Title of report | SELF-BUILD AND CUSTOM HOUSEBUILDING
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Purpose of report | To advise members of the Council’s responsibilities with respect to self-build and custom housebuilding.  
For Members to note the potential policy approach which could be included as part of the Local Plan Review to address the issue of self-build and custom housebuilding.
Council Priorities | These are taken from the Council Delivery Plan:  
Value for Money  
Business and Jobs  
Homes and Communities
Implications: |  
Financial/Staff | The cost of undertaking a Local Plan Review will be met from existing budgets.  
Link to relevant CAT | None  
Risk Management | A failure to meet the Council’s duties with respect to self-build and custom housebuilding could leave the Council vulnerable to challenge.  
Equalities Impact Assessment | The Local Plan Review needs to be subject to an equalities impact assessment prior to its formal adoption.  
Human Rights | None discernible.
**Recommendations**

THAT THE LOCAL PLAN COMMITTEE:

(I) NOTES THE OBLIGATIONS PLACED ON THE COUNCIL IN RESPECT OF SELF AND CUSTOM BUILD;
(II) NOTES AND COMMENTS ON THE VARIOUS OPTIONS OUTLINED IN THE REPORT; AND
(III) SUPPORTS THE PROPOSAL THAT CONSIDERATION BE GIVEN TO INCLUDING A POLICY IN RESPECT OF SELF-BUILD AND CUSTOM HOUSEBUILDING AS PART OF THE LOCAL PLAN REVIEW

1.0 BACKGROUND

1.1 Self-build and custom housebuilding is a key element of the government's agenda to increase the supply of housing. Legislation has been introduced in recent years that places duties on Local Planning Authorities (LPA) that are concerned with increasing the availability of land for self-building and custom housebuilding.

1.2 This report:
• Summarises the various legal requirements as they relate to this Council;
• Provides information regarding the current level of demand for self and custom build plots; and
• Outlines some possible approaches to how this issue could be addressed as part of the Local Plan review.

2.0 WHAT IS SELF AND CUSTOM HOUSEBUILDING?

2.1 The Housing and Planning Act 2016 amended the Self-build and Custom Housebuilding Act 2015 to include that self-build and custom housebuilding means the building or completion by:
“(a) individuals,
(b) associations of individuals, or
(c) persons working with or for individuals or associations of individuals,
of houses to be occupied as homes by those individuals.”

2.2 It specifically does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person (e.g. a volume house builder).

2.3 The National Custom and Self Build Association summarises a self-build as being "projects where someone directly organises the design and construction of their new home" and custom build as “those where you work with a specialist developer to help deliver your own home”. The former involves an individual taking on a greater level of responsibility than the latter.

2.4 Having regard to the definition, this can cover a wide range of projects, from a traditional 'DIY self-build' home, where the self-builder selects the design they want and then does much of the actual construction work themselves, to projects where the self-builder arranges for an architect/contractor to build their home for them; and those projects that are delivered by kit home companies (where the self-builder still has to find the plot, arrange for the slab to be installed and then has to organise the kit home company to build the property for them). It would not however include the building of a house on plot acquired from a person who builds the house “wholly or mainly to plans or specifications decided or offered by that person.”

2.5 This definition underlines the importance of the role that the future occupiers takes and the National Planning Practice Guidance (NPPG) seeks to clarify this definition in that authorities must be satisfied that the initial owner of the home will have primary input into its final design and layout. Therefore where a developer delivers speculative units for profit, this is considered to be outside the definition.

2.6 The National Planning Policy Framework 2018 also identifies that self and custom-build properties can provide market or affordable housing. It is also worth noting that the NPPF also recognises the contribution that smaller sites can make to housing delivery whilst also showing support for councils to work with developers to sub-divide larger plots. Both these approaches would provide opportunities for self-build and custom build.
3.0 THE SELF-BUILD AND CUSTOM HOUSEBUILDING REGISTER

3.1 The Self-Build and Custom Housebuilding Regulations 2016 places a duty on local councils in England to keep and have regard to a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in the authority’s area for their own self-builds and custom housebuilding. This register will help inform the council of the level of demand and future need for self-build and custom housebuilding plots in the North West Leicestershire area.

