

**REPORT AUDIT TRAIL****CONSULTATION**

*This is important as it shows that consultation has been undertaken in the preparation of the report and provides a quick reference point for specific comments, whilst the report will not be publishable if these areas have not been completed by the named persons below. **You must liaise with and receive sign off from the relevant Cabinet Member(s).***

<b>Name/Position</b>	<b>Portfolio/Ward/ Directorate</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in para:</b>
Councillor John Williams	Cabinet Member for Transport, Jobs and the Local Economy	Click here to enter a date.	11/08/25	
<i>Andrew Bramidge</i>	Regeneration and Environment	Click here to enter a date.	Click here to enter a date.	
Finance	Chelle Kier Finance and Customer Services	14/08/25	07/08/25	
Legal Services	Legal Services	14/08/25	14/08/25	
Human Resources	Assistant Chief Executive's Office	Click here to enter a date.	Click here to enter a date.	
Procurement	Finance and Customer Services	Click here to enter a date.	Click here to enter a date.	
Equalities	Assistant Chief Executive's Office	07/08/25	11/08/25	
<i>Other officers below</i>		Click here to enter a date.	Click here to enter a date.	

<b>REPORT APPROVAL TRACKING</b>			
<b>Equalities</b> Your report will not be authorised for submission to Cabinet by your Strategic Director if you have not undertaken and included an initial equalities screening. All equalities analysis documents should be sent to <a href="mailto:Equality@rotherham.gov.uk">Equality@rotherham.gov.uk</a> for feedback prior to being included as appendices.	<b>Initial Screening completed and included with report</b>	YES	11/08/25
	<b>Full Assessment completed and included with report</b>	YES	N/A
<b>Carbon Impact Assessments</b> Carbon Impact Assessments are to be appended to the associated cabinet reports. Carbon Impact Assessments should be sent to <a href="mailto:climate@rotherham.gov.uk">climate@rotherham.gov.uk</a> for feedback prior to your report being sent to your Strategic Director for approval.	Carbon Impact Assessment completed and included with report.	YES	07/08/25
<b>Background information</b> <b>MANDATORY:</b> Insert headings for a few main <b>public</b> documents you have used or referenced to write this report. This is a legal requirement. For Cabinet reports, <b>insert hyperlinks</b> . Do not list private documents.	Supplementary Planning Document (SPD) 8 Affordable Housing <a href="https://www.rotherham.gov.uk/planning-development/planning-guidance/1">https://www.rotherham.gov.uk/planning-development/planning-guidance/1</a>		
<b>Appendices</b> If appendices are essential to the understanding of the report, list titles here. Ensure that appendices have proper titles. List any appendices relevant to the decision being taken first with the Equality Analysis documents coming next and the Carbon Impact Assessment being listed as the last Appendix for all reports.	Appendix 1 Updated First Homes Fee Charging Schedule Appendix 2 First Homes Local Eligibility Criteria Appendix 3 Part A – Initial Equality Screening Assessment Appendix 4 Carbon Impact Assessment		
<b>Cabinet Member Approval</b> You should retain an email confirming the Cabinet Member approval for your records. Strategic Directors should not authorise reports unless Cabinet Members have given sign off	YES/NO (delete as appropriate)	Click here to enter a date.	
<b>Report Authorised by Strategic Director</b>	YES/NO (delete as appropriate)	Click here to enter a date.	
<b>Report Authorised for publication by Chief Executive</b>	YES/NO (delete as appropriate)	Click here to enter a date.	

Select report type  
Name of Committee

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**Committee Name and Date of Committee Meeting**

Delegated Officer Decision – 19 August 2025

**Report Title**

First Homes Fee Charging Schedule

**Is this a Key Decision and has it been included on the Forward Plan?**

No, but it has been included on the Forward Plan

**Strategic Director Approving Submission of the Report**

Andrew Bramidge, Strategic Director of Regeneration and Environment

**Report Author(s)**

Elizabeth Hunt – Affordable Housing Co-Ordinator  
01709 334956 or Elizabeth.Hunt@rotherham.gov.uk

**Ward(s) Affected**

Borough-Wide

**Report Summary**

To request authorisation to increase the First Homes Fee which is charged to housing developers. This fee is to cover the Council's administration costs in dealing with the mandatory paperwork which must be completed by the Council. The fee increase is based on the uplift in staff pay and on costs since it was introduced in April 2022. It is proposed the fee will increase from £1,077 per First Home property to £1,329 per property. This fee covers staff administrative costs associated in dealing with the initial sale of the property and two subsequent resales.

The report also requests that Cabinet Member notes that there is convincing evidence that the Local Eligibility Criteria for First Homes should remain in place.

**Recommendations**

1. That Cabinet Member agrees to an increase in the First Homes Fee to £1,329 which will be charged to housing developers.
2. That Cabinet Member notes the Local Eligibility Criteria for First Homes has been successful in giving Rotherham residents priority to purchase First Home units and will remain in place.

