

**STROUD DISTRICT COUNCIL**  
**ENVIRONMENT COMMITTEE**

**AGENDA  
ITEM NO**

**29 JUNE 2017**

**13**

<b>Report Title</b>	<b>SELF BUILD AND CUSTOM HOUSEBUILDING REGISTER</b>
<b>Purpose of Report</b>	<p>To seek approval to introduce local connection and financial capability criteria for entry onto the Council's Self Build and Custom Housebuilding Register.</p> <p>To seek approval to introduce a fee for new applicants to join the Council's Self Build and Custom Housebuilding Register and introduce an annual retention fee for the renewal of applications.</p>
<b>Decision(s)</b>	<p><b>The Committee RESOLVES:</b></p> <p><b>1. to introduce local connection and financial capability criteria for entry on to the Council's Self Build &amp; Custom Register as indicated in paragraph 3.2.</b></p> <p><b>2. to introduce a fee for new entries on to the Council's Self Build and Custom Housebuilding Register</b></p> <p><b>3. to delegate authority to the Head of Development Services to set the introductory fee and an annual renewal fee for remaining on Part 1 of the Register thereafter.</b></p>
<b>Consultation and Feedback</b>	Internal consultation has taken place with other departments(Planning Strategy, Asset Management)
<b>Financial Implications and Risk Assessment</b>	<p>There are no financial implications arising directly from this report</p> <p>David Stanley, Accountancy Manager Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p>
<b>Legal Implications</b>	<p>The recommendations in respect of eligibility criteria and fees are consistent with the relevant legislation and consequently there are no material legal implications arising from the report.</p> <p>Alan Carr, Solicitor Email <a href="mailto:alan.carr@stroud.gov.uk">alan.carr@stroud.gov.uk</a> Tel 01453 754357</p>
<b>Report Author</b>	<p>Laura Stephen, Senior Housing Strategy Officer Tel: 01453 754099 Email: <a href="mailto:laura.stephen@stroud.gov.uk">laura.stephen@stroud.gov.uk</a></p>

<b>Options</b>	<ul style="list-style-type: none"> <li>• Not to introduce local connection / financial capability criteria to access the Register – this will increase the number of households registering.</li> <li>• Not to charge a fee for joining the Register – this may increase the number of households registering and place an undue resource burden on the Council.</li> <li>• To charge a fee for joining the Register that is greater than that proposed – this could act as a deterrent to lower income households who are seeking to join the Register.</li> </ul>
<b>Performance Management Follow Up</b>	The management of the Self Build and Custom Housebuilding Register will be monitored through performance update at the Housing Review Panel and Planning Review Panel.

## 1. Background

- 1.1 The Government wants to enable more people to build or commission the construction of their own home. The Self-Build and Custom Housebuilding Act 2015 placed a duty on all Local Authorities to maintain and promote a Register of individuals and groups of individuals who are interested in self or custom build in their area. The Council's register was in place on 1<sup>st</sup> April 2016.
- 1.2 The initial regulations allowed UK or EEA applicants, over the age of 18 and wishing to develop a plot for their sole residence, to register with any number of local authorities. As of 31<sup>st</sup> October 2016 the Council had 48 eligible applicants.
- 1.3 The Act also placed a duty on the Council to have regard to the Register when carrying out planning and other functions and is regarded a material consideration in decision making.

## 2.0 The Self Build and Custom Housebuilding (Register) Regulations 2016

- 2.1 The Self-build and Custom Housebuilding (Register) Regulations 2016 came into force on 31<sup>st</sup> October 2016. These provided the ability for local authorities to introduce local connection and financial capability assessment tests for applicants seeking to join the Register. The Housing and Planning Act 2016 also came into force on the 31<sup>st</sup> October 2016, providing a new 'Duty to Grant Planning Permission', which requires local authorities to grant planning permission for enough serviced plots of land to meet the demand on the Register within 3 years of the Base Period in which those applicants were approved onto the Register.
- 2.2 Demand is determined as the number of applications approved onto the register within a given 'Base Period'. The first Base Period is calculated as 1<sup>st</sup> April 2016 to the date the Regulations came into force on 31<sup>st</sup> October 2016. This means that the Council is required to provide

planning consent for 'serviced plots' to meet the 48 applications approved during this period by 31<sup>st</sup> October 2019. The current Regulations do not set out the implications of not meeting this target. However, we expect monitoring requirements to be introduced by the Government at a later stage.

