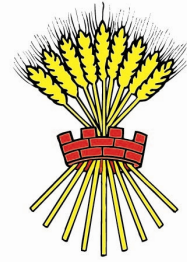


**RYEDALE
DISTRICT
COUNCIL**



**Ryedale Community Infrastructure Levy
Draft Charging Schedule**

**Discretionary Relief/Exemption and
Installment Policy
Statement**

Ryedale District Council

July 2015

Introduction

On the 30 July 2014 Ryedale District Council Planning Committee considered the ability to offer Discretionary Relief in relation to the operation of the Community Infrastructure Levy. The Committee agreed a position whereby it would offer Discretionary Social Housing Relief, but resolved not to offer other forms of Discretionary Relief at this time.

Members also agreed the principle of a Installment Policy, to permit a phased payment of CIL. After the CIL Examination and once the Council is in a position to introduce the CIL charge, Members will need to agree the details of a proposed Installment policy when they consider /agree to the introduction of the charge, following the Examination.

A meeting of Council on the 4 September 2014 resolved to agree those recommendations.

The Council will only introduce discretionary relief where it is confident that there are clear and justifiable reasons for doing so. It is aware that a Charging Authority can introduce (or remove) discretionary relief at any stage, providing it gives the appropriate statutory notice, and will keep the ability to do so under review.

Discretionary Relief/Exemption

The Regulations allow charging authorities to offer three forms of relief at their discretion, providing that if charging authority resolves to do so, it is satisfied that this would not breach State aid rules. The forms of discretionary relief are:

- Discretionary charitable relief
- Exceptional circumstances relief
- Discretionary social housing relief

Most forms of development by a charitable institution will be exempt for CIL where the development is used wholly or mainly for charitable purposes and subject to a range of specific criteria. However, a Charging Authority can choose to offer discretionary relief to a charitable landowner where the greater part of the chargeable development will be held as an investment from which profits are applied for charitable purposes.

A charging authority may also resolve to offer relief from the levy in exceptional circumstances where a specific scheme cannot afford to pay and it is deemed that the levy would have an unacceptable impact on the economic viability of a development. It should be noted, that this could only be applied in situations where a Section 106 agreement is in place as well as the Levy.

Mandatory Social Housing relief applies to all types of affordable housing provided by a Registered Provider, Registered Social Landlord or Local Housing Authority. A Charging Authority may offer further discretionary relief for affordable housing which does not meet the criteria required for mandatory social housing relief and which is not regulated through the National Rent Regime. This would apply, for example, to developers and private landlords providing intermediate affordable housing types.

Discretionary Charitable Relief (DCR)

It is considered that this would be a particularly difficult criterion to apply to charities which operate nationwide. It is considered that those charities which may have the resources to undertake development for investment purposes are likely to be national organisations, and in this respect, it should be noted that any relief offered would not necessarily be directly felt by residents of Ryedale. A number of charging authorities that have offered DCR have done so subject to criteria designed to ensure that the charitable investment is used to fund the provision of services to residents in the area.

Most of the charitable development which will be experienced in Ryedale will be covered by mandatory exemptions, and there is little evidence to suggest that discretionary charitable relief could be sufficiently justified at this stage. However, it is considered that this is something which the Council will keep under review as CIL is introduced and operated.

Exceptional Circumstances Relief (ECR)

The Council has prepared its Draft Charging Schedule taking account of economic viability matters and the requirements of the legislation to strike an appropriate balance between the need to fund infrastructure and the potential implications for the economic viability of development in Ryedale. It is considered that the circumstances which would justify exceptional circumstances relief would be very rare, given that the CIL rate is set/ informed by viability evidence. Furthermore, the Local Plan Strategy has been prepared to support the release of the types of sites which should be less challenging in terms of economic viability. . it is considered that the Council should not offer this form of relief at this stage. It should be noted however, that such a policy could be introduced at any stage and the position can be kept under review.

Discretionary Social Housing Relief (DSHR)

Affordable social housing provided by Registered Social Landlords is exempt from CIL. However, the legislation allows for other intermediate tenures such as shared equity or discounted homes for sale to be exempt from CIL at the discretion of a Charging Authority.

It is this Council's policy to seek a proportion of these forms of affordable housing as developer contributions. It is considered that in order to ensure that the viability of affordable homes is maintained and that these forms of affordable housing can continue to be delivered, there is a need to ensure that all forms of affordable housing qualify for relief from CIL. Once the Council is in a position to introduce CIL a detailed policy statement will be prepared, notice given and the policy would be made available on the web-site.

Installment Policy

The CIL legislation allows CIL Charging Authorities to introduce a policy which would allow CIL to be paid in Installments by developers. Normally, developers would be liable to pay CIL on commencement of development. An Installment policy would allow payments to be phased and would assist developers in terms of development finances and scheme viability. Therefore, an Installment Policy has been agreed in principle by the Council. Once the draft CIL charge has progressed through Examination and the Council is in a position to introduce the charge, Members will adopt the CIL Installment Policy at a future meeting.

Assessment of potential sites for allocation (supply of sites) indicates that sites will be larger sites, which will be built-out over time. On that basis such a policy would be an appropriate means of ensuring development viability, whilst recognising the need to reduce infrastructure deficit and provide necessary on-site infrastructure provision. It is expected that the Installment Policy approach taken would still require the charging fee to be paid in full on the completion of the development.

The Council will liaise closely with North Yorkshire County Council (NYCC) and landowners/developers in the preparation of the Installment Policy. It will endeavour to ensure the policy can be applied in such a way as to allay any concerns NYCC may have over the timing of the delivery of infrastructure, and to address issues developers may have with regard to development economics.