

## **Appendix 2: Somerset Council Discretionary Social Housing Relief Policy and draft template for consideration of discretionary Social Housing Relief on additional affordable housing**

### **Regulation 49A Discretionary Social Housing Relief Policy**

Somerset Council hereby gives notice that discretionary social housing relief from the Community Infrastructure Levy (CIL) is available in the former Sedgemoor District (SDC), South Somerset District (SSDC), and Taunton Deane Borough (TDBC) areas in accordance with Regulation 49A of the Community Infrastructure Levy Regulations 2010 (as amended).

Somerset Council as the CIL collecting authority will begin accepting claims for discretionary social housing relief from 25 January 2024.

In accordance with CIL Regulation 49A, dwellings must meet all of the following criteria in order to qualify for discretionary social housing relief:

- If sold, the dwelling must be sold for no more than 80% of its market value, as required by CIL Regulation 49A(2)(a);
- The liability to pay CIL in relation to the dwelling must remain with the person granted discretionary housing relief, as required by CIL Regulation 49A(2)(c);
- The dwelling should be sold in accordance with the council's own published policy on discretionary social housing relief, as set out below.

### **Policy Statement on Discretionary Social Housing Relief**

Subject to compliance with CIL Regulations 49A(2)(a) and 49A(2)(c), dwellings meeting the following criteria are eligible for discretionary social housing relief:

i) Dwellings which fall outside of the scope of CIL Regulation 49, but which otherwise fall within the definition of affordable housing set out in Annex 2 of the National Planning Policy Framework (NPPF), including:

- Shared equity homes
- Homes sold at a discounted market rate of 20% or more.

ii) Dwellings which are let at a discounted market rent not exceeding Local Housing Allowance rates

### **Procedure**

In order to qualify, claims for discretionary social housing relief must be made by submitting a completed CIL 'Claiming Exemption or Relief' form to Somerset Council, with appropriate supporting evidence as specified on the form. Relief will only apply where claims are granted by the council prior to the commencement of the chargeable development.

When considering specific requests for discretionary Social Housing Relief the following broad principles will be used:

- there is an evidenced Local Affordable Housing need; and
- the affordable housing is being delivered through an approved Council Affordable Housing Delivery Partner; and

- in the case of 100% Affordable Housing Schemes local community support of the development delivering increased affordable homes is clearly evidenced.

Claims for discretionary social housing relief must also comply with the procedure for claiming Social Housing Relief set out in CIL Regulation 51. This includes the following requirements:

- The person claiming relief must be an owner of the site of the chargeable development who has assumed CIL liability (and retains liability until commencement of the chargeable development)
- A commencement notice must be submitted to the council prior to the commencement of the chargeable development.

Where a dwelling granted social housing relief from CIL (including discretionary social housing relief) ceases to meet the criteria for social housing relief within the seven year clawback period this will be a 'disqualifying event', and CIL will become liable

**Draft Internal Request: Seeking in principle support to apply CIL- Social Housing Relief on 'Additional' Affordable Homes**

<b>Organisation</b>	Somerset Council
<b>Title</b>	<b>Internal Request to seek in principle support to CIL- Social Housing Relief on 'Additional Affordable Housing</b>  <b>Add in Planning Policy area scheme falls within</b>
<b>Author</b>	Name – Planning Obligation or Housing Enabling Team
<b>Owner</b>	Name – Planning Obligation or Housing Enabling Team

**Background**

The Planning Obligation and Housing Enabling team work closely together when applications for CIL – Social Housing Relief are received with a detailed process in place.

CIL – Social Housing Relief is applicable to qualifying Affordable Housing (AH) secured through AH planning obligations. This internal request is seeking support in principle to allow CIL – Social Housing Relief to AH secured over and above the agreed planning obligation, known as 'additionality', on a scheme specific basis.

Grant funding administered through Homes England would be utilised by the approved housing provider to enable 'market housing units' to be acquired by the Registered Provider and converted to affordable housing. If the scheme is 100% affordable housing the attributable grant rate can cover both the S106 Planning Obligation AH and 'Additionality' homes therefore bringing in a larger amount of public subsidy.

There are restrictions on the loan to value ratio where grant can be applied and without CIL – Social Housing Relief it will be potentially unviable to convert market units to affordable housing. Homes England audit the use of grant funding with valuations required to ensure the Registered Providers meet the requirements of the Capital Funding guide and do not use public sector monies to inflate values.

When considering such requests, the following broad principles will be used:

- there is an evidenced Local Affordable Housing need; and
- the affordable housing is being delivered through an approved Council Affordable Housing Delivery Partner; and
- in the case of 100% Affordable Housing Schemes local community support of the development delivering increased affordable homes is clearly evidenced.

Any CIL- Social Housing Relief claim including planning obligation and additionality affordable homes would still be required to be submitted through the existing CIL-Social Housing Relief claim process.

<b>SCHEME DETAILS</b>	
Planning Application	
Application status	Pre-Application / Under Determination / Determined
Number of dwellings	
Affordable Housing Planning Obligation requirement	
<b>Details of Additionality Request</b>	
(Include AH numbers, mix and tenure if known, Is it a 100% AH scheme or are there other options for amount of additionality to consider)	
<b>Housing Enabling Comments</b>	
(include housing need, local community profile, Neighbourhood Plan considerations)	
<b>Planning Obligations / CIL officer Comments</b>	
(include level of CIL agreed and indicative change if CIL-SHR applied, including split between Council and Parish)	