



OPEN REPORT COMMUNITY AND ENVIRONMENT COMMITTEE

Community and Environment Committee – 30 July 2024

FIRST HOMES - LOCAL CONNECTION & CHARGING FEES

Report Author and Contact Details

Robert Cogings, Director of Housing,
01629 761354 or robert.cogings@derbyshiredales.gov.uk

Niki Wells, Housing Needs and Research Officer,
01629 761186 or niki.wells@derbyshiredales.gov.uk

Wards Affected

District wide (excluding the Peak District National Park)

Report Summary

'First Homes' is a newly developed tenure designed by DLUHC to help first time buyers onto the property ladder by offering new homes at a discounted price. The tenure should account for at least 25% of affordable housing delivered by developers through planning obligations. As the First Homes tenure was brought forward after the adopted Local Plan, the basis of any negotiations is set out in the First Homes Written Ministerial Statement and Planning Practice Guidance. There is national criteria that the guidance states applicants must meet to purchase a First Home, however local authorities can apply additional local eligibility criteria if they wish such as local connection criteria. The District Council also has several new administrative duties linked to delivery and sale of the homes.

Recommendation

1. To implement an Interim Planning Policy for First Homes that includes a Local Connection requirement as proposed at paragraph 2.7 of this report.
2. To allow DDDC to charge developers a fee to cover the administrative costs of First Homes on a cost recovery basis only. This fee would be £1448 per property.
3. That the Director of Housing is given permission to sign the necessary legal documents within the Conveyancer Pack to allow First Homes purchases to proceed.

List of Appendices

Appendix 1 – National and Local Eligibility Criteria
Appendix 2 – Process for buying/selling First Homes
Appendix 3 – Administrative Cost Schedule

Appendix 4 - Equalities Impact Assessment (EIA)
Appendix 5 – Data Protection Impact Assessment (DPIA)

Background Papers

[First Homes Written Ministerial Statement](#)
[Planning Practice Guidance](#)

Consideration of report by Council or other committee

Advice to be sought.

Council Approval Required

No

Exempt from Press or Public

No

First Homes

1. Background

- 1.1 First Homes is a Government tenure designed to help first time buyers onto the property ladder by offering homes at a discounted price. The First Homes tenure launched in 2021, following consultation and early delivery pilot schemes, and is considered by government to meet the definition of 'affordable housing' for planning purposes. The discounted market tenure should account for at least 25% of all affordable housing units delivered by developers through planning obligations.
- 1.2 First Homes must meet the following national criteria as per Government guidance:
- a) they must be discounted by a minimum of 30% against the market value;
 - b) after the discount has been applied, the first sale must be at a maximum price of £250,000 (or £420,000 in Greater London);
 - c) the purchaser/s should have a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) in the tax year immediately preceding the year of purchase;
 - d) the 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;
 - e) there should be a section 106 agreement securing the necessary restrictions on the use and sale of the property, and a legal restriction on the title of the property to ensure that these restrictions are applied to the property at each future sale.
- 1.3 The First Homes Written Ministerial Statement gives Local Authorities the power to exercise a degree of discretion within these national criteria if they wish to do so. For example, Local Authorities can revise the required minimum discount from 30% to 40% or 50%. They also have the discretion to set lower property price caps (which can be below £250,000 outside London) and lower annual income caps (which can be below £80,000 outside London) if this is deemed appropriate and can be supported through evidence.
- 1.4 As part of section 106 agreements, Local Authorities can also apply additional local eligibility criteria such as a local connection test and/or a priority towards key workers. Any local eligibility criteria and/or adjustment of the national criteria only applies for a maximum of 3 months from when a home is first marketed, although, the time limits for marketing can change if the property has been marketed more than 3 months before practical completion. If a suitable buyer has not reserved a home in this time, the eligibility criteria will revert back to the national criteria mentioned in 1.2. The national and local eligibility criteria can be seen clearly in full in Appendix 1.

- 1.5 To note, the Government guidance states that any local connection criteria is to be disapplied for current armed forces personnel, divorced/separated spouses/civil partners or spouses/civil partners of a deceased member of the armed forces (if their death was wholly or partly caused by their service) and veterans within 5 years of leaving the armed forces.

2. Key Issues

- 2.1 There are two main issues that necessitate Council deciding upon:

- Implementing an Interim Planning Policy that addresses a local connection requirement for buyers of First Homes in Derbyshire Dales.
- Addressing the financial and resource implications on First Homes sales.

Implementing an Interim Planning Policy

- 2.2 At the current time, several planning applications for residential development are triggering the requirement for the District Council to negotiate with developers on the provision of First Homes, of which the outcomes are set out in S106 Obligations. There are 6 schemes containing First Homes with signed S106 agreements, of which 2 schemes have First Homes currently being marketed by developers.
- 2.3 The adopted Derbyshire Dales Local Plan does not include any reference to First Homes because the initiative was brought forward by the Government after its adoption. In the absence of a policy approach to First Homes within the current Local Plan, the national eligibility criteria stated in point 1.2 is currently the default criteria that must be met by all First Homes purchasers in Derbyshire Dales as per the [Government Planning Guidance on First Homes](#).
- 2.4 As Members will be aware, a review of the Derbyshire Dales Local Plan is currently underway. It is anticipated that the revised Local Plan will include policies which address the requirements for First Homes to be provided on qualifying sites. It is however expected that the new Local Plan will not be adopted until 2026.
- 2.5 As a significant number of schemes including First Homes are due to come forward prior to the revised Local Plan's adoption, it is recommended that the District Council adopts an interim policy that requires purchasers of First Homes to have a local connection to Derbyshire Dales. The introduction of such a policy will set aside national policy which is likely to result in First Homes not being purchased by residents of Derbyshire Dales. There is anecdotal evidence of this outcome from Bolsover District Council, whom were one of the pilot authorities for First Homes, that neglecting the need for a local connection requirement potentially reduces the ability of the District Council to meet its affordable housing needs.

