



MARCH 2024

# Self and Custom Build Note

## Final Report

Iceni Projects Limited on behalf of  
Chichester District Council

March 2024

ICENI PROJECTS LIMITED  
ON BEHALF OF  
CHICHESTER DISTRICT  
COUNCIL

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Self and Custom Build Note  
FINAL REPORT



## Introduction

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- 1.1 The purpose of this note is to inform the District Council's policy in relation to Self and Custom Build Housing.
- 1.2 As of 1st April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area to build their own self-build and custom houses.
- 1.3 While Chichester District Council met this requirement, until recently the register picked up demand for those parts of the district which fall inside the South Downs National Park (which has its own register). It therefore overestimated demand for the Plan area. While the register has recently been revised in order to encompass only the Plan area, this leaves the Council with insufficient data to easily establish a clear and consistent understanding of the level of need. This report examines several ways in which this data issue can be overcome.

## Background

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- 1.4 The Chichester Self-Build and Custom Housebuilding Register was introduced on the 1st of April 2016 and there have now been seven and a half base periods<sup>1</sup> up to 30th October 2023.
- 1.5 The Council introduced eligibility criteria for entry to the self and custom-build housing register in April 2018 and therefore has a part one register, which requires those on it to pass a local connection test and a part two register which does not. The local connection test applies to those that meet any of the following criteria:
- have lived in the Chichester District Local Plan area (i.e., not in the South Downs National Park) for at least 5 years immediately prior to the date you apply to join the register; or,
  - have been employed in the district for more than 16 hours per week for the last two years; or,

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<sup>1</sup> A base period is a period of typically 12 months in which demand for custom and self-build is recorded. However, the first base period. The first base period began on the day on which the register (which meets the requirement of the 2015 Act) was established and ended on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

- have close family who have lived in the district as their main place of residence for the last five years and need the support of the close family or the close family needs the support of the applicant; or,
- have been in the service of the regular armed forces or have left the service of the armed forces for a period of five years or less.

1.6 In autumn 2023 the Council revised its self-build register in order to ensure that it only encompassed the plan area. This process was also accompanied by an extensive publicity campaign encouraging new entrants to join the register. However, this creates a disparity between the current register and past data, which this report seeks to address.

1.7 The Council is required to grant sufficient planning permissions to meet the demand identified on the Register as per the 2015 Act (as amended) within 3 years of the end of each base period. Any demand which is not met within those three years is rolled over to subsequent periods.

1.8 There is no reporting mechanism to know if self-build homes have actually been delivered or if the people on the register have secured a plot. This is further complicated by Levelling Up and Regeneration Act 2023 (LURA) which stipulates that the Council must demonstrate that any homes counted as part of the supply are specifically for self or custom build rather than the previous approach of counting CIL exemptions.

### **Chichester Housing Register**

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1.9 Below sets out data provided to us by the Council concerning its self and custom build register. This differs from that published by the Department for Levelling Up, Housing and Communities (DLUHC) as it seeks to exclude those seeking accommodation within the South Downs National Park.

1.10 Since April 2016 an average of 26 people per annum have entered the register. However, this potentially overestimates demand for self and custom-built housing in the Plan Area as it predates the local connection test. Since April 2018, when the local connection test was introduced, annual entries to the register have averaged 12.

**Table 1.1 Chichester Self and Custom Build Register (2016-2023)**

<b>Base Period</b>	<b>No. of applicants added to the Register/ Part 1 Register (Post 2018)</b>
<b>Period 1</b> (1 Apr 16 – 30 Oct 16)	26
<b>Period 2</b> (31 Oct 16 – 30 Oct 17)	65
<b>Period 3</b> (31 Oct 17 – 30 Oct 18)	35
<b>Period 4</b> (31 Oct 18 – 30 Oct 19)	0
<b>Period 5</b> (31 Oct 19 – 30 Oct 20)	0
<b>Period 6</b> (31 Oct 20 – 30 Oct 21)	0
<b>Period 7</b> (31 Oct 21 – 30 Oct 22)	18
<b>Period 8</b> (31 Oct 22 – 30 Oct 23)	46
<b>Total Since 2016</b>	190
<b>Annual Average since April 2016 (7.5 base periods)</b>	25
<b>Total Since April 2018</b>	64
<b>Annual Average since April 2018 (5.5 base periods)</b>	12

