

TONBRIDGE & MALLING BOROUGH COUNCIL
PLANNING and TRANSPORTATION ADVISORY BOARD

13 November 2019

Report of the Director of Planning, Housing & Environmental Health

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 SELF BUILD REGISTER UPDATE

This report updates Members in respect of the Council's Self-Build and Custom Housebuilding Register and specifically the introduction of eligibility criteria including a local connections test and a financial solvency test. The report also seeks agreement for the introduction of an administration fee.

1.1 Introduction

- 1.1.1 The Self-Build and Custom Housebuilding Act 2015 and subsequent Self-Build and Custom Housebuilding Regulations 2016 require 'Relevant Authorities', including Tonbridge and Malling Borough Council, to have established and publicised a Self-Build and Custom Housebuilding Register by 1st April 2016. The registers are intended to identify the demand for self-build and custom housebuilding within each Relevant Authority's area. To meet this requirement, Officers in the Planning Policy team created a register from 1st April 2016. Details on how to currently apply can be found on the TMBC website.
- 1.1.2 The Council is required to have regard to the register in its planning, housing, regeneration and land disposal functions. Further details regarding these requirements, including the duty to provide 'sustainable development permission' to meet the demand for self-build and custom housebuilding, are set out within the Housing and Planning Act 2006.
- 1.1.3 There are currently 153 expressions of interest on the register, including one association of 5 individuals. The effect of introducing the local connections eligibility criteria could potentially have the effect of reducing those on Part 1 of the register to 51. This is based only on the addresses of those who applied. This figure may be higher once further information is sought, for example, if applicants can demonstrate that they work in the borough. The remaining applicants will form Part 2 to the register. The duty on the Council to provide plots only applies to those on Part 1.

- 1.1.4 The duty on Relevant Authorities is to give suitable development permission to enough suitable serviced plots of land to meet the demand for self and custom housebuilding in their area based on the number of entries within a 'base period'. The base period is the year ending 30th October in a given year. The first base period since the registers were established ended on 30th October 2016. Relevant Authorities have three years to grant permissions for an equivalent number of plots of land which are suitable for self and custom housebuilding.
- 1.1.5 There were 28 registrations in the first base year period (although this would reduce to approximately 14 with the introduction of the proposed local connectivity test). There have not been any suitable permissions to date, but provision for meeting the demand for self-build plots has been included within the draft Local Plan at Policy LP46.

1.2 The Introduction of Eligibility Criteria for being included on the Register

- 1.2.1 Eligibility criteria for entry onto the Council's register are set out in the Regulations. These originally stated that applicants would be eligible to be placed on the Council's register if they are:
- aged 18 or over;
 - a British citizen, a national of an EEA state other than the UK or a national of Switzerland; and
 - seeking (either alone or with others) to acquire a serviced plot of land in the relevant authority's area to occupy as that individual's sole or main residence.
- 1.2.2 Applications from associations of individuals will only be successful if each individual meets all the criteria.
- 1.2.3 The 2016 Regulations were updated in October 2016 and now specify that in addition to the complying with the eligibility criteria set out above, Relevant Authorities can introduce eligibility criteria for entry onto their register in the form of a local connection test (LCT) and a financial solvency test (an assessment of an applicant's ability to purchase land for their own self-build project). Relevant Authorities are also able to introduce an entry fee and an annual charge for applicants wanting to remain on the register.
- 1.2.4 The updated 2016 regulations specify that if a Local connections test is implemented, the register must be split into two parts. All those applicants who meet all the eligibility criteria (including a local connections test, financial solvency test and pay the required fee), will be in Part 1 of the register. Those applicants who fail to meet the local connections test, but otherwise meet the eligibility criteria, will be placed into Part 2 of the register.

1.2.5 Those in Part 1 of the register will be the first to get offered, any suitable self-build sites that become available. Those on Part 2 of the register would only be offered these sites, when all those on Part 1 decline the site offered to them.

1.2.6 The Council is required to provide sufficient, suitable development permissions to meet the demand for self-build and custom housebuilding as evidenced in its register within three years of the conclusion of each base period. Each base period is from 31st October until the 30th October the following year. The subsequent base period will start the next day, after the conclusion of the previous base period.

1.3 Proposed Way Forward

1.3.1 Given the challenges of finding sufficient land to meet future development needs in an area of high constraint like Tonbridge and Malling, as demonstrated in the preparation of the draft Local Plan, the introduction of local eligibility criteria and the financial capacity to deliver a self-build project is a reasonable expectation.

1.3.2 Proposed Local Connections Test Criteria

- 1) Criteria have already been introduced by many Local Authorities, including some near neighbours. The suggested local connection test criteria below are based on these examples.
- 2) Applicants must demonstrate that:
 - They have been a permanent resident of the Borough for three consecutive years, prior to application or;
 - They are currently employed within the Borough and have been for a minimum of the past twelve months (consecutively) or;
 - They are current self-employed, with an ongoing viable venture where the work is within the Borough, and has been for a minimum of twelve months (consecutively) or;
 - They are in the service of the regular armed forces of the Crown (defined within the meaning of section 374 of the Armed Forces Act 2006) or have left regular service within the past 5 years immediately preceding their application on the Self-Build Register.
- 3) In respect of the second bullet point, employment must be over 16 hours per week, and where working hours fluctuate, an average will be taken over the 12 months. For the third bullet point self-employment must be more than 16 hours a week, and where working hours fluctuate, an average will be taken over the 12 months.

