

<b>Report to</b>	Sustainable development panel	<b>Item</b>
	22 February 2017	
<b>Report of</b>	Head of planning services	<b>5</b>
<b>Subject</b>	Self and custom build - government initiative, legislation and the council's proposed approach	

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## **Purpose**

The report sets out the legislative framework which the government has introduced with regard to self and custom housebuilding, describes the council's current approach, and sets out the proposed introduction of fees and local eligibility criteria for applicants on the self-build register.

## **Recommendation**

To:

- (1) note the government's initiative with regard to self and custom building.
- (2) note the council's current approach to maintaining the self-build register.
- (3) recommend to cabinet the adoption of an annual fee and a local connection test for the council's self-build register.

## **Corporate and service priorities**

The report helps to meet the corporate priority "Decent housing for all" and the service plan priority to implement the local plan for the city.

Financial implications: Fee income to cover costs of carrying out these duties.

**Wards:** All wards

**Cabinet member:** Councillor Bremner – Environment and Sustainable Development

## **Contact officer(s)**

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## **Background documents**

None

# Report

## Introduction

1. The definition for self-building is when an individual is directly involved in the building of their home (either hands-on or project managing) and custom housebuilding is when an individual works with a developer to build their own home. The Government is keen to support the self and custom housebuilding sector as a mechanism to deliver a substantial number of new homes each year.
2. The purpose of this report is to summarise the relevant parts of the new legislation and set out the council's proposed approach. There is further detail included within legislation and guidance which is not included in this report as it is not directly relevant but can be read within the legislation itself<sup>1&2</sup>.

## Background and legislative framework

3. In an effort to stimulate the self and custom housebuilding market, the government introduced the Self-build and Custom Housebuilding Act 2015 which brought in the requirement for councils to:
  - (a) Maintain a register of individuals and associations of individuals who wish to acquire serviced plots of land to bring forward self and custom housebuilding projects; and
  - (b) Have regard to those registers in plan-making, decision-taking, land disposal and other functions.
4. The Housing and Planning Act 2016 brought in additional options with regards to the register:
  - (a) The option to introduce a local connection test; and
  - (b) the option to introduce a financial test; and
  - (c) the option to introduce an annual fee.
5. The Housing and Planning Act 2016 also brought in an additional duty on councils to grant sufficient planning permissions for serviced plots to meet the demand for self and custom housebuilding as evidenced by the number of entries in the register. A serviced plot of land is defined as a plot with access to a public highway, and with connections for electricity, water and waste water.
6. The Housing and Planning Act 2016 details how the local connection test and financial test above would affect the register. An applicant can be entered onto the register even if they don't satisfy the local connection test and/or financial test, (this forms Part 1 of the register). Individuals who do satisfy the tests will be entered onto Part 2 of the register, and it is the number of individuals who are on

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<sup>1</sup> <http://www.legislation.gov.uk/ukpga/2015/17/introduction/enacted>

<sup>2</sup> <http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted>

Part 2 of the register which dictates the number of plots that the council has a duty to grant permission for.

### **The council's current and proposed approach**

7. The council has been maintaining a register of individuals and associations of individuals who wish to acquire serviced plots of land to bring forward self and custom housebuilding projects since the requirement came into force on 1<sup>st</sup> April 2016. The register currently consists of 49 individuals and an association made up of 8 individuals.
8. To satisfy the duty set out within the Housing and Planning Act 2016, the council will monitor the number of permissions which have been granted for serviced plots which could be used for self and custom housebuilding. There is a distinct lack of guidance within the legislation about what type of permissions count towards this figure. NPLaw have indicated that we can interpret this fairly broadly, so many small residential schemes which are given permission may be considered to contribute towards our identified demand. Each permission will be considered individually on its merits in order to judge its suitability for self or custom housebuilding, and the council will take into consideration any further advice or guidance on how to interpret this part of the Act.
9. The Greater Norwich Local Plan, which will cover Broadland, Norwich and South Norfolk, is currently at an early stage of preparation and will have regard to the self and custom housebuilding legislation and the registers in the three districts in developing policies.
10. The basic eligibility criteria for entry onto the register is for any applicant to be aged 18 or over; a British citizen, national of an EEA state or Switzerland; and seeking to acquire a serviced plot of land to build a house as that individual's sole or main residence. In order to ensure that self and custom housebuilding plots for local people are prioritised, the council proposes to introduce a local connection test. This test would require individuals to satisfy the criteria below in order to be entered onto Part 2 of the register (as set out in paragraph 6 above). Applicants would self-declare whether they satisfy the criteria and the council could carry out 'spot checks' by requesting evidence from a random sample of applicants if appropriate rather than requesting evidence with every application.
11. The proposed local connection test is similar to that being used by other local authorities, and would be met if an applicant fulfils any of the following criteria:
  - (a) The applicant is currently a resident within the Norwich City Council boundary; or
  - (b) The applicant has been a resident within the Norwich City Council boundary for six months of the past three years; or
  - (c) The applicant currently works within the Norwich City Council boundary; or
  - (d) The applicant has an immediate family member (sibling, child or parent) who is a resident within the Norwich City Council boundary; or

- (e) The applicant has been discharged from the British Armed Forces and their most recent permanent address was within the Norwich City Council boundary.

12. As provided for in the Housing and Planning Act 2016, the council proposes to introduce an annual fee for individuals and associations to enter themselves onto the self and custom housebuilding register. The Act allows councils to introduce a fee which covers the costs incurred by the council in carrying out the duties (including the maintenance of the register and the monitoring of permissions). The council proposes an annual fee of £50 to enter or remain on the register. It is estimated that this fee income would cover approximately half a day per week of officer time which should be sufficient to carry out this function, however .the council will review this fee on an annual basis.
13. The council does not intend to introduce a financial test because of the staff resources required to assess whether an applicant's financial status would enable them to purchase a plot and finance a build.

## **Conclusion**

14. As set out above, the council will continue to promote self and custom housebuilding as a mechanism to boost housebuilding and add variety and choice to the housing market, by maintaining a register and by monitoring relevant permissions. The sustainable development panel is advised to recommend that cabinet adopts the requirement for a local connection test and an annual fee as part of the operation of Norwich City Council's self and custom housebuilding register.