

# **Guidance Note 2**

# **Self-Build Residential**

# **Annex or Extension**

# **Exemption**

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## 1.0 Introduction

The Council resolved to adopt and implement the Community Infrastructure Levy Charging Schedule on 13th November 2017. The report and associated supporting documents can be seen at [Agenda for Council on Monday, 13 November 2017, 7.00 pm | West Lindsey District Council](#).

From 22nd January 2018, West Lindsey Council implemented the Community Infrastructure Levy (CIL). CIL will apply to any planning decision that qualify from and including that date.

The Community Infrastructure Levy Regulations 2010 (as amended) ('the Regulations') provides that a development that incorporates a self-build annexe or extension is eligible for relief from the levy.

This guidance note is intended to summarise the requirements of the process for claiming self-build residential annex or extension relief from CIL, but ultimately the council must follow the CIL regulations and you are advised to consult the regulations for full details of the requirements and process.

## 2.0 Definition of a Residential Annex and Residential Extension

Regulation 42 states:

- (1) A person (P) is exempt from liability to pay CIL in respect of development if—
  - (a) P owns a material interest in a dwelling ("main dwelling");
  - (b) P occupies the main dwelling as P's sole or main residence; and
  - (c) the development is a residential annex or a residential extension.
  
- (2) The development is a residential annex if it—
  - (a) is wholly within the curtilage of the main dwelling; and
  - (b) comprises one new dwelling.
  
- (3) The development is a residential extension if it—
  - (a) is an enlargement to the main dwelling; and
  - (b) does not comprise a new dwelling.

### 3.0 Process for claiming Residential Annex Relief

Regulation 42B sets out the procedure for claiming relief from the levy for a residential annex or extension. Unless these procedures are followed, a development will cease to be eligible for relief from the levy.

#### 3.1 The claim for a residential annex exemption must:

1. Be submitted to the Council on **CIL Form 8 ‘Residential Annex Claim Form’** prior to the commencement of development; and
2. Include the particulars specified or referred to in the Self Build Annex Claim Form.

#### 3.2 The claim for a residential extension exemption must:

1. Be submitted to the Council on **CIL Form 9 ‘Residential Extension Claim Form’** prior to the commencement of development; and
2. Include the particulars specified or referred to in the Self Build Annex Claim Form.

Note: Submission of CIL Form 6 ‘Commencement Notice’ **must be no later than the day before the day on which the chargeable development is to be commenced**, failure to submit a valid Commencement Notice may result in a surcharge being imposed in respect of the chargeable development, equal to 20 per cent of the chargeable amount or £2500, whichever is the lower amount.

N.B. You are not required to submit CIL Form 6 ‘Commencement Notice’ in relation to a development consisting wholly of a residential extension, but you must still apply for exemption by submitting CIL Form 9, and do not commence with development until West Lindsey District Council have informed you of their decision.

Where development for a residential annex commences before the council has reached a decision, it will cease to be eligible for relief from the levy.

## 4.0 Withdrawal of the exemption for a residential annex

Regulation 42C applies if an exemption for a residential annex is granted and a disqualifying event occurs before the end of the clawback period, which begins following the date of issue of the compliance certificate for the development.

Relief for a residential annexe will be withdrawn where a disqualifying event occurs **up to three years from the date of the compliance certificate**.

A disqualifying event is:

- (a) the use of the main dwelling for any purpose other than as a single dwelling;
- (b) the letting of the residential annex; or
- (c) the sale of the main dwelling or the residential annex unless they are sold at the same time to the same person.

Where a disqualifying event occurs, the beneficiary of the relief is liable to pay an amount of CIL equal to the amount of CIL that would have been payable on commencement of development if the exemption had not been granted.

Where a disqualifying event occurs, the beneficiary of relief must notify the Council, in writing, within 14 days of the disqualifying event (beginning with the day on which the disqualifying event occurred). Where this is not done, a surcharge equal to the lesser amount of 20 per cent of the chargeable amount or £2,500 may be applied.

The Council will calculate what clawback is payable, and notify the beneficiary in writing of the withdrawn amount and how this has been calculated. Alongside this, a new liability notice will be issued and a demand notice will be served to collect the clawback relief.



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