



## **Newcastle-under-Lyme Local Plan Examination**

### **DRAFT NOTE**

### **Action Point 7 – Approach to First Homes**

#### **Introduction**

This note is provided in response to the Inspector's query regarding the approach that the Local Plan takes to “First Homes”. Following the Housing Policies Matter 7 hearing session, the Council has reflected on the need and basis for continuing references to “First Homes” as a product in the Local Plan and following consultation with the Council’s housing team, would propose to remove references to First Homes in the Local Plan. This would result in the modifications set out in Appendix 1 of this note. The changes proposed in Appendix 1 would be reflected in future iterations of the Schedule of Draft Proposed Modifications to the Plan (current version CD015a).

Table 1: Implications of Removing References to First Homes from the Local Plan

Page Number	Policy / Paragraph / Map Reference	Suggested Modification (modified text (deleted text shown as struck through and additional text shown in bold)	Reason	Source of Modification
Page 4	Title Page – Policy HOU8: Rural and First Homes Exception Sites	Amend contents list as follows: - Policy HOU8: Rural <b>and First Homes</b> Exception Sites		
Page 8	Table 1: List of Policies	Amend Table 1 List of Policies: - Policy HOU8: Rural <b>and First Homes</b> Exception Sites		
Page 19	PSD4: Development Boundaries and the Open Countyside (Policy 3(i))	Amend policy 3(i) as follows:- “Proposals for Rural <b>and First Homes</b> Exception sites that meet the criteria set out in Policy HOU8 Rural <b>and First Homes</b> Exception Sites and policy HOU9 Community Led Exception Sites”.		
Page 29	HOU1: Affordable Housing (Policy 3)	To amend criteria 3 as follows:-		

		<p><b>At least 25% of the affordable housing provision will be delivered as First Homes, which will be available to first-time buyers at a minimum 30% discount from market value and in accordance with other national policy requirements concerning First Homes.</b></p> <p>The tenure split for affordable housing should be provided in line with the latest evidence.</p>		
Page 29	HOU1: Affordable Housing (Policy 6)	<p>To amend criteria 6 as follows:-</p> <p>Applicants will normally be required to enter into legal agreements to ensure that the housing is provided and retained, (or in exceptional circumstances) that the subsidy will be recycled for alternative affordable housing provision and</p>		

		available to meet the needs of people with a local connection. An enabling fee will be charged for each new affordable dwelling that is secured through a S106 agreement (in addition to any S106 monitoring fee), <b>except for First Homes.</b>		
Page 30	HOU1: Affordable Housing (Supporting Information)	<p>To amend the following paragraphs: -</p> <p><b><del>7.3 National policy also states that First Homes should be provided as part of affordable housing provision. The Written Ministerial Statement on Affordable Homes Update 24 May 2021 contains the policy on First Homes</del></b></p> <p>7.4 The Housing Needs Assessment (HNA, 2024) identifies an annual need for 278 affordable</p>		

		<p>homes throughout the Borough of Newcastle-under-Lyme over the plan period to 2040.</p> <p><del>Given the acute need for social rented accommodation, the HNA Update (2024) recommends the tenure split of affordable homes to be 65% social rented, 10% other affordable housing product and 25% affordable home ownership through First Homes.</del></p> <p>Opportunities should <b>also</b> be taken to include a proportion of affordable older persons accommodation as part of the affordable housing provision, particularly involving care provision. Planning permission may be granted for an alternative tenure split provided that robust evidence</p>		
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		<p>demonstrates that a different split is more suitable. This will be informed by market conditions and local housing need at the time.</p> <p>7.7 Applicants will normally be required to enter into legal agreements to ensure that the housing is provided and retained. An enabling fee will be charged for each new affordable dwelling that is secured through a S106 agreement (in addition to a S106 monitoring fee), <b>except for First Homes.</b></p>		
Page 40	Policy HOU8: Rural and First Homes Exception Sites	To amend the title of Policy HOU8 to read: Rural <b>and First Homes</b> Exception Sites		

Page 41	Policy HOU8: Rural and First Homes Exception Sites – criteria 2	<p>To delete criteria 2 as follows:-</p> <p><b><del>2. In addition to the requirements above, proposals for first homes exception sites will be permitted where the following criteria are met:</del></b></p> <p><b><del>a. the proposed development is located on unallocated land outside the Green Belt;</del></b></p> <p><b><del>b. Where a proposal also includes other forms of affordable housing, there must be evidence of local need and that it would assist with viability of the sustainability of the scheme. Applicants may alter the proportions of affordable housing to include small quantities (up to 25%)</del></b></p>		

		<p><del>of other affordable housing products;</del></p> <p><del>c. the homes will remain first homes in perpetuity;</del></p> <p><del>d. the first homes provided are occupied by first-time buyers who meet the local connection test;</del></p>		
Page 41	Policy HOU8: Rural and First Homes Exception Sites – supporting information	<p>To amend the following paragraphs: -</p> <p>7.60 The aim of this policy is to support the delivery of affordable housing on exception sites adjoining the settlement boundaries of rural service centres or settlements in the ‘other settlements or rural areas’ tier of the settlement hierarchy.</p> <p><b>The policy also supports the provision of First Homes as exception sites adjacent to settlement</b></p>		



		<p><b>boundaries on unallocated land outside the Green Belt.</b></p> <p>This policy is important to facilitate the delivery of small-scale affordable housing in rural areas of the Borough.</p> <p>7.62 Exception sites will be delivered to address the needs of the local community including households who are unable to afford open market housing and are either current residents or have an existing family or employment connection to the parish. <b>First Homes will be occupied by first-time buyers who meet the local connection test</b></p> <p><b>7.65 In respect of First Homes, the inclusion of other forms of</b></p>		
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		<b>affordable housing tenures could be included where it can be demonstrated that there is a local need; and it would assist viability or the sustainability of the development.</b>		
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