Source: Chichester District Council, 2024

- 1.11 As of 30 October 2023, there are a total of 66 applicants on Part 1 of the Register and 9 in Part 2. There are no associations of individuals on the register.
- 1.12 At the end of each base period, the Council has 3 years in which to grant permissions for an equivalent number of plots of land which are suitable for self-build or custom housebuilding as there are entries for that base period (so as of October 2022, the Council needed to have granted sufficient consents to meet the needs shown in base periods 1-4). The Levelling Up and Regeneration Act 2023 ('LURA') confirms that the demand calculation should include any need from previous years which has not been met.
- 1.13 The current entries onto the Chichester custom and self-build register were asked to rank their three preferred parishes where they would like their home to be. The most popular location was Chichester followed by Bosham in a distant second place. Lavant was the most popular second choice while Fishbourne was the most popular third choice.

**Table 1.2 Choice of preferred Parish of those on the register**

<b>First Choice</b>	<b>Count</b>	<b>Second Choice</b>	<b>Count</b>	<b>Third Choice</b>	<b>Count</b>
Chichester	25	Lavant	13	Fishbourne	10
Bosham	8	Funtington	6	Chichester	6
Southbourne	4	Bosham	5	Lavant	6
West Itchenor	4	Chichester	5	Funtington	5
Lavant	3	Fishbourne	5	Chidham & Hambrook	4

Source: Chichester District Council, 2024

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## Broader Demand Evidence

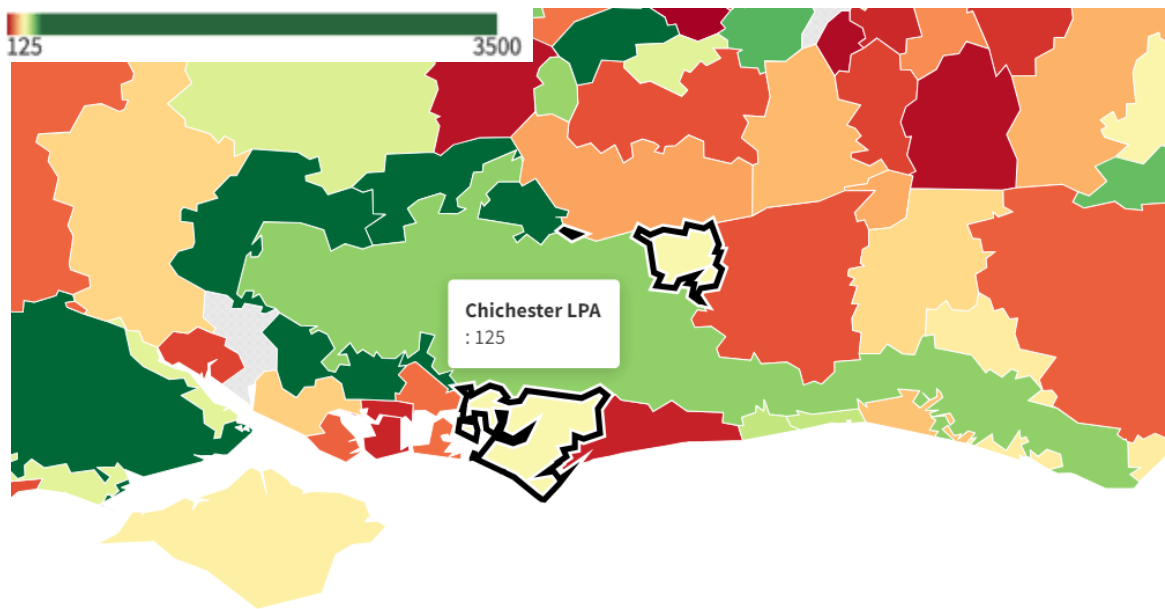
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- 1.14 To supplement the data from the Council’s register, we have looked to secondary sources as recommended by the PPG. We have bought data from the Right To Build Register and examined published data from NaCSBA - the national association for the custom and self-build housing sector.
- 1.15 First, it is worth highlighting that the October 2020 survey undertaken by YouGov on behalf of NaCSBA found that 1 in 3 people (32%) are interested in building their own home at some point in the future, including 12% who said they were very interested. Notably, almost half (48%) of those aged between 18 and 24 were interested in building their own home, compared to just 18% of those aged 55 and over. This is notable as, traditionally, self-build has been seen as the preserve of older members of society aged 55 and over, with equity in their property.
- 1.16 Second, we can draw on NaCSBA data to better understand the level of demand for serviced plots in Chichester in relative terms. The association published an analysis with supporting maps and commentary titled “Mapping the Right to Build” in 2020. This includes an output on the demand for serviced plots as a proportion of the total population relative to all other local authorities across England.
- 1.17 One of the key maps within the report highlights the areas of strongest demand and this is shown in the figure below. This shows that Chichester requires 125 units per 100,000 head of population. This appears to be the Plan Area as it also reports separately for the South Downs National Park (183 units per 100,000 head of population). Based on the 2021 population outside the National Park<sup>2</sup> of 91,850 this would equate to a need for around 115 units.

