

Policy Group – 18 April 2018

Self-Build and Custom Housebuilding Register

1. Purpose of report

To propose that the Council sets local eligibility conditions for entry onto the Council's Self-Build and Custom Housebuilding Register and to approve fees in connection with the operation of the Register.

2. Key issues

- 2.1 The Self-Build and Custom Housebuilding Act 2015 requires the Council to establish a register of individuals and groups of individuals (private home builders who work as a collective) looking to acquire land to build or commission their own home and to have regard to those registers in carrying out planning and other functions.
- 2.2 The Self-Build and Custom Housebuilding Regulations 2016 allow the Council to set local eligibility conditions for entry to Part 1 of the register based on local connection and financial resources. Those not meeting such conditions are only eligible for entry to Part 2 of the register. Given the challenge of identifying enough land for development to meet local housing need, the report proposes that the Council adopts both.
- 2.3 The Self-Build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 allow the Council to charge applicants an initial fee for being to be entered onto the register and/or an annual fee for remaining on it. The fees must be set on a cost recovery basis with regard to the Council's reasonable costs relating to the duty to operate and maintain the register in accordance with the 2015 Act. **Appendix 1** sets out the proposed fees and how they have been calculated.

3. Recommendation

- 3.1 A report is submitted to Council recommending the setting of the local eligibility conditions in paragraphs 5.12 (subject to the exception for members of the Armed Forces) and 5.15 of this report together with the approval of the fees set out in Appendix 1.

4. Policy issues

4.1 How will this affect the environment, social issues and the local economy

The Dorset Local Enterprise Partnership has stated that the Dorset economy can anticipate growth across a number of sectors, with a mix of higher and lower paid jobs. To facilitate this, there is a need to provide housing across the full price range and of different sizes and types of homes.

4.2 Implications

4.2.1 Resources

The duty to hold, monitor and implement the Self-Build and Custom Build Register is an administrative burden on the Council. However, the Council received a grant from DCLG in July 2016 to cover the new burden that the need for a self-build register created. The grant was £5,850 and the charging of a fee for entry to and for remaining on the register will support its continued maintenance.

The introduction of a local connection and financial criteria will require changes to be made to the Council's online application form.

4.2.2 Equalities

There are no equalities implications associated with this report.

5. Further information

- 5.1 The Council's self-build and custom housebuilding register was established in October 2015. Interested persons can request to be added to the register subject to meeting nationally set eligibility criteria.
- 5.2 The Self-Build and Custom Housebuilding Regulations (Time for Compliance and Fees) Regulations 2016 now place an additional requirement on the Council to grant sufficient planning permissions in respect of serviced plots of land to meet the demand for self-build plots, equivalent to the demand shown on its self-build register in a base period.
- 5.3 The first base period, in relation to an authority, is the period beginning with the day on which the register is established. For this Council the base period commenced on 12 October 2015 ending with the day before the day on which section 10 of the Housing and Planning Act 2016 came into force which was the 31 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period.
- 5.4 This requirement is on-going, with the Regulations expecting demand to be met within three years of a base period to satisfy this duty. Therefore, anyone registering between 12 October 2015 and 30 October 2016 could be waiting until 13 October 2018 before the Council could be deemed to have failed in its duty to identify sufficient serviced plots.
- 5.5 Current regulations do not set out the implications of not providing serviced plots to meet demand; however, this may be introduced by further legislation at a later stage.
- 5.6 The definition of a serviced plot of land is; a plot of land that either has access to a public highway and has connections for electricity, water and waste water, or, in the opinion of a relevant authority, can be provided with access to those things within the duration of a development permission granted in relation to that land.
- 5.7 Access to a public highway can include sections of private or unadopted road, it does not mean that the plot has to be immediately adjacent to the public highway just that there is the guaranteed right of access to the public highway.

- 5.8 Connections for electricity, water and waste water means that the services must either be provided to the boundary of the plot so that connections can be made as appropriate during construction or adequate alternative arrangements must be possible such as the use of a cesspit rather than mains drainage. For example a plot of land alongside an existing public highway that is an infill between existing dwellings would count as being serviced. There is no expectation that services must be physically connected to the plot at the time of granting planning permission
- 5.9 As at the 31st October 2016 (the end of the base period), this Council had 31 eligible applicants. Currently there are 88 applicants on the Self-Build Register, 34 of whom are Purbeck residents.
- 5.10 There is an option not to introduce local connection and viability confirmation, retaining only the existing nationally determined conditions for nationality and age. While this would be simpler for applicants, it would allow a range of entrants to the list, which would then potentially establish an artificially high level of demand for self-build plots in the District for which the Council would have a duty to provide sufficient development permissions to meet this demand.

