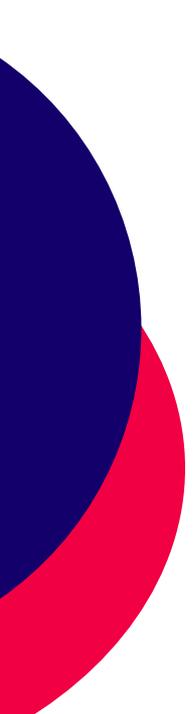


# **PLANNING ADVISORY SERVICE**

## **FIRST HOMES PILOT IN BOLSOVER DISTRICT**

**30<sup>TH</sup> JULY 2021**



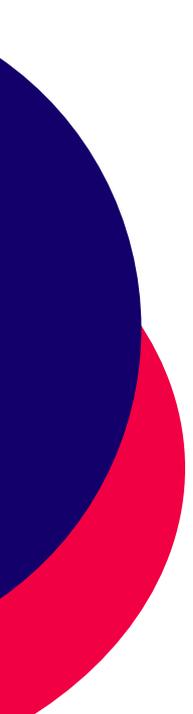
# What are First Homes?

---

The Government advise that “First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of ‘affordable housing’ for planning purposes. Specifically, First Homes are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the 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).

First Homes are the government’s preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.”



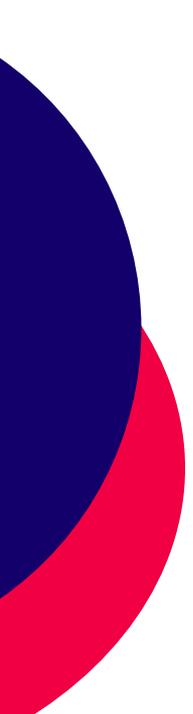
# The First Homes criteria

---

The Government's minimum national criteria are:

- a) a First Home must be discounted by a minimum of 30% against the market value;
- b) 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); and,
- c) the home is sold to a person who meets the First Homes eligibility criteria.

In addition, to qualify as a First Home, there should be a section 106 agreement securing the necessary restrictions on the use and sale of the property, and a legal restriction on the title of the property to ensure that these restrictions are applied to the property at each future sale, The price cap of £250,000 (or £420,000 in Greater London), however, applies only to the first sale and not to any subsequent sales of any given First Home.

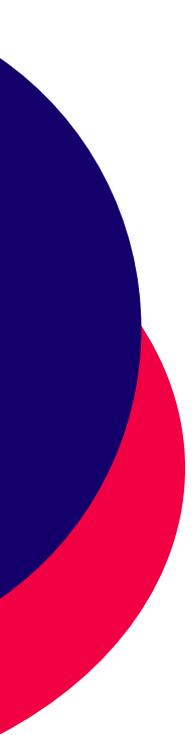


# First Homes – who is eligible?

---

The Government's guidance advises that to be eligible for a First Home a purchaser must be:

- a first-time buyer (as defined in paragraph 6 of schedule 6ZA of the Finance Act 2003 for the purposes of Stamp Duty Relief for first-time buyers);
- have a combined annual household income (either individuals, couples or group purchasers) not exceeding £80,000 (or £90,000 in Greater London) in the tax year immediately preceding the year of purchase;
- have a mortgage or home purchase plan (if required to comply with Islamic law) to fund a minimum of 50% of the discounted purchase price.



