
Self Build and Custom Housebuilding

SYNOPSIS

To provide an overview of the Authority's responsibilities in respect of the provision of custom and self-build housing, set out the current local position, and propose actions moving forward.

1. Relevant Background Details

- 1.1 The Council is now required under national statute to carry out certain functions relating to the promotion and delivery of self-build and custom housing. The requirement is part of Government's strategy to diversify and expand house building and the types of developers operating in the market.
- 1.2 Since 2015, two pieces of primary legislation and two supporting statutory instruments relating to self-build and custom build housing have been enacted. In short the Council is:
 - Required to maintain a register of people who are interested in securing a plot of land for construction of a custom or self-build house;
 - Required to monitor the number of permissions granted and given permission in respect of enough serviced plots of land to meet the demand for self and custom house-building in their area over a three year period. In practice this means that Authorities must give sufficient permissions for serviced plots for housing to meet the demand arising from the register, where the occupier has had a substantial input into the design of the home;
 - Required to split the register into two parts, and can set eligibility criteria whereby only those meeting those requirements are included within Part 1 of the register and included within the assessment of demand. Those placed on Part 1 must also meet other legislative requirements, including being aged 18 or over and a UK citizen;
 - Required to notify applicants that they have been entered on to either Part 1 or 2 of the register.
- 1.3 This report updates Members on progress on complying with this legislation and requests that Members agree to the splitting of the register into two parts through imposition of local eligibility criteria and that applicants are notified accordingly. It also considers whether the Borough Council should charge fees for applicants to be entered and maintained on the register, and outlines options on how the Council may meet its obligations to facilitate the demand for self-build and custom build house-building across the local planning authority area.

2. Format of the Self Build and Custom Housebuilding Register

- 2.1 Since 17th March 2016 and consistent with its legal duty, the Council has publicised and maintained a register of individual and association of individuals who wish to acquire serviced plots of land for self build and custom house-building in the Borough.
- 2.2 Currently, to be eligible to enter onto the register, a set of nationally prescribed criteria must be met and individuals (and each individual within an association) must be:
 - Aged 18 or over;
 - A British citizen, a national of an EEA State other than the United Kingdom, or a national of Switzerland; and that they are

- Seeking (either alone or with others) to acquire a serviced plot of land in the relevant authority's area for their own Self-build or Custom Housebuilding
- 2.3 The Self-Build and Custom Housebuilding Regulations 2016 now allow relevant authorities to introduce additional eligibility criteria for entry onto their register in the form of a local connection test and a financial resources test (an assessment of an applicant's ability to purchase land for their own self-build project). The updated 2016 regulations specify that applicants whom meet all the eligibility criteria are placed on Part 1 of the register, and those that fail are placed on Part 2 of the register.
- 2.4 National Planning Practice Guidance advises that the introduction of any local eligibility criteria should only occur where there is a strong justification for doing so, and they must be proportionate and, in the case of the local connection criteria, be in response to a recognised local issue.

Financial Resources

- 2.5 The inclusion of a financial resources test is considered a positive addition to the Register. It affords the Council substantial control over who is able to make it onto the first part of the Register, and confines the Council's duty to provide enough development permissions to only those applicants that have realistic prospects of achieving a self-build dwelling. Furthermore, it is evidence to which significant weight can be given in the planning balance. It is not, therefore, in the authorities interests to have a large register cluttered with unrealistic applicants.
- 2.6 In assessing whether an applicant has sufficient resources to purchase land for their own self build and custom house building project, it is proposed to introduce the following eligibility criteria:
- Identifying in approximate terms the amount of land that would-be needed to accommodate the size of property they are looking for in the area they are interested
 - Indicating the approximate costs of such a site on the open market and evidencing this by way of examples of recent comparable market sites within the Borough or a confirmation letter from a Registered Valuer;
 - Evidencing how they intend to fund the project
- 2.7 It should be noted that the Regulations only allow for a financial criterion relating to the purchase of land and not for total costs including design and build. Where multiple funding sources are utilised, evidence may be required that funds will be readily accessible for purchase of land phase of the self-build and custom house building project.
- 2.8 The Council may utilise information on recent land transaction costs and/or any other reasonable method of arriving at a proxy land cost to determine applications. Due to land values changing over time, the Council may require updated evidence of an applicant's ability to fund the purchase of the land.

