

Agenda Item 14

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Date	7 February 2017		
Wards affected	All	Key Decision	Yes
Subject	Self-Build and Custom Housebuilding Regulations 2016		
<p>RECOMMENDATIONS</p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Approve the introduction of a local connection test and a financial viability assessment test as additional eligibility criteria for being entered on Part 1 of Mole Valley District Council's Self-Build and Custom House-Building Register. 2. Note that those applying for entry to the Register who do not meet the local connection test and/or financial viability assessment will continue to be added to Part 2 of the Register, subject to meeting existing national eligibility tests. 3. Authorise the Corporate Head with responsibility for Planning, in consultation with the Executive Member for Planning and the Financial Services Manager, to set and periodically review the fees for entry to, and remaining on, the Self-Build and Custom Housebuilding Register. 			
<p>EXECUTIVE SUMMARY</p> <p>The Self-build and Custom Housebuilding Act 2015 requires Mole Valley District Council to establish a register of persons seeking to acquire land to build or commission their own home, to determine applications for entry to and removal from the register, and to have regard to that register when carrying out their planning, regeneration, housing and land disposal functions.</p> <p>To meet this requirement, a Self-Build and Custom Housebuilding Register was established in April 2016. Interested persons can request to be added to the Register subject to meeting nationally set eligibility criteria. Information regarding the Register is available to view on the MVDC website.</p> <p>The Self-build and Custom Housebuilding Regulations (Time for Compliance and Fees) Regulations 2016 (2016 Fees Regulations) now place an additional requirement on MVDC to grant sufficient planning permissions to meet the demand for self-build plots, equivalent to the demand shown by the number of entries on its self-build register. This requirement is on-going, with the Regulations expecting MVDC to meet the demand for self-build plots within a rolling three year period.</p> <p>The Self-build and Custom Housebuilding Regulations 2016 (2016 Regulations) allow MVDC to introduce a local connection test and a financial viability test for entry to Part 1 of the Register. Those not meeting these two tests are eligible for entry to</p>			

Part 2 of the Register. The requirement to grant sufficient planning permissions only applies to the number equivalent to those registered on Part 1 of the Register.

The 2016 Fees Regulations also enable MVDC to charge applicants for entry to the register and for remaining on it.

CORPORATE PRIORITY OUTCOMES

ENVIRONMENT

In consultation with the community, develop plans for how land is used in Mole Valley.

The Self-Build and Custom Housebuilding Register provides evidence of the demand for self-build and custom housebuilding. The level of demand has to be taken into account when bringing forward the new Local Plan, as well as granting sufficient planning permissions to meet demand for self-build and custom plots.

The Executive has authority to determine the recommendations

1 Background

- 1.1 The Self Build and Custom Housebuilding Act 2015 requires local planning authorities to keep a register of individuals and associations who are seeking to acquire serviced plots of land in the authority's area. 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 Mole Valley, a Self-Build and Custom Housebuilding Register was created and publicised on the MVDC website from 1 April 2016. There are currently thirty five entries on it.
- 1.3 The Housing and Planning Act 2016 amended the Self-build and Custom Housebuilding Act 2015 so as to put an additional duty on authorities to provide sufficient development permissions to meet the demand for self-build and custom housebuilding in their area. For the purpose of the regulations, 'demand' equates to the number of interested persons and associations registered on the authority's self-build register.
- 1.4 To enable authorities to gauge local demand as opposed to wider demand for self-build plots, the 2016 Regulations provide an option to apply a local connection test, a financial ability assessment test, and the 2016 Fees Regulations permit authorities to charge a fee for entry to and remaining on their registers. This is in addition to national eligibility criteria which relate to nationality and age.
- 1.5 The 2016 Regulations specify that applicants who meet all of the eligibility criteria should be placed on part 1 of the register. Those applicants who cannot demonstrate a local connection and/or do not meet the financial viability assessment should be placed on part 2 of the register.
- 1.6 Relevant authorities must 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 part 1 of the register within a rolling three years of the conclusion of each base period.
- 1.7 For MVDC, base period 1 commenced on 1 April 2016 and concluded on 30 October 2016. Base period 2 commenced on 31 October 2016 and will last for one year. Each subsequent base period will begin the day immediately following the conclusion of the previous base period and last for one year.

