

North Yorkshire Council

Executive

23 January 2024

Approval of criteria and fee for entry on to the Self-build and Custom Housebuilding Register

Report of the Corporate Director of Community Development

1.0 PURPOSE OF REPORT

- 1.1 To agree the criteria and fee for inclusion on Part 1 of the Self-build and Custom Housebuilding Register for North Yorkshire.

2.0 BACKGROUND

- 2.1 The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) (hereafter referred to as 'the Act') placed a duty on public authorities to keep a register of individuals (including groups of individuals) and associations who wish to acquire serviced plots to bring forward self and custom build housing. The Act placed a duty on public authorities to have regard to those registers in carrying out their planning and other functions including housing, regeneration and disposal of land functions.
- 2.2 The Act and the Self-build and Custom Housebuilding Regulations 2016 (as amended) (hereafter referred to as 'the Regulations') enables local authorities to include up to two optional local eligibility tests; a local connection test and a financial solvency test. Authorities can apply one or both of these tests only where there is strong justification for doing so. The Act, the Regulations and the Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 also allows the authority to impose a fee to be placed on the Self-build and Custom Housebuilding register (thereafter referred to as 'the register'). The fee is to reflect the costs of administering and maintaining the register and not exceed what is considered cost recovery.
- 2.3 The legislation makes provision for the register to be split into two parts, Part 1 and Part 2. Part 1 is the element that would be subject to any eligibility criteria and/or a fee. The local authority has a duty to provide sufficient plots to meet the identified demand on Part 1 of the register. Part 2 is for individuals or groups who either do not meet the eligibility criteria or, if a fee is required, choose not to pay the fee. Part 2 is to assist in the local authority in determining the overall demand for self-build plots in the authority area for the purposes of longer term planning, housing, land disposal and regeneration but do not count towards demand for the purposes of the legislation.
- 2.4 The former district authorities have their own respective registers, however following reorganisation; the council must put in place a consolidated register for the whole of North Yorkshire Council area, excluding the two National Parks. This provides the opportunity to re-consider the eligibility criteria and fees for acceptance onto the register.

3.0 THE SELF-BUILD AND CUSTOM HOUSEBUILDING REGISTER

Creating a New Register and Determining Criteria and Fees

- 3.1 The proposed approach for setting up a single Self-build and Custom Housebuilding Register for North Yorkshire was set out in the Report of the Corporate Director of Community Development on the 11 October 2023 (link: <https://edemocracy.northyorks.gov.uk/documents/s23375/NYC%20Self%20Building%20and%20Customer%20Housebuilding%20Register.pdf>)
- 3.2 The report proposed a two-part register with, for Part 1 only, the introduction of local eligibility criteria with a local connection test and an administration fee of £123.
- 3.3 There would be no local eligibility criteria or administration fee for entrants joining Part 2.
- 3.4 Those entrants on the legacy self-build register (Part 1) for the former Harrogate Borough, would not be subject to the £123 admin fee as they have previously paid a joining fee. However, if they opt not to move across at this time but seek to join later, the fee will apply.
- 3.5 The imposing of eligibility criteria and a fee for entry on to Part 1 was subject to a four-week consultation process.

4.0 CONSULTATION UNDERTAKEN AND RESPONSES

- 4.1 This was a targeted consultation. All individuals and groups on any of the legacy self-build registers and all Town and Parish Councils were consulted. Where a town or parish council does not exist in Harrogate and Scarborough, Division Members were consulted.
- 4.2 There was no requirement to consult all persons on the consultation list or the usual statutory consultees that would have no interest in this subject matter.
- 4.3 Consultation was undertaken over 4 weeks starting on the 26 October and closing on the 23 November 2023. A total of 25 responses were received from individuals and parish/town councils. Seven Parish/Town Councils responded and 18 individuals. The comments are summarised below along with responses. The full list of responses can be found in Appendix 3 (redacted of any personal or identifiable data).

