

Report to the Council Housebuilding Cabinet Committee



Report reference: CHB-003-2020/21
Date of meeting: 23 June 2020

**Epping Forest
District Council**

Portfolio: Housing and Community Services – Cllr H Whitbread
Subject: Adopting A 2-Part Register for Self-build and Custom Housebuilding
Responsible Officer: Deborah Fenton (01992 564221)
Democratic Services: J Leither (01992 564756)

Recommendations/Decisions Required:

- (1) That Committee note the recommendation to adopt a 2-part register; and
- (2) That Committee note the recommendation to adopt and implement local connection and financial solvency tests.

Executive Summary:

It is proposed that following the initial review at CHBCC this report be presented to Cabinet in June to recommend the adoption of both the 2-part register and the local connection and financial solvency tests.

The Council currently has a single Self-build and Custom Housebuilding Register which is not divided into 2 parts.

The registration process in its current form counts all entries in the register as demand for Self-build and Custom Housebuilding (SBCH) in the District. A 2-Part registration will be beneficial in terms of prioritising applicants with local connections to the area and establishing a more realistic assessment of local demand.

Access to Part 1 of the Register should be subject to a local connection test based on living or working in the District and a financial assessment of capability to purchase plots.

The Self-build and Custom Housebuilding register came into effect through the Self-build and Custom Housebuilding Act 2015 amended by the Housing and Planning Act 2016, to promote the Government's Right to Build Scheme supporting individuals and associations wishing to build their own homes.

The legislation creates a duty on the Relevant Authorities, including District Councils, to keep a register; and have regard to the register when carrying out their planning, housing, land disposal and regeneration functions. Furthermore, a duty to grant planning permission for enough suitable serviced plots of land to meet the demand for Self-build and Custom Housebuilding in the area. This level of demand is established by reference to the number of entries added to an authority's register during each base period.

Reasons for Proposed Decision:

The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) requires the Council to keep a register of individuals and associations who are seeking to acquire serviced plots of land in the District for self-build and custom housebuilding.

With the housing pressure and limited capacity to meet all housing needs, it is essential that the Self-build and Custom Housebuilding Register is effective, by adopting the eligibility criteria noted above and implementing a 2-part register, it provides the necessary prioritisation to support local applicants and their housing need.

Other Options for Action:

To continue to use a single register means that the Council has a statutory requirement to provide permissioned serviced plots to all applicants on the register regardless of local connection. This option makes it difficult to prioritise limited land supply and meet local need with multiple applications from applicants across various local authorities.

Report:

1. The Self-build and Custom Housebuilding Register was formalised in 2017. Due to a lack of dedicated staffing resources, progress was, limited to establishing and maintaining the SBCH Register only.
2. The registration process in its current form counts all entries in the Register as demand for self-build and custom housebuilding in the District and the District Council has a legal duty to provide permissioned serviced plots for those entries.
3. Relevant Authorities are required to grant development permissions equivalent to the number of entries on the register within 3 years from the end of each 'base period'. Base periods are for 12-months as outlined below:

Base Period	Date	Grant development permission by
1	Date of register established to 30 October 2016	October 2019
2	31 October 2016 - 30 October 2017	October 2020
3	31 October 2017 - 30 October 2018	October 2021
4	31 October 2018 – 30 October 2019	October 2022
5	31 October 2019 – 30 October 2020	October 2023

4. Responsibility for developing the Self-build and Custom Housebuilding scheme was initially started by Planning, but this was later transferred to the Housing Development Team. A registration process has been developed, advertised and applications for Self-build and Custom Housebuilding are being registered using a single-part register.

5. In addition to the Right to Build legislations which places a duty on the District Council to deliver the required serviced plots, the Strategic Housing Market Assessment (SHMA) 2015 noted that “half of the population (53%) in the housing market area, say that they would consider building their own home (either directly or using the services of architects and contractors); but it’s likely that this figure conflates aspiration with effective market demand.”

However, it recognised that there was clearly some interest and desire for some to build their own home. Although, it acknowledged it was a small proportion of the overall housing need, it recommended that Councils should put arrangements in place to comply with the legislation.

