

Title of Report	SELF-BUILD AND CUSTOM HOUSEBUILDING – DRAFT POLICY FOR CONSULTATION	
Presented by	Joanne Althorpe Principal Planning Policy Officer	
Background Papers	Local Plan Committee 15 November 2023 – Draft Local Plan - Policies	Public Report: Yes
	Local Plan Committee 16 March 2023 – Response to Consultation Development Strategy and Policy Options Consultation (January 2022)	Key Decision: Yes
Financial Implications	The cost of the Local Plan Review is met through existing budgets.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016 and the Levelling Up and Regeneration Act 2023) requires the District Council to keep and have regard to a self-build and custom housebuilding register and to grant suitable development permission to meet the demand for plots in North West Leicestershire.	
	The Council requires a robust self-build and custom housebuilding policy against which to determine planning applications.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no staffing implications associated with the specific content of this report. Links with the Council’s Priorities are set out at the end of this report.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	Following deferral of the issue at the 15 November 2023 Local Plan Committee, to reconsider the draft self-build and custom housebuilding policy for the purposes of public consultation.	
Recommendations	THAT THE LOCAL PLAN COMMITTEE AGREES THE DRAFT SELF-BUILD AND CUSTOM HOUSEBUILDING POLICY (SET OUT AT APPENDIX C) FOR THE PURPOSES OF CONSULTATION.	

1. BACKGROUND

The Council’s legal duties

- 1.1 The Council’s duties under the Self-Build and Custom Housebuilding Act 2015 (‘the Self-Build Act’) are to:

- keep and have regard to a self-build and custom housebuilding register; and
 - grant suitable development permission to meet the demand for plots in North West Leicestershire ('the duty to grant planning permission')
- 1.2 The adopted Local Plan does not have a policy on self-build and custom housebuilding and, as at 30 October 2023 (the end of the current base period), the Council has not granted enough suitable planning permissions to meet demand from the register (there is a shortfall of 21 plots).
- 1.3 Planning applications for self-build and custom housebuilding in North West Leicestershire are currently being determined using the tilted balance described at paragraph 11(d) of the National Planning Policy Framework (2023). The shortfall of plots against a factor which weighs in favour of self-build and custom housebuilding applications.

The new Local Plan

- 1.4 The new Local Plan provides an opportunity for the Council to plan for future demand of self-build and custom housebuilding, whilst setting clear parameters about the locations in which this type of housing will be deemed acceptable.
- 1.5 The Council consulted on a proposed self-build policy as part of the Development Strategy and Policy Options between January and March 2022. This policy is produced in full at **Appendix A**.
- 1.6 The consultation responses were reported to the [16 March 2023 Local Plan Committee](#) where officers proposed to continue with the policy as it was worded at that time.
- 1.7 After the 16 March Local Plan Committee, officers received feedback from the [Right to Build Task Force](#) on self-build and custom housebuilding matters. In response to this feedback (described in more detail in Section 3 of this report), officers decided to update the proposed Local Plan policy and it was subsequently presented to the [15 November 2023 Local Plan Committee](#). The committee report is at **Appendix B** and the proposed policy and supporting text is at **Appendix C**.

2. REASON FOR THIS REPORT

- 2.1 A decision on the self-build and custom housebuilding policy was deferred at the 15 November 2023 Local Plan Committee to enable it to be reconsidered at the next meeting.
- 2.2 The minutes for the 15 November meeting describe the reasons for the deferral:

“A Member was acutely concerned with the plan to allow self-builds outside of limits to development in certain circumstances. He noted that it was contrary to an initial policy agreed by the Local Plan Committee for consultation in March 2023.”

“A Member circulated a suggested amendment to the recommendations in relation to self and custom builds. Following a debate, and advice from the Legal Advisor, Members felt a deferral of that element be more appropriate to allow further time to consider whether a change to the policy would be appropriate.”

- 2.3 Hereafter, this report refers to the 'March 2023 policy' (**Appendix A**) and the 'November 2023 policy' (**Appendix B** and **C**). For the avoidance of doubt, the proposed member amendment would result in the following changes to the November 2023 policy:

Draft Policy H7 – Self-build and Custom Housebuilding

(1) ~~The Council will support proposals for self-build and custom housebuild homes where the site is located within the Limits to Development, as defined on the Policies Map, for the~~

~~Principal Town, Key Service Centres, Local Service Centres or Sustainable Villages~~ **which meet the definition of self-build and custom housebuilding in any location considered to be suitable for housing in accordance with the policies of this local plan, including allocated sites, committed sites and windfall sites.**

(2) On general market housing sites of 30 or more:

(a) The Council will require the delivery of a minimum of 5% of the site's capacity as serviced plots for self-build and custom housebuilding. On these sites, developers will be required to enter into a legal agreement to facilitate the delivery of serviced plots with access to a public highway and utility services. A lower proportion of self-build and custom house build plots will only be accepted where a viability assessment clearly demonstrates that the full policy requirement cannot be achieved.

