

Report to	Cabinet 12 April 2017	Item
Report of	Head of Planning Services	7
Subject	Self and custom build - government initiative, legislation and the council's proposed approach	

Purpose

To seek approval to introduce an annual fee and a local connection test for the council's self-build register.

Recommendation

To introduce an annual fee and a local connection test for the council's self-build register as described in this report.

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

An annual fee of £50 is proposed to enter or remain on the register. It is anticipated that this income will cover the costs of administering the scheme; however we recommend reviewing this fee on an annual basis.

Wards: All wards

Cabinet member: Councillor Bremner – Environment and sustainable development

Contact officers

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Background documents

None.

Report

Background and legislative framework

1. 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.
2. 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.
3. 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.
4. 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.
5. 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 Part 2 of the register which dictates the number of plots that the council has a duty to grant permission for.
6. 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^{1and2}.

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

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

7. A report was taken to sustainable development panel at their meeting of 22 February 2017 at which they agreed to recommend the following approach be adopted by cabinet.

The council's current and proposed approach

8. 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 April 2016. The register currently consists of 58 individuals and an association made up of 8 individuals.
9. 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.
10. 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.
11. 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 would carry out 'spot checks' by requesting evidence from a random sample of applicants rather than requesting evidence with every application.
12. 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:

That the applicant:
 - a) is currently a resident within the Norwich City Council boundary; or
 - b) has been a resident within the Norwich City Council boundary for six months of the past three years; or
 - c) currently works within the Norwich City Council boundary; or
 - d) has an immediate family member (sibling, child or parent) who is a resident within the Norwich City Council boundary; or

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

13. 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.
14. 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

15. 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.

Integrated Impact Assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	12 April 2017
Head of service:	Head of Planning Services
Report subject:	Self and custom build - government initiative, legislation and the council's proposed approach
Date assessed:	30 March 2017
Description:	Integrated Impact Assessment of the council's proposed approach to self and custom build

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The proposed fee income is set to cover the costs incurred by the council.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impact identified

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Eliminating discrimination and harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Waste minimisation and resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No significant impacts identified

Recommendations from impact assessment

Positive

The introduction of a fee will help the council to meet the costs incurred in the operation of the self and custom build register, monitoring and associated duties.

Negative

There are no significant negative effects.

Neutral

The majority of the impacts are assessed as neutral.

Issues

No significant issues are highlighted.