3.2 As required by legislation, the Council hold a webpage (www.nwleics.gov.uk/self_build) dedicated to self-build and custom housebuilding setting out the purpose of the register and how to apply for entry onto the register. The NPPG suggests consideration should also be given to the inclusion of data on the demand for self-build and custom housebuilding and details on any recent activities taken by the council to promote self-build and custom housebuilding.

4.0 DUTY TO GRANT PERMISSION

4.1 Having compiled and maintained a register the Local Planning Authority is under a duty to have regard to the register when carrying out their planning function. The NPPG sets out that, in terms of plan-making, LPAs should use their register as evidence of demand for self and custom build when developing their Local Plans and the register may be a material consideration in decision-taking.

4.2 The Housing and Planning Act 2016 places a further duty upon LPAs to grant suitable development permission to enough suitable serviced plots to meet the demand on their self-build and custom housebuilding register. The level of demand is established by the number of entries added to the authority’s register during a base period which runs from 31 October to 30 October each year. Local authorities then have 3 years from the end of each base period in which to permit an equivalent number of plots.

- By October 2016, we had received 9 entries on the Register – so by October 2019 we are required to permit 9 plots.

- Between October 2016 and October 2017, we received an additional 17 entries – so by October 2020 we will need to provide a cumulative total of 26 plot permissions.

Since October 2017 we have received an additional 14 entries, so (assuming that no more are submitted by October this year) by October 2021 we will need to provide a cumulative total of 40 plot permissions.

4.3 It should be noted that there is currently no provision within legislation or regulations for any form of penalty for not meeting the current level of demand.

5.0 HOW CAN THE DEMAND FOR SELF AND CUSTOM BUILD BE MET?

5.1 The NPPG makes the following suggestions of ways in which councils can seek to meet the demand for self-build and custom housebuilding:

- Develop policies in their Local Plans for self-build and custom housebuilding;
Use Council own land if available and suitable for self-build and custom housebuilding and marketing it to those on the register;

- Engaging with landowners who own sites that are suitable for housing and encouraging them to consider self-build and custom housebuilding and facilitating access to those on their register where the landowner is interested; and

- Working with custom build developers to maximise opportunities for self-build and custom housebuilding.

5.2 As part of the Local Plan review there are a number of approaches that could be taken to addressing the issue of self and custom build. Possible options range from those which are generic to those that are more specific. Possible options are outlined below.

**Housing Mix**

5.3 Encourage or require self-build and custom housebuilding alongside other housing based on the level of local demand using housing mix policies. An example of this approach can be found in the Cornwall Local Plan. As part of its Housing Mix Policy (Policy H6), proposals should seek to address need and demand for affordable, market housing and starter homes including self-build and custom-build housing.

5.4 This approach is straightforward, but it does not provide any specific guidance or requirement and so the likelihood that it would help to meet requirements is limited.

**Percentage Approach**

5.5 Have a policy which requires proportion (expressed as a percentage) of allocated or windfall sites over a certain size to make provision for self and custom housebuilding, usually in the form of serviced plots.

Examples of these approaches used within Local Plans include:

**Harrogate District Local Plan Publication Draft 2018:** Draft Policy HS3 seeks the provision of 5% of dwelling plots for sale to self-builders on strategic sites of 500 or more dwellings. In addition communities preparing Neighbourhood Plans will be encouraged to consider the identification of sites specifically for self and custom-build projects within their neighbourhood plan area.

**Stroud District Local Plan 2015:** Delivery Policy HC3 – Strategic Self-Build Housing Provision

At strategic sites allocated within this Local Plan a minimum of 2% of the dwellings shall be to meet the Government aspirations to increase self build developments, subject to appropriate demand being identified. In determining the nature and scale of any provision, the Council will have regard to viability considerations and site-specific circumstances: These schemes will:

1. Be individually designed, employing innovative approaches through that cater for changing lifetime needs
2. Provide for appropriate linkages to infrastructure and day to day facilities
3. Include a design framework to inform detailed design of the individual units, where more than one self build unit is proposed.