(b) Where a plot has been made available and appropriately marketed for a period of at least 12 months (or an alternative timescale agreed with the Council subject to specific site delivery timescales), and has not been sold, then the plots may either remain available for purchase on the open market or be built out by the developer for sale on the open market.

~~(3) The Council will only support proposals for self-build and custom house build homes in the countryside, where:~~

~~(a) The application is supported by clear evidence of demand for self-build and custom house build plots, as evidenced by the most up to date Self and Custom Build Register; and~~

~~(b) The site adjoins the Limits to Development, as defined on the Policies Map, for the Principal Town, Key Service Centres, Local Service Centres or Sustainable Villages; and~~

~~(c) The size of the development is reflective of its location and setting and is of a scale and character that is proportionate to the settlement at which it is located; and~~

~~(d) The site is within a reasonable walking distance to a good bus service route; and~~

~~(e) The site is within a reasonable walking or cycling distance to a range of local services and facilities.~~

~~(4)~~ **(3)** All planning permissions for a self-build and custom house build plot will be subject to a legal agreement to ensure that the initial occupier(s) of the dwelling(s) fall within the legal definition of self-build and custom housebuilding as defined by the Self-Build and Custom Housebuilding Act 2015 (or any subsequent government update).

3. JUSTIFICATION FOR THE NOVEMBER 2023 POLICY

3.1 The proposed self-build and custom housebuilding policy had evolved since the March 2023 policy as a result of feedback from the [Right to Build Task Force](#). The Task Force is a body which was established to support local authorities, community groups and other organisations as they work to increase the delivery of custom and self-build projects. This is an aim consistent with government policy and the Task Force is now part-funded by the Department for Levelling Up Housing and Communities.

3.2 The Task Force provided us with the following comments on the March 2023 policy (**our emphasis**):

*"Whilst this provides an encouraging reference to seeking the provision of [self-build and custom housebuilding] land on sites of 50 dwellings or more, **it lacks a clear policy mechanism that will secure delivery. Establishing a clear and unambiguous policy requirement will significantly help boost [self-build and custom housebuilding]**"*

delivery in the area. This could take the form of a percentage policy requirement or a specific identified requirement on allocated sites, tailored to the demand profile of the area.”

- 3.3 In response to this feedback, officers have undertaken work which forecasts a demand for 24 self-build and custom housebuilding plots per year, based upon the number of applicants to the register from 1 April 2020 to 30 October 2023. This forecasted demand has been applied as a percentage of the overall proposed housing allocations and is in the region of 5% (albeit that the proposed housing allocations have not been finalised at the time of writing). This evidence will form part of a topic paper to accompany the Local Plan consultation.
- 3.4 The Task Force also advocates for self-build and custom housebuilding support to be enshrined in various aspects of planning policy, including:
- *“Strategic policy ([self-build and custom housebuilding as part of housing mix as well as broader support for [self-build and custom housebuilding having regard to spatial strategy/settlement hierarchies)*
 - *Site specific (allocations, percentage policy requirements, small sites requirements)*
 - *Development management (windfall sites, exception sites, design standards etc).”*
- 3.5 In line with these recommendations, the November 2023 policy:
- Supports self-build and custom housebuilding within the limits to development.
 - Requires sites of 30 dwellings or more to provide 5% self-build and custom housebuilding plots.
 - Sets out a criteria where self-build and custom housebuilding would be appropriate in the countryside, including where there was a demand (i.e. where we are unable to meet the demand from our register for the base period during which the application is determined) and criteria designed to ensure the location was sustainable.
- 3.6 Members raised concerns with the criteria at part (3) of the November 2023 policy as it would enable development of self-build and custom housebuilding in the countryside (albeit only in those circumstances detailed in the criteria). The proposed member amendments would result in the deletion of part (3) and amend part (1) so it reinstates some of the deleted text from the March 2023 policy

4. OFFICER RESPONSE TO PROPOSED MEMBER AMENDMENTS

Proposed changes to part (1)

~~(1) The Council will support proposals for self-build and custom housebuild homes where the site is located within the Limits to Development, as defined on the Policies Map, for the Principal Town, Key Service Centres, Local Service Centres or Sustainable Villages~~
which meet the definition of self-build and custom housebuilding in any location considered to be suitable for housing in accordance with the policies of this local plan, including allocated sites, committed sites and windfall sites.

- 4.1 The overall strategy with the November 2023 policy was as follows:
- Support self-build and custom housebuilding within the Limits to Development of those settlements in the top four tiers of the settlement hierarchy.
 - Require new self-build and custom housebuilding plots as part of sites of 30 or more dwellings. This will apply to the majority of our proposed housing allocations.
 - Allow self-build and custom housebuilding in the countryside only in certain circumstances, including where there is evidence of demand and where the sites are adjacent to the Limits to Development of the settlements in the top four tiers of the settlement hierarchy.