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<sup>2</sup> Base on a best fit of OA

Figure 11.2 - Overall Demand for Self-Build Plots per 100,000 of Population



Source: NaCSBA/ [www.nacsba.org.uk](http://www.nacsba.org.uk) & iFlourish

- 1.18 The Right To Build Register Demand Appraisal is comprised of the number of people currently subscribed to the Right to Build Register, held by Custom Build Homes, who want to custom or self-build their home within the Chichester District Council area.
- 1.19 Given that much of the Chichester District Council area falls within the South Downs National Park which has separate duties under the Self-build and Custom Housebuilding Act 2015, the appraisal provided a breakdown of the number of subscribers in specific postal districts<sup>3</sup> (PO18, PO19, and PO20) to enable prevailing market demand in sub-areas of the district to be more accurately assessed.
- 1.20 The report highlighted a total of 266 subscribers within these postal sectors. However, the population of these postal sectors is only around 92% of the population of the Plan Area based on the best fit of Output Areas (91,850) we have therefore divided the outputs by 0.92% to get to a total of 289 which is potentially a more accurate representation for the Plan Area.
- 1.21 To assess the future market demand for custom or self-build housing within the Plan area and to inform the policy response this assessment has also examined the annual rate of registrations on

<sup>3</sup> The data is only collated for postal districts and those postal districts in the Plan Area North span an area much wider than the Plan Area North and thus have been excluded. However, this is addressed through the calculations set out in paragraph 1.20 and 1.22.

the Right to Build Register over the past four years (October to October to align with the 'base periods' established under the Self-build and Custom Housebuilding Act 2015).

- 1.22 As shown in the table below, the average number of applications per year in the three postal districts was 49 which can be rounded up to 53 per annum for the plan area (based on the calculation in the paragraph above).

**Table 1.3 Average Annual Input to Right to Build Register**

	2019-2020	2020-21	2021-2022	2022-23	Total
PO18	7	20	9	21	57
PO19	10	20	10	25	65
PO20	13	23	9	28	73
<b>Total</b>	<b>30</b>	<b>63</b>	<b>28</b>	<b>74</b>	<b>195</b>
Annual Average (3 PD)	49				
Annual Average (Plan Area)	53				

Source: Right To Build Register \*note the 195 differs from the 266 due to 71 registrations before 2019.

- 1.23 To conclude, the analysis herein has shown a reasonably wide range of annual demand (12-53) however these only provide an indication of future demand and the true number of plots that the Council needs to permit will be determined by the number of entries onto the register. This will be easier to determine in future as the Council have put in place controls to ensure that this only reflects the demand from the Plan Area.

### Supply Response

- 1.24 A consideration for the Council is when demonstrating supply to meet this demand the Levelling Up and Regeneration Act makes it harder for Councils to simply count CIL exemption sites. They now must demonstrate that these homes are specifically for self or custom build.
- 1.25 This will require the Council continuing to ensure it has a thorough understanding of the supply of self and custom-built housing. The Council has already begun to review previous years supply to ensure this aligns with the LURA requirements. Although LURA also includes a provision for the Secretary of State to set out regulations (in due course) regarding what planning permissions should be counted.
- 1.26 Data on the permissions granted for self-build, based on information reviewed and provided by the Council, is shown in the table below. This however will need to be reviewed once the planning permissions stipulations from the Secretary of State are confirmed which could have a downward impact on the supply position.



- 1.27 In comparison to the 190 people who have entered the register in the first eight base period the supply position is 211 dwellings or 28 per annum. This would suggest that there is no backlog need. This calculation was aided by supply across base periods 4 to 6 when no additional entries were added to the register thus clearing the historic backlog.

