

URGENCY ITEMS - MINUTE OF DECISION

Delegation arrangements for dealing with matters of urgency

Paragraph 7.2.1 of the Council's Constitution provides that Chief Officers may take urgent decisions if they are of the opinion that circumstances exist which make it necessary for action to be taken by the Council prior to the time when such action could be approved through normal Council Procedures. They shall, where practicable, first consult with the Leader and Chairman (or in their absence the Vice-Chairman) and the Opposition Spokesperson of the appropriate committee.

Given the current emergency in respect of the Covid 19 pandemic and the decision taken to suspend committee meetings while social distancing measures continue, the urgency decision provision under Paragraph 7.2.1 of the Council's Constitution has been widened to extend the consultation to include the Leaders of all the political groups on the Council.

Subject: First Homes Consultation Council Response

Appropriate Committee: Economic Development Committee

Details of Item (including reason(s) for use of urgency procedure):

The Government is currently consulting on its proposals for a First Home scheme which will seek to secure significant discounts for local people on their first home. Whilst the Council is supportive of the aims of the government in this respect it is concerned that it could have significant implications on securing affordable homes and place significant administrative burdens on the District Council.

The Council needs to formally respond by the 1st May and therefore as no committees are meeting an urgent decision is required. The District Council response is attached to this minute.

Members Consulted:

All members of Economic Development Committee via email on the 24th April 2020

Including the Chairman, Vice Chairman, Opposition Spokesperson of the Committee

Leader of the Council 29th April 2020

Leader of the Opposition 29th April 2020

Leader of the Liberal Democrat Group 29th April 2020

Leader of the Independent Group 29th April 2020

Signed



Date: 7th May 2020

| Question | | Response |
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| 1 | <p>a) Do you agree with a minimum discount of 30% (but with local flexibility to set a higher one)?</p> <p>b) If not, what should the minimum discount be? i) 20% ii) 40% iii) Other (please specify)</p> | The Council supports discount for sale products as part of the overall affordable housing contribution, but not at the expense of providing homes for those in greatest housing need. The discount should be set at a level that reflects affordability issues in the locality. |
| 2 | <p>a) Should we set a single, nationally defined price cap rather than centrally dictate local/regional price caps?</p> <p>b) If yes, what is the appropriate level to set this price cap? i. £600,000 ii. £550,000 iii. £500,000 iv. £450,000 v. Other (please specify)</p> | No. The cap should be set locally, given the countrywide variance in property prices. Setting a national cap has the potential in areas of lower value to destabilise rather than incentivise the housing market, because there is less value in scheme after implementing the discount. |
| 3 | <p>a) If you disagree with a national price cap, should central Government set price caps which vary by region instead?</p> <p>b) If price caps should be set by the Government, what is the best approach to these regional caps?</p> <p>i) London and nationwide ii) London, London surrounding local authorities, and nationwide iii) Separate caps for each of the regions in England iv) Separate caps for each county or metropolitan area v) Other (please specify)</p> | The cap should be set in line with entry level property prices for both younger people and families at a local level. i.e. Local authority area. |
| 4 | Do you agree that, within any central price caps, Local Authorities should be able to impose their own caps to reflect their local housing market? | Yes agree |
| 5 | Do you agree that Local Authorities are best placed to decide upon the detail of local connection restrictions on First Homes? | Yes. Local authorities are best placed to use the S106 local connection criteria for first homes that is used for affordable housing. |
| 6 | When should local connection restrictions fall away if a buyer for a First Home cannot be found? i. Less than 3 months ii. 3 - 6 months iii. Longer than 6 months iv. Left to Local Authority discretion. | The Council currently used 6 months (this is from the confirmation of sale and not at exchange of contracts). |
| 7 | In which circumstances should the first-time buyer prioritisation be waived? | None. |

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| 8 | <p>a) Should there be a national income cap for purchasers of First Homes?</p> <p>b) If yes, at what level should the cap be set?</p> <p>c) Do you agree that Local Authorities should have the ability to consider people's income and assets when needed to target First Homes?</p> | <p>Yes. On a sliding scale that reflects local incomes. £80,000 in the Nottinghamshire area is considered a medium-high household income that would not normally require public subsidy to purchase entry level properties. The cap for Nottinghamshire should be £60,000</p> |
| 9 | <p>Are there any other eligibility restrictions which should apply to the First Homes</p> | <p>There should not necessarily be an age limit given that many older people wish to move from private rent at a much later stage in their lives.</p> |
| 10 | <p>a) Are Local Authorities best placed to oversee that discounts on First Homes are offered in perpetuity?</p> <p>b) If no, why?</p> | <p>Local Planning Authorities already monitor other affordable homes products including discount market for sale. The extent to which Local Authorities should 'police' the system however is questioned.</p> |
| 11 | <p>How can First Homes and oversight of restrictive covenants be managed as part of Local Authorities' existing affordable homes administration service?</p> | <p>Management of the in perpetuity restrictions for this type of housing require additional government funding. Understanding the role the legal system will play in this should be explored.</p> |
| 12 | <p>How could costs to Local Authorities be minimised?</p> | <p>There may be case for the legal system to ensure that any new purchasers meet the requirements, however the information should be monitored by the Local Authority.</p> |
| 13 | <p>Do you agree that we should develop a standardised First Home model with local discretion in appropriate areas to support mortgage lending?</p> | <p>Yes</p> |
| 14 | <p>Do you agree that it is appropriate to include a mortgage protection clause to provide additional assurance to lenders?</p> | <p>This will likely be necessary given the scale proposed and is now being requested by Registered Providers of affordable housing to assist with lending.</p> |
| 15 | <p>For how long should people be able to move out of their First Home and let it out (so it is not their main or only residence) without seeking permission from the Local Authority? i. Never ii. Up to 6 months iii. 6- 12 months iv. Up to 2 years v. Longer than 2 years vi. Other (please specify)</p> | <p>For a period of up to two years. Sub-letting is prohibited in the majority of affordable housing.</p> |

