

<b>TITLE</b>	<b>Custom and Self-Build Housing Register Eligibility Criteria</b>
<b>FOR CONSIDERATION BY</b>	The Executive on 29 March 2018
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Graham Ebers, Director of Corporate Services
<b>LEAD MEMBER</b>	Richard Dolinski, Executive Member for Adults' Services, Health, Wellbeing and Housing / David Lee, Executive Member for Strategic Planning and Highways

**OUTCOME / BENEFITS TO THE COMMUNITY**

The introduction of eligibility criteria for the custom and self-build register will assist in ensuring that future action is focused on the needs of local residents.

**RECOMMENDATION**

That the Executive approves:

- 1) The inclusion of a local connection test for the Wokingham Borough Self and Custom Build Register as set out in the Report.
- 2) The implementation date of 1 June 2018 for the local connection test to be introduced for new and existing applicants.

**SUMMARY OF REPORT**

Since 1 April 2016 all relevant authorities must have in place a self-build and custom housebuilding register under The Self-build and Custom Housebuilding Act 2015 (amended by the Housing and Planning Act 2016).

The Housing and Planning Act 2016 defines self-build and custom housebuilding as the “building or completion by individuals, associations of individuals, or persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals. But it does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person.”

Additional regulations have been implemented through The Self-build and Custom Housebuilding Regulations 2016 and The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016. These give the Council the ability to introduce fees, a local connection test and/or a financial test to the register.

This report outlines the changes to legislation and regulations relating to self-build and custom housebuilding and proposes the introduction of a local connection test under the 2016 Regulations to come into effect on 1 June 2018. The introduction of a local connection test will ensure that the focus of the register is on local housing needs.

## Background

The Housing and Planning Act 2016 defines self-build and custom housebuilding as the “building or completion by individuals, associations of individuals, or persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals. But it does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person.”

Furthermore, the Self-Build and Custom Housebuilding Act 2015 defines a “house” as “a dwelling that forms part of a building”.

The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) places a number of duties on relevant authorities. These include:

- Setting up and maintaining a register of individuals/associations that are seeking serviced plots for self-build and/or custom housebuilding.
- To have regard to the register when carrying out planning, housing, land disposal and regeneration functions.
- Imposes a duty to grant planning permission for sufficient serviced plots of land to meet the demand evidenced by the register.

Eligibility criteria for entry onto the Council’s register was originally set out in the 2015 Act. These stated that applicants would be eligible to be placed on the Council’s register if they are:

- Aged 18 or over;
- A British citizen, a national of an European Economic Area (EEA) state other than the UK or a national of Switzerland; and
- Seeking (either alone or with others) to acquire a serviced plot of land in the relevant authority’s area to occupy as that individual’s sole or main residence.

The Council is expected to grant planning approval for a sufficient number of serviced plots to meet the demand for self-build and custom housebuilding as evidenced on its Register within three years of the conclusion of each base period. The first base period commenced on the date the Council first established its register (1st April 2016) and concluded on 30th October 2016. The second base period commenced on 31st October 2016 and will last a period of one year. Subsequent base periods will begin on 31<sup>st</sup> October each year and have a duration of one year.

In addition to the above, new regulations<sup>1</sup>, which came into force on 31 October 2016, allow local authorities to introduce a:

- Local connection test; or
- Financial solvency test; and/or
- A registration fee and an annual charge to cover reasonable costs of maintaining the register and granting permissions.

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<sup>1</sup> <http://www.legislation.gov.uk/ukxi/2016/950/contents/made> and <http://www.legislation.gov.uk/ukxi/2016/1027/contents/made>

The 2016 regulations specify that the Register can be split into two parts with applicants meeting all of the eligibility criteria, including a local connection test, a financial solvency test and a payment of the requisite entry fee (if introduced by the authority) being placed onto Part 1 of the register.

Those applicants that fail a local connection test but otherwise meet the eligibility criteria must be entered onto Part 2 of the register. The Council's duty is then to grant enough development permissions for only Part 1 of the register. Entries on Part 2 do not count towards demand for granting development permissions but relevant authorities must have regard to the entries on Part 2 when carrying out their planning, housing, land disposal and regeneration functions.

## **Analysis of Issues**

Wokingham Borough Council's custom and self-build housing register has been live since 1 April 2016 and is publicised on the Council's website. The register currently includes 187 individuals and 1 association. As it stands, the only eligibility criteria that applicants must meet are the ones set out in 2015 Act (aged 18 or over; a British citizen, a national of an EEA state other than the UK or a national of Switzerland; and seeking to acquire a serviced plot of land in the area).

The Council has a duty to grant planning permission for sufficient serviced plots of land to meet all of this demand.

The Self and Custom Build Register will form part of the framework of evidence underpinning the Local Plan Update and is a material consideration in the determination of planning applications.

To ensure the register focuses on local housing needs, the recommendation of this report is to apply additional local connection test.

### Local Connection Test

Like many local authorities, the Council is facing a number of challenges and resource constraints in meeting its housing targets and delivering its wider functions. It is therefore considered appropriate that the Council only meets demand for self and custom build homes from individuals and associations whom are able to demonstrate a strong local connection to the Borough.

It is proposed that a local connection test should be applied and the register to be divided into two parts as permitted by the October 2016 Regulations. The proposal is that in order to be eligible for Part 1 of the Register, applicants will be required:

- To have either lived in the borough for at least 5 years; or
- To be in full-time employment (greater than 16 hours per week) within the Borough for at least 5 years; and/or
- To have an immediate family member who has lived in the borough for the past 5 years prior to their application.

Some flexibility may be applied to the above criteria in exceptional circumstances (for example, where someone is unable to work more than 16 hours due to disability).

Immediate family will be defined as a close relative (mother, father, brother, sister or adult child) who has been living in the Borough for more than five years.

Current or former personnel (applying to join the Register within 5 years of discharge) of the armed services will automatically satisfy any local connection test set.

### Fees

The Council may look into proposing a fee for registration and an annual fee to remain on Part 1 of the register in the future. Any proposals on this will need to be accepted by the Executive.

### Financial Solvency Test

The Council is keen to support self-build projects that deliver affordable housing as well as market housing. Therefore, a financial solvency test is not proposed at the current time.

The Council may consider other mechanisms, such as planning policies, to ensure self-build schemes are developed out in a reasonable timeframe.

### Implementation

If the Executive approves the recommendations, it is proposed that the local connection test would come into effect on 1 June 2018. The new local eligibility criteria will automatically be applied to new applicants seeking to join the Register from this date.

An email will be sent out to all applicants currently on the Council's register (and anyone joining the Register between the date of the Executive decision and 31 May 2018) setting out the Council's newly adopted requirements. Arrangements will be made with applicants to furnish the Council with any necessary information to confirm their continued eligibility on Part 1 of the Register.

The Council is entitled to refuse entry on Part 1 of the register until the applicant has proved they have a local connection to the borough under the new regulations.

## **FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

***The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue

Following Financial Year (Year 3)	£0	Yes	Revenue
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<b>Other financial information relevant to the Recommendation/Decision</b>
None

<b>Cross-Council Implications</b>
Housing Strategy 2015 – 2018: Strategic priority to undertake a self-build project.

<b>Reasons for considering the report in Part 2</b>
Not Applicable

<b>List of Background Papers</b>
The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016: <a href="http://www.legislation.gov.uk/uksi/2016/1027/pdfs/uksi_20161027_en.pdf">http://www.legislation.gov.uk/uksi/2016/1027/pdfs/uksi_20161027_en.pdf</a>

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