



rhondda cynon taf

community infrastructure levy

ardoll seilwaith cymunedol

Guidance Note 4: Social Housing Relief

Background

Development that incorporates social housing is entitled to mandatory relief from CIL on the social housing element of the development.

Definition of Social Housing

Regulation 49 of the Community Infrastructure Levy Regulations (2010) sets out the conditions that must be met for a dwelling to be considered as social housing.

Discretionary Social Housing Relief (Regulations 49A and 49C)

Regulations 49A and 49C of the CIL Regulations (added by the 2014 Regulations) make provision for the Council to grant relief from CIL for social housing in qualifying developments that accord with definitions set out in Regulations 49A and 49C. This relief is granted at the discretion of the Council, although if the Council chooses to grant relief, it must be made available to all qualifying developments.

In accordance with the CIL Regulations the Council will make available discretionary relief from CIL for social housing, as defined by Regulations 49A and 49C, for all qualifying development that accords with the Council's definition of social housing as defined in the Council's Supplementary Planning Guidance Affordable Housing that is:

Social Rented Housing – provided by local authorities and Registered Social Landlords where rent levels have regard to the Welsh Government's guideline rents and benchmark rents;

Intermediate Housing – where prices or rents are above those of social rented housing but below market house prices and rents. This includes low cost home ownership models such as shared equity or assisted purchase schemes.

In addition, the dwelling must meet the criteria for a qualifying dwelling as defined by Regulation 49A.

Please refer to the Council's [Discretionary Social Housing Relief Policy](#).

Process for Claiming Social Housing Relief

Regulation 51 of the Community Infrastructure Levy Regulations (2010) (as amended) sets out the procedures for claiming social housing relief. It is important to note that unless these procedures are rigorously followed, development will cease to be eligible for social housing relief and/or claims for social housing relief will lapse.

In order to benefit from social housing relief, the person/organisation claiming social housing relief must:

1. Have assumed liability to pay CIL, through the submission to the Council of a CIL **Assumption of Liability Form**, prior to the commencement of the chargeable development; and
2. Be an owner of the relevant land.

The claim must:

1. Be submitted to the Council on a **CIL Claiming Exemption or Relief Form**, prior to commencement of the chargeable development; and
2. Include a relief assessment that identifies on a map the location of the dwellings to which social housing relief applies, sets out the gross internal area of each of the dwellings, and includes a calculation of the amount of social housing relief claimed.

If the chargeable development is commenced before the Council has notified the person/organisation claiming social housing relief of its decision, then the claim for social housing relief will lapse.

In addition, development will cease to be eligible for social housing relief if any of the following apply:

1. The Council has not received a **CIL Commencement Notice** prior to commencement of the chargeable development; or
2. The Council has received a **Withdrawal of Assumption of Liability Form** from the claimant prior to commencement of the chargeable development; or
3. The Council has received a **Transfer of Assumed Liability Form** prior to commencement of the chargeable development. (In this case a new claim for social housing relief can be made provided that it is made and determined prior to commencement of the chargeable development).

Summary

In summary, to benefit from social housing relief the relevant person/ organisation must be an owner of the land, must have assumed liability to pay CIL and must have submitted their claim for relief, and received the Council's determination, prior to commencing the chargeable development.

They must also have submitted a **CIL Commencement Notice** to the Council and not withdrawn or transferred liability to pay CIL, prior to commencement of the chargeable development.

Examples of how Social Housing Relief is calculated

The following examples show how Social Housing Relief will be calculated.

Scenario 1

A residential development of 2,000m² Gross Internal Area (GIA) on a cleared site in Zone 3 is granted planning permission.

The developer is a housing association. The residential CIL rate in Zone 3 is £85 per m², therefore the CIL liability is £170,000.

Prior to the commencement of the development, the Council receives a claim for 2,000m² of Social Housing Relief, for the whole of the development and the CIL liability is reduced to £0.

Scenario 2

A residential development of 4,000m² GIA on a cleared site is granted planning permission.

The residential CIL rate is £40 per m² in Zone 2, therefore the liability is £160,000.

Prior to the commencement of the development, the Council receives a claim for 950m² of Social Housing Relief.

The calculation of the revised CIL liability is as follows:

Process 1 – Deduct the GIA eligible for relief from the total GIA

The total GIA (4000m²) – the GIA eligible for relief (950m²) = 3,050m²

Process 2 – Recalculate the CIL liability

3,050m² x £40 per m² = Revised CIL Liability of £122,000

Scenario 3

A residential development of 4,000m² GIA is granted planning permission. It is on a site currently occupied by a house in lawful use comprising 125m² GIA, which is to be demolished.

The residential CIL rate is £85 per m² in Zone 3. The existing floor space is deducted from the CIL liability because it is in lawful use, giving a CIL chargeable area of 3,875m² and a CIL liability of £329,375.

Prior to commencement of the development, the Council receives a claim for 950m² of Social Housing Relief.

It would be incorrect to multiply the floor area of the social housing units (950 m²) by the rate of the CIL charge (£85 per m²) to determine the amount of relief and then deduct this from the total CIL liability calculated before relief was considered, to obtain the final liability, as was the case in Scenario 2. As there is demolition to

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consider and as the demolished floor area reduced the total CIL liability, it also produces a pro rata reduction in the amount of Social Housing relief.

The calculation of the revised CIL liability is as follows:

Process 1 – Calculate what percentage of the total GIA the discounted GIA comprises

$$\text{Discounted GIA (125m}^2\text{) / total GIA (4,000m}^2\text{) x 100 = 3.125\%}$$

Process 2 – Calculate 3.125% of the GIA claim for Social Housing Relief to ascertain the level of GIA to be deducted from the relief claim.

$$\text{GIA claim for Social Housing Relief (950m}^2\text{) / 100 x 3.125 = 29.68m}^2$$

Note: the above figure of 29.68 has been rounded to the nearest square metre of 30.

Process 3 – Calculate the revised GIA of the relief claim

$$\text{Relief claim (950m}^2\text{) – pro rata deduction (30 m}^2\text{) = 920m}^2$$

Process 4 – Deduct the GIA eligible for relief from the total chargeable area.

$$\text{Total chargeable area (3,875m}^2\text{) – GIA eligible for relief (920 m}^2\text{) = 2,955m}^2$$

Process 5 – Recalculate the CIL liability

$$2,955\text{m}^2 \times \text{£85 per m}^2 = \text{Revised CIL liability of £251,175}$$

For more information on Social Housing Relief please see [Department of Communities and Local Government Community Infrastructure Levy Guidance \(June 2014\)](#).