

DRAFT NORTH WEST LEICESTERSHIRE LOCAL PLAN 2020 - 2040

TOPIC PAPER - SELF-BUILD AND CUSTOM HOUSEBUILDING



1 INTRODUCTION

1.1 The [National Planning Policy Framework](#) (2023) aims to significantly boost the supply of homes. It requires local plans to address the needs of groups with specific housing requirements, including those who wish to self-build (paragraph 62).

1.2 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) (“the Act”) provides a legal definition of self-build and custom housebuilding as:

“...the building or completion by individuals, associations of individuals, or persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals.”

1.3 The Act does not distinguish between self-build and custom housebuilding. The [Planning Practice Guidance](#) (PPG, paragraph 010) confirms that:

“Self-build and custom housebuilding covers a wide spectrum, from projects where individuals are involved in building or managing the construction of their home from beginning to end, to projects where individuals commission their home, making key design and layout decisions, but the home is built ready for occupation (‘turnkey’).”

1.4 For a home to meet the definition of self-build or custom housebuilding, **the Council must be satisfied that the initial owner of the home will have primary input into its final design and layout.**

2 LEGISLATION AND PLANNING POLICY AND GUIDANCE

2.1 The Act places a legal duty on local authorities **to keep and have regard to a self-build and custom housebuilding register** (“the register”), detailing the number of individuals and association of individuals who are seeking to acquire serviced¹ plots of land in North West Leicestershire for self-build and custom housebuilding.

2.2 The Planning Practice Guidance (PPG) explains that, for planning, the duty to have regard to the register means taking it into account when preparing planning policies and treating it as a material consideration in the determination of planning applications for self-build and custom housebuilding².

2.3 The Act places a second legal duty upon local authorities; to grant suitable development permission to meet the demand for plots in North West Leicestershire. This is known as the **‘duty to grant planning permission’**. The level of demand is established by the number of

¹ The [Planning Practice Guidance](#) confirms that a serviced plot of land either has access to a public highway and has connections for electricity, water and waste water, *or*, can be provided with access to those things within the duration of a planning permission (Reference ID: 57-026-20210508).

² Reference ID: 57-014-20210508

entries on the register although there is no requirement to directly match permissioned land to those on the register.

- 2.4 With regards to the duty to grant planning permission, local authorities “*should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward (for example, as a number of units required as part of certain allocated sites, or on certain types of site).*”³

3 DEMAND FOR AND SUPPLY OF SELF-BUILD AND CUSTOM HOUSEBUILDING IN NORTH WEST LEICESTERSHIRE (2010 TO 2023)

- 3.1 The Council’s register was established in April 2016, and as of **30 October 2023**, there are **126** individuals on the list. Applicants must meet a set of eligibility criteria, set out by legislation, for entry on the register. They must:

- Be aged over 18 years or older;
- Be British citizen, a national of an EEA State other than the United Kingdom, or a national of Switzerland;
- Satisfy any local eligibility conditions⁴ set by the relevant authority;
- Have paid any fee required by the relevant authority to enter or remain on the register; and
- Be seeking (either alone or with others) to acquire a serviced plot of land in the relevant authority’s area for their own self-build and custom housebuilding project.

- 3.2 At this stage we are unable to justify setting any local eligibility tests or requiring a register application fee. Any tests must be consulted upon before they are introduced and periodically reviewed to ensure that they remain appropriate and are still achieving the desired effect. Any fees charged should only cover the costs of operating the register and not be of a disproportionate scale so as to unreasonably deter people from applying.

- 3.3 The Act requires the register to be split into base periods and this is used to calculate future level of demand in the District. The register was first established in April 2016, and thereafter, base periods run from 31 October to 30 October. At the end of each base period, we have three years in which to grant permission for an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period. **Table 1** shows the number of new registrations since the register opened and the date by which the demand should be met.