- 2.6 A local connection is currently required for all households of other tenures of affordable housing across Derbyshire Dales including properties that consist of social rented and shared ownership accommodation let through Home-Options. Home-Options is a choice-based lettings system which enables people in housing need to seek affordable accommodation. It is considered that in the interests of consistency, the same local connection requirement should be in place for purchasers of First Homes.
- 2.7 It is therefore recommended that First-time buyers should only be eligible to occupy a First Home in Derbyshire Dales if they meet the local connection criteria within the Home-Options policy. This means that purchasers must meet one of the following criteria:
- *They are currently living in Derbyshire Dales and have been for a continuous period of 6 months or more.*
 - *They are not currently living in Derbyshire Dales but have previously lived in Derbyshire Dales for at least three years out of the last five years.*
 - *They are currently living outside of Derbyshire Dales and give or require support from a family member or carer who has been resident in Derbyshire Dales for at least six months (evidence of the support provided/needed will be required).*
 - *They are in permanent employment in Derbyshire Dales for the last six months (in cases where an applicant works across a number of areas or works for an employer located in area but works in another, local connection will be determined by the employee's main base of operations). Permanent employment is considered a contract with an employer that is not fixed term. Where an employee does not work a regular number of hours per week, they will need to show that they have a regular pattern of work to qualify for a local connection.*
 - *They are identified as having a local connection status by Derbyshire Dales District Council because of an accepted homelessness duty or*
 - *They are members of the Armed Forces as defined by the District Council's [Home-Options policy](#).*
- 2.8 There are no recommendations to implement any further local eligibility criteria other than to include the requirement for a local connection. There may be approval sought in the future to adjust other elements of the local eligibility criteria for First Homes such as the maximum house price, discount percentage, and annual household income cap. This will be implemented into the local plan process overseen by the Local Plan Sub Committee.
- 2.9 The impact of this policy has not yet been subject to viability assessment. The approach to First Homes will be subject to review as part of the development of the revised Local Plan, including an assessment of the impact of such a policy approach on the viability of development.

Financial and Resource Implications

- 2.10 The First Homes Section 106 obligations are registerable as a local land charge. A restriction is also registered against the title so that the property cannot be sold without Derbyshire Dales District Council's express permission. The aim is that the property once it is a First home remains a First Home. This limits the future resale to another qualifying first time buyer at the same discount to the market value, ensuring the First Home is at a discounted rate in perpetuity.
- 2.11 The process for both initial sales and subsequent re-sales of First Homes places administrative obligations on the District Council because national guidance requires an application form containing personal details of potential purchasers to be supplied by the developer to the District Council. The District Council is then required to assess this and confirm the applicant's compliance with national and local eligibility criteria, and to authorise the sale to proceed via the conveyancer pack. Details of the buying/selling process and the Local Authority's role in this is presented in Appendix 2.
- 2.12 Legal documents within the conveyancer pack that allow a purchase to proceed such as the 'Authority to Proceed' and 'Authority to Exchange' documents require authorisation from an officer of DDDC. Within the constitution, there is no mention of First Homes, and therefore no mention of which officer should provide the authorisation of these documents. It is recommended that the Director of Housing is given delegated authority to authorise such documents. In the Director of Housing's absence, it is recommended that the Director of Corporate and Customer Services, is identified as having similar delegated authority.
- 2.13 There is no funding provided to Local Authorities to cover the extra administrative responsibilities associated with First Homes. There will inevitably be costs for the District Council of delivering the tenure. It is considered and therefore recommended that the costs associated with the sales of First Homes should be met by the developers as they will financially benefit the most from the sale of such properties.
- 2.14 Charging the developer with an administrative fee will also remove some of the re-sale conveyancing costs for future eligible local occupiers, who are requiring affordable housing. As such, they will have limited incomes, and any reduction in costs to assist with the purchase of a First Home will be of benefit to them.
- 2.15 There is no Government guidance as to how much Local Authorities should charge per sale, although it simply states in the Local Authority Guidance Notes that 'the Government are striving to understand the ongoing resource implications for local authorities and how best to meet this need.'
- 2.16 The approach to charging developers an administrative fee has been taken by other Local Authorities. The method of calculating the fee varies, as certain Local Authorities are charging per sale and others per property (which includes an initial sale plus subsequent sales).

- 2.17 An assessment of the administrative costs associated with the First Homes tenure has been undertaken for Derbyshire Dales District Council. This has considered the costs associated with the initial sale and subsequent two re-sales of a First Home. This method was used as it is considered reasonable to charge a one-off fee to the developer which ensures the customer covers no costs upon re-sale. A breakdown of the developer fee is set out in Appendix 3 which details the administrative duties of DDDC staff. The calculation suggests that a fee of £1448 per property should be charged to relevant developers. This fee considers the proposed pay increase that DDDC are due to receive. The fee would be secured by way of a S106 Obligation which is agreed between the District Council and the initial developer. The developer would pay this fee to DDDC upon completing the S106 signed agreement.
- 2.18 It is recommended that the administration fee charged to developers be reviewed annually to ensure the charge is appropriate and reflects the work that officers are spending on administration duties of First Homes.
- 2.19 If Local Authorities are to receive income from developers to cover the administrative costs of the First Homes tenure, there is currently no Government Guidance as to how this income should be used. The administration fee that is provided to DDDC would be provided on a cost recovery basis.
- 2.20 The financial risk of this report's recommendations is assessed as low.

3. Options Considered and Recommended Proposal

- 3.1 To implement an Interim Policy for First Homes that focuses upon the implementation of a Local Connection requirement.
- 3.2 To allow DDDC to charge developers with a fee to cover the administrative costs of First Homes on a cost recovery basis only. This fee would be £1448.
- 3.3 That the Director of Housing is given delegated authority to sign the necessary legal documents within the Conveyancer Pack which allows First Homes purchases to proceed.

4. Consultation

- 4.1 As First Homes has been introduced by Central Government, no consultation has been undertaken by the District Council on the product. In the Government First Homes consultation conducted in 2020, both the design of the tenure and proposed planning changes were covered. The Government made certain revisions via the consultation to improve the effectiveness of the finalised First Homes tenure.

5. Timetable for Implementation

- 5.1 It is possible to estimate the expected number of First Homes delivered via S106 schemes in the district in coming years. These figures are a guideline only as they are based on current knowledge and therefore may change.

Currently, there are 6 schemes containing 18 First Homes due to come forward that have signed Section 106 agreements. There are a further 8 schemes containing First Homes where the Section 106 agreement is currently being negotiated. In total therefore, there are 14 schemes potentially able to come forward in coming years containing First Homes.

