

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 10 July 2017

Portfolio:	Planning and Development
Subject:	Self and Custom Build Register
Report of:	Director of Planning and Regulation
Strategy/Policy:	Local Plan Review
Corporate Objective:	Balanced housing market Strong and inclusive communities

Purpose:

To approve the introduction of a specified charging fee and the introduction of a local connection test to the Council's self and custom build register. This will ensure the register provides a realistic indication of local need for self and custom build in order to comply with the Self and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016.

Executive summary:

This report outlines the recent change to regulations in respect of self and custom build and the Council's proposals to respond to these changes. The Council established a self and custom build register in March 2016. The regulations allow the Council to charge applicants for joining and remaining on the self and custom build register. In addition, the regulations enable the Council to establish a local connection test for applicants wishing to join the register. The report outlines the considerations of introducing both a set charging fee and a local connection test to the self and custom build register.

Recommendations:

It is recommended that the Executive approves:

- a) the introduction of a set charging fee of £20 for applicants that wish to gain entry onto the self and custom build register with effect from the 1st August 2017;
- b) the introduction of an annual set fee of £10 to be charged for each base period that the applicant remains on the register with effect from 1st August 2017; and
- c) the introduction of a local connection test to ensure the register provides an accurate representation of local need for self and custom build in the Borough.

Reason:

To ensure the self and custom build register provides a realistic indication of the self and custom build need in the Borough. The need will be fully assessed in the Council's Self and Custom Build Need Background Paper which will form part of the emerging Local Plan.

Cost of proposals:

The cost involved to date in respect of the self and custom build register has been met from within existing operational budgets.

Appendices: **None**

Background papers: **Self-build and Custom Housebuilding Act 2015 (came into force 26th March 2015) -**
<http://www.legislation.gov.uk/ukpga/2015/17/contents/enacted>

The Self-Build and Custom Housebuilding (Register) Regulations 2016 (came into force 1st April 2016) -
<http://www.legislation.gov.uk/uksi/2016/105/contents/made>

The Self-Build and Custom Housebuilding Regulations 2016 (came into force 31st October 2016) -
http://www.legislation.gov.uk/uksi/2016/950/pdfs/uksi_20160950_en.pdf

The Self and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 (came into force 31st October 2016) -
http://www.legislation.gov.uk/uksi/2016/1027/pdfs/uksi_20161027_en.pdf

Reference papers: **None**

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	10 July 2017
Subject:	Self and Custom Build Register
Briefing by:	Director of Planning and Regulation
Portfolio:	Planning and Development

INTRODUCTION

1. Self and custom build offers residents the opportunity to build their own home. Self-build is where someone directly organises the design and construction of their home. This can include the commissioning of an architect or builder to assist with the construction process and the home owner oversees the project. Whereas Custom Build is where someone commissions a specialist developer to carry out the majority of the work to deliver their home. This approach is more 'hands-off' and is led by a specialist developer who can handle the major steps involved with the process, including securing a plot.

Background

2. The Self and Custom Housebuilding Act 2015 requires Local Planning Authorities (LPA's) to establish and publicise a register of individuals and associations who are seeking to acquire a serviced plot of land in the Borough for self or custom build. The Self Build and Custom Housebuilding (Register) Regulations 2016 originally stated that applicants would be eligible to be placed on the self and custom require build register if they were:
 - A British citizen, a national of an EEA state other than the UK or a national of Switzerland; and
 - Aged 18 or over; and
 - Seeking (either alone or with others) to acquire a serviced plot of land in the relevant authority's area to build a house to occupy as that individual's sole or main residence.
3. To meet this requirement, which needed to be in place by the 1st April 2016, Fareham Borough Council established a self and custom build register which was publicised on the Council's website on 21st March 2016. The register provides evidence of the demand for self and custom housebuilding in the Borough.

Demand for self and custom build

4. The Housing and Planning Act 2016 amended the Self Build and Custom Housebuilding Regulations by placing an additional duty on authorities to provide sufficient development permissions (i.e. plots with permission) to meet the need for self and custom build in the Borough. To enable LPA's to regulate the need for self and custom build, the 2016 Regulations provide an option to establish a fee charge and a 'local connection test' for applicants wish to gain entry and remain on the self and custom housebuilding register. For the purpose of the regulations, the 'need' relates to the number of people registered on the Council's self and custom build register.
5. As it currently stands it is very easy to gain entry to the Council's register. This means anyone who meets the criteria outlined in paragraph 2 above can go on the register regardless of whether they have a need for a self/custom build property and regardless of whether they have a local connection to the Borough.
6. Addressing the need for self and custom build is assessed against 'base periods'. The first base period commenced on 21st March 2016, and ended on 31st October 2016. The second base period commenced on 1st November 2016 and will end on 31 October 2017. Each subsequent base period will begin the day immediately following the end of the last base period.
7. The Council is required to provide 'suitable development permissions' (planning permission or planning 'permission in principle') for a serviced plot of land¹ to meet the need for self and custom housebuilding on the register. The need must be met within 3 years of the conclusion of each base period. The Regulations state that the first base period commenced when the Council established the self and custom build register and ended on the date when section 10 of the Self and Custom Housebuilding (Time for Compliance and Fees) Regulations came into force (31October 2016). Each base period subsequent to this lasts for a period of 12 months.

