

REPORT FROM: HEAD OF ECONOMIC GROWTH

TO: EXECUTIVE

DATE: 30 May 2024

Report Author: Deborah McCarthy
Tel. No: 01282 661973
Email: deborah.mccarthy@pendle.gov.uk

SELF BUILD AND CUSTOM HOUSEBUILDING REGISTER INTRODUCTION OF REGISTRATION FEE

PURPOSE OF REPORT

To recommend that Members approve the introduction of a registration fee for entries on the Pendle Self-Build and Custom Housebuilding Register.

RECOMMENDATIONS

- (1) For Members to agree the introduction of a fee to join the Pendle Self-Build and Custom Housebuilding Register.
- (2) For the registration fee to be set at £100 per annum, with the maximum amount payable being £300 – i.e. applicants are permitted to stay on the register free of charge beyond three years.
- (3) To consider implementing eligibility criteria for inclusion on the Pendle Self-Build and Custom Housebuilding Register, as there are currently no restrictions.

REASONS FOR RECOMMENDATIONS

- (1) To ensure that the Council meets its statutory requirements for management of the Pendle Self-Build and Custom Housebuilding Register.
- (2) To help cover some of the costs incurred in obtaining planning permission for serviced plots for development.
- (3) To monitor the genuine interest rather than the speculative interest in self-build and custom housebuilding within the Borough.

BACKGROUND

1. In October 2014, Pendle Borough Council was one of eleven vanguard councils selected to test the practicalities of operating the Right to Build initiative across the country. This initiative sought to promote the construction of more self- and custom-build homes in England (custom-build homes are self-build homes delivered on a serviced plot provided by a developer).
2. The Pendle Self-Build and Custom Housebuilding Register [“the Self-Build Register”] was established in November 2014. The following year, the Self-Build and Custom Housebuilding Act 2015 placed a duty on all local councils in England to maintain a register of people who are interested in acquiring a serviced plot of land with a view to building their own home.
3. The Self-Build and Custom Housebuilding (Register) Regulations 2016 came into force on 1 April 2016. These regulations were updated later that year to reflect that the Housing and Planning Act 2016 had placed a further duty on Local Planning Authorities [“LPAs”] requiring them to give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority’s area arising in each base period (i.e. the total number of entries on the Self-Build Register at the end of each year). The updated Regulations also specified that LPAs could introduce:
 - a. A fee for entry onto their Self-Build Register – and an annual fee to remain on the register – to help cover the cost of the administration involved in checking evidence submitted by potential entrants and maintaining the Self-Build Register
 - b. Local eligibility conditions for entry onto the Self-Build Register, in the form of a local connection test.
 - c. A financial solvency test.
4. To date Pendle Borough Council has not introduced any of these requirements because originally the Register was created to determine interest within the Borough based on the original initiative
5. The Self-Build Register is intended to provide evidence of the level of housing need for a very specific type of housing, which the Council has a duty to consider. The level of need is determined by the number of entries added to the Register during a base period. A base period lasts for one year and in Pendle it ends on the 31 October each year.
6. A total of 16 new entries were added during Base Period 8 (ending on 31 October 2023), increasing the total number of entries on the Pendle Self-Build Register to 281.
7. The Self-Build Register is not intended to operate as a waiting list. Whilst the Council has a legal duty to grant sufficient permissions to meet the demand for self-build and custom housebuilding plots, there is no requirement for a permission to specifically relate to the preferences expressed by those on the register.

ISSUE

8. The number of entries on the current Pendle Self-Build Register is not a true reflection of the actual need, or demand, for self-build and custom housebuilding in the borough. The register includes numerous duplicate and speculative entries. Examples include multiple entries from the same household and applicants whose preference is to acquire a serviced plot in a neighbouring authority but have also registered in Pendle because there is no cost for doing so.

9. The artificially inflated figure has a significant impact on the day-to-day management of the register; our understanding of the impact that self-build and custom housebuilding is likely to have on the overall supply of housing land in the borough; and our ability to meet other housing needs. It also means that the Council is failing to meet its statutory duty to provide sufficient serviced plots.
10. To satisfy the current number of entries on the Pendle Self-Build Register, the Council will need to identify enough land to meet two years' worth of total housing need.
11. The risk to the Council, arising from the lack of sites available to meet the need for self-build and custom housebuilding is two-fold:
 1. The Pendle Local Plan Fourth Edition may be found unsound at Examination if sufficient serviced plots are not identified.
 2. Increased pressure to grant planning permission for speculative development on Greenfield sites outside the settlement boundary. Experience elsewhere in Lancashire suggests that where such applications are refused, they are likely to be granted planning permission on appeal if the number of entries on the Self-Build Register shows that there is an unmet need.

Registration Fee

12. Many LPAs have introduced either a one-off charge or an annual fee so that their Self-Build Registers accurately reflect the true demand for this type of housing. The fee helps to ensure that only people who are genuinely looking to secure a self-build plot within their area are included on the register.
13. The fee enables the Council to provide a service that is better tailored to meeting the needs of those who remain on the register and helps to cover some of the costs incurred in gaining planning permission for serviced sites.

Local eligibility conditions

14. In addition to the introduction of an annual charge this report also proposes that Pendle Borough Council introduces two local eligibility criteria for inclusion on the Self-Build Register:
 - **A Financial Resources Test:** To be entered onto the Self-Build Register applicants would have to demonstrate with evidence that they have access to the finance needed to acquire land and
 - **A Local Connection Test:** To be entered onto the Self-Build Register (which triggers the duty to grant planning permission), applicants would also have to demonstrate with evidence that they:
 - a. Have been living in the borough continuously for at least three years; or
 - b. Are a current serving member of the regular forces; or have been a member within the five years preceding their application;
 - c. Have been working in the borough for at least 3 years.

Justification

15. The introduction of a registration fee and local eligibility criteria is considered to be necessary so that the Council can:

- be certain that the Pendle Self-Build Register accurately reflects genuine local demand for this type of housing;
- satisfy its duty to grant suitable planning permissions, without prejudicing its ability to meet other local housing need;
- ensure that those on the Pendle Self-Build Register have a reasonable prospect of acquiring land within the borough; and
- limit the duty to grant planning permission to applicants that it wishes to prioritise.

IMPLICATIONS

Policy: Should the Pendle Local Plan fail to allocate sufficient plots to address the demand for self-build and custom housebuilding it may be found unsound at examination.

Financial: The introduction of a registration fee will help to offset costs that are currently met from the Regeneration budget.

Legal: The Council has a duty to grant permission for sufficient serviced plots to meet the demand for self-build and custom housebuilding.

Risk Management: None arising directly from this report.

Health and Safety: None arising directly from this report.

Sustainability: None arising directly from this report.

Community Safety: None arising directly from this report.

Equality and Diversity: None arising directly from this report.

APPENDICES

None

LIST OF BACKGROUND PAPERS

Self-Build and Custom Housebuilding Act 2015

Housing and Planning Act 2016

Self-Build and Custom Housebuilding (Register) Regulations 2016

Levelling Up and Regeneration Act 2023