



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	CABINET – 21 SEPTEMBER 2022
Report Number	AGENDA ITEM NO 7
Subject	IMPLEMENTATION OF LOCAL CONNECTION CRITERIA AND FEE REGIME FOR THE SELF-BUILD REGISTER
Wards affected	ALL
Accountable member	Cllr Rylett
Accountable officer	Murry Burnett
Summary/Purpose	To seek approval to introduce local connection and financial capability criteria for entry onto the Self and Custom Build Register. To seek approval to Introduce a fee for new applicants to join the Council's Self and Custom Build Register.
Annexes	Not applicable
Recommendation/s	<i>a) That Cabinet approves the introduction of a local connection and financial capability criteria for entry on to the Council's Self & Custom Build Register be agreed;</i> <i>b) That Cabinet approves a review of the Register and the creation of Part 1 and Part 2 of the register. With Part 1 being formed of those who meet local connection criteria set and Part 2 to be formed of those who conform with all criteria except the local connection test;</i> <i>c) That the fee structure set out within Section 5 of this report for new applicant to join the register is adopted from 1st April 2023 and that this fee can be monitored and varied if necessary with the agreement of the Cabinet Member;</i>
Corporate priorities	Meeting the Housing Needs of our Changing Population: Securing the provision of market and affordable housing of a high quality for a wide range of house holders making their home in West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees/ Consultation	List any consultees or consultation that has taken place.

1. BACKGROUND

- 1.1 The Government has introduced legislation to increase the capacity and diversity of the housebuilding industry to build more high quality new homes faster. It believes expanding the self-build and custom-build sector will make an important contribution to this.
- 1.2 Self-build and custom-build housing offers the opportunity for residents to be involved in the design and construction of their own homes. The legislation is intended to expand the self-build and custom build sector, help increase the supply of housing, enable more people to get onto the property ladder (through the delivery of lower cost housing), and provide a greater mix and variety of homes. However, a recognised barrier to self-build is the lack of available developable building plots.
- 1.3 The Self-Build and Custom Housebuilding Act (2015), introduced a duty on all local planning authorities (LPA's), to 'keep a register of individuals and associations of individuals who wish to acquire serviced plots of land to bring forward self-build and custom housebuilding projects. This was designed to add weight to the Right to Build agenda. The deadline for compliance was 1st April 2016. This was met by West Oxfordshire District Council (WODC).
- 1.4 These initial regulations allowed any UK or EEA applicants, over the age of 18 and wishing to develop a plot for their sole residence, to register with any number of local authorities.
- 1.5 The Council has a duty to have regard to the Self-build Register when carrying out its planning and other functions and the register is a material consideration when determining planning applications.

2 THE SELF BUILD AND CUSTOM HOUSEBUILDING (REGISTER) REGULATIONS 2016

- 2.1 The Self-build and Custom Housebuilding (Register) Regulations 2016 came into force on 31st October 2016, and amended the Self-build and Custom housebuilding Act 2015. These Regulations provide detail about how to implement the requirements of the Housing and Planning Act 2016 (which also came into force on the 31st October 2016), and requires LPAs to grant planning permissions to match the demand on registers within three years of the year in which those people joined the register.
- 2.2 In simple terms, the Housing and Planning Act (2016) establishes a 1 to 1 relationship between the number of households on the Self-Build and Custom Housebuilding Register and the number of serviced- plots to be provided by LPA's.
- 2.3 Demand for self and custom build plots is determined as the number of applications approved onto the register. Legislation requires the council to provide serviced plots with planning permission to meet this number.
- 2.4 In order to ensure that a register provides a realistic indication of local demand, the Regulations enable councils to determine locally set eligibility criteria for future entry onto the register by introducing a local connection test. If such conditions are introduced the register can be split into two parts: Part 1, for those applicants who meet the locally set eligibility criteria; and Part 2 for those who meet the national eligibility criteria but do not meet the local eligibility criteria. Any locally set criteria cannot be applied retrospectively to existing registered applicants.

2.5 Following the introduction of locally set criteria, it will only be necessary for the Council to provide 'suitable development permissions' (planning permission or planning permission in principle for a serviced plot of land) to meet the demand from applicants on Part 1 of the Register (plus existing applicants at the time of introduction) within three years of the conclusion of each base period. The Council would still need to 'have regard' to the number of people on Part 2 in carrying out planning and other functions.

3.0 LOCAL CONNECTION TEST

3.1 Given the challenges of identifying enough land for development, it is considered appropriate for WODC to introduce a local connection test for its Self-build Register which will limit entry to Part 1 of the register to those that have 'sufficient connection with the authority's area'. The Regulations do not specify how the local connection test should be applied.

3.2 As the regulations do not specify how the local connection test should be applied, it is suggested that the Council applies a local connection test either similar to that applied by the Council's Housing Allocation Scheme (HomeseekerPlus) if applied to the Self-build and Custom Housebuilding Register these would require applicants to demonstrate compliance with one of the following:

- **Normal residence**
Persons who have had, or whose partner had, at the time of applying to the Self-Build Register their only or principal home in West Oxfordshire District Council for a continuous period of six of the last twelve months, or three of the last five years.
- **Employment**
Persons who have had, or whose partner had, at the time of applying to the Self-Build Register their principal place of work in West Oxfordshire District Council for a period of 6 months.
- **Family Connection**
Persons who have had, or whose partner had, at the time of applying to the Self-Build Register immediate family members (parents, adult siblings, non-dependent children) living in West Oxfordshire District Council for a continuous period of 5 years.