**List of Appendices Included**

Appendix 1 Updated First Homes Fee Charging Schedule.

Appendix 2 First Homes Local Eligibility Criteria

Appendix 3 Equality Part A- Screening

Appendix 4 Carbon Impact Assessment

**Background Papers**

None

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

Name of Committee - No

Name of Committee – No

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## **First Homes Fee Charging Schedule**

### **First Homes Fee Charging Schedule**

#### **1. Background**

- 1.1 First Homes were introduced as a mandatory affordable home ownership product by central Government in December 2021. First Homes are delivered via S106 planning obligation on residential development sites.
- 1.2 It is the developer's responsibility to sell First Homes to eligible applicants. However, the Council is directly involved in the sale of First Homes, both at the initial stage and any subsequent resales. As the Council is involved in the administration of First Homes, a fee is charged to the developer for the first sale and two subsequent resales. After the second re-sale any ongoing administrative costs are passed on the vendor or purchaser.
- 1.3 The First Homes Fee was set in April 2022. It is based on the staff pay scales and number of hours worked by Council officers per application. The result of this calculation gave an amount to be charged to developers per First Home unit. The fee set in 2022 was £1,077 per property.
- 1.4 Cabinet approval was given to introduce the First Homes Fee on 22/04/22. This Cabinet approval also gives delegated authority for the Strategic Director of Regeneration and Environment, in consultation with the Cabinet Member for Jobs and the Local Economy, to amend the First Homes Fee as required. A review timescale was set for 2025.
- 1.5 The Cabinet approval in 2022 also approved a "Local Eligibility Criteria" which detailed additional requirements for First Home purchasers over and above the Governments national criteria. The Local Eligibility Criteria was included in the published Interim (Planning) Policy Statement. It has been strictly applied to the sale of all First Homes. Appendix 2 sets out the criteria.
- 1.6 Cabinet approval gives delegation to the Strategic Director for Regeneration and Environment, in Consultation with the Cabinet Member for Jobs and the Local Economy, to amend the First Homes Local Eligibility Criteria by monitoring and review. Changes may be considered if there is evidence that the criteria is a barrier to the sale of First Homes.

#### **2. Key Issues**

- 2.1 The First Homes Fee has not been reviewed since its introduction in April 2022. The fee is based on actual staff costs and the time it takes for each initial sale to be administered by Council officers and an estimation of the amount of time required to process a resale property. There has been a resale of a First Home unit, and this estimation of time has proved to be accurate.
- 2.2 Because of the increases in staff salaries and related oncosts the fee charged is out of date and too low. Salary scales and oncosts have been

reviewed by housing Finance officers and updated to August 2025 rates (including the latest pay award). The fee charged must be increased from £1,077 per unit to £1,329 per units to cover the Council's administrative costs.

- 2.3 The purpose of the Local Eligibility Criteria for First Homes is to ensure that local people get priority to purchase a one of these homes. Only applicants with a connection to Rotherham will only be considered during the initial 3 months that a First Home is marketed. National Planning Policy dictates that the Local Eligibility Criteria falls way after 3 months, after which only national criteria will be applied. However, the Local Eligibility is a contained in the title deeds of all First Homes and must be observed for the first 3 months of marketing a property at every resale.
- 2.4 To date, 45 First Homes have been sold by developers. Thirty-five of these units were sold within the initial 3 months of marketing to applicants who meet one or more of the Local Eligibility Criteria. This evidence shows that the introduction of the Local Eligibility Criteria is not a barrier to the sale of these homes and has given Rotherham residents priority to purchase First Homes. There is no evidence to justify the removal of the Local Eligibility Criteria.

### **3. Options considered and recommended proposal**

- 3.1 **Option 1** – To approve the increase in the First Homes Fee Charging Schedule to £1,329 per property as detailed in Appendix 1. To retain the Local Eligibility Criteria for First Homes as detailed in Appendix 2. This option will allow the Council's administrative costs to be fully recovered from developers. It will also ensure that applicants with a strong connection to Rotherham will continue to have priority to purchase First Homes when they become available.
- 3.2 **Option 2** – Do nothing. This option will leave the First Homes Fee Charging Schedule unchanged and retain the Local Eligibility Criteria. This option will mean that the Council's administrative costs are not fully recovered from developers. However, applicants with a strong connection to Rotherham will continue to have priority to purchase First Homes when they become available.
- 3.3 **Option 1** is the preferred option.