**Table 1.4 Permissions Granted for Self- and Custom-Build Development in Chichester**

Base Period	No. CIL self-build permissions granted in the base period	Cumulative no. CIL self-build permissions granted
<b>Period 1</b> (1 Apr 16 – 30 Oct 16)	26	<b>26</b>
<b>Period 2</b> (31 Oct 16 – 30 Oct 17)	30	<b>56</b>
<b>Period 3</b> (31 Oct 17 – 30 Oct 18)	31	<b>87</b>
<b>Period 4</b> (31 Oct 18 – 30 Oct 19)	29	<b>116</b>
<b>Period 5</b> (31 Oct 19 – 30 Oct 20)	16	<b>132</b>
<b>Period 6</b> (31 Oct 20 – 30 Oct 21)	23	<b>155</b>
<b>Period 7</b> (31 Oct 21 – 30 Oct 22)	30	<b>185</b>
<b>Period 8</b> (31 Oct 22 – 30 Oct 23)	26	<b>211</b>

Source: CDC-supplied data

- 1.28 However, backlog should not be looked at across the whole period but whether the need has been addressed within three years of it being identified. Given this nuance, we consider that there is currently only a 20-unit backlog based on the most recent year where supply was 26 dwellings against 46 entries. This shortfall will need to be added to the need for future years until supply outstrips entries.
- 1.29 It is also worth noting that all of this supply is effectively windfall, as the Council currently has no specific allocations which include self-build provision. While there is clearly evidence of a reliable supply of windfall provision (28 per annum), this falls short of the upper end of the demand range set out in the section above (53 per annum).
- 1.30 In conclusion, reliance on windfall alone is not likely to address the full range of demand for self/custom build plots, nor can it respond to geographical preferences. This then requires a policy intervention to ensure that demand is met as fully as possible.

### Policy Response

- 1.31 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector.

1.32 The PPG<sup>4</sup> is clear that 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 and can focus on playing a key role in facilitating relationships to bring land forward.

1.33 There are several measures which can be used to do this, including but not limited to:

- supporting Neighbourhood Planning groups where they choose to include self-build and custom-build housing policies in their plans;
- working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom-build housing;
- when engaging with developers and landowners who own sites that are suitable for housing, encouraging them to consider self-build and custom housebuilding, and facilitating access to those on the register where the landowner is interested; and
- working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for veterans and other groups in acute housing need.

1.34 Ultimately, government policy and legislation is generally seeking to encourage and support self-build development and it is appropriate for this to be reflected in local plan policies which Policy H6 of the Emerging Local Plan will achieve. This emerging policy specifically addresses Custom and/or Self Build Homes and states:

*“New sites over 200 units which are allocated in the Local Plan will be required to provide self and custom build serviced plots as set out in the relevant site-specific allocation policies.*

*In all other instances 2% of market units provided on strategic scale housing sites (+200 units) should be self/custom build.*

*Self and custom build serviced plots will also be encouraged as part of other residential development sites, though there is no requirement for a specific number of plots.*

*Plots/units must be extensively marketed at a reasonable value for at least 12 months. For the first two months of this marketing period, the plots will be prioritised to individuals and associations of individuals on the council's self-build register.*

*Where the council agrees that the plots have been appropriately marketed (for a period of not less than 12 months) and have not sold within this time period these plots may be built out as conventional*

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<sup>4</sup> Paragraph: 025 Reference ID: 57-025-20210508

*market housing (this option is not available for plots granted via the exception sites criteria referred to below).*

*The provision of custom and self-build plots via the neighbourhood planning process is encouraged, particularly where a need can be demonstrated via the council's Custom and Self-Build Register, or via evidence gathered as part of the neighbourhood planning process.”*

- 1.35 This approach is in line with an increasing number of local planning authorities that have adopted specific self-build and custom housebuilding policies to encourage delivery, promote and boost housing supply. Furthermore, the emerging Local Plan’s site allocation policies include specific requirements for custom and self build plots on four specific sites<sup>5</sup>.
- 1.36 There are also a number of appeal decisions in the context of decision-making which have found that paragraph 11(d) of the Framework is engaged in the absence of specific policy on self-build housing when this is the focus of a planning application. The inclusion of such a policy is therefore advisable in local plans.
- 1.37 However, given the potential scale of need, it may be appropriate for the Council to consider whether to reduce the size threshold of sites where custom and self-build plots are sought (potentially sites over 120 units based on sites delivering over 2 years) or increase the contribution sought. In our experience, 2% is a fairly minimal percentage sought by such policies. It could also be a combination of both.

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<sup>5</sup> A8 (Land East of Chichester), A10 (Land at Maudlin Farm), A11 (Highgrove Farm) and A13 (Southbourne Broad Location for Development).