Local Area Connection Test

- 2.7 It is considered appropriate to only meet demand for individuals and associations who are able to demonstrate a connection to the Borough. Introduction of a local area connection test will give the Council the ability to ensure that the register is truly reflective of the local demand for plots.
- 2.8 For the purposes of consistency, officers propose adopting the same local connections test currently utilised for the Councils Housing Allocation Policy¹. A local connection to the Corby borough will be established by virtue of any permanent member of the household meeting any of the criteria set out in the table below.

¹ [Keyways Housing Allocation Policy](#), April 2018

Criteria	Additional Detail
<p>Residency in Corby borough for at least three out of the last 5 years prior to acceptance onto the Keyways register.</p> <p>(*applicants housed as homeless from outside the sub region have an additional requirement)</p>	<p>Residency may be verified by way of tenancy references, electoral roll or information held on any local authority database.</p> <p>* Any households placed into accommodation as a discharge of any homeless duties under Part VII of the Housing Act by any local authority outside of the sub-regional partnership will not qualify to join Keyways until any and/or all homeless duties have expired (i.e. 2 years if full homeless duty was discharged through private sector) and they have established an additional 3 years residency.</p> <p>The applicant(s) local connection for 3 years residency will start once the 2 year homeless duty has ended. This therefore means that such households will require 5 years residency before being accepted to join the Keyways register</p>
<p>Permanent employment in Corby borough for a minimum of 16 hours per week</p>	<p>At least 1 adult member of the household must be employed at the point of application and at the point of any nomination. Your actual working location of employment must be within Corby borough. Any fixed term contract for 6 months or more will be accepted as permanent employment. Applicants must have passed any probationary period or similar if applicable to the employment by the point of nomination.</p>
<p>Right to move</p>	<p>You are a current social tenant in England who needs to move to avoid hardship (see Band B Employment Hardship) AND works or has been offered work in the borough. The employment needs to meet the criteria above.</p>
<p>Armed Forces personnel</p>	<p>This only includes:</p> <p>Member of the Armed Forces and former Service personnel, where the application is made within 5 years of discharge.</p> <p>Bereaved spouse or civil partner of a member of the Armed Forces where Ministry of Defence accommodation will cease to be entitled following the death of their service spouse or civil partner and the death was wholly or partly attributable to their service.</p> <p>Serving or former members of the Reserve Forces who need to move because of a serious injury, medical condition or disability which is wholly or partly attributable to their service.</p> <p>Verification will be required from the Armed Forces.</p>

Immediate family members currently resident in the Corby borough i.e. parent, sibling or child, who have lived in the borough for a minimum of 5 years.	Residency may be verified by way of tenancy references, electoral roll or information held on any local authority database.
Applicants owed a homeless duty by Corby Borough Council	Applicants owed a homeless duty as specified in the reasonable preference categories outlined in S166A(3)(a) and (b) of the Housing Act 1996 (as amended). <ul style="list-style-type: none"> • S190(2) – Priority Need but Intentionally Homeless. • S193(2) – Main Duty. • S195(2) – Threatened with homelessness, in priority need and not intentionally homeless. • S192(3) – Power to secure for non-priority and not intentionally homeless. • S189B – Relief Duty
Other special circumstances, including a need to receive essential care and support in the area, applicants who were normally resident in Corby for 3 years before moving to supported accommodation out of the area to prevent homelessness.	Any special circumstances will be approved by the Housing Options Manager. Evidence must be shown that housing in Corby will be substantially beneficial to a permanent member of the household.

3. Demand for Self and Custom Build

3.1 The Self-Build and Custom Housebuilding Act 2015 (as amended) sets out that local authorities must grant sufficient suitable development permissions on serviced plots of land to meet the demand for self-build and custom house-building in their area as evidenced by the number of people on the register over a three year rolling period commencing on 31st October 2016.

