

**Executive
2022**

6th September

First Homes Local Connection Criteria

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis Head of Community and Housing Services
Report Author	Job Title: Amanda Delahunty Strategic Housing and Enabling Manager Contact email: a.delahunty@bromsgroveandredditch.gov.uk Contact Tel: 01527 881269
Wards Affected	No specific ward relevance
Ward Councillor(s) consulted	Not Applicable
Relevant Strategic Purpose(s)	Affordable and Sustainable Homes
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Executive is asked to RESOLVE that:-

- 1) The Council adopts the First Homes Policy (Appendix 1) and delegate authority to the Head of Community Services in consultation with the Housing Portfolio holder to make an amendments to the Policy to reflect any future Government Guidance.**

2. BACKGROUND

- 2.1 The Government has introduced a new affordable housing product known as First Homes. First Homes are discounted market sale units with the criteria to be classed as First Homes set through legislation. They:
 - a) must be discounted by a minimum of 30% against the open market value;
 - b) are sold to a person or persons meeting the First Homes eligibility criteria;
 - c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current

market value) and certain other restrictions are passed on at each subsequent title transfer; and,

d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).

- 2.2 The vendor will need to provide a market value undertaken by a Valuer who is qualified by the Royal Institute of Chartered Surveyors.
- 2.3 There is a requirement that developments providing affordable housing will have a minimum of 25% of affordable homes as First Homes. The Government has given local authorities flexibility to include a local connection criteria where they consider this to be appropriate.
- 2.4 In August 2021 the Government invited housebuilders to take part in a First Homes Pilot to deliver 1,500 homes by 2023 and provided templates for Section 106's, application packs and conveyancer packs to facilitate this on the 4th March 2022 (updated on the 12th May 2022). Whilst the Council is not required to have a First Homes Policy, the results of the HEDNA suggested sufficient need for First Homes in order for a local connection criteria to be introduced.

Local Connection

- 2.5 It is proposed to include a local connection criteria for First Homes applicants due to the numbers of applicants unable to access the open market in the district due to high house prices that are inaccessible to those with lower quartile and median incomes. The local connection criteria used is similar to that used in the Council's housing allocations policy and lasts for three months from the date of when the property is first marketed.
- 2.6 In determining whether the household has a local connection the Council will agree a connection exists in the following circumstances, noting that if an applicant has no connection that meets the qualification criteria and claims a connection on the basis of special circumstances then the decision to allow them on the list can be made by a Senior Officer:
- a) Where the local connection arises due to residency - applicant(s) must have lived in Redditch Borough for a minimum period of two years or have resided in the Borough for three out of the last five years at the point of application.
 - b) Where the local connection arises due to employment - applicant(s) must have been in permanent, paid employment in the Borough

immediately prior to the application or have a certified offer of employment in the Borough.

- c) Where the local connection arises due to close family - applicant(s) must have a close family member living in the Borough for a minimum period of three years, immediately prior to the application.

2.7 In determining permanent employment we will give consideration to the Local Government Association guidelines which state that this is employment other than that of a casual nature.

2.8 In determining close family member we mean mother, father, sister, brother or adult child (aged 18 and over).

Armed Forces

2.9 Members of the UK armed forces stationed abroad will be considered as living in the United Kingdom for the purposes of applying for social housing.

2.10 The Secretary of State has the power to prescribe in Regulations criteria that may not be used by local housing authorities in deciding what classes of persons are not qualifying persons (s. 160ZA(8)(b)). These Regulations require that local housing authorities do not use local connection (within the meaning of s. 199 of the Housing Act 1996) as a criterion in deciding whether the following are not qualifying persons:

- a) persons who are serving in the regular forces or have done so in the five years preceding their application for an allocation of housing accommodation.
- b) bereaved spouses or civil partners of those serving in the regular forces where their spouse or partner's death is attributable (wholly or partly) to their service and the bereaved spouse or civil partner's entitlement to reside in Ministry of Defence accommodation then ceases.
- c) seriously injured, ill or disabled reservists (or former reservists) whose injury, illness or disability is attributable wholly or partly to their service.

2.11 The Council recognises the contribution that armed forces personnel have made and will waive the local connection requirement to those applicants as described above.

- 2.12 The Council will also extend the provision above to include divorced or separated spouses or civil partners of Service Personnel who are required to move out of accommodation provided by the Ministry of Defence.

3. FINANCIAL IMPLICATIONS

- 3.1 The Council will be bringing forward a fees and charges report in October 2022 to implement a charge of £150.00 per First Homes application to cover the costs of processing. Officers are not expecting this to provide anything other than a small amount of income as there are unlikely to be many First Homes provided in the next few years because the major sites have already been approved without this requirement. Therefore, it is anticipated that this work can be carried out within existing resources.
- 3.2 Should numbers start to increase the Council will need to review the additional administrative and legal burden and whether there is a need to increase capacity. There may also be opportunities for additional technology to support processing of applications.

4. LEGAL IMPLICATIONS

- 4.1 The national guidance for First Homes is set out in the National Planning Policy Guidance (NPPG) published on the 24th May 2021.
- 4.2 From the 28th June 2021 local authorities are required to deliver First Homes as a proportion (25%) of their usual Affordable Housing delivery through their local plan policies. The NPPG sets out transitional arrangements for current applications. First Homes are not required from any applications determined before 28th December 2021 or 28th March 2022 where there have been substantive preapplication discussions relating to the proposed Affordable Housing contribution.

5. STRATEGIC PURPOSES – IMPLICATIONS

Relevant Strategic Purpose

- 5.1 This policy supports the Finding Somewhere to Live strategic purpose by giving affordable housing priority to those with a local connection.

Climate Change Implications

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5.2 There are no climate change implications.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

6.1 The Governments equalities impact assessment on First Homes is provided through the following link
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/975121/EQIA_First_Homes.pdf

Operational Implications

6.2 The introduction of First Homes will place a greater burden on local authorities in terms of processing and agreeing applications from prospective purchasers. The introduction of a local connection criteria will add to this burden. This function will be provided by the Strategic Housing Team and the Legal Property Team.

7. RISK MANAGEMENT

7.1 If a local connection is not implemented the First Homes product may be sold to a significant proportion of First Time Buyers who do not have a local connection to the Borough.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Redditch First Homes Policy

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9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Craig Warhurst Portfolio Holder for Housing and Procurement	5 th August 2022
Lead Director / Head of Service	Judith Willis Head of Community and Housing Services	11 th August 2022
Financial Services	Peter Carpenter Interim Deputy Section 151 Officer	11 th August 2022
Legal Services	Clare Flanagan Principal Solicitor	5 th August 2022
Policy Team (if equalities implications apply)	The Government has conducted it's own Equalities Impact Assessment	
Climate Change Officer (if climate change implications apply)	Not applicable	