1.8 The 2016 Regulations provide MVDC with a limited opportunity to apply for an exemption from the requirement to provide suitable development permissions to meet the demand on the Self-build Register. The circumstances for the exemption being granted is that for any base period the demand for self-build and custom housebuilding is greater than 20% of the land identified by MVDC as available for future housing. This is unlikely to be the case in Mole Valley.

2.0 Local Connection Test

2.2 Given the challenges of identifying enough land for development in what is a highly constrained area of the country, it is considered appropriate for MVDC to introduce a local connection test for its Self-build Register.

2.3 The Council's Housing Allocation Scheme already has an existing local connection test. In the interests of consistency it is proposed to adopt the same local connection test for the purposes of the MVDC Self-build Register.

2.4 In order for a local connection to be established, it is proposed that the applicant must:

- Have lived in the District and have had residence in the District for the last two years; or
- Have been employed within the District and have been employed more than 16 hours per week for the last two years;
- Have close family, defined as parents, siblings and/or adult children, who have lived in the District as their main place of residence for the last consecutive five years, and on welfare or health grounds the applicant needs the support of the close family or the close family need the support of the applicant and if not provided hardship would be caused.

2.5 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 Mole Valley Armed Forces Community Covenant.

3.0 Financial Viability Assessment

3.1 It is considered equally important to assess whether applicants have the financial ability to purchase land and complete their own self-build project.

3.2 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 made compulsory to applicants seeking entry to Part 1 of the Register, and that additional questions are added requiring 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.

4.0 Fees

4.1 The Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 enable relevant authorities to charge a fee for entry to the register and a fee for remaining on it. The fees must be set on a cost recovery basis (taking one financial year with another) with regard to MVDC's reasonable costs relating to duty to operate and maintain the register in accordance with the Act. Based on an approximation of time required to determine the applications (taking in to account the

additional local connection test and financial viability assessment), maintain correspondence and deal with any queries/disputes that may arise, it is considered appropriate to charge £25 for an application to enter on to the register and an annual fee of £10 to remain on it. These charges would be reviewed on an annual basis.

5.0 Conclusions

- 5.1 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. Given the constrained availability of land for development in MVDC it is considered appropriate to apply a local connection test and financial viability assessment as allowed by the 2016 Regulations, in order to more accurately understand the demand for self-build plots within the district, and to establish which applicants have the financial viability to complete their project. This will contribute to informing the progression of the new Local Plan as well meeting the requirement to provide suitable development permissions.
- 5.3 The charging of a fee for entry to and for remaining on the Register will support its continued maintenance.

Financial Implications

The ability to charge a fee for entry to the Register will help to cover administrative costs.

Legal Implications

The duty to provide sufficient development permissions to meet demand for self-build and custom housebuilding introduced by the 2016 Regulations is mandatory. The ability to introduce local connection, financial viability assessment 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 as the applicant's expectations that such information will be dealt with confidentially. Consideration will need to be given as to how long such information should be retained by MVDC and MVDC'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.

2.0 Options

- 2.1 To introduce local connection and financial viability assessment tests as part of the requirement for entry to Part 1 of the MVDC Self-build and Custom Housebuilding Register (recommended)
- 2.2 Not to introduce local connection and viability tests, retaining only the existing nationally determined tests for nationality and age. While this would be simpler and easier for applicants, it would allow a wide range of entrants to the list, which would then potentially establish an artificially high level of demand for self-build plots in the District.

3.0 Corporate Implications

Monitoring Officer commentary

The Monitoring Officer confirms that all relevant legal implications have been taken into account.

S151 Officer commentary

The s151 Officer confirms that all relevant financial risks and implications have been taken into account

Risk Implications

If Mole Valley chooses not to introduce the tests set out in the report then this could potentially increase the requirement to provide self-build and custom housebuilding plots within the District.

Equalities Implications

There are no equalities concerns regarding the introduction of a local connection test and a financial viability assessment test as additional eligibility criteria.

There is potentially a positive impact for elderly and / or disabled people (both are protected characteristics as defined by the Equality Act 2010). As stated in the main body of the report (para 2.4) there is a welfare/ health grounds element to the local connection test. A local connection can be established if an applicant has close family living locally and needs their support, or the close family needs the support of the applicant, and if not provided hardship would be caused.

Employment Issues

None.

Sustainability Issues

None.

Consultation

None.

Communications

The additional tests will be published on the MVDC website.

Background Papers

None.

