

East Suffolk Community Infrastructure Levy

Discretionary Social Housing Relief Policy

Draft for Cabinet – 6th June 2023

1st August 2023



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1. Introduction

- 1.1 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 or 49A (as amended by the 2014 Regulations) and as amended by the 2020 (No.2) Regulations)¹ and it covers most types of affordable housing provided in East Suffolk including affordable rent and shared ownership tenures. However, it does not cover some shared equity tenures or discounted homes for sale which are covered by the definition of affordable housing in the National Planning Policy Framework.
- 1.2 The Community Infrastructure Levy (Amendment) Regulations 2014 give Councils 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:
- To qualify, the claimant must own a material interest (defined in [regulation 4\(2\)](#)) in the relevant land and have assumed liability to pay the levy for the chargeable development.
 - If the dwelling is sold for no more than 80% of its market value.
 - If it is sold in accordance with the Discretionary Social Housing Relief policy published by the Council.
 - If a planning obligation has been entered into to ensure all subsequent sales of the dwelling are for no more than 80% of its market value or the liability to pay CIL in relation to the dwelling remains with the person granted the relief, should a disqualifying event occur.
- 1.3 Discretionary Social Housing Relief is subject to a clawback period, where payment of the CIL for a qualifying dwelling becomes due should that dwelling cease to qualify for relief, such as the sale of the dwelling at more than 80% of its market value or with no planning obligation protecting the discount in perpetuity.
- 1.4 Where a dwelling is sold at no more than 80% of its market value, in accordance with a planning obligation protecting the discount in perpetuity, the clawback period ends on the day that dwelling is first sold. Where the discount is not protected in perpetuity by a planning obligation, the clawback period ends seven years after commencement.
- 1.5 If development begins before a commencement notice is submitted, then a mandatory surcharge equal to 20% of the amount that would have been charged if social housing

¹ www.gov.uk/guidance/community-infrastructure-levy#para069

relief had not been granted or £2,500, whichever is the lower amount will become payable ([regulation 83](#), as amended by the [2019 Regulations](#)).²

2. Discretionary Social Housing Relief Policy

- 2.1 This document gives notification that discretionary social housing relief is available in East Suffolk. The Council will begin accepting claims for relief under this Policy from 0:00 on 1st August 2023.
- 2.2 The allocation of the dwellings for sale will be set out in the Section 106 Agreement. Qualifying dwellings must only be allocated to people who are unable to afford to buy a suitable residential property on the market in East Suffolk because of their income and/or capital means. The qualifying income/solvency level will be agreed between the developer and the Council either in the planning obligations or at the time of sale.
- 2.3 Qualifying dwellings should only be allocated to people with a strong local and/or work connection. A local connection is a person's connection with East Suffolk and for the purpose of this Policy. A person with a local connection is defined as a Qualifying Person. The definition of a Qualifying Person will be set out in the planning obligation and will be based on the Local Connections Cascade set out in Appendix 2 of the East Suffolk Affordable Housing Supplementary Planning Document (May 2022).
- 2.4 The developer will be responsible for providing evidence to the Council that the qualifying requirements have been met.
- 2.5 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.

² www.gov.uk/guidance/community-infrastructure-levy#para070

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