

Subject:	Amendments to the Council's Self Build and Custom House Building Register	Status:	For Publication
Report to:	Cabinet	Date:	29 th November 2017
Report of:	Planning Manager	Portfolio Holder:	Regulatory Services
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATIONS
1.1	To approve changes to the Council's Self-Build and Custom House Building Register application form, to require details of financial solvency, add a local connection criterion, and set a fee to cover the Council's costs.
1.2	All future minor amendments to the policy/strategy/and changes to the application form to be delegated to the Planning Manager in consultation with the Portfolio Holder.

2. PURPOSE OF REPORT

2.1 To seek approval to make amendments to the implementation of the Council's Self Build and Custom House Building Register to include vetting the financial ability of an applicant to undertake self-build, adding a local connection to the eligibility criteria and setting an application fee to cover the costs of this process.

3. CORPORATE PRIORITIES

3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **A clean and green Rossendale:** our priority is to keep Rossendale clean and green for all of Rossendale's residents and visitors, and to take available opportunities to recycle and use energy from renewable sources more efficiently.
- **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
- **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

4. RISK ASSESSMENT IMPLICATIONS

4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

4.2 Should Cabinet approve the introduction of an application fee for the Register, 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.

4.3 Should Cabinet not approve the proposed new application process, this may impact on the Council's responsibility to provide serviced plots with planning permission, as the demand

generated from the current application process is likely to be higher than the actual demand for self and custom build from those who are able to undertake such a project, with sufficient resources and a local connection to Rossendale.

5. BACKGROUND AND OPTIONS

- 5.1 *The Self Build and Custom Housebuilding Act* which was enacted in March 2015 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. This also places a duty on these authorities to have regard to the registers in carrying out planning and other functions.
- 5.2 On 1st April 2016, *the Self-Build and Custom Housebuilding (Register) Regulations 2016* came into force, requiring 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 (i.e. the Self Build and Custom Build Register, to be referred to as "the Register" in this report). Through these Regulations, the Council is required to publicise that individuals and associations can apply for entry onto the Register. The Regulations and the National Planning Practice Guidance (NPPG), issued 1st April 2016, define the eligibility criteria the Council can use to assess these applications.
- 5.3 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*. *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, it states that Local Authorities should have granted these permissions within 3 years of a given base date.
- 5.4 The first base date is taken to be 31st October 2016 (when the Regulations came into force). The Council had five individuals listed on the Register at that time, and so must grant permission for at least five serviced plots by 30th October 2019. An additional seven serviced plots (to take the permissions up to the current 12 individuals on the Register) will also be required within the next three years (up to 30th October 2020).
- 5.5 These Regulations also introduced the ability for Local Authorities to charge a fee for applications to the Register. This is intended 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.
- 5.6 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.
- 5.7 *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 adding a local eligibility criteria, seeking a local connection test as well as criteria to demonstrate whether an applicant has sufficient finance to undertake a self or custom build project. The Regulations also introduced a Part 1 and Part 2 of the

Register to distinguish between applicants with (Part 1) and without (Part 2) a local connection. The Regulations do not require the Council to ensure planning permission is granted for 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).

- 5.8 In respect of statutory responsibilities the Council must, subject to the above, continue to maintain the Register and 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, by the dates identified. This does not mean that the Council has a duty to provide or enable serviced plots to be available for every individual and association registered. The purpose of the Register is simply to indicate the level of demand for self-build and custom housebuilding within the Borough.
- 5.9 The Forward Planning team is currently working with colleagues in Property Services to identify Council owned sites that meet the criteria of a 'serviced plot' (ie land that is ready to build on, with utility connections for water, gas, electricity, sewage, and access from the highway) but there is a concern over the current legislation that applies to district Councils. Although Councils are able to grant permission on their own land, they are unable to sell land with planning consent. The implications of this are being assessed, looking at how the identified 'vanguard' self-build authorities are dealing with this. In addition a number of sites have been identified through the recent consultation on the emerging Local Plan. Planning applications for self-build dwellings will in future be more explicitly described as such. It should be noted that the Council does not necessarily have to provide the land to accommodate self-build, but it does need to have granted consent to enable self-build to come forward.
- 5.10 It is important that the Register is robust and representative of the true demand for self and custom build in Rossendale, to allow efforts to be focussed on securing enough suitable sites with planning permission. Currently the application form is limited solely to meet the Government's minimum criteria (as set out in legislation):
- Aged 18 or over
 - British citizen, a national of an EEA State other than the United Kingdom, or a national of Switzerland; and
 - the property to be the main residence
- 5.11 As a result there is a concern that, particularly over time, people with only a vague interest in self-build are registering, who have no access to the finance required, or any connection with Rossendale and so are inflating the demand in the Borough for self-build. Given the limited resources available to the Council it is imperative that sites are identified for self-build only for those with the financial means and local connection to the Borough.
- 5.12 By introducing a registration fee, asking for evidence of a local connection, and seeking information on an applicant's ability to finance a self-build, it is hoped that only those with a keen interest and the ability to deliver a self-build will come forward, ensuring that sites are not required to be found for people with only a vague interest. It is expected this approach will, if approved by Members, commence on 1st January 2018.
- 5.13 If approved, the Forward Planning team will shortly contact the 12 people already listed on the Register and ask them if they wish to re-register, subject to paying the fee, and being able to provide evidence of a local connection to Rossendale and their ability to finance a self-build / custom build project.

- 5.14 It is proposed to amend the self-build application process to require applicants to answer a question on their local connection to Rossendale and to provide detailed information on how they will finance a self-build. Those registered will need to re-apply each year. West Lancashire District Council has recently started charging to be listed on the Register and has also introduced a local connection test and now requires financial information to be submitted. Details of the West Lancashire BC Custom and Self Build Register are included at the end of this Report in the Background Papers section, together with Rossendale's existing form.
- 5.15 Due to the additional administration and checking that will be required under the new application process, particularly in respect of assessing financial solvency it is proposed that the Council should start to charge a fee of £120 per application to cover these costs. This fee would apply to both the first registration and to subsequent annual re-registrations. This is a similar fee to that being used within West Lancashire.
- 5.16 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 be borne by the Council.
- 5.17 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 insignificant 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 administering the register, and the financial checks) but not putting applicants off entirely because of a high application fee.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

- 6.1 Financial matters are noted in the main report.

7. MONITORING OFFICER

- 7.1 All legal implications are covered in the body of the report.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

- 8.1 The decision Cabinet are being asked to make is 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. Consultation has been undertaken with the Portfolio Holder and with the Council's Property Services team.

9. CONCLUSION

- 9.1 It is hoped that by making the application process more rigorous the Self Build / Custom House Building Register will more closely reflect true demand in Rossendale. Given that the legislation allows the Council to charge a fee, it would seem fair that some of the costs of administering the Register are recouped by the Council, especially given the additional time and cost involved in checking finances.

Background Papers

Document	Place of Inspection
<ul style="list-style-type: none"><li data-bbox="140 344 480 405">• Rossendale Custom and Self-build Register<li data-bbox="140 445 507 533">• West Lancashire Borough Council – Custom and Self Build Register	<p data-bbox="568 320 1549 351">www.rossendale.gov.uk/info/210144/planning_and_building_control/10637/more/3</p> <p data-bbox="568 412 1541 472">http://www.westlancs.gov.uk/planning/planning-policy/self-build-and-custom-build-register.aspx</p>