



CABINET: 12 September 2017

Report of: Director of Development and Regeneration

Relevant Portfolio Holder: Councillor J Hodson

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SUBJECT: SELF AND CUSTOM BUILD REGISTER

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To seek approval for a change in the way the Self Build and Custom Build Register is managed by the Council, including vetting the financial ability of an applicant to undertake a self-build, a protocol for doing so and setting an application fee to cover the costs of this process.

2.0 RECOMMENDATIONS

- 2.1 That the new Self Build and Custom Build Register Application Form provided at Appendix B be approved.
- 2.2 That the proposal to set a fee of £120 per application to the Self Build and Custom Build Register is approved and that authority is delegated to the Director of Development and Regeneration, in consultation with the Portfolio Holder for Planning, to review and amend the application fee to reflect costs associated with the application process as necessary each year.

3.0 BACKGROUND

- 3.1 In March 2015, the Self-Build and Custom Housebuilding Act 2015 was enacted by Parliament. This Act placed a duty on local authorities to keep a register of

individuals, and associations of individuals, who wish to acquire serviced plots of land, to bring forward self-build and custom housebuilding projects and to place a duty on those authorities to have regard to those registers in carrying out planning and other functions.

- 3.2 On 1st April 2016, *the Self-Build and Custom Housebuilding (Register) Regulations 2016* came into force. These implemented the requirement for local authorities to hold a register of individuals and associations who are seeking to acquire serviced plots of land in the authority's area in order to build their own home (the Self Build and Custom Build Register, to be referred to as "the Register" in this report).
- 3.3 Through these Regulations, the Council was required to publicise the ability for individuals and associations to apply for entry on the Register, and the Regulations and subsequent national planning practice guidance set out what eligibility criteria the Council could use to assess those applications.
- 3.4 The Council, aware of these Regulations as they moved through Parliament, was prepared for them to come into force and was able to take applications for the Register from 1 April 2016 (see application form at Appendix A). The Register was publicised by a press release which was reproduced as a press article in the *Champion*, through other Council publications (such as the *Let's Talk Business* newsletter) and on the Council's website. As of 31 July 2017, the Register has 33 individuals on it who have advised us that they are seeking a range of plot sizes in various parts of the Borough.
- 3.5 On 31st October 2016, two further sets of regulations came into force, *the Self-Build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016* and *the Self-build and Custom Housebuilding Regulations 2016*.
- 3.6 The Self-Build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 placed 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, specifically to have granted these permissions within 3 years of a given base date.
- 3.7 The first base date is taken to be 31st October 2016 (when the regulations came into force) and the Council had 12 individuals on the Register at that time, and so must grant permission for at least 12 serviced plots by 31st October 2019. At least a further 21 serviced plots (to take the permissions up to the current 33 individuals on the Register) may also be required within the next three years if the number of people on the Register remains the same between now and 31st October 2017.
- 3.8 These regulations also introduced the ability for local authorities to charge a fee for applications to the Register to cover reasonable costs incurred by a local authority in maintaining the Register and in delivering planning permission on serviced plots to meet the demand on the Register.
- 3.9 In order to enable local authorities to implement the Register, and its subsequent requirements for planning permission of serviced plots, the Government is granting local authorities New Burdens funding. An initial one-off payment of

£5,850 was made in June 2016 to help authorities establish their Registers, and the Government has now committed to give each local authority with a Register a further £90,000 over the period 2016-2020. The Council has received the first £15,000 of that additional funding, as well as the original £5,850.

- 3.10 The Self-build and Custom Housebuilding Regulations 2016 (the second set that came into force on 31st October) updated how a local authority might assess eligibility for entry on the Register, introducing the option of local eligibility criteria that a local authority might set that could include a local connection test and/or criteria that demonstrate whether an applicant has sufficient resources to undertake a self or custom build project. The Regulations also introduced the idea of a Part 1 and Part 2 of the Register to distinguish between applicants with and without a local connection. The Regulations do not require the Council to ensure planning permission is granted for sufficient serviced plots to meet the demand on Part 2 of the Register (i.e. that is only required for the demand evidenced by Part 1).

4.0 IMPLICATIONS FOR THE COUNCIL

- 4.1 The primary implications for the Council of the legislation referred to above are two-fold:

- 1) To continue to maintain a Self Build and Custom Build Register; and
- 2) Ensure that sufficient serviced plots for self and custom build are granted planning permission to meet the demand for self and custom build evidenced by that Register.

- 4.2 As such, it is essential that the Register reflects a robust and reliable evidence base of what the realistic demand for self and custom build is in West Lancashire, so that the Council are able to focus their efforts on ensuring sufficient plots are granted planning permission to meet that demand. There is a concern that the current Register does not provide this reliable evidence base.

