



Department for  
Communities and  
Local Government

## Right to Build Vanguards:

Invitation for expressions of interest

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# Introduction

*‘Custom build housing, including self build, is housing built by individuals or groups of individuals for their own use, either by building the home on their own or working with builders. Custom build homes are often cheaper, greener, more affordable and more innovatively designed than standard market housing. For too long custom build homes have been seen as an option only for a privileged few. The Government is committed to increasing housing supply and helping more people achieve their aspirations of owning a home.*

1. The Government plans to increase the capacity and diversity of the house building industry to build more high quality new homes faster. To help achieve this it is determined to support the growing number of people who want to build their own home.
2. The custom build<sup>1</sup> sector makes an important contribution to housing supply, with about 1 in every 10 homes being built or commissioned by individuals. Yet this ratio is far lower than the proportion seen in most European countries.
3. Custom build housing, including self build, has many benefits. A growth in custom build housing will help to increase the speed and scale at which new homes are built in this country. It forms an important part of the Government’s strategy to increase the supply of high quality new housing which meets people’s needs. It can reduce the costs of owning a new home and provide greater choice for home owners. It will also bring about improved, greener and more diverse housing designs and new investment opportunities for construction companies and builders, thereby creating and sustaining jobs and driving economic growth.
4. Despite these benefits many custom builders find it difficult to secure a building plot for their projects and cannot compete effectively with commercial home builders who can often access finance more easily to buy land in bulk. Finding a suitable building plot is currently the single biggest barrier holding back thousands of new projects every year.
5. Although some councils and developers are beginning to make dedicated building plots available for people who want to build their own home, offering custom build options on some sites or introducing local policies to support such development, this practice is not currently widespread. This is in stark contrast with other countries

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<sup>1</sup> Custom home building typically involves individuals or groups of individuals commissioning the construction of a new home or homes from a builder, contractor or package company or, in a modest number of cases, physically building a house for themselves or working with sub-contractors. This latter form of development is also known as ‘self build’ (i.e. custom build encompasses self build).

where building plots are more readily available and where councils and developers proactively bring land forward for such housing.

6. In order to address this challenge and support our ambition of doubling the size of the custom build sector, and building on the initiatives we have already introduced through our Custom Build Homes programme<sup>2</sup>, the Government announced a package of new measures at Budget 2014:
  - Consulting on a new ‘Right to Build’, giving custom builders a right to a plot from councils;
  - Identifying a small number of councils to act as vanguards to test how the Right to Build model would work in practice;
  - Making available £150m repayable finance to bring forward up to 10,000 plots for custom build; and
  - Looking to extend the Help to Buy equity loan scheme to custom build projects.
7. This document focuses on the second of these measures (the Government will make further announcements on the other measures in due course). It invites expressions of interest from local planning authorities in becoming Right to Build vanguards. We have set out below details of how the vanguards programme will operate, the support that will be available and how councils can apply to participate. We would also be happy to discuss the programme with interested councils – our contact email address is [righttobuildvanguards@communities.gsi.gov.uk](mailto:righttobuildvanguards@communities.gsi.gov.uk).

## What is Right to Build?

8. The Government has announced that it will consult on creating a Right to Build. This will give people with a serious interest in building their own home a right to a plot from a local planning authority. The aim would be to make it easier for custom builders to access suitable, shovel-ready building plots to get their projects off the ground. The proposal recognises the significant role that councils can – and in some case already do – play in responding to the local demand for custom build.

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<sup>2</sup> *Laying the Foundations: A Housing Strategy for England* introduced a Custom Build Homes programme to support and encourage more people to build their own homes. A range of actions have been implemented under the programme. These include; the introduction of planning policy and supporting guidance asking councils to establish the demand and plan for such housing in their area; releasing Government land; working in partnership with industry and local authorities to promote projects on larger sites and set up an online industry Self Build Portal; introducing a £30 million investment fund to support larger scale projects; and introducing a Community Infrastructure Levy exemption for custom builders.

9. The core of the Right to Build proposal is a requirement on local planning authorities to:

- (a) Open and promote a register for prospective custom builders. A key purpose of the register is to measure effectively the demand for custom build housing in the local area. We are considering options on how this register might operate, including, for example, that eligibility for registration would be open to those who are resident in the local authority area and potentially also those with a direct family connection to the area.