3.2 The table below sets out the timeframes and the level of demand for serviced plots on the register:

Number of Entries on Corby's Self Build and Custom Build Register

Base period for the Custom and Self Build Register	Deadline for granting suitable planning permissions for self build plots for the base period	Current no. of entries
Base period 1 (17/03/16 – 30/10/16)	31/10/2019	12
Base period 2 (01/11/16 – 31/10/17)	31/10/2020	14
Base period 3 (01/11/17 – 31/10/18)	31/10/2021	5

3.3 Although the register suggests that there is currently demand for 31 serviced plots, it is considered that this should be re-evaluated against the proposed local eligibility criteria set out above to determine whether this is a genuine level of demand and help create a more realistic register. It is considered appropriate, in order to ascertain a genuine level of demand, that the current entries on the register be subject to testing against the two local eligibility criteria set out above. This would involve contacting each person on the register to obtain information to determine whether they should continue to remain on Part 1, be moved to Part 2 or removed altogether.

3.4 Regulation 10 enables an authority to remove an entry from the register:

- If the authority considers that an individual or association is no longer eligible for entry into the register
- Where the person has acquired land suitable for building a house, or

- If an individual or association fails to pay any fee to remain on the register
- 3.5 The Council is also working with partners in North Northamptonshire to pilot a new evidence tool for assessing long-term demand for custom and self build, in partnership with the Right to Build Task Force. The tool will provide a long-term evidence base to complement the short-term picture created by the register.

4. Implementation and Delivery of Self Build and Custom Build Plots

- 4.1 Once the level of genuine demand has been established, then the Council has to meet its obligations to grant planning permission for enough serviced plots to meet this demand. Options to implement this duty are set out below.
- 4.2 **Granting permission for sufficient plots:** For the purposes of assessing the supply of planning permissions to meet this duty it is considered reasonable to assume that smaller sites particularly, but not exclusively, those for single units, are considered more likely to fall under the definition of serviced plots of land to meet the demand for self build and custom house building. There were 3 sites granted planning permission for 3 dwellings on single plots during the first base period. 8 sites were granted planning permission for 10 dwellings on single or double plots during the second period. Planning permission has been granted during the third period on 4 sites for 7 dwellings. A list of those planning permissions that have been granted between March 2016 and June 2018 that could potentially contribute to meeting the demand for self-build and custom build housing is included in Appendix 1.
- 4.3 The adopted Joint Core Strategy also continues to support further opportunities for custom and self build housing. It is anticipated that many people on the register will be able to purchase individual windfall² plots for custom or self-build within the built up area of the town or villages in accordance with Policy 11 of the Joint Core Strategy. These sites represent a consistent and reliable source of housing supply in the borough. Furthermore Policy 30 of the Joint Core Strategy requires the Sustainable Urban Extensions and other strategic developments to make serviced plots available. The planning consents for the North-East Sustainable Urban Extensions were granted prior to the adoption of the Joint Core Strategy and make no provision for custom or self-build. Provision of this type of accommodation will however be encouraged here as part of any future planning applications. A planning application for the West Corby Sustainable Urban Extension has recently been received for the site and in accordance with Policy 30 the site will be expected to make specific land available for serviced plots. Much of this supply of serviced plots is not however likely to be immediately available, therefore it is considered appropriate to make some further provision for custom and self build in the Part 2 Local Plan.
- 4.4 Other Local Authorities are considering the inclusion of policies that require the provision of a set proportion of self-build plots on larger housing sites. In determining a suitable local threshold, sites of 50 or more was considered (similar to Borough Council of Wellingborough proposals) as well as sites of 125 dwellings or more. In the last three years there have been 1,065 dwellings completed on sites of 50 dwellings or more which accounts for 80% of all completions. A custom and self build policy affecting this proportion of sites is considered to be unreasonable. If all of these sites resulted in 5% providing custom and self-build this would have provided 54 plots which is significantly in excess of those people on the register at the current time. In the case of sites over 125 dwellings, within the last three years there have been 753 completions or 56% of all completions. If all these sites resulted in 5% custom and self build plots then 37 plots would have been provided, which more closely matches the level on the register.
- 4.5 **Housing, Land Disposal and Regeneration Functions:** To date, no permissions have been granted for serviced plots via any of these functions, the Council could review opportunities linking to:

² A windfall site is one that has not been allocated but comes forward for development at a later date. They are unforeseen sites that cannot be allocated at the time of the production of the Local Plan.

