

Report to: **Strategic Planning Committee**

Date of Meeting: Tuesday 25 February 2020

Public Document: Yes

Exemption: None

Review date for release None



Subject: **Summary of self-build monitoring report (31/10/18 – 30/10/19) and review of local connection test for self-build register.**

Purpose of report: To report on the latest self-build monitoring report, consider the case for maintaining a local connection test for Part 1 of the self-build register and to consider whether to introduce a financial test or to charge a fee to join the register.

Recommendation:

1. To note that 29 individuals were added to the self-build register during the latest monitoring period (31/10/18 to 30/10/19).
2. To note the need to permission 19 plots suitable for self-build between 31/10/19 and 30/10/22 to meet the level of demand between 31/10/18 and 30/10/19 shown on Part 1 of the self-build register;
3. That the local connection test for inclusion on Part 1 of the self-build register be retained;
4. That no financial test is introduced for inclusion on Part 1 of the self-build register; and
5. That no registration fee is introduced to join the register.

Reason for recommendation: The latest [monitoring report](#) shows that East Devon is meeting its statutory duty to provide a supply of suitable sites to meet the demand for self/custom build housing shown on the self-build register. The Council also has a duty to take account of the register when exercising its planning, regeneration, housing and estate management functions. The local connection test for Part 1 of the register was introduced in April 2017 and needs to be reviewed periodically.

Officer: Linda Renshaw, Senior Planning Policy Officer

lrenshaw@eastdevon.gov.uk

01395 571683

Financial implications: The financial implications of maintaining the register is commented on in Section 5 in the consideration of the adoption of a registration fee. There is nothing else in the report which requires financial comment.

Legal implications: The legal implications are as set out within the report and monitoring report

Equalities impact: Low Impact

Climate change: Low Impact

Risk: Medium Risk

The increased delivery of land for self-build and custom build purposes is a government priority and there is a duty to provide sufficient serviced plots to meet the demand shown on the register.

Links to background information:

- Third Self-build monitoring [report](#)
- Report to Strategic Planning Committee on [22nd October 2019](#)
- [Report to Strategic Planning Committee 26/03/19](#) (second monitoring report and discussion of ways to promote self-build)
- [Minutes of Strategic Planning Committee 26/03/19](#)
- [Report to Strategic Planning Committee 20/03/18](#) (first monitoring report and discussion of ways to promote self-build)
- [Minutes of Strategic Planning Committee 20/03/18](#)
- [Report to Strategic Planning Committee 29/03/17](#) (initial self-build monitoring, imposition of local connection test, decision not to impose financial test or fee for self-build register)
- [Minutes of Strategic Planning Committee 29/03/18](#)
- [Self-build and custom build - East Devon](#)
- [Cranbrook Plan - Cranbrook Plan Submission Draft - East Devon](#)
- [Housing and Planning Act 2016](#)
- [Self-build and Custom Housebuilding Act 2015](#)
- [Self-build and custom housebuilding - GOV.UK](#) (National Planning Practice Guidance)
- [Document pack from SPC meeting 26/03/2019](#)
- [Minutes of SPC from 26/03/2019](#)
- Self-build monitoring report [March 2018](#)
- Self-build monitoring report [March 2019](#)

Link to [Council Plan](#): Encouraging communities to be outstanding; Developing an outstanding local economy; Delivering and promoting our outstanding environment; Continuously improving to be an outstanding council

Report in full

1. Background

- 1.1 Since March 2016 we have kept a register of people who are interested in building their own home in East Devon. Since October 2017 we have had a duty to ensure that enough serviced plots are 'permissioned' to meet the demand shown on the register. Our recently published third monitoring report on self-build shows the latest demand and supply figures and includes definitions of what constitutes self-build housing. We need to consider the results in our planning, housing, regeneration and estate functions.
- 1.2 In April 2017 we introduced a local connection test so that only those with a local connection are included on the part of the register that is used to gauge demand for the number of plots that need to be permissioned (Part 1). Almost three years after the introduction of the local connection test it is appropriate to consider its impact and whether it should be retained. At the same time that the local connection test was considered we decided not to introduce a financial solvency test or a registration fee and it is timely to also review these decisions.

2 Summary of latest self-build monitoring report

- 2.1 The latest (third) self-build monitoring [report](#) shows that during the last monitoring period (31/10/2018 to 30/10/2019 – these dates are set by legislation) 29 individuals were added to our self-build register and the cumulative total since the register was started in March 2016 is 122. Since April 2017 our register has been divided into two. Part 1 includes a local connection test: we have a legal duty to permission enough serviced plots that are suitable for self-build to meet the level of demand shown on Part 1 of our register. Part 2 of the register is for those who do not meet the local connection test. Parts 1 and 2 together indicate the general level of demand for self-build and we must have regard to this in our planning, housing, regeneration and estate functions. The number of individuals added to Part 1 of our register in the latest monitoring period (which is referred to as a base period) was 19 and there is a cumulative total of 100.
- 2.2 We are required to show that we have permissioned enough serviced plots to meet the demand shown on Part 1 of the register within the three years following the end of each base period. There is some discretion for us to decide which permissions meet the requirement that they are 'suitable' for self-build. We have looked at what other authorities include in their monitoring figures together with evidence from our CIL exemptions and information from people on our register. Further details of the method we have used to calculate our supply of plots suitable for self-build are included in Appendix 1 of the monitoring report.
- 2.3 Our figures show that sufficient permissions have been granted to meet the demand shown for the first base period (the requirement for meeting this expired on 30/10/2019). The requirement to meet the demand shown in the second base period does not expire until 30/10/2020, but our figures shown that we have already permissioned enough plots to meet the demand shown for both the second and third base periods. This is supported by the number of CIL exemptions granted on the basis of self-build (around 115 between 31/10/2016 and 30/10/2019).