The proposed requirement to open and promote a register builds upon existing national planning policy and guidance. The National Planning Policy Framework<sup>3</sup> requires local authorities to have a clear understanding of housing need in their area and plan to address the need for all types of housing, including the demand from those people wishing to build their own homes. The Government's Planning Practice Guidance states that plan makers should, therefore, consider surveying local residents, possibly as part of any wider surveys, to assess local housing need for this type of housing, and compile a local list or register of people who want to build their own homes; and

- (b) Make available, for sale at market value, a sufficient number of suitable serviced plots for those on the register within a reasonable period of time. Land for plots could come from local authorities' own landholdings or land from other landowners.

10. Beyond the core proposition above, there is a range of design issues which the Government is currently considering. These issues include:

- a. The specific eligibility rules that might apply to the registration process
- b. The extent to which the local authority should meet the different preferences of people on the register
- c. The application of the Right in areas with limited land supply
- d. How plots might best be made available, taking account of different models of custom build and local circumstances
- e. How design codes might be used to best effect, taking account of local views and the needs of custom builders.

11. These and other issues will be explored further in our consultation later this year. By consulting on the Right and working with a small number of local authorities as Right to Build vanguards, we will develop our proposal and next steps on the Right to Build. We also want to explore how we can make the Right work on a self-financing basis for local authorities.

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<sup>3</sup> Paragraphs 50 and 159 (National Planning Policy Framework, DCLG, March 2012)

# What is the purpose of the Right to Build vanguards?

12. We are looking to work with a small number of local planning authorities to test various approaches to how the Right will be applied in practice. This will involve local authorities operating the basic principles of the proposed Right to Build model on a voluntary basis, in advance of any formal requirement to do so. We will be looking for vanguard local authorities to be pioneers of the Right and help test and push the boundaries of what it can achieve. Their experiences will feed directly into shaping the design of the Right.
13. The vanguards programme, along with the outcomes of our planned consultation, will help to inform policy decisions around the possible implementation of the Right. More specifically, we want the vanguards to provide greater insight into:
- The level of local demand for custom build, and the extent to which greater access to suitable building plots can help to unlock this;
  - How best to design registers for prospective custom builders, taking account of the nature of the demand for this type of housing;
  - The most effective means of securing building plots and making them available;
  - The costs of operating the Right and the time, skills and capacity required within local authorities to make it work effectively;
  - How registers might best be structured and likely time taken to open registers and secure plots; and
  - Best practice that could be shared with other local authorities.

# How will the vanguards work & what will vanguard local authorities be asked to do?

14. As noted above, it is intended that the vanguards programme will explore different approaches to operating the Right. Therefore, while vanguard local authorities will need to agree to operate the core elements of the Right as a condition of selection, they will have considerable flexibility over how to put the Right into practice in their area. We will welcome expressions of interest that go beyond the core requirements

(for example, exploring delivery of affordable housing through this route) and this is reflected in our selection criteria.

15. Each vanguard will need to agree to:

- a) **Open and promote a register** for people who wish to register their interest in purchasing a building plot in the local authority area for the purposes of building their own home as a primary residence. We will work with the vanguard authorities to determine the detailed design of the register, the means of publicising it and who should be able to register.
- b) **Make a sufficient number of suitable, serviced building plots available** within a reasonable period of time for those who have registered. Vanguard local authorities will have discretion over how to secure plots and how to make them available, although we will encourage vanguards to explore the use of any suitable land they own as well as the scope to secure plots on other land.

To provide custom builders with increased certainty and flexibility, local authorities will need to provide plots that have at least outline planning permission or are covered by a Local Development Order<sup>4</sup>, taking a flexible approach depending on the scale of the development. Builders may then be able to apply for detailed permission on their individual plot or build these out according to a specified design code (either linked to a Local Development Order or required as a condition of planning permission).

As a minimum, plots should be serviced with access to gas, water, waste and electricity. There is no requirement that plots must be made available at below market value, and the vanguards will have discretion over the extent to which they take the preferences of those on the register into account when securing plots. We will encourage vanguards to consider innovative methods of procurement to reduce land cost.

- c) **Provide information to DCLG** about the progress and outcomes of the vanguard. This is to ensure that we can evaluate the success of the vanguards and learn lessons that should be taken into account in future policy-making. We will require feedback on each of the components of the vanguard at regular intervals. However we will keep these information requirements as light-touch as possible and work with the selected vanguards to design them. We might also expect representatives from the selected vanguards to hold regular meetings with central government officials to share their experiences of operating the Right to Build model. We will also encourage the vanguards to share learning with each other and with other local authorities.

