

Community Infrastructure Levy A Guide to Residential Annex Relief

Introduction

East Cambridgeshire District Council introduced the Community Infrastructure Levy ('CIL') on 1 February 2013. CIL is a levy that is charged on most new development in the District. The money raised through this levy will be used to fund strategic infrastructure required to support development in the District. 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.

Definition of Residential Annex

Regulation 42A states:

'...a person (P) is exempt from liability to pay CIL in respect of the development if-

- a) P owns a material interest in the dwelling ("main dwelling");
- b) P occupies the main dwelling as P's sole or main residence; and
- c) The development is a residential annex.'

'The development is a residential annex if it-

- a) Is wholly or mainly within the cartilage of the main dwelling; and
- b) Comprises one new dwelling.'

Process for claiming Residential Annex Relief

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

The claim for a residential annex exemption must-

1. Be submitted to the Council on Form 8: Self Build Residential Annex Claim Form (available on the Council's website) **prior to the commencement of development.**
2. Include the particulars specified or referred to in Form 8: Self Build Residential Annex Claim Form.
3. Be accompanied by the documents referred to in Form 8: Self Build Residential Annex Claim Form.

Development will cease to be eligible for relief from the levy if:

1. The development commences before the Council has reached a decision on whether or not to grant relief from the levy
2. The Council has not received Form 6: Commencement Notice (available on the Council's website) **prior to the commencement of development.**

Withdrawal of the exemption for a residential annex

Residential annex relief will be withdrawn where a disqualifying event occurs up to three years from the date of the compliance certificate.

A disqualifying event is:

1. The use of the main dwelling for any purpose other than as a single dwelling;
2. The letting of the residential annex; or
3. 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 relief is liable to pay an amount of CIL equal to the amount of CIL that would have been payable on the commencement of development had relief 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. 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.

Further details

More information about CIL and links to the Regulations and guidance documents can be found on the East Cambridgeshire District Council Website:

<http://www.eastcambs.gov.uk/planning/community-infrastructure-levy>

Further information can be obtained by contacting the Cil team at cil@eastcambs.gov.uk or via (01353) 665555.