

Waveney District Council Community Infrastructure Levy

Raising funds for infrastructure delivery:

Discretionary Social Housing Relief Policy

June 2014

Coming into effect: 26th June 2014



On 1st April 2019, East Suffolk Council was created by parliamentary order, covering the former districts of Suffolk Coastal District Council and Waveney District Council. The Local Government (Boundary Changes) Regulations 2018 (part 7) state that any plans, schemes, statements or strategies prepared by the predecessor council should be treated as if it had been prepared and, if so required, published by the successor council. Therefore this document applies to the part of the East Suffolk Council area formerly covered by the Waveney local planning authority area until such time that it is replaced.



This document is published in accordance with Regulation 49B of the Community Infrastructure Levy Regulations 2010 (as amended) and gives notification that Discretionary Social Housing Relief is available in Waveney.

Introduction

Waveney's planning policy on the provision of affordable housing is set out in Policy DM18 of the Development Management Policies Development Plan Document and the Affordable Housing Supplementary Planning Document (SPD). Policy DM18 and the SPD identify that, as a starting point, 90% of affordable housing provision should be at affordable rent¹ and 10% of affordable housing provision should be for intermediate tenures². This can include shared ownership, shared equity and other low cost homes for sale or rent.

The Community Infrastructure Levy Regulations 2010 (as amended) allows for 100% relief for the development of social housing. The definition of Social Housing is set out in Regulation 49 (as amended) and it covers most types of affordable housing provided in Waveney including affordable rent and shared ownership tenures. However, it does not cover shared equity tenures or discounted homes for sale which are covered by the definition of affordable housing in the National Planning Policy Framework. The Community Infrastructure Levy Regulations (Amendment) Regulations 2014 give Council's the power to allow relief for these tenures where they set a policy giving notice that the relief is allowed in their area. This is known as Discretionary Social Housing Relief. A dwelling can qualify for this relief if:

- The dwelling is sold for no more than 80% of its market value.
- Sold in accordance with the Discretionary Social Housing Relief policy published by the Council.
- The liability to pay CIL in relation to the dwelling remains with the person granted the relief should a disqualifying event occurs.

¹ Affordable rented housing is let by the Council or private register providers of social housing to households who are eligible for social rented housing. Affordable rented housing is subject to rent controls that require a rent of no more than 80% of the local market rent.

² Intermediate housing is homes for sale and rent at a cost above social/affordable rent but below market levels. This can include:

- Shared ownership, where percentage of the property is purchased as leasehold and the other percentage is rented.
- Shared equity, where a percentage of the value of the property is purchased and the remaining percentage is held by the Council or a registered provider. No rent is paid on the percentage retained by the Council or registered provider.
- Discounted homes for sale below market value
- Other housing provided at intermediate rents.

If within seven years of completion a disqualifying event occurred, the relief granted would have to be paid back to the Council. A disqualifying event would be where the house is sold on the open market and not in accordance with bullet 2 above and at a value above 80% of market value.

To ensure that the viability of affordable housing schemes and mixed tenure schemes is maintained there is a need to ensure all forms of affordable housing qualify for relief from CIL. This document therefore gives notice that Discretionary Affordable Housing Relief is available in Waveney.

Discretionary Social Housing Relief Policy

This document gives notification that discretionary social housing relief is available in Waveney. The Council will begin accepting claims for relief from 26th June 2014.

The developer or provider of the qualifying dwellings will be responsible for allocating the dwellings to eligible people. Qualifying dwellings must only be allocated to people who are unable to afford to buy a suitable residential property on the market in the Waveney District because of their income and/or capital means. The qualifying income/solvency level will be agreed between the developer and the Council at the time of sale. Qualifying dwellings should only be allocated to people with a local connection. A local connection is a person's connection with the Waveney District and for the purpose of this Policy a person shall be deemed to have a local connection if they (or their spouse or partner) :

- were resident in the District for at least 6 months in the last year (running up to the date the allocation is made); or
- were ordinarily resident within the District for at least three years of the immediately preceding five years (running up to the date the allocation is made) ; or
- are currently employed in the District; or
- a member of their household has parents or children over the age of eighteen or brothers or sisters who have been residing in the District for at least five years and are currently residing in the District (running up to the date the allocation is made).

The developer will be responsible for providing evidence to the Council that the qualifying requirements have been met.

In order to qualify for the relief, the development will need to be subject to a section 106 agreement that secures the above eligibility criteria. For discounted market homes the section 106 agreement will also need to secure the discount in perpetuity for future owners of the property. The section 106 agreement will ensure that any relief granted is in accordance with EU State Aid requirements under the EU Block Exemption for Services of a General Economic Interest.

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www.waveney.gov.uk/planning