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<sup>4</sup> “An Order made by a local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a specific development proposal or classes of development” (Planning Practice Guidance, DCLG, March 2014)



16. The vanguards will be required to meet a limited number of **key milestones** following their selection. These are as follows:
- By 31 October 2014: Open and publicise registers;
  - By 31 January 2015: Begin the process of identifying and securing a sufficient number of suitable plots to respond to established local demand (although we will encourage local authorities to start thinking about this from the outset).
17. We envisage asking for formal feedback from the vanguards on their progress and experiences in January, March and June 2015. As noted above, we will keep this as light-touch as possible.

## What support will be available?

### Resource funding

18. As part of their expression of interest, local authorities will be invited to provide a short, indicative assessment of what (if any) resource funding they will require in order to operate as a vanguard. Local authorities will be able to apply for limited support funding to cover the following activities:
- opening, publicising and operating the register;
  - Managing the process of disposing of a local authority's own surplus landholdings (where the local authority wishes to do so);
  - Finding and securing plots on other land (this does not include the cost of land acquisition);
  - Managing the process of making plots available, including securing planning permission and (where desirable) preparing a design code; and
  - Compiling information to share with DCLG about the operation of the vanguards.
19. Where selected vanguards have successfully applied for funding (as part of the expression of interest exercise) we anticipate that this will be paid as a one off Section 31 grant by 31 December 2014. The funding agreement will set out further details of eligible expenditure. No resource funding will be available beyond 2014-15.

20. It should be noted that cost will be one of the criteria used to select vanguards. Therefore, all other things being equal, expressions of interest which estimate lower expected costs will be favoured over more expensive ones (however this will not be determinative as performance against all of the criteria will be taken into account).

## Capital funding

21. No capital funding has been designated for the vanguards. As part of the Custom Build Package announced at Budget, we have made available a total of £150 million repayable finance for eligible projects which bring forward serviced plots for custom build homes. Local authorities (and other public sector organisations) will not be eligible to apply for this funding. However, local authorities could explore working with a private sector development partner or setting up a separate, corporate company to access the fund. Due diligence processes will be carried out to ensure the proposed entity is suitable to receive funding. The full prospectus for the fund is available on the Homes & Communities Agency's website at:  
<https://www.gov.uk/government/publications/custom-build-serviced-plots-loan-fund>

## Advice & expertise

22. Advice and information relating to the vanguard programme will be available to vanguard local authorities on a regular basis from a named lead officer within DCLG. The National Self Build Association, which has been working in partnership with Government to implement the Custom Build Homes programme, has also agreed to provide informal advice to vanguards, both directly and via the Self Build Portal.

## Who is eligible to participate?

23. Expressions of interest are invited from any local planning authority in England.

## How to submit an expression of interest

24. Please complete a short proposal, setting out an outline plan to deliver the requirements of the vanguards and how they will meet the criteria below (and to go beyond the core requirements, if they so choose) against the identified milestones in paragraph 16. Plans must also identify the level of resource grant funding that would be needed, if any.

25. Please return this electronically to [righttobuildvanguards@communities.gsi.gov.uk](mailto:righttobuildvanguards@communities.gsi.gov.uk).  
The deadline for submitting an expression of interest is Friday 31 July.

26. All expressions of interest will be assessed against the criteria set out below:

- a) The ambitiousness and deliverability of the local authority's outline plan to deliver (and, ideally, to exceed) the requirements of the vanguards against the identified milestones, to the extent that this goes beyond what the local authority planned to deliver anyway
- b) The amount of land the local authority envisages being able to secure to meet local demand, from its own land and land from other sources
- c) The level of resource grant funding that the local authority has indicated it requires
- d) Past record of positive actions the local authority has taken (as a local planning authority or otherwise) to address demand for custom build housing in its area
- e) The opportunity each expression of interest presents for the Right to Build vanguards programme to include areas which differ in terms of their geographical location within England and their urban/rural/suburban character.

27. We recognise that local authorities might have already undertaken some of the specific actions set out in paragraph 15 above. This is not necessarily a barrier to participating in the vanguards programme. For example, a local authority that has already established a register consistent with paragraph 15 (a) would be welcome to focus its outline plan on delivering the requirements set out in paragraph 15 (b) (i.e. making a sufficient number of plots available to meet demand expressed via the register).

28. Following the selection exercise, the reasonableness and affordability of any grant funding requirements set out as part of the successful expressions of interest will be assessed. Where the resource requirements indicated by a selected vanguard have not been fully agreed to, the local authority will have the opportunity to withdraw its expression of interest should it wish to do so.

29. The selection process will run broadly as follows:

- Deadline for submitting expressions of interest: **31 July**
- DCLG will evaluate expressions of interest (and any associated resource funding requirements)

- Applicants will be notified of the outcomes, and a public announcement will follow, by the autumn.