- 2.3 To ensure that the Register provides a realistic indication of local demand, the regulations enable the Council to determine locally set criteria for future entry onto the register. Following introduction the Register will be split into two parts: Part 1 for those applicants who meet the locally set criteria; and Part 2 for those applicants who do not meet them. Locally set criteria cannot be introduced retrospectively for existing registered applicants.
- 2.4 Following introduction, it will only be necessary for the Council to consider the number of applicants in Part 1 (plus existing applicants at the time of introduction) when providing sufficient planning consents for serviced plots to meet demand. The Council would still need to 'have regard' to the number of people on Part 2 in carrying out planning and other functions.

### **3.0 Local Connection Test**

- 3.1 It is proposed to introduce a Local Connection test and limit entry to Part 1 of the Register to those who can provide 'a sufficient connection' with the authority's area.
- 3.2 The Regulations do not specify how the local connection test should be applied. It is proposed that we use criteria set down in the Housing Act 1996 that defines 'local connection' as a situation where someone has a connection through either normal residence (current or previous); employment; or family connection.

#### Normal residence:

Persons who have had, or whose partners have had, at the time of applying to the Self-Build Register their only or principal home in the Stroud District for a continuous period of six of the last twelve months, or three of the last five years.

#### Employment

Persons who have had, or whose partners have had, at the time of applying to the Self-Build Register their principal place of work in the Stroud District for a period of 6 months.

#### Family Connection

Persons who have had, or whose partners have had, at the time of applying to the Self-Build Register immediate family members (parents, adult siblings, non-dependent children) living in the Stroud District for a continuous period of 5 years.

In introducing a Local Connection test, the Self-Build and Custom Housebuilding Regulations 2016 do require that the following be included:

Persons who or whose partners are in the service of the regular armed forces of the Crown (defined within the meaning of section 374 of the Armed Forces Act 2006) or have left regular service within the past 5 years immediately preceding their application on the Self-Build Register.

- 3.3 Introduction of a Local Connection test will not require changes to be made to the Council's online application form as these Local Connection criteria questions already form part of the application, although as yet they have not formed part of any formal assessment.

#### **4.0 Financial Capability Test**

- 4.1 The introduction of Financial Capability criteria will require applicants to demonstrate that they have sufficient resources to purchase land in the District for their self-build project. At present there is no requirement for applicants to demonstrate they have the resources to bring forward a project.

- 4.2 To ensure that the Register provides a robust evidence base for decision making, it is proposed to introduce the following requirements (in addition to the Local Connection Test) for applicants on Part 1 of the Register:

- Identifying the amount of land (approximate) that would be needed to accommodate the size of property they are looking for in the area they are interested in.
- Indicating the approximate cost of such a site on the open market and evidencing this by way of examples of recent comparable market sales within the District or a confirmation letter from a registered valuer.
- Evidencing how they intend to fund the complete project build.

#### **5.0 Introducing Fees**

- 5.1 The Self-Build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 allows Councils to charge an initial fee for applicants approved onto both parts of the Register and then subsequently (Part 1 only) a fee for each year that they remain on the Register. Any fee charged must be calculated on a cost-recovery basis and reflect the reasonable costs incurred by the Council.

- 5.2 Based on an assessment of the level of staff time involved in assessing new applications to the Register, administrating the Register and compiling statistics to inform Planning and other functions, it is proposed to charge an initial fee of £75 for entry onto Part 1 of the Register and £25 for entry onto Part 2 – the level of fees will ensure administrative costs are recovered whilst not acting as a deterrent to those who are truly interested in accessing the Register. It is also proposed to charge an ongoing annual fee, initially of £25 for applicants to remain on the Register.

Under the Regulations, this can only be applied to applicants on Part 1 of the Register.

5.3 The fees charged for entry onto and remaining on the Register will need to be reviewed regularly to ensure that the Council recovers the cost of delivering this service.

5.4 Individuals and groups of individuals not renewing their application on an annual basis, with payment of annual fee where applicable, will be removed from the Register.

## **6.0 Group of Individuals**

6.1 If an assessment of individuals submits an application, the Local Connection criteria, Financial Capability Criteria and Entry Fee would apply to each household within that group.

## **7.0 Next Steps - Grant of planning permission**

7.1 The Government is due to issue guidance shortly on how local authorities are expected to deliver the serviced plots for self build and custom build homes. Officers will consider the implications of these requirements and report back to a future Committee any major policy or financial implications.