³ Planning Practice Guidance (Paragraph: 025 Reference ID: 57-025-20210508)

⁴ For example, a local connection test (requiring someone to have lived or worked in the district for a specific length of time or have family who live in the area) or financial solvency test. (demonstrating the financial means to purchase the land)

Table 1: Self-Build and Custom Housebuilding Demand (1 April 2016 – 30 October 2023)

Base Period	Number of new registrations	Date the demand is to be met
1 April 2016 – 30 October 2016 (7 months)	6	30 October 2019
31 October 2016 – 30 October 2017	10	30 October 2020
31 October 2017 – 30 October 2018	8	30 October 2021
31 October 2018 – 30 October 2019	14	30 October 2022
31 October 2019 – 30 October 2020	20	30 October 2023
31 October 2020 – 30 October 2021	14	30 October 2024
31 October 2021 – 30 October 2022	20	30 October 2025
31 October 2022 – 30 October 2023	34	30 October 2026
Total	126	

- 3.4 **Table 1** confirms that, at the end of the current base period (30 October 2023) the Council should have granted enough suitable permissions to **meet demand for 58** serviced plots.
- 3.5 We are now in a new ‘base period’ (starting 31 October 2023). We can see that the register has steadily been growing since its launch, with a noticeable increase in the number of individuals being added in recent years.
- 3.6 **Table 2** confirms that up to 30 October 2023, we have **granted planning permission for 37** self-build and custom housebuilding plots. This represents a **shortfall of 21** plots against the demand for the same period.

Table 2: Self-build and custom housebuilding planning permissions (2016 to 2023)

Site	No. of plots	Decision Date
Park Road, Overton Road, Measham (16/00623/FUL)	1	07.10.2016. Development is complete
Land adjacent 16 Measham Road, Ashby (16/00835/FUL)	1	10.04.2017 Development is complete
Land at Top Road, Griffydam (17/01860/FUL)	2	26.02.2018 Development is under construction
Land off Hepworth Road, Woodville (16/01191/OUTM/21/01380/REMM)	30	25.06.2019
Land To South Of Loughborough Road, Whitwick (22/01054/FUL)	1	27.06.2023 Development is under construction
Land Adjacent To 2 Station Terrace, Heather (22/01547/FUL)	1	13.10.2023
20 Silver Street, Oakthorpe (23/00782/FUL)	1	25.10.2023
Total no. of plots	37	

- 3.7 All the above permissions are located outside of the limits to development, where on balance, the legal requirement to meet the demand for self-build and custom housebuilding has been deemed to outweigh the countryside locations. We have used S106 legal agreements to secure the occupancy of the home and to give us satisfaction that the initial owners of the permitted homes will have primary input into its final design and layout.
- 3.8 As a Council, we have avoided counting planning permissions for all new single dwellings as self-build and custom housebuilding⁵. However, the Planning Portal's 1APP planning application forms were updated in 2020 to include reference to self-build and custom build homes. This provides us with an additional potential source of self-build and custom housebuilding data⁶.
- 3.9 **Table 3** sets out those permissions where the applicant confirmed on the 1APP form that the development would be for self-build and custom housebuilding. These permissions were mostly in the limits to development or previously developed land, i.e. in locations where the development of market homes complies with the development plan and so where the applicants would not need to go to the time and expense of preparing S106 agreement to secure occupancy.

⁵ The approach of counting single dwellings as self-build and custom housebuilding was dismissed by the Planning Inspector in the Hepworth Road, Woodville decision (APP/G2435/W/18/3214451) and has been confirmed by the recent Levelling Up and Regeneration Act (2023).

⁶ The Planning Practice Guidance says "whether a planning application references self-build or custom-build and it is clear that the initial owner of the homes will have primary input into its final design and layout" is a consideration for local authorities in determining if an application is for self-build and custom housebuilding (Paragraph: 038 Reference ID: 57-038-20210508).

