



CABINET: 14 January 2020

Report of: Corporate Director of Place and Community

Relevant Portfolio Holder: Councillor D Evans

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SUBJECT: SELF BUILD AND CUSTOM BUILD REGISTER

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To seek approval for a change in the fee for inclusion on the Self Build and Custom Build Register.

2.0 RECOMMENDATIONS

- 2.1 That the proposal to set a fee of £50 per application to be included on the Self Build and Custom Build Register for a four year period be approved, and that authority be delegated to the Corporate Director of Place and Community, in consultation with the Portfolio Holder for Planning, to review and amend the application fee as necessary to reflect costs associated with the application and administrative processes.
- 2.2 That the two existing individuals on the Self Build and Custom Build Register are refunded £70 each to reflect the proposed new fee for an application, and are able to remain on the Register for four years from the date of their admission to the Register.

3.0 BACKGROUND

- 3.1 The *Self-build and Custom Housebuilding Act 2015* and its accompanying *Self-build and Custom Housebuilding (Register) Regulations 2016* came into force in 2015 and 2016 respectively. These place a duty on local authorities to keep a register of individuals, or associations of individuals, who wish to acquire serviced

plots of land to bring forward self-build and custom housebuilding projects, and to have regard to this Self-build and Custom Build Register (referred to hereafter as 'the Register') when carrying out planning and other functions.

3.2 Two further sets of Regulations came into force in October 2016:

- The *Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016* give local authorities the ability to charge a fee for applications to the Register, covering reasonable costs incurred in administering the Register and in delivering planning permissions on serviced plots to meet the demand on the Register. (Additional 'New Burdens' funding has also been provided to authorities to pay towards the provision of plots.)
- The *Self-build and Custom Housebuilding Regulations 2016* set out how a local authority might assess eligibility for entry on the Register, introducing the option of local eligibility criteria that could include a local connection test, and / or criteria to evaluate whether an applicant has sufficient resources to undertake a self or custom build project.

3.3 The *Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016* place a requirement on local authorities to grant sufficient planning permissions for serviced plots of land for self and custom-build to meet the demand evidenced by their Register. These permissions need to have been granted within three years of a given base date. The first base date is 31 October 2016. West Lancashire Borough Council had 12 individuals on the Register at that time, and was thus required to grant planning permission for at least 12 serviced plots by 31 October 2019.

3.4 The Borough Council set up its Register in 2016. In September 2017, in the light of the provisions of the two sets of Regulations referred to above, Cabinet approved changes to the way in which the Register was to be administered in West Lancashire, namely:

- A revised application form which requires an answer to the local connection test question and seeks information on the resources the applicant possesses to undertake a self or custom build project. The applicant's financial capacity was to be checked independently by a third party.
- Once an applicant is successful and is placed on the Register, a requirement to re-apply each year, in order that the Council can check that the applicant is still able to resource a self or custom build project, and still has a local connection.
- An annual fee of £120 per application to cover the costs of administration and eligibility checking. This fee reflected the amount of officer time typically required to process an application to join housing waiting lists, and the hourly rates of the Council's Housing Officers involved. £120 is also the standard fee for an Estates enquiry.

3.5 The Register is updated on 31 October each year. On 31 October 2016, there were 12 people on West Lancashire's Register. A further 24 people joined between 1 November 2016 and 31 October 2017, bringing the total on the Register to 36.

- 3.6 In October 2017, following the introduction of the £120 fee, all 36 people on the Register at that time were informed of the changes to the administration of the Register and were invited to pay the £120 fee for continued inclusion on the Register over 2017-2018. None of these people opted to remain on the Register.
- 3.7 One other, separate, person applied in 2018 to join the Register, but subsequently withdrew their 'membership'. Three people wrote to the Council during 2019 asking to be included on the Register, but only two of these people have paid the required fee. Therefore, there were no people on the Register on 31 October 2018, and two people on the Register on 31 October 2019.

4.0 ISSUES

Planning permissions for custom and self-build housing plots

- 4.1 Members will be aware that West Lancashire Borough Council has implemented the Community Infrastructure Levy (CIL) Charging Schedule. Anyone undertaking a custom or self-build housing project can apply for a 'Self-Build Exemption' (SBE), provided they meet certain conditions. National policy allows for the granting of SBEs to be used as a proxy measure for the provision of permissioned serviced plots of land for custom and self-build housing.
- 4.2 Since 1 November 2016, West Lancashire Borough Council has granted in excess of 70 CIL SBEs. This more than meets the requirement of the Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 (paragraph 3.3 above) until 31 October 2019 (12 permissioned plots), 31 October 2020 (cumulative total: 36 permissioned plots), 31 October 2021 (36 permissioned plots), and 31 October 2022 (38 permissioned plots).
- 4.3 Notwithstanding the above, the Council is working to identify and provide serviced plots for custom and self-build housing to be offered for sale to people on the Register, and, if not taken up by people on the Register, to the wider public. The provision of suitable custom and self-build plots through planning policies may also be explored as the new Local Plan is prepared.