Local Connection Test

- 4.4 From those responses; 11 agreed with the proposals to introduce local eligibility criteria in the form of a local connection test, while three objected. The three objections were from people who live just outside of the district who felt they should not be prevented from joining the register.
- 4.5 A further comment is that North Yorkshire is a very broad area, and that local connection could be restricted to constituency areas.
- 4.6 The Regulations set out what local eligibility conditions can be considered regarding a local connection test. While the legislation allows a local connection test to be introduced, it sets out that this local connection is to the authority's area. There is no specific provision in legislation to either extend the local connection area to include areas outside of the local authority area or to separate it into the constituency areas.
- 4.7 However, this does not prevent individuals outside of the authority area, who do not have a local connection, joining Part 2 of the register and thus feeding into the demand data for planning, housing, regeneration, and disposal of land functions. It also does not restrict

them from obtaining a plot and building a home. It simply restricts them from being on Part 1 of the register meaning that the Council is not obliged to find sufficient plots to address the needs of persons from outside of the district.

- 4.8 When considering the demand for self/custom build plots, the register can ask which areas an applicant is interested in. This means that demand can be interpreted more locally than North Yorkshire as a whole.

Charging a Fee

- 4.9 Of the 25 responses received, eight support the introduction of a fee, six opposed the introduction, others raised concern over the proposed cost of the fee, how the fee was calculated and the level of service which would be provided in return for the fee.
- 4.10 The admin fee has been calculated on the basis of an annual average of five new persons registering onto Part 1; their fee covering the cost of two hours of administration and two hours of the 10 hours budgeted for to produce the list of self-build opportunities.
- 4.11 Taking the above into account, the fee has been calculated by factoring in the hourly rates provided by the Finance Department and any associated on-costs. This resulted in a proposed fee set at £123 for entry onto Part 1 of the Register. It should be noted that this is a one-off fee with no ongoing annual fee and the person or group on the register will receive the annual list of potential sites for as long as they remain on the register. It is proposed to review the resources required to carry out these tasks by 31 October 2025.
- 4.12 The fee proposed is considered to represent a reasonable charge to recover only the costs associated with the maintenance, preparation of a Self-build opportunities list and correspondence with entrants on the register.
- 4.13 It is proposed to provide all entrants on Part 1 a list of potential opportunities for self-build taken from the up-to-date housing monitoring list on at least an annual basis. The list would include sites that have permission for one or a small number of units that have not yet commenced and thus may provide opportunities for self-builders.
- 4.14 Details will also be sent out to those on Part 1 of any of the larger sites that have specific permission for self-build plots within them¹ or any other sites which are specifically for self or custom housebuilding. The details of these planning permission(s) would be shared once consent had been granted and thus entrants on Part 1 may be provided with information more than once a year.

Other Comments

- 4.15 Two respondents referred to the former Ryedale Local Plan local needs occupancy restriction calling for this to be revoked.
- 4.16 These comments are noted, however, the Self-build register is not the means to review this local restriction previously adopted for Ryedale. Such policies and restrictions will be considered as part of the process of preparing a new local plan for North Yorkshire.
- 4.17 One person referred to the financial solvency test asking when this became a legal requirement. This is not relevant as the consultation specifically stated that North Yorkshire Council were not seeking to impose such a criterion.

¹ The former Harrogate Borough Council has 2 strategic sites that would deliver self-build plots in accordance with local plan policy that requires 5% self-build plots on schemes of 500 or more dwellings.

- 4.18 One comment received referred to Government money previously received by local authorities to set up registers and asked where this money went.
- 4.19 In June 2016 an initial one-off payment of £5,850 was made to help authorities establish their registers and has been used by the legacy authorities to fund officer time involved in the initial set up of the register, which included publicising it and hosting the register on each legacy council's website.
- 4.20 Following reorganisation, the council must put in place a new consolidated register for the whole of North Yorkshire Council area, excluding the two National Parks. This report sets out the proposals to introduce eligibility criteria and fees for acceptance onto Part 1 of this register, the fees based on a cost recovery basis.

5.0 CONTRIBUTION TO COUNCIL PRIORITIES

5.1 Ensuring that opportunities for self-build housing are made available for the local community accords with the ambition under Places and Environment that seeks to ensure we have:

- Good quality, affordable and sustainable housing that meets the needs of our communities;

5.2 It also accords with the priorities:

- To help maintain housing supply, both market and affordable housing, whilst improving the quality of new homes; and
- To help meet housing needs, including those of vulnerable households and those with specific needs.