- 5.2 The earliest schemes to come forward are sites in Doveridge and Darley Dale that contain 2 First Homes each. The First Homes on these sites are due for completion in September 2024/December 2024 respectively. Developers are currently advertising First Homes online and DDDC are already receiving and reviewing applications to ensure potential purchasers meet the eligibility requirements. To be clear, it is considered necessary to implement an Interim Planning Policy that contains local connection criteria as soon as possible to ensure that applicants purchasing the First Homes on these schemes must have a local connection. The S106 documents for these sites state that the implementation of local connection criteria must occur 'before the disposal of these properties' and therefore if an Interim Planning Policy is implemented before the property completion date, we can ensure these properties are initially marketed with the local connection criteria to attract purchasers who have a local connection with Derbyshire Dales.
- 5.3 First Homes should account for at least 25% of affordable housing delivered on a site through planning obligations. The number of First Homes to be delivered in coming years is relatively small. However, it is important to ensure that the right systems are in place to support developers and potential purchasers with this tenure.

6. Policy Implications

- 6.1 As mentioned previously, the adopted Derbyshire Dales Local Plan does not include any reference to First Homes because the initiative was brought forward after its adoption. In the absence of a Local Plan policy, the basis of any negotiations on First Homes is the national guidance set out in the NPPG.
- 6.2 The revised local plan is likely to be adopted in 2026, but with First Homes due to be completed and occupied prior to this, an Interim Policy containing a requirement for purchasers to meet the local connection is deemed necessary.
- 6.3 It is anticipated that this Committee will consider the contents of a draft Local Plan in October 2024, which will include new policies on First Homes.

7. Legal Advice and Implications

- 7.1 The Principal Solicitor for DDDC has been consulted around the topic of First Homes and has been involved in discussions regarding the process. We will have their involvement to assist with the administrative duties of reviewing and confirming applicant's eligibility, and to issue the necessary legal documents that allow applicants to progress with a First Homes purchase.
- 7.2 Legal has advised that there is a risk that developers could argue against any local criteria as it is not recorded in the local plan. If this was the case, the

Section 106 would have to be negotiated carefully to ensure that the agreement met the needs of local people as much as possible but also not being subject to challenge. By entering and publicising an interim policy, the risk of challenge is reduced.

- 7.3 Provided the government guidance is adhered to in relation to First Homes, the legal risk is low.

8. Equalities Implications

- 8.1 An Equalities Impact Assessment has been undertaken and is attached as Appendix 1. This initiative will assist some first-time buyers to purchase a home in the Derbyshire Dales, particularly with the proposed local connection criteria. However, as this tenure is designed solely for first-time buyers, existing homeowners with protected characteristics who may need to move because their home is no longer suitable, will not be able to access the tenure.

9. Climate Change Implications

- 9.1 There are no implications of climate change.

10. Risk Management

- 10.1 There is a risk that developers may challenge the implementation of local connection criteria as this reduces the number of households that could apply for First Homes on their site. This risk is low as the guidance explains that the consumer base will widen if no households meeting the local eligibility criteria are found within 3 months (this period may be longer if the property is marketed more than 3 months before practical completion). This means the local connection criteria will not need to be met by potential purchasers after 3 months and therefore, households located outside of Derbyshire Dales can then apply. Specifically, the [Local Authority Guidance Notes \(paragraph 8\)](#) states: 'Any local eligibility criteria will apply for a maximum of 3 months from when a home is first marketed. If a suitable buyer has not reserved a home after 3 months, the eligibility criteria (including income caps) will revert to the national criteria set out above, to widen the consumer base.'
- 10.2 There is also a risk that the approval of an Interim Policy could be challenged, as there has been no statutory process that has been undertaken. However, the NPPG (paragraph 9) states: 'Local planning authorities are encouraged to ensure that First Homes work well in their area, which may include requiring a higher minimum discount, lower price or income caps, or local connection/key worker requirements. Local planning authorities are also encouraged to make the development requirements for First Homes clear for their area. The most appropriate method or tool to do this will depend on individual circumstances for each local planning authority. These might include (but may not be limited to): publication of an interim policy statement or updating relevant local plan policies. Local planning authorities should assess their own circumstances when considering the most appropriate way to achieve this in their context.' As the revised local plan will be unlikely to be adopted prior

to 2026, this would suggest implementing an Interim Policy which sets out the local connection criteria until such times as the new Local Plan is adopted.

- 10.3 A Data Protection Impact Assessment has been undertaken, which concluded that no special category is being collected and the risk of unauthorised data sharing of potential purchasers is low. Personal data will be stored securely and will be deleted from the DDDC computer system following the purchase of these properties.

Report Authorisation

Approvals obtained from Statutory Officers:-

	Named Officer	Date
Director of Resources for Chief Executive	Karen Henriksen	22/07/2024
Financial Services Manager	Gemma Hadfield	22/07/2024
Monitoring Officer (or Legal Services Manager)	Helen Mitchell	22/07/2024

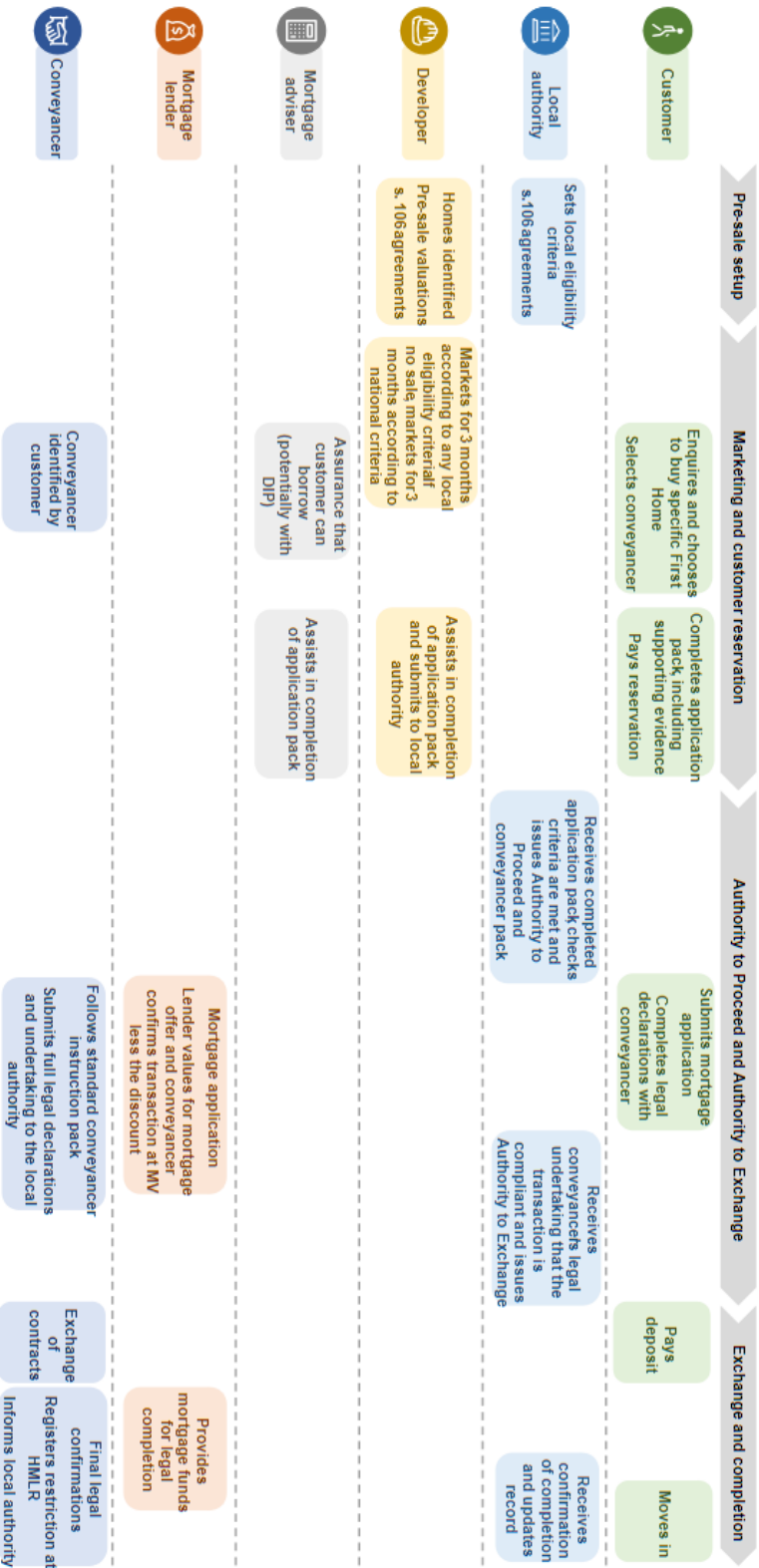
Appendix 1 – National and Local Criteria

