

Community Infrastructure Levy Discretionary Social Housing Relief Policy

Adopted May 2018
For implementation from 25 June 2018



Basingstoke
and Deane



Community Infrastructure Levy

Discretionary Social Housing Relief Policy

1 Introduction

- 1.1 The Community Infrastructure Levy Regulations 2010 (as amended) make provision for mandatory relief from CIL for most social rent, affordable rent, intermediate rent and shared ownership dwellings under regulation 49. This does not however cover some shared equity tenures, discounted homes for sale or some emerging tenures such as starter homes or affordable private rent.
- 1.2 A charging authority may offer separate discretionary relief for affordable housing types which do not meet the criteria required for mandatory social housing relief under regulation 49A.
- 1.3 Discretionary Social Housing Relief ('DSHR') may be applied for qualifying dwellings that meet all of the following criteria:
- the dwelling is sold for no more than 80% of its market value (where the market value at any time is the price which the dwelling might reasonably be expected to fetch if sold at that time on the open market);
 - the dwelling is sold in accordance with any policy¹ published by the charging authority under regulation 49B(1)(a)(iii); and
 - The liability to pay CIL in relation to the dwelling remains with the person granted discretionary social housing relief.

2 Notice

- 2.1 Basingstoke and Deane Borough Council hereby gives notice that discretionary social housing relief in line with Regulation 49A of the Community Infrastructure Levy Regulations 2010 (as amended) is available within the Borough of Basingstoke and Deane.

¹ The policy is set out in section 2 of this document

3. Policy

- 3.1 Claims for relief under this policy are available from 25 June 2018.
- 3.2 To be eligible for DSHR, it will be necessary to have agreed with the Council how the proposed type, size and quantum will address the need and demand for affordable housing within the specific development and its locality, whilst having regard for the wider housing market/household income context.
- 3.3 To be eligible for DSHR models must be in a form that is defined within national planning policy guidance and where any related legislation and regulations are in place at the time of granting planning permission.
- 3.4 Unless explicitly permitted under national guidance, affordable dwellings will only qualify for discretionary social housing relief when the following criteria have been satisfactorily addressed and approved by the Council and form part of a S106 legal planning agreement or equivalent planning condition:-
 - 3.4.1 The initial subsidy associated with the affordable dwelling model - including the value of any relief from CIL – must either be preserved and protected in full for the long-term benefit of future occupants, or be accompanied by detailed and robust mechanisms ensuring that any subsequent release of initial subsidy (in part or full) and any associated uplift in capital value is paid to the Council at each relevant stage
 - 3.4.2 Addressing first and subsequent occupations, whilst having regard for the reasonable requirements of lenders and re-selling owners, lasting mechanisms must ensure that qualifying dwellings will be appropriately prioritised and allocated to households who:-
 - 3.4.2.1 cannot reasonably afford to rent or buy a suitable home to meet their needs on the open market;
 - and
 - 3.4.2.2 have a local connection to the borough of Basingstoke and Deane.
 - 3.4.3 For the purposes of this policy a person shall be deemed to have a local connection if their spouse or partner:-

immediately prior to occupation of the dwelling were ordinarily resident within the Borough; or

were not resident in the Borough immediately prior to occupation of the dwelling but who have a strong local connection with the Borough, and in determining whether a person has a strong local connection with the Borough, shall consider-

close family associations in the Borough and/or

any periods of ordinary residence in the Borough in the past and/or

through their work provide important services to the Borough and who need to live closer to the local community or who have employment (or an offer of employment) within the Borough

4 Application of the Policy

- 4.1 To qualify for DSHR, relief has to be claimed for on the CIL Claiming Exemption and Relief form and relief assessment and granted by the Council prior to the commencement of development;
- 4.2 The claimant must provide a plan showing where on the chargeable development the social housing will be built.
- 4.3 A party claiming social housing relief must submit a commencement notice to the charging authority for a development that is granted relief. If development begins without a commencement notice, the claimant is no longer eligible for DSHF and the full charge plus any surcharge is immediately payable.
- 4.4 DSHR can be withdrawn for any qualifying dwelling if a disqualifying event occurs up to 7 years from the commencement of development (known as the “clawback period”). The relief for that dwelling must be repaid by the beneficiary. The occupant of the dwelling will never pay clawback – liability falls on the owner of the land immediately prior to the dwelling being made available for occupation.
- 4.5 A disqualifying event is any change to a qualifying dwelling causing it to no longer qualify for social housing relief. Should there be a disqualifying event prior to the end of the seven year clawback period then CIL will be liable on the relevant dwellings and communal development. This is further explained and outlined in Part 6 of the 2010 Regulations

5 Review

- 5.1 This policy will be reviewed in line with changes to the definition of affordable housing in the National Planning Policy Framework and amendments to the council’s definition of the ‘local connection.’

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