



First Homes

(Part of the Affordable Housing Scheme)

Housing Policy Document - 03

Finda

1. INTRODUCTION

- 1.1 First Homes properties form part of the Affordable Housing Scheme (AHS).
- 1.2 This document should be read with the Affordable Housing Scheme document.
- 1.3 First Homes is a Government scheme, administered by Local Authorities. More information about the scheme is available from [gov.uk/guidance/first-homes](https://www.gov.uk/guidance/first-homes).
- 1.4 First Homes properties are sold to eligible households for a percentage of their open market value.
- 1.5 Households purchase the property outright; the Council will have no financial interest in the property.
- 1.6 Re-sales are subject to the same percentage discount as the first sale of the property.
- 1.7 The provision of First Homes properties and the restrictions on their sale and occupancy are secured through Section 106 planning agreement. Prospective buyers are urged to obtain the Section 106 Agreement relevant to the property and seek legal advice where required to understand the obligations on a First Home buyer and owner.
- 1.8 The price of the First Home at first sale must be at a price no higher than £250,000, after the discount has been applied.
- 1.9 Discounts are set by central government as at least 30% of the open market value of the property. The open market value will be determined by a valuation provided by an accredited estate agent.

2. SCOPE

- 2.1 The process for assessment is applied to all First Homes properties in Allerdale.
- 2.2 This document will provide the Council with a framework in which to assess applications for First Homes properties within Allerdale, excluding those areas covered by the Lake District National Park in its role as a Planning Authority.
- 2.3 The information in this document applies to the first sale and all subsequent re-sales.

3. PURPOSE

- 3.1 The purpose of this document is to provide the methodology by which Allerdale Borough Council evaluates applications for certification to purchase First Homes properties, and provide information on surrounding issues.

4. ELIGIBILITY CRITERIA - AS SET BY THE GOVERNMENT

4.1 First-time Buyer

A purchaser (or, if a joint purchase, all the purchasers) of a First Home should 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.

This will be evidenced by the provision of a statutory declaration. Other means of evidence may be considered. A statutory declaration is a formal statement made affirming that something is true to the best knowledge of the person making the declaration. It has to be signed in the presence of a solicitor, commissioner for oaths or notary public.

4.2 Affordable Need

Purchasers of First Homes, whether individuals, couples or group purchasers, should have a combined annual household income not exceeding £80,000 in the tax year immediately preceding the year of purchase.

Applicants must provide a P60 form to show earnings in the previous tax year. Other forms of evidence may be considered if a P60 cannot be provided.

4.3 Funding

A purchaser of a First Home should 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.

Applicants should provide written confirmation that they have secured a mortgage or home purchase plan for at least 50% of the purchase price. This must be on headed paper or the company email from a qualified lender and dated within three months preceding the application.

5.0 ELIGIBILITY CRITERIA – SET BY THE LOCAL AUTHORITY

The First Homes scheme allows local authorities to apply eligibility criteria in addition to the national eligibility criteria, including local connection criteria. The Council prioritises meeting the affordable housing needs of local communities, and will use the standard definition of Local Connection to prioritise applications for First Homes certification.

5.1 Local Connection¹

A local connection to a parish can take four forms:

- Resident in the locality for at least five years, or

¹ In the event that the Section 106 Planning Obligation contains different criteria, the criteria in the Planning Obligation will be applied, in instances where this guidance broadens the application criteria an applicant will be entitled to request their circumstances are considered in line with this guidance.

- Previously resident in the locality for at least three of the last five years, or
- Family association with an existing resident of at least five years residence in the locality. Family association is defined as spouse, civil partner, parent, child over the age of 18 years, and siblings. We will also allow family associations through marriage e.g. step parents, step child over the age of 18 years, and step siblings, or
- Permanent employment in the locality or acceptance of the offer of employment

The Council will use Council Tax records to confirm residency, previous residency and family association. Other forms of evidence may be considered and additional evidence may be requested.

Employment will be proven by production of a wage slip or P60 showing the employers address. We will also accept a letter from the employer confirming the business address. In all cases, we will require confirmation from the employer that the employment is permanent.

4.4.1 Locality is defined in the Section 106 Planning Obligation as the Parish where the development or property is situated. Over time the definition expands to include adjoining parishes and, eventually, the borough of Allerdale.

4.4.2 Under the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations 2012, the following would not be required to show they have a local connection:

- persons who are serving in the regular forces or have done so in the five years preceding their application for an allocation of housing accommodation;
- bereaved spouses or civil partners of those serving in the regular forces where their spouse or partner's death is attributable (wholly or partly) to their service and the bereaved spouse or civil partner's entitlement to reside in Ministry of Defence accommodation then ceases;
- seriously injured, ill or disabled reservists (or former reservists) whose injury, illness or disability is attributable wholly or partly to their service.

5.0 INHERITANCE

- 5.1 Those who inherit a First Homes property will be required to inform the council.
- 5.2 Inheriting households will be entitled to live in the property without meeting the eligibility criteria.
- 5.3 Any subsequent disposals of the property will be subject to eligibility conditions.

6.0 RESALES

- 6.1 When selling a First Homes property the vendor should inform the Council of their intention to sell, and confirm the date that the property will be on the market. The vendor will also submit a full open-market valuation of the property to the Council; this will be used as the basis for the discounted price, with the relevant discount applied by the Council in accordance with the Section 106 Planning Obligation.
- 6.2 It is the responsibility of the vendor to market the property and to ensure that a buyer has been certified to purchase the property.
- 6.3 When Allerdale Borough Council confirms that they accept the valuation, they will then request confirmation that the developer or vendor gives their approval for the Council to send details of the property to households on the Affordable Home Ownership register.

7.0 AFFORDABLE HOME OWNERSHIP REGISTER

- 7.1 The purpose of the Affordable Home Ownership register is to build a picture of the demand for affordable home ownership throughout Allerdale and to allow the Council to notify registered households when an affordable property becomes available for purchase.
- 7.2 Households are encouraged to join the Affordable Home Ownership Register, but it is not a condition of application.
- 7.3 Registration forms are available from the Allerdale Borough Council website, or can be requested from housing.developmentteam@allerdale.gov.uk.
- 7.4 Completed registration forms can be submitted by email to housing.developmentteam@allerdale.gov.uk or by post to:

The Housing Team
Allerdale Borough Council
Allerdale House
Workington CA14 3YJ
- 7.5 Households will be sent confirmation of their entry on to the register and their unique reference number within ten working days of their application being received.

7.6 Entry on to the register does not guarantee the household will be certified as eligible to purchase an affordable property.

8. APPLICATION TO BE CERTIFIED AS ELIGIBLE TO PURCHASE

8.1 Application forms are available from the Allerdale Borough Council website, or can be requested from housing.developmentteam@allerdale.gov.uk.

8.2 Completed application forms can be submitted by email to housing.developmentteam@allerdale.gov.uk or by post to:

The Housing Team
Allerdale Borough Council
Allerdale House
Workington CA14 3YJ

8.3 Applications will be assessed using the eligibility criteria specified in sections 4 and 5 of this document.

8.4 Applicants will receive their decision by email, unless they have requested postal communications. Decisions will be made within 10 working days of the application being received, subject to all required evidence being provided.

8.5 Information on how to appeal the decision is in the Affordable Housing Scheme document.