National eligibility criteria - First Home	Local eligibility criteria - First Home	Does the local eligibility criteria change after the first 3 months of marketing?
30% discount on the full market value	Can be set instead at 40% or 50%	No – the percentage discount does not change according to marketing time
Price cap of £250,000, or £420,000 in London, after the discount (initial sale only)	Can be set lower (but not higher) than the national cap (initial sale only)	No – if a local price cap has been set, this would remain in place until the initial sale is complete

National criteria - buyer	Local criteria – buyer	Does the local criteria change after the first 3 months of marketing?
Household income of no more than £80,000, or £90,000 in London	Can be set lower (but not higher) than the national cap	Yes – any local income cap falls away and the national cap of £80,000 (or £90,000 in London) then applies
There is no national local connection or key worker criteria	Can set local connection and/or key worker criteria	Yes – any local connection or key worker requirements would no longer apply
Only for first-time buyers	No additional local criteria can be set	Not applicable – all buyers must be first-time buyers
Buyers must have a mortgage / home purchase plan covering at least 50% of the discounted purchase value	No additional local criteria can be set	Not applicable – a mortgage covering at least 50% must always be used

Appendix 2 – Process for buying/selling First Homes

Application Process for New Build Sale



Appendix 3 – Administrative Cost Schedule

	No. of First Homes on site	Officer Time (h)	Solicitor Time (h)	Director Time (h)	Total Time (h)
Admin costs per property					
Prepare template application pack (per development but apportioned for est. 3 First Homes per site)		0.5	1	0	1.5
Assess submitted application form		2	1	0	3
Prepare conveyancer pack		1	2	0	3
Reviewing legal documents during the conveyancing process		1	2.5	0	3.5
Signing legal documents contained within the conveyancer pack		0	1	1	2
Communication with developer and other involved parties		1	0	0	1
Post completion work and checking registration		0	1.5	0	1.5
Total		5.5	9	1	15.5
Total tasks per property for 1 x initial sale and 2 x resales (multiplied by 3)		16.5	27	3	46.5
	1				
Total tasks per property for 1 x initial sale and 2 x resales MULTIPLIED BY no. of First Homes		16.5	27	3	46.5
Total admin fee charged (per property)		£362	£946	£140	£1,448

Role	Band	Base £/hr	On costs	Total £/hr
Officer	7	16.83	5.12	21.95
Legal	12	26.56	8.46	35.02
Director	15	35.31	11.46	46.77

Appendix 4 – Equality Impact Assessment

Derbyshire Dales District Council Equality Impact Assessment

Please refer to the guidance whilst completing this form.

Contact Elizabeth Wilson [elizabeth.wilson@derbyshiredales.gov.uk, or 01269 761240] for support.

1. Outline

Information required	Detail
a. Title of policy, practice, service or function being assessed	First Homes government tenure
b. Links to Service and/or Corporate Plan Ref/s	Corporate Plan Target Area: promote housing developments that meets the needs of the present and future population of the District.
c. Name and Role of Officers conducting assessment	Mike Hase [Policy Manager], Elizabeth Wilson [Corporate Policy Officer]
d. Date of assessment	17 April 2023
e. Reason for assessment	Change to housing policy due to National Government scheme supporting affordable housing for first time buyers
f. What is the purpose of this policy, practice, service or function? (specify aims and objectives)	To enable first-time buyers to buy a home for 30% to 40% less than its market value dependent on specific criteria relating to salaries, and other local criteria such as connection to the area, already living in the District. Etc
g. Are there any other organisations involved in its implementation?	Housing developers
h. Likely customer groups to be impacted	Residents
i. Other stakeholders likely to be impacted	
Which District Council departments are affected by the policy, practice, service or function?	Regeneration and Policy, Housing, Legal Services, Estates
Do any of the objectives directly support or hinder another Council activity?	Supports the target to promote housing developments that meets the needs of the present and future population of the District

2. Assessing Relevance to the General Equality Duty

The General Equality Duty has three aims which require the District Council to have due regard to the need to:	Tick those which are relevant ✓
1. Eliminate unlawful discrimination (both direct or indirect), harassment and victimisation	
2. Advance equality of opportunity between all persons by <ul style="list-style-type: none"> • removing or minimising disadvantages suffered by protected groups; • taking steps to meet the needs of people from protected groups where these are different from the needs of other people • encouraging people from protected groups to participate in public life or other activities where participation is disproportionately low 	✓
3. Foster good relations between different groups	✓

3. What existing information / data do you have / monitor about different diverse groups in relation to this policy, practice, service or function?

For example: previous EIA's, reports, demographic data etc.