Local Connection

- 5.11 The regulations do not specify how the local connection test should be applied. However, the Council's Dorset Home Choice Allocations Policy already has an existing local connection test. In the interests of consistency and transparency it is proposed to adopt the same local connection test for the purpose of the Council's Self-Build register.
- 5.12 In order for a local connection to be established, it is proposed that the applicant must:
- be resident in the Purbeck District Council area for the last 5 years where residence has been out of choice; or
 - have family connections in the Purbeck District Council area. The Local Government Association guidelines define this as immediate family members (e.g. parents, siblings and non-dependant children) who currently reside in the relevant area and have lived there for at least five years and with whom there has been frequent contact, commitment or dependency. Other categories of relationship may be considered including foster relationships, where evidence of frequent contact, commitment or dependency is shown.
- 5.13 The 2016 Regulations also specify that any person in the service of the regular armed forces of the Crown is deemed to satisfy the local connection test whilst in service, and for a period after leaving service equal to the longest of any periods required by the local connection test. This would support the Dorset Armed Forces Community Covenant.

Financial ability

- 5.14 It is equally important to assess whether applicants have the financial ability to purchase land and complete their own self-build project.
- 5.15 The current Self-Build Register already asks applicants what would be the maximum budget for their finished home. It is proposed that applicants for Part 1 of the register are asked to

confirm that they have sufficient resources to purchase land for their own self-build and custom Self-Building. The Council will require relevant evidence of sufficient resources as follows:

- An offer for a self-build mortgage from a verifiable lender (for example, a member of the Council of Mortgage Lenders). Any evidence provided must clearly show that release of funds for the purchase of the land – which is usually the first phase of funding released – covers any proxy land value used by the Council for the purposes of assessing this criterion.
- Written confirmation and evidence from a qualified financial advisor with active membership of a verifiable and appropriate professional body. This evidence should clearly outline that the applicant has sufficient readily accessible funds/equity to purchase land
 - Any other information which demonstrates, to the Council's satisfaction, that the applicant has sufficient resources to purchase land for their own self-build and custom housebuilding.

In addition, applicants will need to:

- identify the approximate amount of land that would be needed to accommodate the size property they are looking for; and
- indicate the approximate cost of such a site on the open market and give examples of recent comparable sales within the District or a confirmation letter from a registered valuer.

- 5.16 Any information submitted only needs to demonstrate that sufficient funds resources are available to purchase land. Regulations do not require evidence of sufficient resources to cover build costs or other associated costs.
- 5.17 The Council will ask for further information, where necessary; or refuse an application entry in the register due to lack of information. For groups of individuals, information must be provided for each individual.
- 5.18 It is proposed that applicants already accepted on the register are asked to reapply providing the evidence that they meet the eligibility criteria and pay the application fee for entry on the register.

Fees

- 5.19 The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 allow the Council to charge applicants an initial fee for being to be entered onto the register and/or an annual fee for remaining on it. As explained in the Key Issues section of this report fees must be set on a cost recovery basis with regard to the Council's reasonable costs relating to the duty to operate and maintain the register in accordance with the 2015 Act. **Appendix 1** sets out the proposed fees and how they have been calculated.
- 5.20 For groups of individuals the fees will be applied to each entry on the application.

- 5.21 Individuals and groups of individuals not renewing their applications on an annual basis, with payment of the annual fees, will be removed from the register.

Appendices:

1 - Fee Calculations

Background papers:

- There are none

For further information contact:-

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Fee calculations

Registration Fees for Part 1 of the register - Method of calculation

Activity	PDC officer hours	Officer	cost p/h	Total cost
Processing application, initial eligibility checks (local connection and financial checks) and confirming acceptance to register.	1	Senior Housing Officer (Policy & Enabling)	£58.00	£58.00
Processing Invoice, receiving payment and setting up periodic invoicing	1	Debtors Assistant	£33.00	£33.00
Total Fee for registering on Self - Build register				£91

Registration Fees for Part 2 of the register – Method of calculation

Activity	PDC officer hours	Officer	cost p/h	Total cost
Processing application, initial eligibility checks and confirming acceptance to register.	0.5	Senior Housing Officer (Policy & Enabling)	£58.00	£29.00
Processing Invoice, receiving payment and chasing unpaid invoices	0.5	Debtors Assistant	£33.00	£16.50
Total Fee for registering on Self - Build register				£45.50

Annual renewal fees for Part 1 of the register – Method of calculation

Activity	PDC officer hours	Officer	cost p/h	Total cost
Processing renewal, confirming renewal payment made, confirming renewal on register.	0.5	Senior Housing Officer (Policy & Enabling)	£58.00	£29.00
Processing Invoice, receiving payment and chasing of unpaid invoices	0.5	Debtors Assistant	£33.00	£33.00
Total Fee for registering on Self - Build register				£45.50