Base Period for the council's Self and Custom Build Register	Deadline for granting 'suitable planning permission' for self-build plots for the Base Period
Base Period 1 (21/03/16 - start of register to 31/10/16)	31/10/19
Base Period 2 (01/11/16 to 31/10/17)	31/10/20
Base Period 3 (01/11/17 to 31/10/18) (and continuing on this rolling annual basis)	31/10/21 (and continuing on this rolling annual basis)

8. Within the first base period (21/03/16 – 31/10/16), 35 individuals signed up to the self and custom build register. Therefore, the Council must provide suitable planning permission for 35 self and custom build plots by 31st October 2019 as evidenced on its

¹ A serviced plot of land is a plot that is ready to build on. That means that the plot will already have utility connections, such as water, gas electricity, mains sewage, broadband and telephone, as well as access from the highway. Therefore, all the infrastructure that is required to start building the home is already in place.

register for base period 1. These will need to be serviced plots or plots which can be provided with the relevant services before the permission expires specifically for self and custom build homes. The Council has recognised that to date the number of applicants gaining entry onto the register has not been regulated and individuals can join multiple registers across the country regardless of whether there is a fundamental need to obtain a self-build plot within the Borough. Therefore, the Council proposes to set a charging fee and introduce a local connection test for all applicants that wish to gain entry to and remain on the register as set out below.

Introduction of a charging fee

9. The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 enable LPA's to charge a fee for entry onto the register and a separate 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 maintenance of the register in accordance with the regulations.
10. Based on the approximate staff time required to determine the applications, which will also take into account the additional local connection test, maintaining correspondence and dealing with any queries arising from the self and custom build register it is considered reasonable to charge a fee of £20 to join the register and an annual fee of £10 to remain on the register for each base period.
11. The introduction of a fee charge for applicants wishing to join the register will enable the Council to focus on those applicants that have genuine interest in obtaining a self and custom build plot in the Borough. It is proposed that the fee charging will take place from 01 August 2017.
12. Those applicants that have already gained entry onto the register will only be charged a £10 fee for remaining on the register. Applicants will be contacted following the implementation of the fee charge from 01 August 2017. The initial fee of £10 for those who are already on the register will cover the remainder of the second base period and the following third base period (31 October 2017 – 30 October 2018). Applicants will then be contacted on an annual basis from the 01 September 2018 to request whether they wish to remain on the register and if so will be charged the set annual fee of £10. From the 01 September 2018, the £10 fee will only be applicable to those who have been on the register for 12 months or more.
13. The charging fees set for entry onto and remaining on the register may be reviewed on an annual basis to take account of inflation.

Introduction of a local connection test

14. The Self-Build and Custom Housebuilding Regulations 2016 were updated in October 2016 and allow LPA's to introduce additional eligibility criteria for entry onto the register in the form of a local connection test. It is considered that the implementation of such a test will regulate entry to the register to those who have a substantial connection to the Borough and ensure that the register would not be inflated by demands arising from outside of the Borough.
15. In order for a 'local connection' to be established on the self and custom build register, it is proposed that the applicant must:
 - Have lived in the Borough for at least two years; or

- Have been employed within the borough, and have been employed for more than 16 hours per week for the last two years (if employment ceases the individual is no longer eligible);
16. It is proposed that the register is divided into two parts in line with the Regulations; Part 1 for those applicants that meet the local connection criteria and Part 2 for those that meet all the criteria apart from the local connection test. It is only necessary to include applicants on Part 1 of the register when granting suitable planning permissions for self and custom build plots in the Borough.
 17. Those applicants that are already listed on the register to date will not be required to complete a local connection test. The test will be applicable for those joining the register from the 01st August 2017. The information will then be used to regulate the demand in the Borough for self and custom build plots.
 18. The 2016 Regulations specify that the Council must provide an official response to applicants within 28 days on receipt of an application for entry onto the self and custom build register. The response will include confirmation that the applicant has paid the entry or renewal fee and whether they comply with the additional local connection criteria.

CONCLUSION

19. Following the introduction of the Self-Build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016, the Council has the opportunity to establish a fee charge and 'local connection test' for applicants joining the self and custom build register.
20. This report recommends that the Executive approves the setting of an initial fee of £20 for new applicants joining the self and custom build register, and the setting of a £10 fee to remain on the register for each base period thereafter. It is also recommended that the Executive approves the introduction of a 'local connection test'. Both the setting of a charging fee and a local connection test for applicants wishing to gain entry onto the self and custom build register will provide the Council with a realistic indication of the local need for self and custom build in the Borough, which will inform the Council's policies in the emerging Local Plan.

Enquiries:

For further information on this report please contact Claire Burnett – Head of Planning Strategy and Regeneration (Ext 4330)