Information / Data	Data source and date	Information relevant to proposed policy/service /function
Office National Statistics 2021 Census https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationandhouseholdestimates/englandandwalescensus2021 First release 2021 census results https://observatory.derbyshire.gov.uk/wp-content/uploads/reports/documents/census/2021_census/2021%20Gen	Office National Statistics 2021 population datasets – age, sex, households etc	e.g. Derbyshire Dales population has increased by 0.5% from 71,116 to 71,500 27.8% of the population in the Derbyshire Dales are over 65 The number of households has increased by

sus%20Infographic%20v5_DDales%20V1.00.png		5.1%, from 30,744 to 32,300
Derbyshire Dales Equalities Profile https://observatory.derbyshire.gov.uk/wp-content/uploads/reports/profiles/area_profiles/district/Derbyshire_Dales_Area_Profile.pdf	Derbyshire Observatory; taken from Census 2020 - national survey of all households	The Dales is an ageing population with more older people and less younger people than the rest of Derbyshire and England Highest level of median house prices AND fuel poverty in the county 19.7% of households are deprived in 2 or more areas
Derbyshire Observatory web site https://storymaps.arcgis.com/stories/e9fe69d82e4b4218a9f34c3ebf0525fc	ONS information on all types of housing, on the Observatory web site	All Derbyshire's districts have higher than average levels of home ownership. Highest rates being in South Derbyshire (75.3%) and Derbyshire Dales (72.9%) with the lowest rates in Chesterfield (62.9%) 12.6% households live in social rented accommodation [England rate 17.1%] Private rented housing is 14.4% in the Derbyshire Dales [in the lowest 25% of

		authorities in England which has a 20.6% score]. Reflects the lack of private rented property available in tourist areas.
House prices https://observatory.derbyshire.gov.uk/housing-house-prices/	Derbyshire Observatory	In June 2022 the median house price in; Derbyshire was £200K Amber Valley £195k NE Derbyshire £205K, In the Derbyshire Dales it was £288K.
House Prices https://landregistry.data.gov.uk/app/ukhpi/browse?from=2022-03-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2Fderbyshire-dales&to=2023-03-01&lang=en	UK House Price Index, from the Land Registry	Average price in Derbyshire Dales at March 2022 Average cost of all property types = £317,342 Detached = £454,318 Semi =£289,168 Terraced = £243,615 Flats = £182,248 Average price in Derbyshire Dales at Feb 2023 Average cost of all property types = £353,263 Detached £506,237 Semi £322,408 Terraced £270,985 Flats £200,184

<p>Housing Affordability https://observatory.derbyshire.gov.uk/affordability/</p>	<p>Calculated by dividing house prices by gross annual earnings, based on the median and lower quartiles of both house prices and earnings. Basically: how many times your income the cost of a home is</p>	<p>Figures from Sept 2022 (ONS Data: March 23 update) Amber Valley = 6.65 N E Derbyshire = 7.31 Erewash = 6.31 High Peak 7.88 Derbyshire Dales = 10.24</p>
<p>Derbyshire Observatory https://storymaps.arcgis.com/stories/f32301e4f5524f4386fff3ffe518fa98</p>	<p>ONS 2021 data. The number of people aged 16+ who are economically active expressed as a percentage of all people aged 16+</p>	<p>Across Derbyshire 394,900 (59.8%) of people aged 16+ are economically active. This is lower than the England figure of 60.9%. Derbyshire Dales 56.3% Amber Valley 59.6% South Derbyshire 64.3% N E Derbyshire 56.8%</p>
<p>Derbyshire Observatory [ONS 2021 data] https://observatory.derbyshire.gov.uk/labour-market-earnings-annual/</p>	<p>Median [middle value not average] gross annual pay of a full time worker that lives in the area</p>	<p>England £33 208 Derbyshire Dales £33 164 N E Derbyshire £30 820 South Derbyshire £33 404</p>
<p>Policy Commons https://policycommons.net/artifacts/2674421/derbyshire-dales/3697534/</p>		<p>Prosperity score 54.1 (103rd)</p>
<p>ONS Employment and Labour https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/subregionalproductivitylabourproductivityindicesbylocalauthoritydistrict</p>		<p>Labour productivity e.g. In 2020, the GVA per hour worked for the UK was 100, in the Derbyshire Dales it was much lower at 67.1</p>

		In 2020 GVA per hour worked [in £s] in the UK was 37.7, in the Derbyshire Dales it was lower at 25.3
ONS https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2020	Gender pay gap	In 2020, the gap among full-time employees fell to 7.4%, from 9.0% in 2019. Among all employees it fell to 15.5%, from 17.4% in 2019

4. Consultation and engagement

4a. If no consultation has taken place OR is unnecessary, please explain why.

This is a National scheme with criteria set by national government

4b. Add the results of any completed consultation and how it has/will inform the development of the policy/service.

Who <u>did</u> you consult with?	How and when	Outcomes/Results	Implications and amendments as a result of consultation

4c. Add consultation plans and results here

Think about who the stakeholders are? How will you gather their views? By when?

Remember to complete a Consultation Proposal form to access support and refer to the guides – everything you need is here [X:\Partnerships and Projects\Consultation All Directorates\Strategies Guidance Resources](#)

Who <u>will</u> you consult with?	How and When	Results	Implications and amendments as a result of consultation

5. Based on the evidence above, does the policy, practice, service or function have a positive or negative impact on any protected group(s)?

Protected groups	Positive effects	Negative effects	Potential Improvement Actions
Age	Young people are frequently on low wages and are least able to afford the high price of property in the District. They are usually first time buyers and this scheme would make purchasing a home easier	Older people who may have previously bought a home but currently rent, cannot take advantage of the scheme. They are also less likely to get a mortgage due to their age and therefore need schemes such as this. This applies particularly to older people who want to move to the area in order to get support	Include people who are not first time buyers in the scheme Ideally a national, government scheme for people who are not first time buyers, yet cannot afford to buy in the area they live is required. However none is available at present.