Table 3: Additional source of self-build and custom housebuilding permissions (1APP planning application forms) (2020 to 2023)

Site	No. of plots	Decision Date
Land Adjacent 90 Stonehill, Castle Donington (19/02085/FUL)	1	28.04.2020
26 Occupation Road Albert Village (20/01313/FUL)	1	21.12.2020
Land Off Manor Drive Worthington (20/01416/FUL)	1	23.12.2020
Homecroft Shakespeare Drive Diseworth (22/00216/FUL)	1	02.03.2023
Land At Roecliffe Farm Leicester Road, New Packington (22/01762/FUL)	1	17.04.2023
43 The Green Long Whatton Loughborough (23/00371/FUL)	1	24.08.2023
Land To The Rear Of 37 Copson Street Ibstock (23/00678/FUL)	1	27.09.2023
Total no. of plots	7	

- 3.10 Based on the above data, over a period of three years and seven months, this source of permissions equates to around **two dwellings a year**. The above dwellings have not been included in our supply to date, but it is recommended that going forward, these types of permissions have a planning condition securing the occupancy of the home to give the Council satisfaction that they meet the definition of self-build and custom housebuilding.

4 DEMAND FOR SELF-BUILD AND CUSTOM HOUSEBUILDING OVER THE PLAN PERIOD

- 4.1 **Table 4** shows the average number of registrations we have received since we opened our self-build and custom housebuilding register. For the duration of the register (seven years and seven months or 91 months), on average there has been **1.38** registrations a month, which equates to around **17** registrations a year.

Table 4: Average level of demand for self-build and custom housebuilding (1 April 2016 – 30 October 2023)

Base period	Number of new registrations	Average per month	Average per year
April 2016 – 30 October 2016 (7 months)	6	0.86	10
31 October 2016 – 30 October 2017	10	0.83	10
31 October 2017 – 30 October 2018	8	0.66	8
31 October 2018 – 30 October 2019	14	1.16	14
31 October 2019 – 30 October 2020	20	1.66	20
31 October 2020 – 30 October 2021	14	1.16	14
31 October 2021 – 30 October 2022	20	1.66	20
31 October 2022 – 30 October 2023	34	2.83	34
Total (91 months)	126	1.38	16.5

- 4.2 There has been a noticeable increase in registrations in recent years. To reflect this increase in demand and to be consistent with the timeframe for the Local Plan, we have calculated the average number of registrations between 1 April 2020 to 30 October 2023 in **Table 5**.

Table 5: Average level of demand for self-build and custom housebuilding (1 April 2020 – 30 October 2023)

Base period	Number of new registrations	Average per month	Average per year
1 April 2020 – 30 October 2020 (7 months)	16	2.28	27
31 October 2020 – 30 October 2021	14	1.16	14
31 October 2021 – 30 October 2022	20	1.66	20
31 October 2022 – 30 October 2023	34	2.83	34
Total (43 months)	87	2.02	24

- 4.3 The trend over this time period supports a demand of 24 plots a year for self-build and custom housebuilding.

4.4 In **Table 6**, we have forecasted demand for self-build and custom housebuilding plots for the remainder of the Local Plan period (31 October 2023 to 31 March 2040). This takes into account:

- The unmet demand of **21 plots** between 1 April 2016 and 30 October 2023 (see paragraph 3.6);
- The demand for **68 plots** which needs to be met between 31 October 2023 and 30 October 2026 (**see Table 1**); and
- An average demand of **24 plots per year** between 31 October 2026 and 31 March 2040.

Table 6: Demand for self-build and custom housebuilding plots (31 October 2023 to 31 March 2040)

Demand	No of plots	Source
Shortfall to date	21	Demand not met between 1 April 2016 and 30 October 2023
Demand to be met by 30 October 2024	14	See Table 1 above
Demand to be met by 30 October 2025	20	See Table 1 above
Demand to be met by 30 October 2026	34	See Table 1 above
Forecasted demand 31 October 2026 to 31 March 2040	326	24 plots a year x 13 years and 7 months / 2 plots a month x 163 months
Total (31 October 2023 to 31 March 2040)	415	

5 SUPPLY OF PLOTS 2023 TO 2040

5.1 We have forecasted a demand from the register for **415 plots** between 31 October 2023 and 31 March 2040 (**Table 6**).