# Local flexibility

---

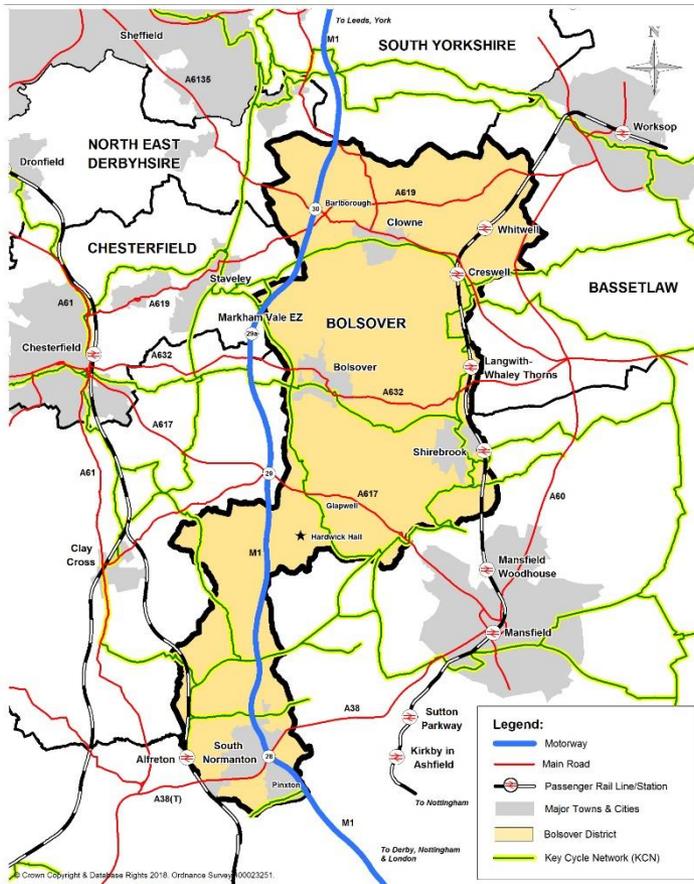
The Government's guidance states that local authorities or neighbourhood planning groups can apply eligibility criteria in addition to the national criteria described above. This may involve:

- lower income caps (if this can be justified with reference to local average first-time buyer incomes),
- a local connection test,
- or criteria based on employment status.

First Homes are designed to allow people to get on the housing ladder in their local area, and in particular to ensure that key workers providing essential services are able to buy homes in the areas where they work.

Authorities can therefore prioritise key workers for First Homes, and are encouraged to do so, especially if they have an identified local need for certain professions. The definition of a key worker should be determined locally and could be any person who works in any profession that is considered essential for the functioning of a local area.

# Where is Bolsover District?



Bolsover District is:

- In Derbyshire but bordering Nottinghamshire and South Yorkshire.
- A rural district, with a four small towns surrounded by larger population centres.

Shirebrook is:

- In the east of Bolsover District, adjacent to the district and county boundaries and close to Mansfield.

# And why Bolsover District?

- We have a good relationship with Homes England.
- The Brookvale site is also owned by Homes England (former EMDA land) and they have worked to bring forward other national housing policies, such as accelerated delivery.
- The current Brookvale proposal had no S106 obligation for affordable housing as discharged previously on 2000 permission.

## Brookvale Masterplan



*Atkins, Brookvale Development Brief, 2014*

# What are the aims of the pilot?

---

1. To help test drive the First Homes policy and assist Homes England and the Government understand how it might work.
2. To test drive the default local eligibility criteria to establish whether the Council would want to develop its own, more locally tailored, eligibility criteria.
3. To gain a better understanding of whether discounted market housing is attractive to Bolsover residents.



# What local eligibility criteria must first time buyers meet?

---

## A key worker

Meaning a person employed or with a confirmed job offer in:

- health and social care; or
- education and child care; or
- public safety and national security.

## Armed services member

Meaning a current member of the Royal Navy, Royal Marines, the British Army or Royal Air Force, or a former member within the 5 years prior to the purchase, or partner of a deceased member or former member whose death was caused by their service.

## Local connection

Meaning a person that:

- is ordinarily a resident who has lived or worked in Bolsover District for 36 consecutive months;
- has a close family association with Bolsover District;
- has a requirement to live within Bolsover District due to their employment as a key worker.

# How is the pilot going?

---

- It is early days!
- Existing S106 Agreement for Brookvale varied by Deed to incorporate First Homes contribution to affordable housing.
- Twelve plots / units identified within the Deed for sale as First Homes.
- We have had weekly project team meetings with officers at Homes England and MHCLG and representatives of Keepmoat Homes to learn together.
- We've had one 'application' come through so far, although several more in the pipeline.





# What does the paperwork look like?

---

- Homes England have prepared a detailed conveyancing pack to guide the process.
- The developer has to complete the conveyancing pack and only when ready is it sent to the local planning authority.
- The Council then has to check the details in the completed conveyancing pack and issue a decision on the eligibility criteria and the 'authority to proceed' certificate.
- Currently the Council is looking to do issue its decision within 10 working days of receipt.