		from their family as their needs grow. The lack of rental property in the district exacerbates this problem	
<p>Disability or long term ill heath</p> <p>Physical disabilities, sensory impairments, limiting long-term illnesses, learning disabilities or mental health issues</p>	<p>Disabled people frequently have a low income and are least able to afford the high price of property in the District. This scheme would make purchasing a home easier.</p>	<p>Disabled people who may have previously bought a home but currently rent [possibly due to their disability], cannot take advantage of the scheme. They are also less likely to get a mortgage due to their disability and low income. Therefore they need schemes such as this. This applies particularly to disabled people who want to move to the area in order to get support from their family as their needs grow. The lack of suitable rental property in the district exacerbates this problem</p>	<p>Include people who are not first time buyers in the scheme</p> <p>Create a scheme for people who are not first time buyers, yet cannot afford to buy in the area they live in the District, or are connected to</p>
<p>Race / ethnic groups</p>	<p>People from ethnic minorities are often on low waged jobs. Although there is less than 3.2% of people in the District from ethnic minorities, the scheme would make purchasing a home easier.</p>		

Women or men	There is still a significant gender pay gap. This scheme would make purchasing a home easier.		
Sexual orientation	. This scheme neither advantages or disadvantages people with different sexualities.		
Religion or belief (including non-belief)	This scheme neither advantages or disadvantages people with religious beliefs		
Transgender (including people planning to or going through gender reassignment)	This scheme neither advantages or disadvantages people who are transgender		
Pregnancy and maternity (including maternity and paternity leave)	This scheme neither advantages or disadvantages pregnant women or parental leave		
Marital status (including civil partnership & same sex marriage)	This scheme neither advantages or disadvantages people		

5a. Are there any local priority groups / factors which should be considered?

Other factors	Positive effects	Negative effects	Improvement actions
----------------------	-------------------------	-------------------------	----------------------------

Rural areas	Housing in rural areas is often more expensive due to the attraction it has for tourism. This makes buying a home impossible for many people, who are frequently in low waged professions.		
Poverty / deprivation	Average wages in the District are lower than the national average wage. Houses are more expensive than average. This scheme will help make homes affordable		

6. Commissioned / outsourced services

Is your policy, practice, service or function partly or wholly provided by any external organisation / agency?	Yes [developers and builders]
If yes, please list any contractual or other arrangements which aim to ensure that the provider promotes equality and diversity (e.g. <i>monitoring data</i>)	

7. Summary

Use this space to summarise key data and its implications, the key issues to be addressed, potential actions to address them and any other points relevant to the Policy/service.

8. Improvement Plan

Key issues identified	Actions
-----------------------	---------

Appendix 5 – Data Protection Impact Assessment

DATA PROTECTION IMPACT ASSESSMENT (STAGE 2)

You should start to fill out the template at the start of any major project involving the use of personal data, or if you are making a significant change to an existing process. The final outcomes should be integrated back into your project plan.

This document should only be completed if the project will be collecting/processing personal data about individuals (customer or employee).

SUBMITTING CONTROLLER DETAILS			
Name of controller	Derbyshire Dales District Council		
Subject	First Homes applications		
Name Data Protection Officer	Helen Mitchell		

PROJECT MANAGER DETAILS	
Name of Project , new process or system:	First Homes Applications Project
Name of Project Manager or Information Asset Owner (IAO)	Rob Cogings – Director of Housing Niki Emery – Housing Needs and Research Officer
Business Area	Housing
Project/Process Name	First Homes applications

DOCUMENT HISTORY			
Version	Date	Detail	Author
1	08/05/24	First draft	Niki Emery
2	09/05/24	Second draft (with comments added from the IGO's advice)	Niki Emery
3	21/05/24	Final draft	Niki Emery

STEP 1: IDENTIFY THE NEED FOR A DPIA

Explain broadly what project aims to achieve and what type of processing it involves. You may find it helpful to refer or link to other documents, such as a project proposal.

<p>What is the main aims for the project / process / system</p>	<p>'First Homes' is a newly created discounted market tenure that is aimed at First Time Buyers trying to get on the housing ladder. There is certain criteria that must be met for buyers of First Homes to be eligible to purchase – including an income cap of £80,000 and meeting our local connection criteria. 'First Homes' is a Government devised scheme whereby guidance has been produced for Local Authorities to follow to ensure there is a standardized process for selling/buying the properties. Within National Planning Policy Guidance, First Homes must be provided as part of the affordable housing delivery within a Section 106 site.</p> <p>The main aims of the Local Authority are to ensure that the application process for First Homes is a standardized, easy to follow process. Government guidance states that potential purchasers will express an interest in a 'First Home' via the normally open market advertisement route (such as Rightmove) and then the developer will provide the potential purchaser with an application form to complete.</p> <p>The application form is completed and sent to the Local Authority. It is reviewed by the Local Authority who check the eligibility of the purchaser to ensure they meet the national and local criteria to buy a First Home.</p> <p>If eligible, the Local Authority sign legal documents such as an 'Authority to Proceed' and 'Authority to Exchange' that are contained within a Conveyancer pack and this allows the purchase to be completed.</p>
<p>List the main activities for the project / process / system</p>	<p>Checking application forms and ensuring that potential purchasers meet the national and local eligibility criteria.</p> <p>Issuing signed legal documents (contained within the Conveyancer pack) upon confirming the eligibility of a potential purchaser that allows the sale to proceed.</p> <p>Checking further forms within the Conveyancer pack when it is returned to the Local Authority to ensure the potential purchaser meets the eligibility criteria.</p>
<p>What are the intended Outcomes</p>	<p>To allow First Homes to be purchased by eligible applicants as part of the affordable housing delivery on Section 106 sites.</p>
<p>Refer to or link to other documents, such as a project brief and plan.</p>	<p><u>GUIDANCE NOTES FOR LOCAL AUTHORITIES</u> This states our roles and responsibilities in the process of First Homes.</p> <p><u>APPLICATION FORM</u> The initial document that is sent to the LA that is assessed to confirm the reject the buyer's eligibility.</p> <p><u>CONVEYANCER FORM</u> Contains the legal documents that LA has to issue in order for the purchase to proceed.</p>

Summarise why you identified the need for a full DPIA. DPIA Screening questions will provide some of the reasons	We will be collecting and storing personal information to assess potential purchasers' eligibility to buy a First Home.
---	---

STEP 2: DESCRIBE THE PROCESSING

Describe the nature of the processing:		
Who is the data about?		Members of the Public that wish to buy a First Home
		Their Conveyancer, the Homebuilder and their Mortgage Advisor
What Data categories will be processed (mark with X which apply)		Personal Data: Name, Address, Date of Birth, Contact details e.g. Telephone/Email, National Insurance number,
		Employment details: Occupation, Conveyancer/Mortgage Advisor place of work
		Financial details: Income (annual gross salary)