- 4) Regarding the forth bullet point those who have retired from the Armed Services are eligible period of 5 years after leaving active service. In these circumstances the Council would require proof of current service; or evidenced of the past service. This will include the date of leaving service.

1.3.3 Financial Capacity Test

- 1) Given the duty placed on the Council to provide sufficient suitable development permissions to meet the demand for self-build and custom housebuilding plots as evidenced on the register, it is considered reasonable to also introduce a test that will assess whether an applicant is able to have the financial ability to purchase land and fund the construction of their self-build project within three years of development consent being given.
- 2) The Government have not published any guidance for Local Authorities on how such an assessment should be made. It is also acknowledged that the price of a plot is likely to vary in both its size and location, other external influences are also likely to affect the price of land, within the Borough.
- 3) The recommended course of action is to request evidence (in the form of a principle bank loan agreement or proof of personal savings) from applicants, which demonstrates that they have sufficient funds to purchase a plot of land and to fund the construction of their self-build project.
- 4) The Local Plan evidence base includes a Viability Study Including Community Infrastructure Levy (CIL) Document (July 2018), which could be used to assess the estimated costs involved in building your own home. This report examines recent sales of development land (Table 6.3). The average of a plot of land across the Borough is £165,254. It is projected that the average cost per square metre for a self-build project, built to a good standard, using builders and subcontractors in the South-East, is £1,168 per square metre.
- 5) When applying these cost estimates to an average three bed semi-detached, two storey house, with a floor area of 100 square metres the cost would be in the region of £116,800. These combined land and build costs equate to an average of £282,054 for a self-build project. It is this figure that the financial solvency evidence will be assessed against.

1.3.4 Proposed Eligibility Criteria to be Applied to the Tonbridge and Malling Self and Custom House Building Register

- 1) Subject to Member approval, the following evidence outlined in the table below would be requested from applicants already on the Register and would also be required to support future applications. This would demonstrate that the applicant has a clear connection to the Borough and has funds sufficient to pursue a self-build or custom build project.

Criteria	Evidence Sought
Age	Copy of passport, driving licence, birth certificate or suitable equivalent
Nationality	Copy of passport, identity card or suitable equivalent
Local Connections Test	<p>Historic (at least 3 years old) and current utility bill, demonstrating name and home address(es) of the applicant or;</p> <p>Historic (at least 12 months old) and current P45 or Payslip demonstrating the applicants address(es) of employment or;</p> <p>Assessment of self-employment statement, the applicant must provide any evidence that they feel is relevant to support their statement or;</p> <p>Proof of employment in the armed forces or previous service up to five years prior to application.</p>
Finance and Resources	<p>Details of savings equivalent or greater to the average price per plot (as defined in this document) that could definitely be used for purchase of land and to fund the construction of a self-build project or;</p> <p>In-principle bank loan agreement for the purchasing of the land and funding of any resources that will be used to construct for the build.</p>

1.4 Introduction of an Administration Fee

- 1.4.1 The updated 2016 regulations also enable a Relevant Authority to charge a fee for entry onto and an annual fee to remain on the register. This fee must only be at a level to which it is remediating the costs incurred by processing the application.
- 1.4.2 The proposed fees are £30 for processing new applications to be included on the register and an annual administration fee of £15.
- 1.4.3 It is not considered appropriate to charge a registration fee to those on the existing register. However the annual administration fee of £15 for remaining on the register will apply.

1.5 Legal Implications

- 1.5.1 The Council is required to keep and publicise a Self-Build and Custom House Building Register. There are also duties relating to meeting the needs of those on the Register.
- 1.5.2 The application of eligibility criteria and charges is an optional requirement.

1.6 Financial and Value for Money Considerations

- 1.6.1 There are financial implications for maintaining the Register, which can be offset by the application of administrative fees.
- 1.6.2 The cost of providing suitable plots will be recovered from the successful self-build and custom housebuilder.

1.7 Risk Assessment

- 1.7.1 The introduction of eligibility criteria and administrative charges will have the effect of reducing the potential financial burdens on the Council.

1.8 Equality Impact Assessment

- 1.8.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.9 Recommendations

- 1.9.1 That the proposed eligibility criteria and financial capacity test criteria **BE APPLIED** to those already on the Tonbridge and Malling Self Build and Custom House Building Register and for future applicants as set out in 1.3.4 of this report; and
- 1.9.2 That an administration fee as set out in 1.4.1-1.4.3 of this report **BE INTRODUCED** for new applicants and that the annual fee **BE APPLIED** to all of those on the Register from 1st April 2020.

The Director of Planning, Housing & Environmental Health confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

Nil

contact: Ian Bailey
 Planning Policy Manager
 Mark Taylor
 Planning Officer

Eleanor Hoyle
 Director of Planning, Housing & Environmental Health