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Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cllr Tim Ball, Cabinet Member for Planning and Licensing	
MEETING/ DECISION DATE:	On or after 4 <sup>th</sup> February 2023	EXECUTIVE FORWARD PLAN REFERENCE:
		E3424
TITLE:	Adoption of First Homes Interim Position Statement	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 First Homes Interim Position Statement		
Appendix 2: Consultation Statement on Draft First Homes Interim Position Statement		

## 1 THE ISSUE

- 1.1 First Homes are a discounted market housing product (discounted by 30%) which emerged from Government in a Written Ministerial Statement. This proposed that 25% of housing on qualifying sites should be provided as First Homes as a form of affordable housing and these would replace shared ownership tenure homes in B&NES.
- 1.2 Evidence based analysis of recent shared ownership purchase data, showed that nearly all households who purchased a shared ownership home would not have been able to purchase it, had the tenure been First Homes. To address this, an Interim Position Statement on First Homes has been prepared which will act as guidance until the new Local Plan is adopted.

## 2 RECOMMENDATION

The Cabinet member is asked to agree that;

- 2.1 The First Homes Interim Position Statement (Appendix 1) is approved providing interim guidance
- 2.2 The Head of Planning has delegated authority to make any necessary minor editorial changes, in consultation with the Cabinet Member for Planning and Licensing, prior to publication of the approved First Homes Interim Position Statement.

### **3 THE REPORT**

- 3.1 To address the relative unaffordability of First Homes, the Council's Draft Interim Position Statement on First Homes states that it is not mandatory for developers to provide First Homes on qualifying schemes/sites. Instead, the Council will encourage provision of the low-cost home ownership element of affordable housing contribution to be delivered in the form of shared ownership tenure. There may be circumstances where First Homes are considered suitable, such as First Homes Exception Sites and provision is made for this within the Statement.
- 3.2 The proposal is to approve the First Homes Interim Position Statement in advance of adoption of the Local Plan 2022-2042 to act as guidance. Taking this approach enables the Council to respond to the issue as set out above and also to assess the effectiveness of the Interim Position Statement prior to preparation of the Local Plan.
- 3.3 The First Homes Interim Position Statement sets out the Council's requirements in respect of developer contributions where First Homes are proposed as part of a new development scheme and upon approval will be a material consideration in decision-making. Planning applications that make provision for First Homes will also be determined against national policy, including the Written Ministerial Statement of May 2021.
- 3.4 In line with the Council's Statement of Community Involvement, and the Town and Country Planning (Local Planning) (England) Regulations 2012, a consultation report including setting out who was consulted, how they were consulted, and a schedule of the issues raised during the consultation has been prepared, together with the Council's response to the issues raised and resultant changes to the SPD. The consultation statement is attached as Appendix 2.
- 3.5 The guidance within the First Homes Interim Position Statement will apply as soon as it is approved and be reviewed as part of the plan making process of the Local Plan 2022-2042.

### **4 LEGAL CONSIDERATIONS**

- 4.1 Local Development Documents pertain to the Planning Compulsory Purchase Act 2004. The framework for making decisions on planning applications is governed by section 70(2) Town and Country Planning Act 1990 and section 38(6) Planning Compulsory Purchase Act 2004. When considering individual planning applications, the Written Ministerial Statement will come into play in the same way as NPPF policies; that is, as a material consideration which may indicate that the determination in response to the planning application should be made otherwise than in accordance with the development plan. The adopted Interim Position Statement will also be a material consideration in this context.
- 4.2 The Council will have regard to and carefully consider the Written Ministerial Statement on First Homes in preparing the Local Plan 2022-2042 and comprehensively review affordable housing policy (which was not possible through and did not fall within the scope of the LPPU). In the interim and based on clear evidence the Council is able to set out its interim response via the position statement

- 4.3 This was consulted upon and received an overwhelmingly positive response from those stakeholders that responded.

## **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 5.1 The preparation of the Interim Position Statement has been undertaken by the Housing Enabling & Development Team and the Planning Policy Team and the costs have been covered within the existing salary budgets.

## **6 RISK MANAGEMENT**

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 6.2 The Council proposes not to make first home mandatory and does not intend to prevent first homes from being delivered. Instead, the Council intends to express its preference based on evidence for shared ownership tenure to discharge developer obligations to provide intermediate housing, rather than First Homes.

## **7 EQUALITIES**

- 7.1 Pursuant to the public sector equality duty, an Equality Impact Assessment (EqIA) has been carried out, which is available as background paper to this report.
- 7.2 The delivery of low-cost housing, particularly affordable housing, has a positive impact on equality. It provides housing options for those residents who are unable to compete in the open market and may otherwise be forced to leave the area or reside in unsuitable housing.
- 7.3 Nationally, social housing also supports a disproportionate number of residents from protected groups, low-income residents including carers, those with disability and lone parents.
- 7.4 Shared ownership produces positive equality impacts over first homes in two main ways:
- Shared ownership is more affordable than first homes
  - Shared ownership is not restricted by a price cap which means that share ownership tenure enable the delivery of homes with a wider range of bedroom sizes than first homes. For example, the impact of the price cap in B&NES would be to restrict First Homes to one-bedroom homes only and this clearly negatively impacts on families.
- 7.5 No negative equalities impacts have been identified.

## **8 CLIMATE CHANGE**

- 8.1 The Interim First Homes Position Statement relates to the provision of housing and specifically affordable housing within B&NES. Therefore, it does not directly

impact on climate change, but does help to address one of the Council's other corporate priorities relating to the delivery of affordable homes.

## **9 OTHER OPTIONS CONSIDERED**

### **9.1 Other options considered were:**

- Implementing First Homes as per the Written Ministerial Statement and other guidance. This option was not selected based on evidence that First Homes are less affordable than the existing preferred tenure, shared ownership.
- Increasing the discount applied to a First Home in B&NES to make it more affordable. This option was not pursued because increasing the discount level would take developer contribution resource away from rented delivery. Rented delivery best meets local need and a loss of this would have negative equalities impacts.

## **10 CONSULTATION**

10.1 The Draft First Homes Interim Position Statement was consulted on for 6 weeks from 12th August and 23rd September 2022. Consultation was undertaken in accordance with the Council's Statement of Community Involvement. A consultation statement outlining the consultation undertaken and responses received is attached as Appendix 2.

10.2 Consultation has been undertaken with the Monitoring Officer, S151 officer and Cabinet Members for Planning and Licencing and Adult Services and Council House Building in preparing this Single Member Decision Report.

<b>Contact person</b>	Richard Daone, Deputy Head of Planning and Nick Plumley, Housing Enabling and Development Manager
<b>Background papers</b>	Equality Impact Assessment
<b>Please contact the report author if you need to access this report in an alternative format</b>	