5.2 In order to meet the demand, the [Leicester and Leicestershire Housing and Economic Needs Assessment](#) (2022) states:

“As a first step, the local authorities should seek to adopt a general “encourage” policy for all sites but might also consider implementing a further policy on strategic sites. This should be determined in reference to the overall local need as identified on the register, the supply coming forward through small sites/ windfalls, and the number and capacity of strategic sites. This should also take into account the committed supply, need for other types of housing (including affordable housing need) and viability.” (paragraph 12.138)

Permissions to date

- 5.3 **Table 7** shows that the Council has granted planning permission for **2** self-build and custom housebuilding plots since 31 October 2023.

Table 7: Self-build and custom housebuilding plots granted planning permission in current monitoring year (2023/24)

Site	No. of plots	Date planning permission granted
Oaktree, School Lane, Newbold, Coalville (23/00776/OUT)	1	12.12.2023
Fieldview House, Babelake St, Packington (23/00292/OUT)	1	19.12.2023
Total no. of plots	2	

- 5.4 We have applications pending for a further **24 plots** and appeals pending for **3 plots**, which could result in some further permissions being added to the supply.

Small sites / windfall

- 5.5 We think a windfall of **2 plots per year** for dwellings within the limits to development / previously developed land (PDL) can be justified in accordance with the data at **Table 3** and paragraph 3.10. Over a period of 16 years and seven months (or 119 months) this equates to **33 plots**.

Table 8: Supply and plots to be found 31 October 2023 to 31 March 2040

Supply 31 October 2023 to 31 March 2040	No. of plots
Plots with planning permission	2
Windfall (Sites in limits / PDL)	33
Plots to be found (415-35)	380

- 5.6 As previously stated, we don't need to directly match permissions to individuals on the register. However, the PPG⁷ does advise that local authorities can request additional information that *“support[s] a greater understanding of the nature of demand for self-build and custom housebuilding in their area, inform local planning policies and assist in bring forward appropriate land.”*
- 5.7 The PPG also states that local authorities *“should use preferences expressed by those on the register to guide their decisions when looking at how to meet the duty to grant planning permission etc. This will help ensure that relevant authorities permission land suitable for self-build and custom housebuilding which people are actually keen to develop⁸.”*

⁷ Paragraph: 006 Reference ID: 57-006-20210208

⁸ Planning Practice Guidance (Paragraph: 028 Reference ID: 57-028-20210508)

5.8 In this context, we ask applicants where in the district they would like to self-build and if they already own a plot / have identified a plot which they would like to develop. On the question of plot ownership, **Table 9** shows how the 126 people on our register (as at 30 October 2023) responded.

Table 9: Plot ownership

Do you have a plot?	Number	%
Yes, which I own	35	28
Yes, though I do not currently own it	15	12
No, I need to find a plot	76	60
Total	126	100

5.9 Of the 28% who own a plot, it is unlikely that all of the plots will be in a location which we consider to be sustainable and suitable for residential development. A criteria based policy could help guide those current and future applicants who own a plot.

5.10 The highest proportion on the register (60%) need to find a plot. This provides justification for allocating self-build and custom housebuilding plots in the Local Plan, particularly as the vast majority of those who do not own a plot are flexible with regards to their locational preference / have identified at least one settlement in the top four tiers of the settlement hierarchy as a locational preference.

5.11 We have not had any sites submitted to us through the Local Plan for purely self-build and custom housebuilding.

5.12 An alternative is to require the provision of plots as part of larger housing allocations. The [Leicester and Leicestershire Housing and Economic Needs Assessment](#) says that “*there is the potential for larger development schemes to provide serviced plots for custom-build development, and for these sites, with support, to help to drive forward delivery rates*” (paragraph 12.139).