4 FINANCIAL CAPABILITY TEST

4.1 The new regulations enable an LPA to require applicants seeking to join the register, to demonstrate that they will have sufficient funds/resources to purchase land (this is not finance to construct the house) for their own self-build or custom building project. At present there is no requirement for applicants on the Register to demonstrate that they have the resources to bring forward a project.

4.2 To ensure that the Register provides robust evidence on which the Council can base decisions, it is proposed to introduce the following eligibility criteria.

- Stating their overall budget to secure a plot
- Stating the source of the funds

5 INTRODUCING FEES

5.1 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 reflecting reasonable costs incurred by the Council in relation to its duty to operate and maintain the register in accordance with the Act.

5.2 Based on an approximation of time required to:

- determine the applications (taking in to account the additional local connection test), and
- maintain correspondence and deal with any queries/disputes that may arise.

It is considered appropriate to charge £25 for entry onto Part 1 of the Register and £10 for entry onto Part 2. The level of fees will ensure administrative costs are recovered whilst not acting as a deterrent to those who are truly interested in joining the Register. The fees also reflect the different amounts of staff time likely to be needed to deal with the two types of entry requirements.

5.3 It is proposed that this fee is monitored for its effectiveness in supporting the processing of applications, communications with applicants and that it is not detrimental in reflecting genuine interest in self / custom build housing in the district.

5.4 It is therefore requested that if monitoring indicates that the level of fee is found to be inappropriate that it may be varied with the agreement of the responsible Cabinet Member and without need for a further full report to the Cabinet.

5.5 It is proposed that the fee is introduced on 1st April 2023 following upgrading of the monitoring software used to manage the self and custom build register.

6 ASSOCIATION OF INDIVIDUALS

6.1 If a group (association) submits an application, the local connection test, and entry fee would apply to each household within that group. Should any individual in the association fail to pass the local connection test then subject to each individual meeting the national eligibility criteria, the association would be added to part 2 of the register.

7. RETROSPECTIVE IMPLEMENTATION

7.1 It is not possible to implement the above criteria retrospectively. Any existing and future applicants up to the date of the introduction of the locally-set criteria will be able to remain on the Register and must be included in the calculation of the number of individual self and custom build planning permissions required to meet District needs.

8. ALTERNATIVE OPTIONS

8.1 As highlighted already in this paper the proposal for the introduction of a local connection test, a financial capability test and the introduction of a fee for applicants seeking to join the register are options that Regulations now allow councils to consider. They are not a requirement.

8.2 As such it is recognised that the Council may decide it wishes to retain the existing register in its current form and not introduce any of the proposals contained within this report.

8.3 If additional criteria and the introduction of a fee are not introduced there will be a number of implications for the Council:

- The Council may be providing serviced land for individuals who have insufficient connection with the District i.e. the Council may be providing serviced plots for people who do not have an identified local need for such plots with West Oxfordshire District Council; and
- The Council will not be able to recoup reasonable costs in terms of the management of the Register and the subsequent delivery of serviced plots.

9. FINANCIAL IMPLICATIONS

9.1 There are no financial implications associated with this paper other than the ability to charge a fee for entry to the Register will help to cover administrative and new software costs.

10. LEGAL IMPLICATIONS

10.1 Section 1 of the Self-build and Custom Housebuilding Act 2015 places a duty on relevant authorities (defined in that section) to keep and publicise a register of individuals and associations of individuals who are seeking to acquire a serviced plot of land in the authority's area in order to build houses for those individuals to occupy as their homes.

10.2 The ability to introduce a local connection test and charge a fee is discretionary but recommended for the reasons set out in the report.

10.3 The duty to provide sufficient development permissions to meet demand for self-build and custom housebuilding introduced by the 2016 Regulations is mandatory.

11. REASONS FOR RECOMMENDATIONS

11.1 It is therefore recommended:

- (a) *That Cabinet approves the introduction of a local connection test and financial capability as additional eligibility criteria for being entered on Part 1 of West Oxfordshire District Council's Self-Build and Custom House-Building Register.*

Reason: So that the Council can ensure which individuals on the Register are able to fulfil the ability to build and that they have suitable connections with the District.

- 11.2 (b) *That Cabinet approves a review of the Register and the creation of a Part and Part 2 of the Register. With Part 1 being formed of those who meet the criteria set to be entered on Part 1 of the Register, and Part 2 to be formed of those who conform with all criteria except the local connection test.*

Reason: To ensure that the Self Build Register provides an accurate reflection of local demand for self-build and custom housebuilding which complies with the Self-Build/Custom Build Regulations.

- 11.3 (c) *Agree to the fee structure set out within Section 5 of this report for new applicants joining the register.*

Reason: In order to meet the reasonable costs of processing the evidence to support the application to the Register and the costs of administering the Register and monitoring compliance with the provision of serviced plots.

12 RISK ASSESSMENT

12.1 There is no risk to data or decision associated with this report.

13 EQUALITIES IMPACT (IF REQUIRED)

13.1 Equality impact not required for this report.

14 CLIMATE CHANGE IMPLICATIONS (IF REQUIRED)

14.1 There are no implications in relation to climate change.

15 OPTIONS

15.1 No alternative options that have been considered for this report.

16 BACKGROUND PAPERS

16.1 The following documents have been identified by the author of the report in accordance with section 100D .5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1 (a) for inspection by members of the public:

- None