5.3 Specific needs can include those persons seeking to build their own home.

6.0 ALTERNATIVE OPTIONS CONSIDERED

6.1 The publishing of a self-build and custom housebuilding register is a legislative requirement under the Act. There is therefore no alternative to having a register.

6.2 The alternative options that can be considered are that North Yorkshire Council do not impose any eligibility criteria or adopt an administrative fee. This has been covered in the Report of the Corporate Director of Community Development on 11 October 2023, with reasons set out for why the chosen option has been proposed.

7.0 IMPACT ON OTHER SERVICES/ORGANISATIONS

7.1 There are very limited impacts on other services, with the exception of:

- working with the Communications Team to publish a press release; and
- ensuring integration with a payment system for the payment of the upfront fee for inclusion on the register.

8.0 FINANCIAL IMPLICATIONS

8.1 Financial implications are limited in respect of the eligibility criteria and fee. By entering interested parties onto Part 1 of the register, the authority will have to provide updates on the availability of serviced plots. This will be done so through the publication of a list of potential opportunities on a yearly basis. This will be prepared by the planning service

within existing resources and the upfront fee will provide cost recovery for the works involved.

9.0 LEGAL IMPLICATIONS

9.1 The maintaining of a register is a legislative requirement under the Act. The imposition of eligibility criteria and a fee is optional but legislated for in the Acts, the Regulations and the Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016.

10.0 EQUALITIES IMPLICATIONS

10.1 An Equalities Impact Screening assessment has been completed (Appendix 1). This concluded that a full Equalities Impacts Assessment was not required in this instance.

10.2 The imposition of eligibility criteria in respect of a local connection test does not discriminate against any group with protected characteristics. Whilst it limits those that can apply to be on the register to those persons residing or with a connection to North Yorkshire this is considered to be justified as set out in paragraph 3.8 onwards of the Report of the Corporate Director of Community Development on the 11 October 2023.

11.0 CLIMATE CHANGE IMPLICATIONS

11.1 The draft decision to be made by this report is solely in relation to imposing a local connection test and a fee for entry onto the register. It is not about the homes that may be provided via the self-build process.

11.2 The imposition of a local connection test is considered sustainable, as this will restrict self-builders to those with a connection to North Yorkshire. Without such a criteria, any person or group could apply to be on the register (countrywide) and deliver what could be a second home.

11.2 It is therefore not considered to have any significant climate change implications (see Appendix 2: Climate Change Impact Assessment).

12.0 ICT IMPLICATIONS

12.1 There are not considered any ICT implications. The register itself will be set up within existing systems with links on the website to direct interested parties.

13.0 CONCLUSIONS

13.1 The maintaining of a Self-build and Custom Housebuilding Register is a statutory requirement and introduction of local eligibility clauses and/or a fee at the discretion of the local authority. Following consideration, it is proposed to introduce a local connection test and a fee for being entered onto the register.

13.2 It is considered that there are no substantial implications associated with adopting a local connection test or applying a fee.

14.0 REASONS FOR RECOMMENDATIONS

14.1 The report sets out the reasons why the local connection test and the fee are recommended. In brief the local connection test is considered essential to ensure that North Yorkshire Council seek to meet local demands for self-build plots and do not inadvertently exacerbate the increasing issues of second home ownership in certain parts of the county.

14.2 The reason for introducing a fee is to recover some of the costs associated with maintaining the register and providing updates on potential self-build opportunities.

15.0 RECOMMENDATION

- i) The Executive are asked to approve the introduction of a new Self-build and Custom Housebuilding Register for North Yorkshire with local connection eligibility criteria and an administration fee.

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5 January 2024

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Presenter of Report – Jane Lurcuck (Principal Policy and Delivery Officer)

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

APPENDICES:

Appendix 1 – The Equality Impact Screening assessment

Appendix 2 – The Climate Change Impact assessment

Appendix 3 – Comments from Consultation

BACKGROUND DOCUMENTS:

The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016)

The Self-build and Custom Housebuilding Regulations 2016