Special Category Personal Data		
	No	Racial or ethnic origin
	No	Religious or philosophical beliefs
	No	Political opinions
	No	Physical or Mental Health Conditions
	No	Sex life or sexual orientation
	No	Trade Union Membership
	No	Biometric data
	No	Genetic Data
	No	Criminal convictions and offences require control of official authority

How will you collect the personal data?	Via an application form that developers will be sent it via email. The developer will provide the potential buyer with the application form and they will fill this with the developer and send it to me (Niki Emery) via email.
How will you use the personal data?	The personal data will be used to assess an applicant's eligibility to purchase a First Home. This will involve assessing their income, local connection to Derbyshire Dales and the supplementary evidence they will have sent to prove this.
How will you store the personal data?	The personal data will be sent to the email address of Niki Emery and she will then save it onto a separate folder located within the First Homes folder located in the Partnerships and Projects folder of the X drive. Only certain staff will have access to this folder. These people will be Niki Emery, Christie Limb and Rob Cogings. Applications will be saved in this folder and organized via each different development scheme. This folder will be password protected.
How will you delete the personal data?	Upon confirmation of purchase by the applicant's conveyancer/developer of the First Homes site, the application form saved onto the X drive will be deleted. The application form sent via email from the developer to Niki Emery will also be deleted. If an application is refused due to the purchaser not meeting the eligibility criteria, the application form will be deleted following communication of the refusal.
What types of processing identified as likely high risk are involved?	None
What is the source of the data if not from an individual?	The potential purchaser fills the form in with the developer. Then the developer sends it to Niki Emery via email. There is no data to be shared from any other individuals.
Will you be sharing data with anyone?	At some point in the purchase process, the applicant, their conveyancer, their mortgage advisor, and the developer of the site, will all see the application form. Christie Limb, the Principal Solicitor, for Derbyshire Dales District Council will also see the form as she will sign off the legal documents required to purchase (e.g. the Authority to Proceed and Authority to Exchange). Christie will access the form via the First Homes folder or via a forwarded email from Niki Emery.
You might find it useful to refer to a flow diagram or other way of describing data flows.	n/a
Will the system be provided by a Third Party Supplier? e.g Capita, IDOX, Northgate etc.	No

Supplier Overview	
What is the Supplier's Address	n/a
Is the supplier of the system, registered with the ICO? Please ask them to provide details of their registration	n/a
Does the supplier have Cyber Essentials Plus accreditation? If so please provide details	n/a
Has the supplier implemented ISO27001? If so please provide copy of certification	n/a
Is there a contract currently in place with this supplier? If so, does the contract include Data Protection Act and Freedom of Information Act Sections? Please provide copies of sections	n/a
What Data Protection training will be provided to employees of the supplier? Please provide details	n/a
How and Where is data stored by the Supplier? e.g. cloud server and back-up server locations. UK/EEA/USA etc, You might find it useful to include data flow diagrams to describe how data is stored.	n/a
Describe the scope of the processing:	

What is the nature of the data, and does it include special category or criminal offence data?	Name, Address, Date of Birth, Contact details e.g. Telephone/Email, National Insurance number, Occupation, Conveyancer/Mortgage Advisor place of work, Income (annual gross salary). There is no special category or criminal offence data that will be collected.
How much data will you be collecting and using?	Application form is 20 pages. Conveyancer form is 40 pages. The nature of the data collected which is named above will be provided at numerous times throughout the form.
How often?	There are 2 First Homes due in 2024. There are more schemes due to come forward with First Homes on site in the coming years but none of these have started being built yet. There is likely to be a number of First Homes each year but this will be less than 10. Purchasing First Homes is a 'first come, first served' process and therefore if 2 First Homes are on a scheme for example, then DDDC will only potentially need to assess 2 application forms if they meet the criteria.
How long will you keep it for?	Until either the purchase is completed (if an applicant meets the criteria), or immediately following communication to the developer that an applicant does not meet the criteria.
How many individuals are affected?	The potential purchaser is affected as they complete the application form. The conveyancer, developer and mortgage advisor are affected as they are supposed to assist the purchaser in completing the form. Niki Emery, Housing Needs and Research Officer, and Christie Limb, Principal Solicitor, are affected as they are checking and approving the application forms.
What geographical area does it cover?	Derbyshire Dales District (NOT INCLUDING THE PEAK DISTRICT NATIONAL PARK).
Describe the context of the processing:	
What is the nature of your relationship with the data subjects / individuals?	There is no relationship. They are members of the public that I will not previously know. I will have no communication with them and will only have communication with the developer rather than the purchaser. The developer will provide the purchaser with any documents or advice.
How much control will they have?	None
Would they expect you to use their data in this way?	Yes – to check their eligibility to purchase a 'First Home'.

Do they include children or other vulnerable groups?	No
Are there any prior concerns over this type of processing or security flaws?	No
Is it novel in any way?	No
What is the current state of technology in this area?	Good
Are there any current issues of public concern that you should factor in?	No
Are you signed up to any approved code of conduct or certification scheme (once any have been approved)?	No

Describe the purposes of the processing:	
What do you want to achieve?	To ensure that applications from eligible households are approved and applications from households that are not eligible are refused.
What is the intended effect on data subjects / individuals?	None, other than they potentially are refused buying a 'First Home' as they don't meet the eligibility criteria.
What are the benefits of the processing – for the Council, and more broadly?	First Homes can be delivered in accordance with the National Planning Policy Guidance issued by the Department of Levelling Up. This increases the number of housing stock that residents of Derbyshire Dales have access too and meets National Planning Policy objectives.

Consider how to consult with relevant stakeholders:

Describe when and how you will seek individuals' views – or justify why it's not appropriate to do so.

This is a Government-led scheme and there has been a consultation undertaken by the Department of Levelling Up in 2021.

An early delivery scheme was undertaken by Homes England that ensured certain LA's provided First Homes from 2021-2023.

Both the consultation and early delivery programme has allowed the scheme to now run more successfully and guidance to be issued to LA's to deliver the scheme.

As this is the case, it is not felt that DDDC need to consult any further regarding First Homes.

Who else do you need to involve within your organisation?

Legal – to ensure applicant's meet the eligibility criteria and issue the legal documents to proceed with purchase.

Do you need to ask your processors to assist?

No

Do you plan to consult information security experts, or any other experts?

The housing team and legal team will have to liaise to ensure that the application forms are assessed accurately. The Information Governance Officer will advise to ensure Data Protection regulations are met. Planning will have a role to advise the housing team on any schemes coming forward. They will not have access to any personal data.