- **Housing Strategy** - The Councils current Housing and Homeless Strategy 2014-19 is under review in readiness for implementation post 2019 to take account of recent research related to custom and self build housing and modern methods of construction.
- **Asset Management** – A further option that should be explored is whether Council owned sites can be promoted for self-build housing. The Act suggest this should happen as it specifically states that the Council should have due regard to self-build in their duties including the release of Council land. However Corby Borough Council does not have significant land resources which could deliver serviced plots.
- **Regeneration** – No custom or self build is proposed as part of the current residential and regeneration programme. However officers are investigating methods of construction that are compatible with custom and self build housing.

4.6 **Brownfield Register** – The Council is required to prepare and maintain a Brownfield Register of land that is suitable for residential development irrespective of its planning status. The North Northamptonshire Brownfield Land Register published in December 2017 is split into Part 1 and Part 2. Local Planning Authorities are required to review their registers at least once a year. Consideration could be given when updating the Register to the suitability of sites for custom and self build housing. Sites entered in Part 2 of the Register are granted permission in principle.

5. Fee Charging for Entry on the Register

- 5.1 The 2016 Regulations enable Local Planning Authorities to charge a fee for entry onto the register and a separate annual fee for remaining on it
- 5.2 Fees must be set on a cost recovery basis only. The amounts charged must be publicised and must be proportionate, reflecting genuine costs incurred and should not act as a deterrent for people to be entered on or remain on the register. If an application is unsuccessful, any fee that has been paid must be returned.
- 5.3 A fee cannot be charged for someone to remain on the register where the duty to grant development permission does not apply (i.e. those who wish to remain on the Part 2 of the register).
- 5.4 The register is currently maintained and managed by the Local Plan team and the resources and costs are minimal. They are sufficiently covered by central government funding. Introduction of a fee may also have the consequence of discouraging potential applicants from registering. It is therefore proposed that no fees are charged for the time being, but that this position may be reviewed in the future.

6. Conclusion

- 6.1 Self-build housing is one means of delivering much needed homes. Whilst it is not going to make a major contribution towards the overall housing number it is a statutory requirement or duty placed on Local Authorities to firstly keep a register of interested parties and secondly to provide the requisite number of serviced plots.
- 6.2 Taking this into account it is considered wholly reasonable that the Council should ensure their efforts to provide serviced plots is both aimed towards genuine local need and, if it is, be financially viable for the interested parties to bring forward such sites.
- 6.3 The Joint Core Strategy offers support for self build and custom house building. However much of this is unlikely to be immediately available, therefore it is considered appropriate to incorporate a percentage policy as an option within the Part 2 Local Plan that requires a proportion of all larger developments to be reserved for self build and custom homes as this is considered an effective way of generating a number of plots.
- 6.4 The imposition of a fee is not considered necessary and could act as a deterrent for people to be entered on or remain on the register.

7. Issues to be taken into account:-

Policy Priorities

The issue of self build housing links directly to the strategic objectives in the Corporate Plan 2015-2020 to build quality new homes, improve existing housing stock and attract investment to deliver an increase in jobs and skills.

Financial

A one-off payment of £5,850 of New Burdens funding was paid to local authorities in June 2016 in respect of their new statutory duty to set up a register. A further £90,000 will be paid to local authorities between 2016/17 and 2019/20 to take account of additional dedicated resources required to identify land to satisfy the demand, according to the schedule below

Year	Amount
2016/17	£15,000
2017/18	£30,000
2018/19	£30,000
2019/20	£15,000
Total	£90,000

Legal

Self-build and Custom Housebuilding is governed by primary legislation, the Self-build and Custom Housebuilding Act 2015 (the Act), as amended by the Housing and Planning Act 2016, and secondary legislation set out in Regulations.

Subsequent to the introduction of the Act, Regulations came into force on 1st April 2016. The Housing and Planning Act (May) 2016 then made a set of changes to the Act. Subsequently, on 31st October 2016, two new sets of Regulations came into force. One set of Regulations had the effect of revoking the earlier April 2016 Regulations. National Planning Practice Guidance (PPG) was issued in April 2016 and was updated on 28th July 2017.

The Council must have regard to the Register when carrying out its functions relating to planning; housing; the disposal of any land of the authority and regeneration.

