

Report to: **Strategic Planning Committee**

Date of Meeting: 4 February 2025

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



Self-build and custom housebuilding update and monitoring report for 2023-2024

Report summary:

Custom and self-build (CSB) monitoring figures were last considered by the SPC on 30th April 2024. That report set out the legal and national policy changes that came into effect at the end of 2023/start of 2024 and noted that changes may be required to how the supply of CSB plots was undertaken. The report explained that secondary legislation to make the situation clearer was expected later in 2024: that legislation has yet to be published.

To take account of the new primary legislation and up-to-date guidance, the way that the CSB supply has been 'counted' in the latest monitoring period has changed so that plots have only been included if they show evidence of being a CSB project (where the owner has the primary input into the house design).

The monitoring report shows that we are meeting our minimum legal requirements in relation to the supply of plots to meet the demand shown on our CSB register. However, the supply of just 15 plots in the 2023 to 2024 monitoring period is the lowest since the introduction of the duty to meet CSB demand and continues the downward trend noted in last year's report. This, coupled with the very supportive national policy for CSB, suggest that we need to do more to deliver CSB opportunities.

One of the resolutions of SPC last time this issue was reported was to consider including a planning policy in the emerging local plan to enable greater levels of self-build and custom housebuilding through small and medium sized sites. No additional policies on CSB have been included in the Regulation 19 plan, although the more 'relaxed' settlement boundaries should provide additional CSB opportunities on smaller sites. Additionally, Policy HN05 requires 5% of sites for 20 or more dwellings to be delivered as CSB plots.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendation:

That Strategic Planning Committee:

- 1) Endorse the draft monitoring report for use in planning decisions (both planning policy and development management) and agree its publication on the Council's website.
- 2) Note that during the latest monitoring period (31/10/23 to 30/10/24) 11 individuals were added to the self-build register (8 to part 1 and 3 to part 2) generating a need to permission 8 plots suitable for self-build between 31/10/24 and 30/10/27.
- 3) Note that the demand for self-build plots indicated on the register should be taken into account in our planning, housing, regeneration and estate functions.

Reason for recommendation:

To ensure that our obligations with regard to self-build and custom housebuilding are met in line with the relevant legislation and national planning policy context.

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Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Democracy, Transparency and Communications
- ☐ Economy and Assets
- ☐ Finance
- ☒ Strategic Planning
- ☒ Sustainable Homes and Communities
- ☐ Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk; Low

Links to background information

Links to background documents are contained in the body of this report.

Link to Council Plan

Priorities (check which apply)

- ☒ Better homes and communities for all
 - ☒ A greener East Devon
 - ☒ A resilient economy
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1 Background to the self-build register

- 1.1 The Government is keen to encourage opportunities for people to build their own homes through custom and self-build (CSB). Some of the advantages of CSB are that it

diversifies the supply of housing, gives individuals and groups the opportunity to tailor make their own home, can be cheaper than buying a 'standard' home from a house builder and can produce innovative designs with enhanced ecological credentials.

- 1.2 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. We have produced CSB monitoring [reports](#) annually to show the latest demand and supply figures. There is a legal duty to consider the results in our planning, housing, regeneration and estate functions.
- 1.3 In April 2017 we introduced a local connection test so that, generally, only those who live or work in East Devon, 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). In February 2020 this Committee decided to keep the local connection test and not to introduce a financial solvency test or a registration fee. It is not considered that circumstances have changed that would justify reconsideration of these issues.
- 1.4 In addition to being relevant to developing plans and policies, Government Guidance states that the self-build register is likely to be a material consideration in planning applications. The guidance also says it should be taken into account in housing decisions, including preparing local housing strategies, delivering affordable housing, supporting community-led housing and building housing on land owned by the local housing authority. The register should also be used to inform disposal of Council owned land and when preparing redevelopment plans.
- 1.5 Over the years our approach to determining which permissions were 'suitable' for CSB (and should therefore be counted towards the supply needed to meet the demand indicated in 'Part 1' of the register) has evolved. In the first few monitoring reports we included all single plots in our supply. Following the publication of Right to Build Task Force Custom and Self-Build Planning Guidance in 2021 we amended our approach to generally align with that guidance (see Section 3 of our fifth monitoring report). Since that time until the latest monitoring report our approach was to include in our supply any permissions where a Community Infrastructure Levy (CIL) Exemption Part 1 Claim Form has been submitted (a declaration that the property will be built as CSB). This year our approach has been refined to take account of legislative changes and national guidance so that in our latest monitoring report we only count permissions if they show evidence of being a CSB project by meeting some of the following criteria:
 - The development has been identified as Custom and self-build on the planning application form;
 - It is clear that the initial owner has had significant input into the design and layout of the scheme;
 - The CIL Form 7 Part 1 has been submitted and CIL exemption granted for the project as a Custom and self-build development, with evidence of owner design input.

2 Key Points from Monitoring Report

- 2.1 The monitoring report shows that the overall demand for plots indicated on the self-build register was 11, with 8 on 'Part 1' of the register. This continues the reduction in the level of demand noted in the last monitoring report.
- 2.2 To meet the 2023/2024 demand, we will need to permission enough serviced plots to meet the demand indicated on Part 1 (8 plots) between 31/10/2024 and 30/10/2027.
- 2.3 The previous monitoring report (published April 2024) noted that there was a 'residual' requirement for 3 plots to be permissioned between 31/10/2023 and 30/10/2025 to meet the 2021 to 2022 demand.
- 2.4 Supply figures show that we permissioned 15 plots suitable for self-build between 31/10/23 and 30/10/24. Of these, 3 need to be counted against the 'residual' requirement of 3 to meet the 2021/2022 demand. This leaves 12 plots that can be counted towards the 31/10/2023 to 30/10/2024 demand of 8, leaving a 'surplus' of 3 plots (although the surplus cannot be 'carried forward' to meet the next year's supply because it predates the relevant base period).
- 2.5 The number of plots permissioned (15) continues the lower figure noted in last year's monitoring report and indicates that we may need to encourage more CSB opportunities to meet the minimum legal requirements.

Financial implications:

There are no direct financial implications identified in this report.

Legal implications:

The legal implications are set out within the report (002533/4 February 2025/DH).