

REPORT TO THE HOUSING COMMITTEE - 21ST NOVEMBER 2017	
AGENDA ITEM 13	
SELF BUILD AND CUSTOM HOUSE-BUILDING REGISTER	
Report of:	Jayne Godden Miller – Chief Housing Officer 01883 732828 - jgodden-miller@tandridge.gov.uk
Purpose of Report :	To report upon the Self-build and Custom Housebuilding Regulations 2016 and the Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 and advise Members of the Council's responsibilities in relation to the Self-build and Custom House-Building Register.
Publication status:	Unrestricted
Recommendation:	That, in accordance with its delegated powers, the Committee: A. approves the introduction of a local connection test and a financial solvency test as additional eligibility criteria for being entered on Part 1 of Tandridge District Council's Self-build and Custom Housebuilding Register. B. notes that those applying for entry to the Register who do not meet the local connection test and/or financial solvency test will continue to be added to Part 2 of the Register, subject to meeting the remaining applicable criteria. C. authorises the Chief Housing Officer in conjunction with the Chief Planning Officer, to set and periodically review the fees for entry on to, and remaining on, the Self-build and Custom Housebuilding Register.
Appendices:	None
Background papers *	None

* defined by the Local Government (Access to Information) Act 1985

1. Background

- 1.1 The Self-Build and Custom Housebuilding Act 2015 (the 2015 Act) requires 'relevant authorities', which includes district councils, to keep a register of individuals and associations who are seeking to acquire serviced plots of land in the authority's area for their own self-build and custom housebuilding. It also requires relevant authorities to have regard to the register when undertaking functions relating to planning, housing, the disposal of any land of the authority and regeneration. Therefore this report is written jointly by Housing and Planning Policy Officers. The registers are intended to identify the demand for self-build and custom housebuilding within each relevant authority's area.
- 1.2 To meet this requirement in Tandridge, a Self-Build and Custom Housebuilding Register was publicised on the Council's website from 1 April 2016. As of 22 September 2017 there had been 122 applications.
- 1.3 Subsequently, the Housing and Planning Act 2016 (the 2016 Act) amended the 2015 Act, putting an additional duty on relevant authorities, which are also local planning authorities, to provide suitable development permissions in respect of enough serviced plots to meet

the demand for self-build and custom housebuilding in each base period (see 1.7). It is anticipated that these plots will be a mixture of council- owned land and land provided through other development sources. For the purpose of the Act, 'demand' equates to the number of interested persons and associations registered on the authority's self-build register in each base period.

- 1.4 To enable authorities to gauge local demand, as opposed to wider demand, the Self-Build and Custom Housebuilding (Register) Regulations 2016 (the 2016 Regulations) provide an option to apply local eligibility criteria comprising either a local connection test and/or a financial solvency test; the latter requiring applicants to demonstrate that they have sufficient resources to purchase land. However, Planning Practice Guidance, as updated on 28 July 2017, advises that this should only be undertaken where there is strong justification to do so, that it should be proportionate and, in relation to the local connection test, introduced in response to a recognised local issue. In addition the Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 permit authorities to charge a fee for entry onto the register and a separate fee for applicants to remain on it. This is in addition to the national eligibility criteria, which relate to nationality and age.
- 1.5 Where a relevant authority chooses to set local eligibility criteria, the 2016 Regulations state that the register must be divided into two parts (hereafter referred to as Part 1 and Part 2). The 2016 Regulations also specify that applicants who meet all of the eligibility criteria (national and local) are eligible for entry on to Part 1 of the register, whilst those who do not satisfy the requirements of the local eligibility criteria test, where adopted, but who meet the national eligibility criteria, are eligible for entry onto Part 2. In either instance, where a relevant authority has set a fee, applicants are only eligible if they meet the eligibility criteria and have paid the fee for entry onto or to remain on the register.
- 1.6 As stated at paragraph 1.1 the 2016 Act requires relevant authorities, which are also local planning authorities, to provide 'suitable development permissions' (planning permission or planning permission in principle for a serviced plot of land) to meet the demand for self-build and custom housebuilding on the register. However where local eligibility criteria have been set, that duty only pertains to those on Part 1 with relevant authorities required to provide suitable development permission within three years of the conclusion of each base period. The 2016 Act also sets down what constitutes a base period.
- 1.7 The register was first established on 1 April 2016. Accordingly, base period 1 ended on 30 October 2016. Therefore by 30 October 2019 the council needs to find a plot for those on the register between 1 April 2016 -30 October 2016. The following base periods will be calculated from 30 October each year. Therefore, the council will have three years from 30 October 2017 to find a plot for those on the register from 30th October 2016 – 30th October 2017 and so on. This is because the council should have already provided a serviced plot to those on the register for each previous base period.

2. Justification for Local Eligibility Criteria

- 2.1 Given the challenges of identifying enough land to meet the objectively assessed need in what is a highly constrained area of the country due to the amount of land designated as Metropolitan Green Belt, the presence of two areas designated as Areas of Outstanding Natural Beauty and areas of flooding, it is considered that there is strong justification for Tandridge District Council to introduce local eligibility criteria, comprising both a local connection test and a financial solvency test.
- 2.2 It is considered equally important to assess whether applicants have the financial ability to purchase land, in order to ensure that suitable development permissions are only given where there is a reasonable chance that the plots will be developed given the heavily constrained nature of this district.

