

**Executive
2026**

17th March

Permission to Revoke First Homes Policy

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|--|---|
| Relevant Portfolio Holder | Councillor Bill Hartnett |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Judith Willis Assistant Director of Community and Housing Services |
| Report Author | Job Title: Amanda Delahunty Housing Development 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's First Homes Policy be revoked with immediate effect;**
- 2) and that any development sites that currently include an element of First Homes provision is offered an opportunity to revert to shared ownership and other forms of affordable home ownership.**

2. BACKGROUND

2.1 The Government introduced a new affordable housing product known as First Homes to be provided by all local housing authorities from 28th March 2022 as 25% of affordable housing on Section 106 sites. First Homes are discounted market sale units with the criteria set by 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 An update to the National Planning Policy Framework (NPPF) guidance 2024 has offered an opportunity to review this approach:

“The requirement to deliver a minimum of 25% of affordable housing as First Homes, as set out in 'Affordable Homes Update' Written Ministerial Statement dated 24 May 2021, no longer applies. Delivery of First Homes can, however, continue where local planning authorities judge that they meet local need. Except where a Mayoral, combined authority or high-level joint plan is being prepared as a framework for strategic policies at the individual local authority level; in which case it may be most appropriate for the local authority plans to provide the requirement figure.”

- 2.3 The First Homes policy was approved by the Council in September 2022 for Section 106 developer led sites. First Homes are restricted to First Time Buyers and are discounted by 30%. The Council included a local connection criterion to ensure that local households were prioritised. However, the increase in new build house prices has meant that first time buyers are less likely to be able to afford this product. Whereas shared ownership properties sold at say at a 40% or 50% share, are more likely to meet local housing needs.
- 2.4 In addition, conversations with Registered Providers have indicated that the reduction in shared ownership properties in favour of First Homes compromises the viability of section 106 sites, as the proportion of shared ownership to social/affordable rent is key to viability. This means that where the developer is also required to provide and sell First Home, Registered Providers are less able to afford to purchase the remaining affordable housing provided on site under Section 106 agreements.
- 2.5 None of the four sites with First Homes requirements in the Section 106 have been built out yet, and therefore, there has been no opportunity for First Homes properties to be marketed and sold. Subject to the

policy being revoked, any section 106's required on future sites will require shared ownership or low cost discounted sale instead of First Homes.

- 2.6 The Council's in house Development Team will always look to bring forward 100% social rent for all in-house sites built on Redditch Council land as a preference to affordable rent. The council has no plans to develop housing for sale under a shared ownership model or low cost discounted sale.

3. OPERATIONAL ISSUES

- 3.1 The processing of First Homes places a greater burden on local authorities in terms of processing and agreeing applications from prospective purchasers. By removing the requirement for First Homes, this administrative burden will be removed.
- 3.2 For a short period there may be an extra burden on planning and legal services to deal with Deed of Variations to allow for Section 106's with First Homes requirements to be amended.

4. FINANCIAL IMPLICATIONS

- 4.1 The Council's charge for administering a variation to the section 106 at £508.00 will be offset by the developer not having the First Homes properties valued by a RICS valuer. The developer will be able to continue to provide them should they so wish but future Section 106's will not include a requirement for First Homes to be provided.
- 4.2 The revocation of the policy will support those on lower incomes to access affordable home ownership and will support the viability of section 106 sites for Registered Providers.

5. LEGAL IMPLICATIONS

- 5.1 The NPFF has made the inclusion of First Homes optional for local authorities.

6. OTHER IMPLICATIONS

Local Government Re-organisation

- 6.1 There are no specific implications for Local Government Reorganisation.

Relevant Council Priority

- 6.2 Community and Housing – the revocation of this policy will provide a more affordable home ownership option for those on lower incomes and help to reduce the pressure on the housing register.

Climate Change Implications

- 6.3 Revoking the First Homes Policy is expected to have a neutral to slightly positive climate impact. Greater reliance on Registered Providers may result in more consistent delivery of new homes built to modern energy-efficient standards, supporting overall low-carbon housing objectives.

Equalities and Diversity Implications

- 6.4 The revocation of the First Homes policy will help more lower cost affordable home ownership models to be made available which is more likely to impact on households from diverse backgrounds.

7. RISK MANAGEMENT

- 7.1 If we continue to provide First Homes we are less likely to meet local housing needs due to the high cost of new build houses and the discount being only 30%.
- 7.2 By continuing to provide First Homes there is a risk that the viability of Section 106 sites is compromised and Registered Providers will be unable to purchase the remaining affordable housing element.

8. APPENDICES and BACKGROUND PAPERS

Background Papers

Redditch First Homes Policy

[First Homes Policy](#)

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9. REPORT SIGN OFF

| Department | Name and Job Title | Date |
|---|--|-------------|
| Portfolio Holder | Bill Hartnett Portfolio Holder for Housing | 24.2.26 |
| Lead Director / Head of Service | Judith Willis Assistant Director Community and Housing Services | 24.2.26 |
| Financial Services | Julie Lorraine, Interim Director of Finance | 24.2.26 |
| Legal Services | Nicola Cummings, Principal Solicitor – Governance and Jess Bayley-Hill, Principal Democratic Services Officer | 23.2.26 |
| Policy Team (if equalities implications apply) | Rebecca Green Policy Manager | n/a |
| Climate Change (if climate change implications apply) | Matthew Eccles Climate Change Manager | 13.2.26 |