

## **Wandsworth Council**

### **Community Infrastructure Levy (CIL)**

#### **CIL Discretionary Social Housing Relief Policy**

The Council gives notice that CIL discretionary housing relief is available in the London Borough of Wandsworth.

The Council will begin accepting claims for relief from 1 August 2014. Claims will be accepted in relation to all developments which had not been issued with a CIL Liability Notice prior to 1<sup>st</sup> August 2014 and on which development had not commenced or been deemed to commence.

Discretionary social housing relief will be applied at 100% of the relevant CIL in relation to qualifying dwellings and qualifying communal development which meets all of the criteria set out in Regulation 49a of the Community Infrastructure Levy Regulations 2010 (as amended), namely:

- (a) 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);
- (b) the dwelling is sold in accordance with any policy published by the charging authority under regulation 49B(1)(a)(iii); and
- (c) the liability to pay CIL in relation to the dwelling remains with the person granted discretionary social housing relief.

The Council's Policy for the sale of dwellings to be eligible for discretionary social housing relief is that:

- (i) The person/company claiming discretionary social housing relief (the claimant) should be responsible for the marketing and sale of the relevant dwellings.
- (ii) The claimant should agree with the Council at least nine months prior to practical completion a marketing strategy for the units and during the marketing supply monitoring information to the Council for approval of potential purchasers.

For an initial 3 month period, that properties should be exclusively be marketed to local residents and/or those working in the Borough and/or any other priority groups identified by the Council in accordance with the marketing strategy agreed with the Council. This marketing should not commence any earlier than 6 months prior to practical completion of the units, subject to the developer/agent informing the Council of the proposed date of the start of the marketing period and the Council's agreement. The units should be sold to households meeting the Council's

Affordable Housing income thresholds set out in the Council's Intermediate Housing Policy, as updated annually. As at July 2014 the policy requires the housing to be made available on the basis of meeting one of three scenarios to be agreed with the Council as set out below, based on the viability of the scheme.

| Scenario 1   | Scenario 2  | Scenario 3  |
|--|---|---|
| Discounted Market Sale units provided using Mayor's Income Thresholds currently £66K for a 1 and 2 bed property and £80k for a 3 bed property. | Discounted Market Sale units provided with 50 per cent provided affordable to those on incomes at or below £50K with 50 per cent provided to the Mayor's income thresholds. | Discounted Market Sale units provided on the following basis:<br>50 per cent of one bed units affordable to those on incomes at or below £45K with 50 per cent meeting the Mayor's affordability criteria.<br>50 per cent of family units (2 bed plus) affordable to those on incomes at or below £55K with 50 per cent meeting the Mayor's affordability criteria. |

- (iii) If at the end of the three month marketing period, the developer/ agent is unable to secure sales to households that meet the Council's affordability criteria set out above, the properties can then be made available to households meeting the GLA requirements for intermediate housing income thresholds, currently £66,000 for one and two bedroomed properties and £80,000 for properties with three or more bedrooms.
- (iv) The developer enters a contract with purchasers to ensure that on resale:
  - a) the Council is informed of the sale before it is marketed and provided with the opportunity to promote the units to purchasers locally;
  - b) the units are sold to households meeting the GLA requirements for intermediate housing income thresholds referred to in (iv) above.

Should the developer be unable to sell all the units to households in accordance with the Council's policy for the sale of dwellings eligible for CIL Discretionary Social Housing Relief, then CIL will be liable on the relevant dwellings and on the relevant proportion of the "qualifying" communal development.

Claimants should also be aware that:

- (i) To qualify for discretionary social housing relief, relief has to be claimed for on the CIL Claiming Exemption and Relief form and granted by the Council prior to the commencement of development;
- (ii) 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.