Financial capability checks

- 4.4 Upon receipt of the single application to join the Register in 2017/18 (paragraph 3.7 above), the Council endeavoured to carry out the necessary financial and resource checks to ascertain this person's capacity to undertake a self-build project. However, it proved prohibitively difficult to undertake the requisite financial checks in-house and to find a suitable external company to undertake the checks on the Council's behalf. Subsequent queries to peer Councils, for example via the Planning Advisory Service's 'Knowledge Hub', have failed to highlight a solution to this issue.
- 4.5 Planning Practice Guidance (PPG) issued by the government advises that authorities should apply a financial solvency test only where they have a strong justification for doing so, and should review the test periodically to ensure it remains appropriate and is still achieving the desired effect.

Fee level

- 4.6 PPG advises that local authorities can charge fees to those who apply to join or remain on the Register, but the fees must be proportionate, reflect genuine costs incurred, and should not act as a deterrent for people to be entered on or remain on the register.
- 4.7 It has been brought to the attention of the Council by the National Custom and Self-Build Association (NaCSBA; a national body who campaign on behalf of the custom and self-build housing sector) that the fee to join or remain on the West Lancashire Register is amongst the highest in the country. At two people, the present number on the West Lancashire Register is amongst the lowest in the country.
- 4.8 It may therefore be argued that the current fee for the West Lancashire Register is acting as a deterrent for people to apply to join the Register. In setting the fee level, there is a need to strike an appropriate balance between ensuring that only people who are genuinely interested and able to undertake a self or custom build housing project apply to join the Register, and not deterring those genuine custom and self-builders from joining the Register. As such, it is considered justifiable to charge a fee for entry on the Register, but that a lower fee would strike a better balance.

5.0 PROPOSALS

- 5.1 Given the difficulties associated with financial vetting of applicants for the Register, it is considered that this element of assessment should be discontinued from the administration of the Register.
- 5.2 Whilst it is considered necessary to charge a fee for entry onto the Register, as PPG advises, the fee should reflect genuine costs incurred (in processing applications to join the Register, and in facilitating / monitoring the grant of permission for serviced plots for custom and self-build housing). Without the financial assessment element, the administrative work in maintaining the Register is significantly reduced.
- 5.3 As such, it is proposed that:
- A fee of £50 be charged for people seeking to join the West Lancashire Register. This charge of £50 is designed to reflect administrative costs in processing the application, liaising with the applicant, and maintaining the Register – an estimate of 1.5 hours of officer time for each entry.
 - The £50 fee would pay for four years' membership of the Register (by which time, the Council will have been required to grant planning permission for enough serviced plots to match the number on the Register).
 - If a person wishes to remain on the Register beyond four years, they would need to pay another £50 for each subsequent four year period.
- 5.4 In light of the above, it is recommended at 2.2 above that the two people who joined the Register in 2019 are refunded £70 each and are allowed to stay on the Register for four years from the date they first went onto the Register, so that

their application to be on the Register is brought into line with the proposed new application fee recommended at 2.1 above.

6.0 SUSTAINABILITY IMPLICATIONS

- 6.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.
- 6.2 Self-builders generally embrace 'greener' methods of construction and energy generation to a far higher degree than volume housebuilders, as their development will be their home. Facilitating self-build housing thus usually helps contribute towards sustainable development.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 7.1 The reduction in the fee from £120 per annum to £50 for four years is a significant change. However, from September 2017 to October 2019, only £240 income was received in total in relation to the Register. It is anticipated that the reduction in the fee will result in more applications to join the Register and an actual overall increase in income for the Council compared to the present setup.
- 7.2 The expected increase in the number of applicants would result in a corresponding increase in the officer workload. The fee has been set with the intention of being cost-neutral in that the fee pays for the officer time spent in administering the Register. Therefore, regardless of the number of people joining the Register, there should be no overall net gain or loss to the Council in terms of financial or time resources.
- 7.3 The regulations allow the fee charged to also reflect the costs to the Council of granting sufficient planning permissions in respect of serviced plots of land to meet the demand on the register. Whilst such costs have the potential to be significant, the Council has also been granted 'New Burdens' funding to cover these costs.

8.0 RISK ASSESSMENT

- 8.1 Should Cabinet approve the amendment to the application fee for the Register, the financial and resource-related risks associated with this report are minimal as the potential additional administrative burden for the Council in assessing applications will be covered by the fee.
- 8.2 There is, in theory, a risk that a reduction in the fee could lead to a surge in applications to join the Register, such that the Council is unable to provide sufficient permissioned plots for custom and self-build housing to meet the demands of the Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016. However, the number of CIL Self-build Exemptions being granted at present is such that this risk is considered very low. In addition, there are other ways to increase the number of custom and self-build plots in the

Borough, including through relevant planning policies in the forthcoming new West Lancashire Local Plan.

- 8.3 The Council has been subject to two Freedom of Information requests from NaCSBA relating to the imposition of the current £120 fee and its effect on numbers on the Register. By reducing the fee, the threat of adverse publicity for the Council amongst the custom and self-building community should be greatly reduced.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

There is a direct impact on members of the public, employees, elected members and / or stakeholders, therefore an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report

Appendices

1. Equality Impact Assessment