# What does the paperwork look like?



Bolsover District Council  
INSTRUCTIONS TO CONVEYANCERS

FOR INITIAL NEW BUILD FIRST HOMES SALE ONLY, relating to Meadow Lane and West of Stinting Lane, Shirebrook, NOT FOR RESALE PROCESS

## SCHEDULE 1 BOLSOVER DISTRICT COUNCIL First Homes Authority to Proceed and Eligibility Approval

Date:	[REDACTED]
To:	[Buyer's conveyancer]
	[Builder's conveyancer]
	[Buyer's mortgage advisor]
	[First Home buyer(s)]
	[Homes England]
First Homes Buyer(s) name(s) the proposed First Homes Owner(s):	[REDACTED]
First Home property to be purchased:	[plot & address]
Copied to:	[First Homes Buyer(s) current address before purchase] [First Homes house builder]

# What does the paperwork look like?

1. The proposed First Homes Owner(s)) First Homes application has been approved by Bolsover District Council name] subject to the Bolsover District Council First Homes planning agreement addendum/supplementary deed between [builder and Bolsover District Council date ] and confirmed in this Authority to Proceed and Eligibility Approval issued to the proposed First Homes Owner by Bolsover District Council as follows:

First Homes Buyer(s) name(s) the proposed First Homes Owner(s)	[ Full Names ]
Builder (current First Homes Owner)	[Builder ]
First Home property to be purchased:	[ plot & address ]
First Home forecast purchaser legal completion date:	
Market value (100% of value)	[£ ]
First Homes discount %	[30%]
First Homes Purchase Price (price to be paid by the proposed First Homes Owner applying the First Homes discount to the Market value)	[£ ]
Proposed First Homes Owner deposit cash contribution to be paid at exchange of contracts and no less than 5% of the First Homes Purchase Price.	[£ ] and [%age ]
Proposed First Homes Owner mortgage	[£ ] and [%age ] Mortgage cannot be less than 50%. Deposit and mortgage must equal the First Homes Purchase Price
Proposed First Homes Owner mortgage lender	[bank building society ]
Total incentives (as applicable) As set out in the UK Finance Disclosure of Incentives Form and not to exceed 5% of the First Homes Purchase Price. These must include all financial and non-financial incentives provided by the builder	

# What does the paperwork look like?

---

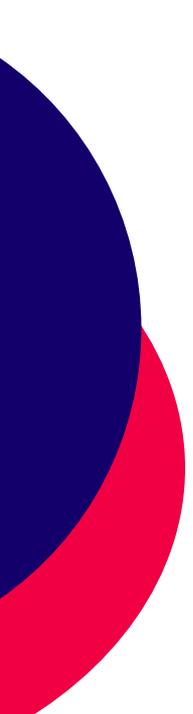


Bolsover District Council  
INSTRUCTIONS TO CONVEYANCERS

FOR INITIAL NEW BUILD FIRST HOMES SALE ONLY, relating to Meadow Lane and West of Stinting Lane, Shirebrook, NOT FOR RESALE PROCESS

Yours sincerely

Name:	
Signed:	
For and on behalf of	[ Bolsover District Council ]
Dated:	
Enclosed:	Next steps and guidance for the First Homes homebuyer.



# Lessons to date?

---

- Homes England support is very helpful!
- Weekly project team meeting has been really useful to allow partners to highlight questions or areas where the process needs to be tweaked.
- The local authority certification process feels relatively straightforward if conveyancing pack fully completed.
- It is worth remembering that buying a house is one of the most stressful life events people go through. Potential buyers are emotionally bought in to the process too, particularly given the financial incentive being promoted.
- Using the available flexibility to develop your own local criteria and marketing requirements likely to be necessary to help achieve more locally valuable outcomes.



# Future questions?

---

- How will the resale process work? It potentially looks more complicated and require more local authority work than the initial certification process.
- What will the First Homes policy mean for the supply of affordable housing for rent through planning obligations?
- How will the First Homes requirement relate to a local authority's housing needs assessment and strategy requirement, particularly where this identifies a local need for rental products?
- Do we need to update our supplementary guidance to incorporate our own local criteria likely to help achieve more locally valuable outcomes?