STEP 4: ASSESS NECESSITY AND PROPORTIONALITY

Describe compliance and proportionality measures, in particular:

What is your lawful basis for processing?

Under the National Planning Policy Guidance, First Homes must account for 25% of affordable delivery on a section 106 scheme. The Guidance ensures there is national criteria and local criteria, should the Local Authority choose to implement it, that must be met for applicants of First Homes to be eligible to purchase. We have to gain personal details of applicants to assess their eligibility.

The lawful basis for processing is set out in Article 6 of the UK GDPR:

(e) Public task: the processing is necessary for you to perform a task in the public interest or for your official

	<p>functions, and the task or function has a clear basis in law.</p> <p>Section 106 agreements (based on that section of The 1990 Town & Country Planning Act)</p>	
Is the Lawful Basis 'Consent' use to process the data?	Yes/No (If Yes, complete the following)	
	Is there any other Lawful Basis more appropriate?	No
	How do you inform the data subject that that consent can be withdrawn at any time?	n/a
	How is consent for personal data, managed? (Link)	n/a
	If using Special Category data, how will 'Explicit Consent' be obtained and managed?	n/a
Does the processing actually achieve your purpose?	Yes	
Is there another way to achieve the same outcome?	No	
How will you prevent function creep? (using information not for the purpose it was intended)	There is no other purpose intended for the data other than to state the number of affordable units delivered per financial year for the purpose of Govt returns. Personal details will not be used for any other reason than to assess eligibility. Following a successful application and completion of purchase, the personal information will be deleted.	
How will you ensure data quality and data minimisation?	The survey has mandatory fields to complete and limited free format boxes. The questions asked are clear and short and therefore should provide clear answers in return that can be analyzed.	
(Right to Be informed)	Under the legislation individuals have a right to obtain confirmation that their data is being processed, have access to their personal data and be provided with other supplementary information on how their data is being used through the use of a privacy notice. Details of this is provided on the Application form. The request for access will commonly be done through a Subject Access Request.	
How will you help to support Individual's Rights under Data Protection Act 2018 and GDPR?	Right to be informed (What information will you give individuals and when?)	A privacy notice is shown on the application form that provides individuals with the knowledge of what their data will be used for (to assess their eligibility).
	Right to access	

	Right to Rectification	
	Right to erasure (Right to be forgotten)	
	Right to restrict processing	
	Right to portability	
	Right to object to processing	
What measures do you take to ensure third party processors comply with the Data Protection Act 2018 and GDPR?	Is there a contract in place?	No
How do you safeguard any international transfers?	n/a	

STEP 5: IDENTIFY AND ASSESS RISKS

Describe source of risk and nature of potential impact on individuals. Include associated compliance and corporate risks as necessary.		Likelihood of harm	Severity of harm	Overall risk
1. Inappropriate processing of Personal data for Vulnerable people and children resulting in a data security breach Risk of harm and distress to individuals. Financial and reputational damage. Enforcement action and possible fines from ICO		Remote	Minimal	Low
2. System data is accessed by unauthorised persons and used or shared inappropriately. Risks to the individual as a result of contravention of		Remote	Minimal	Low

<p>their rights in relation to privacy, or loss, damage, misuse or abuse of their personal information.</p> <p>Financial and reputational damage. Enforcement action and possible fines from ICO.</p>				
<p>3.Data subjects are not made aware of rights under data protection legislation relating to processing of data for these requirements.</p> <p>An individual's privacy is compromised by breaching rights of a data subject in relation to their personal data, including right to withdraw consent.</p> <p>Breach of GDPR Section 2 Article(s) 13, 14, 15,</p> <p>Breach of GDPR Section 3 Article(s) 16, 17 18 and 19</p> <p>Financial and reputational damage. Enforcement action and possible fines from ICO</p>		Remote	Minimal	Low



STEP 6: IDENTIFY MEASURES TO REDUCE RISK

Identify additional measures you could take to reduce or eliminate risks identified as medium or high risk in step 5				
Risk	Options to reduce or eliminate risk	Effect on risk	Residual risk	Measure approved
<p>1.Inappropriate processing of Personal data for Vulnerable people and children resulting in a data security breach</p> <p>Risk of harm and distress to individuals.</p> <p>Financial and reputational</p>	<p>No special category data will be collected. No children's data will be collected.</p> <p>We will be collecting financial information such as income and evidence to support this.</p>	Reduced	Low	Yes

<p>damage. Enforcement action and possible fines from ICO</p>				
<p>2.System data is accessed by unauthorised persons and used or shared inappropriately .</p> <p>Risks to the individual as a result of contravention of their rights in relation to privacy, or loss, damage, misuse or abuse of their personal information.</p> <p>Financial and reputational damage. Enforcement action and possible fines from ICO.</p>	<p>Password protected folder accessed only by Niki Emery, Christie Limb and Rob Cogings.</p>	<p>reduced</p>	<p>Low</p>	<p>Yes</p>
<p>3.Data subjects are not made aware of rights under data protection legislation relating to processing of data for these requirements.</p> <p>An individual's privacy is compromised by breaching rights of a data subject in relation to their personal data, including right to withdraw consent.</p> <p>Breach of GDPR Section</p>	<p>Privacy notice on the application form and the developer's privacy notice is also on the application form.</p>	<p>accepted</p>	<p>Low</p>	<p>Yes</p>

2 Article(s) 13, 14, 15, Breach of GDPR Section 3 Article(s) 16, 17 18 and 19 Financial and reputational damage. Enforcement action and possible fines from ICO				
--	--	--	--	--

STEP 7: SIGN OFF AND RECORD OUTCOMES

Item	Name/position/date	Notes
Measures approved by:	Mark Mealey – Information Governance Officer – 21/05/24	Integrate actions back into project plan, with date and responsibility for completion
Residual risks approved by:	Rob Cogings – Director of Housing – 21/05/24	If accepting any residual high risk, consult the ICO before going ahead
DPO advice provided:	Mark Mealey – Information Governance Officer – 21/05/24	DPO should advise on compliance, step 6 measures and whether processing can proceed
Summary of DPO advice: See section 6 above.		
DPO advice accepted or overruled by:		If overruled, you must explain your reasons
Comments:		
Consultation responses reviewed by:		If your decision departs from individuals' views, you must explain your reasons
Comments:		
This DPIA will kept under review by:	Niki Emery – Housing Needs and Research Officer	The DPO should also review ongoing compliance with DPIA

Name / Role	Electronic Signature	Date
Rob Cogings	RB Cogings	31 st May 2024
Helen Mitchell	HJM	31 May 2024