- 4.2 Compared to the March 2023 policy, this approach is clearer about where and when self-build and custom housebuilding will be acceptable. The wording of the March 2023 policy provides general support but on reflection a more specific policy is considered more effective in securing the delivery of self-build and custom housebuilding homes and helping the Council meet its duties under the Self Build Act.
- 4.3 Part 1) forms part of an overall strategy for self-build and custom housebuilding. Other locations in the Local Plan where residential development is considered acceptable either does not require planning permission (permitted development) or is subject to other policy criteria. For example, local needs housing, agricultural workers' dwellings or replacement dwellings (all in the countryside) are covered by draft policies S3 and S5. The reference to allocations, commitments and windfall sites is no longer considered necessary.

The deletion of part (3)

- 4.4 As confirmed above, the criteria in part (3) is part of an overall positive strategy for securing self-build and custom housebuilding and enabling the Council to meet its duties under the Self-Build Act.
- 4.5 The purpose of part (3) was to provide detailed criteria to guide the determination of planning applications for windfall sites. It was intended to provide some flexibility and more certainty for decision makers in circumstances where the Council has not met its demand for self-build and custom housebuilding plots.
- 4.6 Such flexibility is considered necessary because the timings for planning permissions at the Local Plan allocation sites are currently unknown, as are the likely take-up rates for self-build and custom housebuilding plots as part of larger housing developments. On the issue of take-up rates, there is a risk that self-build and custom housebuilding plots on larger sites could revert to market housing. The following evidence is material:
- Of the 37 permissions granted so far in the District for self-build and custom housebuilding, 30 are at a single site (Hepworth Road, Woodville). There is question over the deliverability of the site given the low levels of interest when we contacted all individuals on the register and the fact that the site promoter has now submitted an application for a mix of affordable and market housing (which is pending determination).
 - Of the 126 individuals on the Council's register (at 30 October 2023), 35 (28%) own a plot they would like to develop and 15 (12%) have identified a plot but do not currently own it. The remaining 76 (60%) need to find a plot. This indicates that between 35 and 50 applicants on the register (28-40%) are not likely to be interested in a plot on a larger housing site. Whilst it is not necessary to directly match permissions to individuals on the Council's register, a criteria-based policy provides some flexibility and would enable individuals to build their own house on a plot subject to it meeting the identified criteria.

5. OFFICER RECOMMENDATIONS FOR POLICY H7

- 5.1 The changes made to the November 2023 policy have been made in response to feedback from the Right to Build Taskforce, who have experience working with local planning authorities on their approach to self-build and custom housebuilding.
- 5.2 Officers are seeking agreement to *consult* on Policy H7. As with all other aspects of the plan, members have the opportunity to submit their formal comments either individually or by political party.
- 5.3 Officers feel it would be beneficial to get a wide range of views on Policy H7, including the criteria drafted at part (3). Even if part (3) was removed from the consultation, the criteria has been reported in the public domain and it is possible that some individuals will choose to comment on the criteria and the appropriateness of removing it prior to formal

consultation. Likewise, people could also choose to comment on the member amendments set out at paragraph 2.3 of this report, or the changes made since the previous consultation in 2022.

- 5.4 For these reasons, officers recommend that the version of the policy which is consulted on is that which was reported to Local Plan Committee on 15 November 2023 and which is contained at **Appendix C** of this report.

Policies and other considerations, as appropriate	
Council Priorities:	Local people live in high quality, affordable homes
Policy Considerations:	<p>The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016 and the Levelling Up and Regeneration Act 2023) requires the District Council to keep and have regard to a self-build and custom housebuilding register and to grant suitable development permission to meet the demand for plots in North West Leicestershire.</p> <p>The National Planning Policy Framework requires councils to plan for the housing needed for different groups in the community, including those who wish to build their own homes.</p>
Safeguarding:	No issues identified.
Equalities/Diversity:	An Equalities Impact Assessment of the Local Plan review will be undertaken as part of the Sustainability Appraisal.
Customer Impact:	No issues identified.
Economic and Social Impact:	The self-build policy will contribute to the social objective of the planning system by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations.
Environment, Climate Change and Zero Carbon	The new Local Plan as a whole will aim to deliver positive environmental and climate change impacts and these will be recorded through the Sustainability Appraisal.
Consultation/Community Engagement:	The policy will be subject to formal Regulation 18 public consultation. The consultation arrangements will be governed by requirements in the Statement of Community Involvement.
Risks:	<p>A risk assessment for the Local Plan Review has been prepared and is kept up to date. As far as possible control measures have been put in place to minimise risks, including regular Project Board meetings where risk is reviewed.</p> <p>If the Council does not have a robust self-build and custom housebuilding policy or does not make sufficient provision to meet demand, then the Local Plan is at risk of being unsound and applications may be determined at appeal.</p>
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