In view of the above assertion, the Local Plan (submission Version) 2017 provided a collaborative framework to ensure delivery of these types of housing.

6. Council Officers will engage with developers and landowners through the Developer's Forum and any other forums including masterplanning processes. They will also continue to work with its strategic housing association partners.

7. It may also be useful to consider unsuitable sites for the EFDC affordable housing pipeline, although the suitability of these sites maybe questioned due to the location and difficult nature of the sites. Additionally, it may also, be necessary to consider other Council-owned land to facilitate the delivery of Self-build and Custom Housebuilding.

Demand – Self Building and Custom Housing Register

8. As at May 2020, there were 80 applicants on the register. However, under a 2-part registration system this reduces to 38 as shown in the table below.

Base Period	Period	Enquires	Registered interest and Current Demand	Indicative demand under 2-part registration based on "local connection"
1	31/10/15 – 30/10/16	10	0	0
2	31/10/16 – 30/10/17	110	21	7
3	31/10/17 – 30/10/18	15	11	7
4	31/10/18 – 30/10/19	0	28	16
5	30/10/19 – 30/10/20	0	20	8
	Total	135	80	38

9. For the relevant base year, which is 31st October 2016 – 30th October 2017, The District Council has a duty to provide 21 consented serviced plots. With the local connection test applied, this figure significantly reduces to 7. However, it is anticipated that the total figure is likely to rise during the Local Plan period.

10. With a 2-Part Register, only entries in Part 1 are counted towards demand for Self-build and Custom Housebuilding in the District, provided they meet both the eligibility criteria of the local connection and the financial solvency tests. It is recommended that the local connection test should be based on being resident or permanently working in the District for a minimum of 24 months with an exemption for those serving or who have recently left the armed forces. Financial capability tests should also be carried out requiring applicants to demonstrate their financial ability to pay for and build out the serviced plots. This can be proof of assets and/or mortgage offer letters.

11. With 92% of the District covered by Green Belt, environmental and physical constraints for development, and limited supply of land, competing development needs, and the efforts to identify a 5-year housing land supply based on already objectively identified housing need can be challenging. These challenges can be considered a strong justification for a move away from the current registration process to a 2-part register.

Resource Implications:

An initial one-off and a subsequent 3-year funding programme was launched in 2016 to enable Local Authorities to fulfil their new statutory duties. The District Council was subsequently allocated the sum of £90,000 of New Burdens funding from Central government between 2016/17 and 2019/20. All this funding has now been received.

The funding has been used to recruit a Housing Enabling Officer to support the Housing Development Team with implementation of the Self-build and Custom Housebuilding project as well as the anticipated increasing workload arising from the new Local Plan (Submission Version) 2017.

The successful delivery of the Self-build and Custom Housebuilding may also require a small additional expenditure for capacity building and marketing.

Legal and Governance Implications:

Not to have this policy will make it very difficult for the District Council to deliver the high number of consented service plots required under the single-part Register, therefore, exposing the District Council to risk of not meeting its legal obligations.

The legislation, regulations and guidance which imposes duties to relevant local authorities are:

The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016)

The Self-build and Custom Housebuilding Regulations 2016, and

The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016.

The Planning Practice Guidance on Self-build and Custom Housebuilding (April 2016 and was last updated 28 July 2017).

Safer, Cleaner and Greener Implications:

This policy seeks to extend the Government's right to build options; it encourages choice, creativity and a desire to keep communities together, thus promoting social cohesion.

Consultation Undertaken:

No consultation necessary at this stage but will review and consult if appropriate.

Background Papers:

Self-build and Custom Housebuilding legislation and guidance.

Risk Management:

The main risks are that developers do not provide suitable sized plots in the required locations to enable applicants to build a range of units and sizes either for family homes or downsizing. Further, that the plots provided do not sell.

The mitigation would be to engage early with developers to encourage provision of different sized plots and where necessary they could be asked to demonstrate that the number of plots provided reflected the local need.

Council Officers will continue to work with developers to ensure that the plots provided are actively marketed taking into consideration the local land values and local income. Finally, reversion clauses may be included to ensure that those plots not sold after a reasonable period of time are able to be built out by the developers.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an Appendix to this report.