

Report of:	<i>Executive Director for Growth and Place, Kevin Parkes Executive Member for Regeneration, Cllr Ashley Waters</i>
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Submitted to:	<i>Executive Member for Regeneration – 30 October 2019</i>
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Subject:	<i>Self-build and Custom Housebuilding Register (Charging and local eligibility criteria)</i>
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Summary

Proposed decision(s)
<i>To seek approval for the introduction of a charge and local eligibility criteria to the Middlesbrough Self-build and Custom Housebuilding Register</i>

Report for:	Key decision:	Confidential:	Is the report urgent?
<i>Decision</i>	<i>Yes</i>	<i>No</i>	<i>No</i>

Contribution to delivery of the 2018-22 Strategic Plan		
Business Imperatives	Physical Regeneration	Social Regeneration
<i>The introduction of a charge will help to maintain and manage the register, to provide a comprehensive service to those members who are fully committed to building their own home.</i>	<i>Effective management of the Self-build register will support the Councils housebuilding ambitions.</i>	<i>The introduction of a local eligibility criteria will help meet genuine local demand, and the ambitions of Middlesbrough residents.</i>

Ward(s) affected
<i>All wards</i>

What is the purpose of this report?

1. To seek approval for introduction of a charge and local connection criteria for the Middlesbrough Self-build and Custom Housebuilding Register that will help towards identifying genuine need whilst providing an income to maintain the register and associated works.

Why does this report require a Member decision?

2. Whilst not part of the policy framework this report is seeking approval for changes to a register that must be considered when carrying out their planning, housing, land disposal and regeneration functions. Such decisions fall within the remit of the Executive.

Report Background

The Self-build and Custom Housebuilding Act and the duties placed upon local authorities

3. The Self-build and Custom Housebuilding Act (2015) (as Amended) (hereafter referred to as 'the Act') places a requirement on local authorities to keep a register of individuals and associations of individuals who are interested in self-build or custom housebuilding projects in their area. The Act defines 'Self-build and custom housebuilding' as the building or completion of houses by individuals or associations of individuals to be occupied as homes by those individuals. It places three key duties upon local authorities:
 - i. the keeping and publication of a register that allows persons to register their interest in acquiring a plot for self-build purposes.
 - ii. that this register is taken into account by the local authority when carrying out its functions with regards to planning, housing, regeneration and land disposal.
 - iii. a requirement to grant permission of serviced plots¹ to meet the identified need on the self-build register for each base year. The Act confirms that the local authority has three years from the end of the base period to comply with the duty.

The Middlesbrough Self-Build Register

4. Middlesbrough Council introduced its Self-build Register in April 2016. The register currently has eight individual entrants, who have provided details in relation to their circumstances and ambitions for a self-build plot within particular wards of the Borough. Of these, four do not currently reside in Middlesbrough, two require funding, and the majority hoped to start building their homes within 12 months of entry onto the register.
5. In meeting the 'duty to grant planning permissions', the Council would need to have three serviced plots of land available before the 31st October 2019 (to meet the demand of the first base period of 15/16), and a further five plots for the subsequent years at the end of each base period (subject to increase following any further entries to the register).
6. Currently, entry to the Council's Register is unrestricted, and it is possible that the Council's Register does not properly reflect demand for plots: existing entrants may not have sufficient funding to deliver on a self-build project; they may have located in a different authority since their enrolment onto the register; or they may have simply changed their mind. It is also possible that entrants will be on more than one local

¹ A serviced plot of land is a plot that either has access to a public highway and has connections for utilities, or, in the opinion of the LA, can be provided with access to those things within the duration of a development permission granted in relation to the land.

authority's register, in effect 'hedging their bets' with little or no intention of securing a plot or genuine interest of residing in Middlesbrough.

7. With this in mind, there is a risk that the Council is over-estimating demand for self-build plots in Middlesbrough, and could incur unnecessary costs associated with providing plots that may never be utilised. It is, therefore, important that the Register accurately identifies demand in the area.