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| 16 | Under what circumstances should households be able to move out of their First Home and let it for a longer time period? i. Short job posting elsewhere ii. Deployment elsewhere (Armed Forces) iii. Relationship breakdown iv. Redundancy v. Caring for relative/friend vi. Long-term travelling vii. Other (please specify) | Short job posting, armed forces, caring for elderly, illness. Restrictions apply for affordable housing in most circumstances but how attractive the restrictions will be to potential purchasers needs to be explored. |
| 17 | Do you agree that serving members and recent veterans of the Armed Forces should be able to purchase a First Home in the location of their choice without having to meet local connections criteria? | Yes |
| 18 | What is the appropriate length of time after leaving the Armed Forces for which veterans should be eligible for this exemption? i. 1 year ii. 2 years iii. 3-5 years iv. Longer than 5 years | Longer than 5 years |
| 19 | Are there any other ways we can support members of the Armed Forces and recent veterans in their ability to benefit from the First Homes scheme? | Awareness at the point of leaving the Forces. |
| 20 | Which mechanism is most appropriate to deliver First Homes? i. Planning policy through changes to the National Planning Policy Framework and guidance ii. Primary legislation supported by planning policy changes | Planning policy through changes to the National Planning Policy Framework |
| 21 | Which do you think is the most appropriate way to deliver First Homes? i. As a percentage of section 106 affordable housing through developer contributions ii. As a percentage of all units delivered on suitable sites. | As a percentage of all units delivered. |
| 22 | What is the appropriate level of ambition for First Home delivery? i. 40% of section 106 ii. 60% of section 106 iii. 80% of section 106 iv. Other | To be set locally and linked to need. The figures quoted are too high and will diminish the availability of housing for rent and shared ownership and impact on affordability. |
| 23 | Do you agree with these proposals to amend the entry-level exception site policy to a more focused and ambitious First Homes exception site policy? | No. Neither entry level or first homes will meet all the identified need on an exception site. The affordable housing type and tenure should determine the numbers and types of affordable dwellings required. |

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| 24 | <p>a) Do you think there are rare circumstances where Local Authorities should have the flexibility to pursue other forms of affordable housing on entry-level exception sites, because otherwise the site would be unviable?</p> <p>b) If yes, what would be an appropriate approach for Local Authorities to demonstrate the need for flexibility to allow other forms of affordable housing on a specific entry level exception site?</p> | <p>a) Yes. Sites should meet need.</p> <p>b) Through a parish housing needs survey</p> |
| 25 | <p>What more could the Government do to encourage the use of the existing rural exception site policy?</p> | <p>Funding should be provided for a smaller number of affordable homes to be built on schemes.</p> |
| 26 | <p>What further steps could the Government take to boost First Home delivery?</p> | <p>Funding that does not include S106 contributions. This should replace help to buy that benefited people who could afford to buy.</p> |
| 27 | <p>Do you agree that the proposal to exempt First Homes from the Community Infrastructure Levy would increase the delivery of these homes?</p> | <p>Dependent on the percentage of first homes requested this could result in a loss of CIL contributions to the authority which would have a negative impact on the amount of infrastructure that could be delivered.</p> |
| 28 | <p>Do you think the Government should take steps to prevent Community Infrastructure Levy rates being set at a level which would reduce the level of affordable housing delivered through section 106 obligations?</p> | <p>CIL levels already have to be set to ensure that they allow for the necessary contributions to be made this is based on detailed evidence. The need to legislate in this way could be avoided by Local Authorities being given the freedom to set percentages of First Homes required on new development rather than through national policy.</p> |
| 29 | <p>a) What equality impacts do you think the First Homes scheme will have on protected groups?</p> <p>b) What steps can the Government take through other programmes to minimise the impact on protected groups?</p> | <p>The scheme detracts from providing affordable rent and shared ownership on exception sites and S106 and impacts upon people who have affordability issues. Purchasing a property, even discounted is not an option for an ever increasing part of the population.</p> |

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Q30. Do you have any other comments on the First Homes scheme?

The Council supports the aims of the First Home approach but has concerns regarding the effectiveness of the scheme as currently designed particularly including it within S106 contributions.