- 4.3 At the current time, applications for the Register ask an applicant to give details of:

- Themselves and their connection to West Lancashire;
- What size of plot they would like for a self-build (and what size / type of house they would like to build on that plot);
- (Broadly) where they would want that plot to be;
- How much they would be able to afford to purchase a plot and build their property (and how would they finance the purchase / build); and
- How quickly they would be able to progress once a plot became available to them.

- 4.4 However, under the original Self-Build and Custom Housebuilding (Register) Regulations 2016, which informed the Council's current application process, the Council have to place an applicant on the Register as long as they are aged 18 or over; a British citizen, a national of an EEA State or a national of Switzerland;

and are seeking to acquire a serviced plot of land in West Lancashire in order to build a house which they would occupy as their sole or main residence.

- 4.5 Therefore, at the current time, as long as an applicant answers the questions on the registration form about age and nationality and states their intention / willingness to undertake a self or custom build, they are placed on the Register. As such, anyone with a vague interest in self or custom build can join the Register and the Council have no way of knowing if they are actually financially able to undertake such a project, have a local connection to West Lancashire or are in any way serious about the idea of self or custom build, and so the reliability of the evidence generated by the Register is questionable and the Council may, in due course, be seeking to deliver far more serviced plots for self and custom build with planning permission than is really needed or can be taken up by those who have expressed an interest.
- 4.6 The solution to this issue is for the Council to take advantage of the two sets of Regulations that came into force on 31st October 2016 and set more rigorous criteria, including a local connection test and criteria testing the financial ability of the applicant to undertake such a project and to set a fee for applications to cover the costs of this more rigorous application process.

5.0 AMENDING THE APPLICATION PROCESS

- 5.1 Given the above, it is proposed that the Council adopt a new application process from 1st October 2017 with an updated Application Form (see Appendix B) which requires an answer to the local connection test question and seeks information on the resources the applicant has to undertake a self or custom build project. Completed forms will be evaluated either in-house by suitably experienced council officers or by an independent body (such as BuildStore Ltd) to verify an applicant's ability to resource a self or custom build project.
- 5.2 Applicants who meet all the revised criteria will be placed on Part 1 of the Register. Applicants who meet all except the local connections test criteria will be placed on Part 2 of the Register. Applicants who do not meet the criteria regarding financial resources to undertake a self or custom build project will be informed that they have not been placed on the Register but may be kept informed of any land which the Council makes available for sale outside the self-build process.
- 5.3 All those currently on the Register will be required to apply again under the new application process and will be informed that if they fail to submit an application within a set (but reasonable) timescale, that they will be removed from the Register. Once an applicant is successful and is placed on the Register, they will be required to re-apply each year, on the date they were originally entered on the Register under this new application process, so 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.
- 5.4 Due to the additional administration and checking that will be required under the new application process, it is proposed that the Council should start to charge a fee of £120 per application to cover these costs. This fee reflects 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.

6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 6.1 The proposals outlined in this report will have no, or only limited, implications for sustainability or the community strategy. However, it should be noted that self-builders generally embrace “green” methods of construction and energy generation to a far higher degree than volume house builders as their development will be their home.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 7.1 In relation to the proposal to charge a fee for applying to the self-build register, this should be cost-neutral in that the additional costs for having a more rigorous application process (including any financial checks), and the subsequent annual renewal applications to remain on the register, will be met by the fees collected. However, for any application which is ultimately unsuccessful, the regulations require that the fee is refunded to the applicant, and so the costs associated with dealing with that application would ultimately have to borne by the Council.
- 7.2 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. However, such costs are not small and the Council would potentially run the risk of putting off interest in the register if the fee to apply were too large, and so a balance must be struck between recouping some costs (for example for administrating the register) but not putting applicants off entirely because of a high application fee.

8.0 RISK ASSESSMENT

- 8.1 Should Cabinet approve the introduction of an application fee for the Register, the risks associated with this report are minimal as the additional administrative burden for the Council in assessing applications will be covered by the fee. However, if the introduction of an application fee is not approved, but the protocol and new application process is approved, there will be an additional financial burden on the Council.
- 8.2 Similarly, should Cabinet not approve the proposed new application process, this is likely to have impacts on the related responsibility of the Council to provide serviced plots with planning permission, as the demand arising from the current application process is likely an inflated figure compared to the real demand for self and custom build from those who are able to undertake such a project and have a local connection to West Lancashire.
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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

The decision Cabinet are being asked to make is simply related to the process by which the Council will administer the Self Build and Custom Build Register and so there is no direct impact on members of the public, employees, elected members and / or stakeholders. Therefore, an Equality Impact Assessment is not required.

Appendices

Appendix A – Current West Lancashire Self Build and Custom Build Registration Form

Appendix B – Proposed new West Lancashire Self Build and Custom Build Registration Form