



First Homes

East Suffolk Council Position Statement

June 2021

On 24th May 2021, the Government announced its First Homes policy through a written ministerial statement ([Written statements - Written questions, answers and statements - UK Parliament](#)) and accompanying changes to the Planning Practice Guidance ([First Homes - GOV.UK \(www.gov.uk\)](#)) (PPG). The written ministerial statement states that the First Homes policy comes into effect on 28th June 2021.

The PPG (Paragraph: 001 Reference ID: 70-001-20210524) sets out that First Homes meet the definition of affordable housing for planning purposes. The PPG sets out that they 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 (see below);
- 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)

The PPG states that 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.

Application of the First Homes policy

The Council has two adopted Local Plans – the East Suffolk Council – Suffolk Coastal Local Plan (September 2020) and the East Suffolk Council – Waveney Local Plan (March 2019).

Both Local Plans contain policies which require a proportion of housing on residential developments to be affordable housing, and set out the expected tenure mix as presented in the table below:

	Threshold	Requirement	Tenure split
Suffolk Coastal Local Plan (Policy SCLP5.10)	10 dwellings or more	1 in 3 dwellings	50% affordable rent / social rent; 25% shared ownership; 25% discounted home ownership
Waveney Local Plan (Policy WLP8.2)	11 dwellings or more	20% of dwellings in Lowestoft and Kessingland (excluding Corton); 40% of dwellings in Southwold and Reydon; 30% of dwellings elsewhere	50% affordable rent; Expectation that the remainder is affordable ownership

The tenure mix in the policies has been informed by the Strategic Housing Market Assessments undertaken as part of the production of the Local Plans (see [Local plan evidence base » East Suffolk Council](#)).

The PPG sets out guidance on the way in which the 25% First Homes requirement should be applied where existing policies are in place that specify the tenures of affordable housing that should be delivered on residential sites.

Transitional measures are set out in the PPG (Paragraph: 018 Reference ID: 70-018-20210524) for Local Plans which are currently at an advanced stage of preparation. As the Council's two Local Plans are adopted these transitional measures do not apply.

Under the PPG, the Council will need to secure a proportion of First Homes, in accordance with the PPG, on developments that meet the thresholds set out in policies SCLP5.10 and WLP8.2. In accordance with the PPG, the First Homes requirement will not apply to the following:

- sites with full or outline planning permissions already in place or determined (or where a right to appeal against non-determination has arisen) before 28 December 2021;
- applications for full or outline planning permission where there has been significant pre-application engagement which are determined before 28 March 2022.

The Council is currently considering the effect of the First Homes policy on the interpretation of the tenure mix set out in Policies SCLP5.10 and WLP8.2. The Council

intends to set out further guidance in its emerging Affordable Housing Supplementary Planning Document.

Applicants should be mindful of the requirement for a Section 106 agreement to be in place at the point of determination (i.e. a decision being issued), and that the Council will take into consideration the likelihood of an application being determined beyond 28th December in its consideration of affordable housing mix.

Where the First Homes policy will apply the Council will have regard to the First Homes policy along with other material considerations such as the Council's housing register and the Strategic Housing Market Assessment, alongside the mix set out in the Council's adopted Local Plan policies.

The First Homes policy would also apply in relation to Neighbourhood Plan policies (not subject to the transitional measures) which relate to affordable housing mix.

Pre-application engagement

For the purposes of pre-application advice being provided from 28th June 2021, applicants should be mindful of the introduction of the First Homes policy and the lead in period for an application to be prepared, submitted and determined. The Council will, in its pre-application advice from 28th June 2021, advise applicants of the First Homes policy and will set out that, dependent on the likely timescale for determination of an application, this will affect the mix of affordable housing being sought and that applicants should expect to be prepared to meet the requirements of the First Homes policy. The Council's adopted policies are set out in its Local Plans, and in any Neighbourhood Plans where relevant, however in providing advice on affordable housing mix regard will be had to the First Homes policy along with other material considerations such as the Council's housing register and the Strategic Housing Market Assessment.

The Council will apply the First Homes policy to planning applications determined from 28th December.

As set out above, the PPG sets out that where significant pre-application engagement has taken place, the First Homes policy will not apply to planning applications for full or outline permission which are determined before 28th March 2022.

The PPG states that significant pre-application engagement "means any substantive discussions between the local planning authority and the applicant relating to the proposed quantity or tenure mix of affordable housing contribution associated with that application" (Paragraph: 021 Reference ID: 70-021-20210524). The Council provides a pre-application advice service (for which there is a charge). Due to the nature of pre-application advice provided by the Council, which usually doesn't involve 'substantive discussions', the Council considers that it is unlikely that the 28th March 2022 date will apply in most instances.

Applicants should give consideration to the likely timing of an application being determined.

Where there is a resolution to grant permission but there has been insufficient progress in the agreement of a planning obligation by 28th December 2021, the Council may need to consider reviewing the affordable housing tenure mix prior to issuing a decision.

Section 106 agreements

The PPG sets out that the landowner should enter into a planning obligation under section 106 of the Town and Country Planning Act 1990 that:

- (a) secures the delivery of the First Homes; and,
- (b) ensures that a legal restriction is registered onto a First Home's title on its first sale

The Council, as a matter of course, would secure affordable housing through a Section 106 agreement. The Council will therefore secure the provision of First Homes through a Section 106 agreement, along with other affordable tenures that form a part of the affordable housing mix.

As part of the production of the Affordable Housing SPD, the Council is producing model Heads of Terms and model clauses and it is intended that this will include wording related to First Homes.

The PPG (see Paragraph: 003 Reference ID: 70-003-20210524) contains a model title restriction and also states that the government will produce template planning obligations. In advance of the production of the Affordable Housing SPD the Council will consider appropriate clauses on a case by case basis.

Affordable Housing Supplementary Planning Document

The Council is currently preparing an Affordable Housing Supplementary Planning Document (see [Supplementary Planning Documents and other guidance » East Suffolk Council](#)) and intends to provide further guidance on the application of its affordable housing planning policies, in light of the First Homes policy, as part of that. A draft is expected to be published for public consultation in early autumn 2021.

Community Infrastructure Levy – Social Housing Relief

First Homes can be eligible for mandatory social housing relief, as set out in the Planning Practice Guidance on the Community Infrastructure Levy ([Community Infrastructure Levy - GOV.UK \(www.gov.uk\)](#)). The Council provides further guidance on claiming relief on its website ([CIL collection process and forms » East Suffolk Council](#)).

Neighbourhood Plans

Transitional measures also apply in relation to Neighbourhood Plans. Neighbourhood Plans that are submitted for Examination before 28th June 2021, or which have reached publication stage by 28th June and are submitted for Examination by 28th December 2021 do not need to take account of the First Homes policy in any relevant policies on affordable housing tenure mix.