5.13 We are currently proposing that we allocate around 6,676 homes up to 30 March 2040.⁹ These form part of our consultation on Proposed Housing and Employment Allocations, and are included in this document as **Appendix A**.

5.14 The 380 self build and custom housebuilding plots to be found over the plan period equates to **5.69%** of the 6,676 dwellings to be allocated in the Local Plan up to 2040..This would provide justification for a policy requirement in the region of **5%** self build and custom housebuilding plots. Such a requirement would need to be tested in a viability assessment of the Local Plan.

5.15 To avoid placing an unnecessary burden on small and medium sized housebuilders, we think it could be unreasonable to place this requirement on sites of 30 dwellings or less. At

⁹ This includes 1,900 dwellings proposed at Isley Walton up to 2040 rather than the total site proposal of 4,500.

present this relates to Church View, Hugglescote (C61) and South of Normanton Lane, Packington (P4).

6 CONSIDERATIONS FOR THE NEW LOCAL PLAN

- 6.1 The adopted Local Plan is silent on the issue of self-build and custom housebuilding.
- 6.2 The Council has legal duties with regards to planning for self-build and custom housebuilding. The new Local Plan needs to plan for the likely demand of this housing over the plan period.
- 6.3 There is justification for requiring the provision of self-build and custom housebuilding plots on new housing allocations. Evidence suggests this should be in the region of 5%.
- 6.4 It is recommended that a policy requirement of 5% on all sites of 30 or more dwellings is consulted on.
- 6.5 Given that a proportion of people on the register own a plot that they would like to develop, a criteria based policy may assist in ascertaining if these sites should be considered suitable and sustainable by the Council.
- 6.6 It is also recommended that a criteria based policy is consulted on, to be applied in circumstances where the Council is unable to meet the demand for self-build and custom housebuilding plots. This could help meet any shortfalls in demand, but only in locations deemed sustainable. Such a policy would provide flexibility and provide a basis for refusing applications which did not meet the criteria.

APPENDIX A

Draft Housing Allocations

Site Reference	Site Address	Number of dwellings (Approximate)
Principal Town		1,666
C46	Land at Broom Leys Farm, Broom Leys Road, Coalville	266
C48	South of Church Lane, New Swannington	283
C50	Jack's Ices, North of Standard Hill, Coalville	108
C61	Church View, Grange Road, Hugglescote	10
C74	Land at Lily Bank, Thringstone	64
C83	186, 188 and 190 London Road, Coalville	50
R17	Land at Coalville Lane/Ravenstone Road	153
C47, C77, C78, C86 C81	Broad Location West Whitwick	500
C92	Former Hermitage Leisure Centre, Silver Street, Whitwick	32
TBC	Coalville Town Centre Regeneration	200
Key Service Centres		2,326
A5	Money Hill, Ashby de la Zouch	1,200
A27	South of Burton Road, Ashby de la Zouch	50
CD10	Land North and South of Park Lane, Castle Donington	1,076
Local Service Centres		450
lb18	Land off Leicester Road, Ibstock	450
Sustainable Villages		334
Ap15 Ap17	Land at Old End, Appleby Magna and 40 Measham Road	32
D8	Land off Ramscliffe Avenue, Donisthorpe	32
E7	Land between Midland Road and Leicester Road, Ellistown	69
H3	Land adjacent to Sparkenhoe Estate, Heather	37
Mo8	Land off Ashby Road, Moira	49
Oa5	Land at School Lane, Oakthorpe	47
P4	Land South of Normanton Road, Packington	18
R12	Land at Heather Lane, Ravenstone	50
New Settlement		
IW1	Land at Isley Woodhouse	4,500 ¹

¹ At present, we anticipate around **1,900** dwellings will be built in the period up to 2040.