

## FIRST HOMES - UPDATE

Housing and Health Advisory Committee - 28 September 2021

**Report of:** Chief Officer People and Places

**Status:** For Consideration

**Key Decision:** No

**Executive Summary:** This report is an update on First Homes.

**This report supports the Key Aim of:** The Housing and Health Strategy & Community Plan.

**Portfolio Holder:** Cllr. Kevin Maskell

**Contact Officer(s):** Rebecca Wilcox, Ext. 7272

**Recommendation to Housing and Health Committee**

To receive and note report.

**Reason for recommendation:** In February 2020, as part of the government's 2019 Manifesto, to increase the availability of first-time buyer homes, the government ran a consultation on their First Homes policy.

A summary of the consultation responses was published in August 2020 and in April 2021 there was a further publication on the government's response to the proposals on securing First Homes as part of the changes to the current planning system consultation.

A written Ministerial Statement on First Homes was issued on 24 May 2021. From this a pilot programme was announced in summer 2021 that would be launched as part of the next Affordable Homes Programme.

It was agreed that the Housing Strategy Team would progress the possibility of a pilot site in the District and to update Members

### Introduction and Background

- 1 A Written Ministerial Statement on First Homes was issued on 24 May 2021. Our current understanding of FIRST HOMES is as follows
- 2 First Homes policy will apply from 28 June 2021, however it will not apply to planning permissions granted prior to 28 December 2021. On major sites (defined as sites of 10 homes or more) where Core Strategy policy SP3 triggers on-site affordable housing, 25% of the affordable housing will be required as First Homes.

- 3 First Homes are new build homes for sale to first time buyers only.
- 4 Local authorities are required to approve all FIRST HOMES purchases and sanction exchange of contracts
- 5 Buyers may have a household income of up to £80,000 pa (this is the same as Help to Buy - shared ownership). Local authorities can set a lower income cap provided it is at a level sufficient for a buyer to afford to buy a FIRST HOMES with a 95% LTV mortgage. (The December 2020 median resident based income levels for SDC show a full time worker earns £35,282 each year).
- 6 Local authorities have been invited to bid for Homes England grant funding under a First Homes pilot, it is recommended that the pilot should apply to sites that already have full planning consent. The pilot will be in addition to the secured affordable housing requirements under the Core Strategy SP3.
- 7 Under the pilot, completions are required by 31 March 2023 with a capped discount rate of 30% and a maximum sale price after the discount of £250,000.
- 8 At the Cabinet Briefing on 22 June 2021, the following was agreed: *The approach to the pilot will be discussed further with the Portfolio Holder.*
- 9 Cllr Kevin Maskell agreed at the Portfolio Holder's meeting on 24 June 2021 further research into a potential pilot could commence along with a standing item at all subsequent meetings.

#### **Progress to date**

- 10 Since the last briefing additional guidance and information has been made available, this includes defining First Homes as an "intermediate tenure" in terms of affordable housing delivery and the provision of transitional arrangements for decision-making.
- 11 The intention is that First Homes delivery will be at scale with approximately 10,000-20,000 properties delivery per annum. With the aim as a long lasting tenure.
- 12 A toolkit is being prepared and will be provided to local planning authorities including but not exclusively section 106 model clauses and application templates. A date for this toolkit has yet to be confirmed.
- 13 A First Homes pilot is currently underway in Bolsover District Council (Derbyshire), this is a rural district with four main towns, Homes England have a longstanding relationship with the authority and own a key site. While still early in the process there is one current sale application being progressed. The officer-working group will continue to monitor the progress of this pilot.

- 14 Housing are engaging with developers on existing sites with specific communication taking place on a site being developed out with West Kent Housing Association. While this is still very much in the early stages this is a positive progress for the district.
- 15 An SDC officers working group will be set up in September to support the First Homes implementation. The first piece of work the group will commence is a process mapping exercise on the planning authority's requirements and potential resource implications. This will support the preparation required for the December 2021 formal implementation date. The group will also continuing to consider potential sites and partners to work through a pilot scheme within the district.

### **Other options Considered and/or rejected**

The Council could do nothing. However, it is recommended that we review the potential of a pilot in the District as it will provide government funding that will not be available in the future. It will also give the Council the opportunity to feedback to the government on the opportunities and challenges of delivering First Homes for the District.

### **Key Implications**

#### Financial

Currently this is a scoping exercise for a potential pilot site and will consist of Government Funding. Once a potential site is located then a costing exercise will begin and will be brought to the Advisory Committee.

#### Legal Implications and Risk Assessment Statement.

There are no legal implications currently as this is a scoping exercise.

#### Equality Assessment

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this report directly impact on end users. The impact has been analysed and does not vary between groups of people. The results of this analysis are set out immediately below.

There are no negative impacts - the report applies to all.

### **Conclusions**

To progress with sourcing a potential First Homes pilot scheme which will allow the Council to understand the delivery issues and challenges. Progressing this to date has involved the housing enabling officer engaging with existing development sites

(pilot will only consider applications for current approved development) to understand the interest from them to participate.

If we are unable to secure a pilot scheme, we will continue to work with planning policy to ensure the development of a process for planning and housing when handling new planning applications. We will also continue to engage with the Ministry and Homes England regarding the new and existing pilots in order to have the opportunity to raise potential challenges.

#### **Appendices**

None.

#### **Background Papers**

[First Homes, Getting you on the ladder](#)

[Guidance - First Homes](#)

**Sarah Robson**

**Deputy Chief Executive and Chief Officer - People & Places**