The Self-Build Register– Charging and Eligibility

8. To support a greater understanding of the nature of demand for self-build and custom house building, the Act enables local authorities to include eligibility criteria that can be used to determine who can be entered onto the register. The criteria can include:
 - a) a local connection test whereby a person can be requested to demonstrate a sufficient connection with the authority area; and/or
 - b) whether a person who wishes to be entered onto the register has sufficient resources to purchase land for their own self-build.
9. In addition, the Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 allow authorities to charge a fee for entry onto the register and a separate annual fee for remaining on the register.
10. In order to minimise the risks associated with over-estimating demand under the Act, and to help ensure that a genuine need is being met, it is recommended that eligibility criteria and fees be introduced for people wishing to be added to the register, and for remaining on it. The introduction of local based criteria would minimise the risk of 'double counting' with other local authorities, with applicants required to demonstrate a local connection to the Middlesbrough area. The Register would be split into two parts: Part 1 would be for those meeting the eligibility criteria; and Part 2 would be for any other entrants.
11. It is also recommended that the Council introduce modest fees to recover reasonable costs incurred as a result of determining applications, maintaining the register and corresponding with entrants of the register during their search for a plot. Such fees would have the added benefit of helping to identify genuine need for plots, as it is unlikely that purely speculative entrants would be willing to incur such costs.
12. Appendix 1 of this report provides specific details on proposed eligibility criteria and charges.

What decision(s) are being asked for?

13. That Executive approves the introduction of a local connection test and fees for entrants to the Middlesbrough Self-build and Custom Housebuilding Register.

Why is this being recommended?

14. To support a greater understanding of the nature of demand for self-build and custom housebuilding in Middlesbrough, ensuring the Council provides serviced plots, as per the Act, that are aimed towards meeting a genuine need and to enable the Council to meet its statutory obligations.

Other potential decisions and why these have not been recommended

15. **To continue to maintain the register as it is** - Should the decision be made to continue to manage the register as it is, the Council would need to have three serviced plots of land available before the 31st October 2019 to meet the demand of the first base period of 15/16, and a further five plots for the consequent years at the end of each base period (subject to increase following any further entries to the register.)
16. It is considered wholly reasonable that the Council should ensure their efforts to provide serviced plots is aimed towards genuine local need. However, without the criteria proposed in this report the Council could put significant efforts, monetary and otherwise, into providing serviced plots that won't actually be delivered as the applicant could be 'hedging their bets' within a number of local authority areas.
17. **To include a requirement to demonstrate entrants have the resources to purchase land** – A solvency test that requires an applicant to demonstrate that they have the financial ability to purchase and construct a self-build project was also considered as a means of eligibility onto the register. However, given the time and expertise required this was considered much too onerous for Officers to determine as part of an application.

Impact(s) of recommended decision(s)

Legal

18. The Self-build and Custom Housebuilding Act 2015 (as amended) places a duty on Councils to prepare self-build registers and also to provide sufficient plots to meet identified need. The Act also makes provision for the introduction of eligibility criteria and fees to cover the costs associated with registers.

Financial

19. The costs associated with the administration of the register are currently met through the established Planning Policy budget. The income generated from the application fees would be used to support this. The suggested fees are minimal and unlikely to give rise to a significant level of income on an annual basis.

Policy Framework

20. This decision does not amend the policy framework

Equality and Diversity

21. The impact of the changes has been assessed and will not have a negative impact. The impact assessment is attached at Appendix 2.

Risk

22. The 'duty to grant planning permission' is a statutory requirement as required by the Self-build and Custom Housebuilding Act 2015 (as Amended). It is unclear as yet to the repercussions of not meeting identified demand. However, it could leave the Council open to legal challenges if the duty is not met.

23. The risk of not having locally set eligibility criteria is that persons on the register could be on more than one local authority register, potentially skewing demand, resulting in an over- supply of serviced plots, and would not meet a genuine need within Middlesbrough. There would be an increase in costs to the Council in ensuring that such serviced plots were available.

Actions to be taken to implement the decision(s)

24. All entrants currently on the register will be contacted and advised of the new eligibility criteria. Should they not meet the criteria or choose not to pay the charges, they will be removed from Part 1 of the register and added to Part 2; the difference being here that the Council has no duty to provide or ensure enough plots are made available for those on Part 2 of the register.
25. Those entrants on the register who expressed an interest within the first base period will then be counted towards the duty to grant permission, with the Council fulfilling its statutory requirement to provide the number of appropriate serviced plots.
26. It should be noted that although the Council is required to provide the number of serviced plots as there are entrants, they are under no obligation to ensure all persons on the register actually deliver a self-build home.

Appendices

Appendix 1: Proposed local eligibility criteria and fee schedule

Appendix 2: Impact Assessment

Background papers

27. Background papers:
- i. Self-build and Custom Housebuilding Act 2015 (as Amended)
 - ii. Housing and Planning Act 2016
 - iii. Self-build and Custom Housebuilding (Time for Compliance for Fees) Regulations 2016
 - iv. Self-Build and Custom Housebuilding Planning Practice Guidance (Last updated 28/07/2017)

Contact: Jessica Bell
Email: Jessica_bell@middlesbrough.gov.uk