3. Local Connection Test

- 3.1 The Council's Housing Allocation Scheme already has a local connection test. In the interests of consistency, it is proposed to adopt the same criteria for the purposes of the Tandridge District Council Self-build Register.
- 3.2 In order for a local connection to be established, it is proposed that the applicant must demonstrate that they:
- Currently live in the district of Tandridge and have done so for at least one year, or
 - Have previously resided in the district for 3 out of the last 5 years, or
 - Are Tandridge key workers, or
 - Have immediate family (i.e. mother, father, son, daughter) who have lived in the district for 5 or more years and who need to move to the district in order to receive support from, or give support to, the applicant, or
 - Have been accepted as having another special reason why they need to live in Tandridge.
- 3.3 The Council will qualify an applicant's eligibility in relation to the above criteria using the same methodology as used for housing register applications.
- 3.4 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 Tandridge Armed Forces Community Covenant.

4.0 Financial Solvency Test

- 4.1 The current Self-Build Register already requests applicants to declare what source(s) of finance are available to them for funding their project. It is recommended that the submission of financial information is requested from applicants seeking entry to Part 1 of the Register, and that additional questions are added requesting information on the estimated costs of the self-build project to enable an assessment of the financial viability of any particular scheme to be tested.
- 4.2 Applicants will have to demonstrate that they hold sufficient savings and/or funding that can be secured to support a build of this nature. This would be in the form of documentary evidence of savings and/or mortgage in principle and would be assessed against land price data from the Valuation Office Agency. Failure to provide the requested information within the prescribed timescale (six weeks) would result in removal from Part 1 of the register. When land has been identified, further information would be requested from applicants to prioritise individual site applications.

5. Fees

- 5.1 The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 enable relevant authorities to charge a fee for entry onto the register and a fee for remaining on it. The fees must be set on a cost recovery basis with regard to Tandridge District Council's reasonable costs relating to the duty to operate and maintain the register in accordance with the Act.
- 5.2 Based on an approximation of time required to determine the applications (taking in to account the additional local connection test and financial solvency test), maintain correspondence and deal with any queries/disputes that may arise, it is considered appropriate to charge £100 for an application to enter onto the register and an annual fee of £25 to remain on it. However, these charges would be reviewed on an annual basis to ensure the fees continue to cover the cost to the Council.

- 5.3 In order for the assessments to be made against the criteria described, a letter will be sent to all applicants currently on the register. All assessments, subsequent responses and enquiries will be managed within the existing staffing complement and will need to be designed with regard to the Customer First model. There are currently 122 applicants on the register. A new web and payment portal will also be designed.

6. Financial / risk Implications

- 6.1 The ability to charge a fee for entry onto the Register and for remaining on it will help to cover administrative costs. The fee to be charged is £100 for an application to enter onto the register and an annual renewal fee of £25.
- 6.2 However it must be noted that where applicants are either not entered onto the Register or are not successful in remaining on it, the fee will need to be refunded, therefore the cost of the work associated with unsuccessful applications would not be covered.

7. Legal Implications

- 7.1 The duty to provide sufficient suitable development permissions to meet demand for self-build and custom housebuilding introduced by the 2016 Regulations is mandatory. The ability to introduce local connection and financial solvency tests and charge a fee is discretionary but recommended for the reasons set out in the report. Officers dealing with financial information provided by applicants should be aware of and have regard to the applicant's expectations that such information will be dealt with confidentially.
- 7.2 Consideration will need to be given to how long such information should be retained by the Council and the Council's data retention policy updated accordingly. Officers will need to have due regard to compliance with current Data Protection legislation as well as the changes anticipated to be brought into force in May 2018 by the General Data Protection Regulation 2018.

8. Next Steps

- 8.1 All current applicants on the Self-Build Register will receive a letter informing them of the local connection criteria, financial solvency test and registration fees.
- 8.2 The letter will inform that applicants will be given six weeks to respond to these requests and that failure to do so will result in removal from Part 1 of the Register.
- 8.3 All responses will be assessed and applicants informed of the results of assessments by 31st March 2018.
- 8.4 The council will need to identify the number of people on the register by the end of March to allocate these requirements within the local plan and factor into viability assessments.
- 8.5 The website will be updated with all relevant application and qualification criteria. An online payment portal will also be made available.

9. Conclusions

The 2016 Regulations place a duty on relevant authorities to provide suitable development permissions to meet the demand for self-build and custom housebuilding in their area. In light of this duty and the constrained availability of land for development within this district it is considered there is strong justification for applying local eligibility criteria, comprising both a local connection test and a financial solvency test as allowed by the 2016 Regulations. By applying these criteria, it will enable the authority to address local demand, where there is a realistic chance of the serviced plots being developed. This will contribute to informing the progression of the new Local Plan as well as meeting the requirement to

provide suitable development permissions. The management of the register and the criteria will be kept under review.

----- end of report -----