3 Retention of Local Connection Test

- 3.1 The [National Planning Practice Guidance](#) (NPPG) says that local connection tests and financial insolvency tests should only be applied where there is a strong justification to do so. The NPPG goes on to make it clear that a local connection should only be imposed where there is a strong justification in relation to a recognised local need and that they should be reviewed periodically to ensure that they remain appropriate and that they are still achieving the desired effect. Nearly three years after the introduction of the local connection test it is appropriate to consider whether it is still appropriate.
- 3.2 Our local connection test was introduced in 2017 following a report to this Committee in March 2017. The test was introduced prior to the introduction of guidance on the subject in the NPPG set out in paragraph 3.1 of this report. The reasons given for introducing our local connection test were so that the register more accurately reflected the demand for self-build in East Devon and to ensure that demand for new built holiday homes was not included on Part 1 of the register. Since the local connection test was introduced 34 individuals have been added to Part 1 of the register and 22 added to Part 2.
- 3.3 The reasons that some other authorities have imposed a local connection test has been researched to help inform our decision on whether to retain our local connection test. Table 1 below sets out the results.

Table 1 Review of a Sample of Local Planning Authorities Reasons for Imposing a Local Connection Test

Name	Comments
Tewksbury	Only justification is to ensure reflects local demand
Harringey	Several reasons for imposing test including high percentage of applicants live outside the district and are also on other registers
Woking	Difficulties meeting local housing targets justifies only meeting demand from those with a strong local connection
Welling and Hatfield	Inclusion on more than one register inflates local demand when green belt releases are already required to meet local housing need
Hart	New development in much of the district requires contributions to Suitable Alternative Natural Greenspace, the capacity of which is limited and should be available to those with a local connection
Waverley	Test introduced so that demand was not over inflated by people from outside the district in a highly constrained part of the country
Norwich	Ensures that priority for self-build plots is given to people with a local connection
Allerdale	To ensure that local households are given priority
Guildford	Due to the difficulty of finding suitable sites
Winchester	To make it easier to comply with the requirement to permission enough serviced plots to meet the demand on part 1

3.4 Two thirds of the geographical area of East Devon is designated as an Area of Outstanding Natural Beauty and much of the remaining part of the District is within 10 km of the Exe Estuary and East Devon Heaths Special Protection Areas, where mitigation measures are required to make development acceptable. More than two thirds of the people who applied to our register during the latest base period had also applied to at least one other register. East Devon is a popular area for people to retire and to have a holiday home.

3.5 The factors that led to the introduction of a local connection test have not altered and it is therefore recommended that the test is retained. When considering this course of action the latest monitoring report should be taken into account. This shows that the supply of plots suitable for self-build exceeds the numbers on both Part 1 and Part 2 of the register.

4 Financial Solvency Test

4.1 The NPPG says that a financial solvency test should only be introduced where there is a strong justification. Such a test may involve an assessment of whether an applicant can afford to purchase the land. When the matter was considered in 2017 the report to this Committee stated that “This would help to ensure that only those with a realistic hope of financing their self-build would be included in Part 1 of the register, but it is considered that any such criteria would be unjustified at the current time because the inputs required are onerous in relation to the benefits of being included on the register”.

- 4.2 Evidence from the register has consistently shown that a large proportion of people have less than £100,000 to spend on a building plot: in the last monitoring (base) period this was 55% of the total (17% had less than £50,000) with only 31% having more than £100,000 to spend on a plot and 14% who didn't know. At the time of writing only one plot was found in East Devon that was marketed for under £150,000. This suggests that there may be unrealistic expectations from some on the register about how much plots cost in East Devon: this is backed up by responses from people stating that the main hurdle to securing a plot is a lack of affordable plots (see Appendix 3, Question 4 of the latest self-build monitoring report).
- 4.3 Despite the evidence that the self-build register includes a significant proportion of people who may not be able to afford to buy a building plot (on the open market), it is not recommended that a financial solvency test be introduced. The cost of administering such a test would be far greater than the existing local connection test and our monitoring indicates that we are able to meet our requirements to permission sufficient plots even with the absence of a financial solvency test.

5 Registration Fee

- 5.1 It would be possible to make a charge for inclusion on the register. The NPPG states that: "Relevant authorities can only set fees on a cost recovery basis. Any fees charged must therefore be proportionate, reflect genuine costs incurred and should not act as a deterrent for people to be entered on or remain on the register".
- 5.2 The cost of administering the self-build register is minimal as the only internal checks required are to refer to the electoral register and investigate any claims of local employment if relevant. The introduction of a fee, however nominal, would act as a deterrent to registration and is difficult to justify in relation to the limited benefits of being on the register for the individual. The main use of the register at the current time is to provide general evidence of the level of demand that can be taken into account in our planning decisions and there is no requirement to offer plots to those on the register. If, in the future, the Council is able to offer plots for sale and to give priority to those on the register the imposition of a fee should be reviewed.