Human Rights, Community Safety, Equalities, Sustainability and Best Value

None

Risks

If the Council does not grant sufficient suitable development permissions to meet the demand in any one base period, then the Council will fail to meet its Duty. It is unclear what any repercussions of this would be as this has not been set out by Government as yet, however, these could be financial or give rise to outside involvement in the process. As the Council received a contribution from Government for publishing a self-build register it is likely that any further payments could be withheld

All data and works by the Council need to bear in mind Data Protection and the General Data Protection Regulation. Clearly the submission of personal information in relation to finances is a significant consideration and one that needs careful deliberation. Officers have completed a Privacy Impact Assessment.

8. Recommendation

- **Financial Resources** – It is recommended that the Council adopts a criterion whereby applicants will need to demonstrate that they have sufficient financial resources to purchase plots for self build and custom house-building.
- **Local Area Connections** – It is recommended that the Council adopts a local area connection criterion requiring an applicant to demonstrate any of the criteria set out in the Councils Housing Allocation Policy.

- **Review of Register** – It is recommended that, subject to the additional criteria being adopted, the current register be reviewed to ensure compliance with the criteria for entry onto the register. This would involve contacting each person on the register to obtain information to determine whether they should continue to remain on Part1, be moved to Part 2 or removed altogether
- **Local Plan** – It is recommended that a policy is introduced as an option within the Part 2 Local Plan for consultation.
- **Fee** – It is recommended that no fee is charged to enter or remain on the register

Background Papers

[North Northamptonshire Joint Core Strategy 2011-2031](#), July 2016

[Self-build and Custom Housebuilding Act](#) (2015)

[Self-build and Custom Housebuilding \(Register\) Regulations 2016](#)

Consultations

Subject to approval from Members, officers intend to consult individuals already registered on the Councils Self Build and Custom Register regarding the implementation of additional eligibility criteria.

Officer to Contact

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Appendix 1

Permissions in period 1 – 17/3/16 to 30/10/16					
	Planning Ref	Date Approved	No of plots	Description	Address
1	16/00048/DPA	01/04/2016	1	Proposed residential dwelling, detached garage and associated landscaping	Camsdale Walk, Middleton
2	16/00162/DPA	19/06/2016	1	New bungalow to rear of existing property	33 Kelvin Grove, Corby
3	16/00282/DPA	07/09/2016	1	Two bedroom house on land adjacent to 73 Bonington Walk	73 Bonington Walk, Corby
Permissions in period 2 – 01/11/16 to 31/10/17					
4	16/00319/DPA	16/11/2016	1	New bungalow	7 Caistor Road, Gretton
5	16/00425/DPA	09/12/2016	2	Demolition of single detached dwelling and construction of 2 No detached dwellings	36 Arnhill Road, Gretton
6	16/00292/DPA	22/12/2016	1	Erection of a two storey four bed Farmhouse building	Hempwell Quarry, Cottingham
7	16/00445/DPA	23/12/2016	1	Erection of a two storey dwelling attached to No. 19 Ripley Road	19 Ripley Road, Cottingham
8	15/00444/DPA	22/02/2017	2	2 new dwellings and garages proposed to rear garden.	4 Brooke Road, Great Oakley
9	16/00349/DPA	06/04/2017	1	2 bed eco-friendly sustainable mobile log cabin for residential use	Ganders Farm, Rockingham Road, Cottingham

Appendix 1

10	17/00272/DPA	08/08/2017	1	Detached house on land at rear of 284 Oakley Road	284 Oakley Road, Corby
11	17/00316/DPA	01/09/2017	1	Bungalow with detached garage	14 Stanion Lane, Corby
Permissions in period 3 – 01/11/17 to 31/10/18					
12	17/00188/DPA	12/07/2017	1	Proposed dwelling	Manorfield, Bridge Street, Weldon
13	17/00351/DPA	08/09/2017	1	Proposed dwelling	Manorfield, Bridge Street, Weldon
14	17/00353/DPA	08/09/2017	1	Proposed dwelling	Manorfield, Bridge Street, Weldon
15	17/00354/DPA	08/09/2017	1	Proposed dwelling	Manorfield, Bridge Street, Weldon
16	17/00268/DPA	09/11/2017	1	Construction of one dwelling with associated garage and parking	38 Arnhill Road
17	17/00302/DPA	15/12/2017	1	Proposed development of 1 detached 4 bedroom dwelling with associated access, parking and garaging	Land between 29-33 Stamford Road, Weldon
18	17/00573/DPA	19/12/2017	1	Detached house with integral garage	12a High Street, Cottingham