### **4. Consultation on proposal**

- 4.1 Approval for the methodology to calculate the First Homes Fee Charging Schedule was given in the Cabinet approval in April 2022. This report seeks permission to increase the fee based on the same methodology with actual staff cost increases to give an up-to-date figure. This calculation was undertaken by Finance colleagues. No further consultation is required

regarding the principal and calculation of the fee. The requirement is that any changes are approved by the Strategic Director of Regeneration and Environment, in consultation with the Cabinet Member for Jobs and the Local Economy

- 4.2 Approval for the introduction of a First Homes Local Eligibility Criteria was also given in the Cabinet approval 2022. The recommendation was that the criteria could be removed if approved by the Strategic Director of Regeneration and Environment, in consultation with the Cabinet Member for Jobs and the Local Economy if there was conclusive evidence that it was a barrier to the sale of First Homes. No further consultation is required for this recommendation.

## **5. Timetable and Accountability for Implementing this Decision**

- 5.1 The fee increase will be applied immediately after approval is given by the Strategic Director for Regeneration and Environment.
- 5.2 To achieve consistency with the Council's document style, minor changes to numbering, formatting and images may be made prior to the publication of the document.

## **6. Financial and Procurement Advice and Implications**

- 6.1 The approach set out is compliant with the Council's Procurement Policies. Any chargeable goods or services required by the Council should be sought in accordance with Section 58 of the Financial and Procurement Procedure Rules (Normal Procedure).
- 6.2 There are no additional planning costs associated with the introduction of the First Homes national policy, although mandatory relief from Community Infrastructure Levy payments will be applied to this product.
- 6.3 The Council are required to confirm the applicant's compliance with national and local eligibility criteria, and to authorise the sale to proceed. This function will be managed by the Housing Service. Fee income from the developer and subsequent income on re-sale from the vendor or purchaser will support the Housing Service to fund the additional staffing and administration costs.

## **7. Legal Advice and Implications**

- 7.1 The approval of the Interim Policy Statement setting out local eligibility criteria will ensure that decision-making is robust and provides clarity and a local dimension to national planning policy requirements.

- 7.2 This Interim Policy Statement provides clear guidance to applicants at the pre-application stage, ensuring the process of decision-making is transparent and open.
- 7.3 Central Government has provided a model S106 obligations template; this will be used by the Council to ensure a consistent approach for delivering First Homes product. This template will be subject to amendment to reflect local circumstances.

## **8. Human Resources Advice and Implications**

- 8.1 There are no direct human resources implications arising from this report for Regeneration and Environment Services only. Strategic housing and development will continue to manage the additional workload with existing staff but will monitor the extra volume of work that First Homes creates. Currently there is no requirement to recruit extra staff.

## **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 The Interim Policy Statement as set out in the Local Plan will assist in delivering the Council's strategy and policies set out in the Local Plan will help to promote and deliver sustainable patterns of development, and the creation of mixed and sustainable communities.

## **10. Equalities and Human Rights Advice and Implications**

- 10.1 First Homes are a central government initiative to promote discounted market sale housing as an affordable housing product. The homes are discounted by 30% of their open market value. The local eligibility criteria has ensured that First Homes are ring fenced to people living and/or working within the Borough, for the first three months of their marketing. First Homes has contributed to meeting the need identified in Local Plan policy to support delivery of affordable housing. This need will continue to be met by the continuation of the delivery of First Homes.
- 10.2 The provision of an Interim Policy Statement has ensured that the Local Plan is in accordance with national planning policy requirements and that benefits are provided to local people who have priority to purchase a First Home. The Interim Policy Statement ensures that the vision of the Local Plan is implemented: "to minimise inequalities through the creation of strong, cohesive and sustainable communities".

## **11. Implications for CO2 Emissions and Climate Change**

- 11.1 There are no implications for CO2 emissions and climate change. The mandatory introduction of First Homes requires a change to the

implementation of the Local Plan policy on affordable housing but does not itself affect carbon emissions.

## 12. Implications for Partners

- 12.1 The introduction of First Homes by Central Government has reduced the number of shared ownership properties that are delivered. However Housing association partners continue to deliver this tenure type via their own build schemes and Turn-Key schemes they negotiate with developers. Supply of shared ownership properties continues to be robust and meet the identified need.

## 13. Risks and Mitigation

- 13.1 If the First Homes fee that is charged is not increased, it will result in the Council picking up more of the administrative costs. The principal of full cost recovery is accepted by national Government and can be applied by the Local Planning Authority. The burden of administering First Homes in perpetuity should not fall to the Council or the people of Rotherham. The increase in the fee to £1,329 per unit will mean that administrative costs are fully recovered.
- 13.2 The introduction of a Local Eligibility Criteria has ensured that Rotherham people get priority to purchase these homes. First Homes have proved to be very popular, and they meet the needs of those who wish to own their own home but cannot quite afford to buy on the open market.

## 14. Accountable Officers

Simon Moss, Assistant Director – Planning, Regeneration and Transport

Approvals obtained on behalf of Statutory Officers: -

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	John Edwards	Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	Click here to enter a date.
Assistant Director of Legal Services (Monitoring Officer)	Phil Horsfield	Click here to enter a date.

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This report is published on the Council's [website](#).