**Teignbridge Local Plan 2014: Policy WE7 - Custom Build Dwellings**

To support prospective custom builders on sites of more than 20 dwellings, developers will supply at least 5% of dwelling plots for sale to custom builders, which will be controlled by the following means:

a) the Council may seek developments of more than 10 custom build dwellings in a single site location to be developed in accordance with an agreed design code;

b) planning permissions should include conditions requiring custom build developments to be completed within 3 years of a custom builder purchasing a plot; and

c) where plots have been made available and marketed appropriately for at least 12 months and have not sold, the plot(s) may either remain on the open market as custom build or be offered to the Council or a Housing Association before being built out by the developer.

5.6 The advantage of this approach is that there is clear guidance regarding what is required and so is more likely to help address the identified needs. However, it would be necessary to justify a) the percentage to be applied and b) the scale of development to which it is to be applied. It would also be necessary to have regard to the potential implications for site viability. There may also be implications in terms of delivery rates on particular sites which need to be considered.

**Land Allocation**

5.7 Land specifically for self-build and custom housebuilders could be allocated in the local plan, for example through the identification of Council-owned sites which are suitable for self-build and custom build housing and promoting these to people on the register and developers. These would more often be delivered in partnership between councils and housing association.

5.8 This approach is underway at Graven Hill, Bicester at a large scale level with the development intended to deliver around 1,900 self and custom build homes. In this instance, Cherwell District Council has acquired disused Ministry of Defence Land and then created the plots, the layouts, the school, nurseries and cycleways. Buyers are then able to buy a plot and design their home.

5.9 This is an approach that will be challenging for some councils if they do not have large land-holdings. In addition, there are significant challenges in a council bringing forward land specifically for self and custom build where it does not own the land. This would need to be resourced, and the council would have to be willing to take on financial liabilities, in order to enable the acquisition of land for such approaches to work.
5.10 A further option would be to require as part of any allocated general market site that a certain amount (either percentage or a specific number of dwellings) be provided as self and custom build. Again this has issues in terms how to justify a) the percentage to be applied and b) the scale of development to which it is to be applied. It will also be necessary to have regard to the potential implications for site viability. There may also be implications in terms of delivery rates on particular sites which need to be considered.

**Single Plot Exception Site Policy**

5.11 A further approach being taken in Shropshire is to enable qualifying people to build their own affordable home on single plot exception sites. Planning permission is granted as an exception to normal planning policies in order to meet a local need for affordable housing. In its broadest sense, this includes the provision of affordable housing for people who have a strong local connection to a specific area (e.g. a parish or group of parishes) who are unable to afford or secure open market housing in that area, and who may also not be a priority for the more mainstream (and publicly funded) affordable tenures developed by registered providers.

5.12 When the first occupier no longer has need for the dwelling, they will transfer it at the appropriate affordable value to another local person in need with minimum intervention from the Council. Thus, the ‘community benefit’ of providing the affordable dwelling in the first place is itself recycled. The future resale value of the affordable home is fixed in perpetuity below open market value (normally 60% of market value) to ensure that it remains affordable for subsequent occupiers.

5.13 This appears to be an approach which could result in development in virtually any location. It is not clear how this approach would fit with the concept of environmental sustainability or satisfy the National Planning Policy Framework in terms of avoiding "isolated homes in the countryside" and directing development to the most sustainable locations so as to reduce the need to travel. It would be in conflict with the settlement strategy approach established in the adopted Local Plan.

6.0 **NEXT STEPS**

6.1 It is suggested that, having taken on board any comments raised by Members in terms of views on a potential preferred approach, officers continue to investigate how a Self-Build policy could best be included in the Local Plan review, with a view to including a potential approach/approaches in the emerging options consultation later in the year.

6.2 In addition, in order to assist in the fulfilment of the Council’s duty in relation to Self and Custom Build it is also suggested that officers investigate opportunities for Council owned land to be made available for self-build and custom housebuilding plots.

6.3 If a policy were to be included as part of the Local Plan then following adoption a Supplementary Planning Document (SPD) could be prepared to offer further guidance. Such an approach has been taken by Teignbridge District Council. A link to their SPD is available here.