3,500 homes by 2021 which is equivalent to 233 per annum. The emerging LDP has an annual target of 117 per annum with an aspirational target of 144.

4.4 Further to this housing is also a Regeneration Priority.

5. **Implications Against Each Option**

5.1 Do nothing; The decision not to engage in the Development Bank Wales Self-Build initiative would reduce the opportunity for local residents who wish to build their own homes and associated financial incentives. This option may also generate a negative response from residents.

5.2 Option 2; The opportunity for Blaenau Gwent LA to ensure the development of further homes within the borough, providing an opportunity to pilot the self-build scheme and gauge local interest/demand. The interest may relate to other areas of Blaenau Gwent, to mitigate this residents may provide this feedback through the EOI process.

5.3 Option 3; The opportunity for Blaenau Gwent LA to ensure the development of further homes within the borough, providing a larger provision of choice for local residents. Promoting multiple sites may raise expectations which the council may not have the resource to meet.

5.4 ***Impact on Budget (short and long term impact)***

5.5 The costs of bringing a "shovel ready" site forward for development could be met by the Development Bank Wales Loan Facility available to Local Authorities. The loan application would be made if a favourable response to the Pilot Plot was generated via EOI's.

5.6 The primary risk associated with the proposal is that the loan would be repayable regardless of whether a land sale was realised or if the land value was less than the costs associated with bringing forward the development land

(e.g. SI's, planning, infrastructure). To mitigate this risk further consideration to scheme viability would be made in advance of any loan application.

5.7 Selecting development sites in areas of high demand, with known ground conditions would further minimise the risk relating to land sale.

#### 5.8 ***Risk including Mitigating Actions***

##### 5.9 Option 1 Do Nothing

The main risks associated with not engaging with the Development Bank Wales Self Build initiative are;

- Limited opportunities for self- build, reflective of the high upfront costs for the developer. The risk would be mitigated in part by the uptake that would occur without financial support/incentive.
- Smaller infill sites remain undeveloped leaving pockets of land throughout the borough sparse and unconnected. Alternative development models could be explored to bring forward smaller sites.
- Self-build would continue to occur without a supporting design guide that enables the council to have greater influence on the type of development which could support a range of housing sizes. Planning permission would mitigate this risk to a degree however individuals still retain a large degree of flexibility.

##### 5.10 Option 2

The main risks associated with option 2 are;

- Demand is not evident for the “plots” that are advertised via the app. Mitigation would be for potential applicants to communicate preferred areas within the borough for availability of plots. This would provide valuable information around potential demand for the scheme.
- If only one specific area of the borough is advertised this may be perceived by as demonstrating a preference to encourage development in a defined area. Mitigation to this would be the supporting rationale for site selection as outlined within the report (demand, land availability, ground conditions). Further mitigation to this would be to roll this out as a pilot scheme in order to stimulate additional interest prior to fully committing to the initiative.

##### 5.11 Option 3

- If many sites were released as “plots” on the app this may result in diluted interest across multiple sites or an “over” demand that we may not be in a position to facilitate. Mitigation would be to start small and “slow feed” plots into the scheme based on evidence gained.

## 5.12 **Legal**

There are no legal implications associated with this report.

Clear guidelines and T&C associated with the initiative.

## 5.13 **Human Resources**

Delivering agreed housing priorities including associated development, will require input from a range of officers within the Environment Directorate, including Housing Strategy, Planning Officers and Estates Officers.

The LA loan from the DBW is there to offset the costs of resourcing; this could be implemented on a regional basis.

## 6. **Supporting Evidence**

### 6.1 **Performance Information and Data**

There is a number of agreed housing KPIs which are reported to Welsh Government. This data will be reported annually to RCLT/CLT/Scrutiny and Executive for information. This does include the target of building 20,000 affordable homes by 2021, throughout Wales.

### 6.2 **Expected outcome for the public**

To ensure sustainable communities are maintained within Blaenau Gwent, by affording the opportunity of access to a variety of homes within the borough.

### 6.3 **Involvement (consultation, engagement, participation)**

The development of a Self-Build Wales scheme within the borough involves input and data from a range of internal and external partners including; Development Bank Wales, regeneration, housing solutions, planning policy and estates. Officers have attended self-build workshops to inform options and the content of the report. The EOI phase on the process would enable us to engage residents and determine level of demand.

### 6.4 **Thinking for the Long term (forward planning)**

The primary purpose of the document is to ensure future housing demand is met through a variety of options.

Could enable the LA to stipulate specific design criteria (forever homes, energy efficiency etc).

### 6.5 **Preventative focus**

The primary purpose of the document is to ensure future housing demand is met through a variety of options.

Creates an opportunity for residents with aspiration for self-build.

6.6 ***Collaboration / partnership working***

Meeting the demands for a variety of homes and ensuring delivery of wider, complimentary housing activity is dependent on maintaining effective partnership working through the identification of new collaborative opportunities.

6.7 ***Integration(across service areas)***

Delivery of the recommendations and bringing development forward, requires close integrated working e.g. regeneration, planning, estates, public protection etc.

6.8 ***EqlA(screening and identifying if full impact assessment is needed)***

The report is open to all and is fully inclusive.

7. **Monitoring Arrangements**

7.1 There is a number of agreed housing KPIs which are reported to Welsh Government. This data will be reported annually to RCLT/CLT/Scrutiny and Executive for information.

**Background Documents /Electronic Links**

Appendix 1 – Self Build Wales – Guidance for Local Authorities

Appendix 2 – Self Build – The Works, Ebbw Vale