

CIL Guidance Note 7

Exemption for Self Build Housing

Anyone who is extending their own property, or building a new property to occupy as their primary residence, can claim relief from CIL provided their proposals meet the criteria.

Please note this is not an automatic process and must be applied for and a decision received on the relief, before work starts on site. You must also assume liability for the development and send us a CIL Commencement Notice before work starts in order for the exemption to be valid, otherwise the CIL charge becomes payable in full.

There are two types of self build exemption available,

- Exemption for new self build dwellings or
- Exemption for domestic extensions or annexes

(Residential extensions below 100 square metres are already exempt from the levy under the minor development exemption).

SELF-BUILD EXEMPTION

An exemption for self build housing may be claimed by anyone who is building their own home or has commissioned a home for their own use, either building the home on their own or working with builders.

Individuals claiming the exemption must own the property and occupy it as their sole or principal residence for a minimum of three years after the work is completed.

Community group self-build projects also qualify for the exemption where they meet the required criteria.

Applicants can apply for a self-build exemption at any time, as long as their development has not commenced (see Regulation 7, and section 56(4) of the Town and Country Planning Act 1990, for the definition of ‘commencement of development’).

How to claim an Exemption for Self Build Housing .

The process is for the claimant to submit:-

- An **Assumption of Liability Notice**.
- **Self Build Claim Form part 1** – this form must be submitted before development starts and it cannot be processed until liability has been assumed through submission of an Assumption of Liability Notice. In this form you must certify that your scheme will meet the criteria to qualify as a “self build” development. On receipt of the form the Council will notify you as soon as practical confirming the amount of exemption granted.
- A **Commencement Notice**. This must state the specific date on which the development will commence, the Council must receive the form before that date, it is advised at least two weeks prior. If you fail to submit in time you will immediately become liable for the full levy charge.
- **Self-Build Claim Form part 2** – this must be submitted within six months of completion* of the home together with the required supporting evidence(see below) - if the evidence is not submitted to the collecting authority within the six months, the full levy becomes payable.

These forms are available at www.bedford.gov.uk/CIL or <http://www.planningportal.gov.uk/planning/applications/howtoapply/whattosubmit/cil>

* Completion for the purposes of CIL exemption is defined as issuing of a compliance certificate for this development under either Regulation 17 (completion certificates) of the Building Regulations 2010 or Section 51 of the Building Act 1984 (final certificate).

Exemptions may also apply to self build communal development – see the CIL Regulations for more information.

What evidence is required?

The evidence accompanying the **Self Build Claim Form part 2** to be submitted within 6 months of completion must comprise

- Proof of the date of completion – a copy of the building completion or compliance certificate for the home issued by building control
- Proof of ownership of the property to which the exemption relates in the form of a copy of the title deeds (freehold or leasehold)
- Proof of occupation of the dwelling as the applicants principle residence – a council tax certificate
- Two further proofs of occupation of the home as a principle residence (a utility bill, bank statement or local electoral roll registration)

In addition to the above you must provide a copy of **one** of the following

- An approved claim from M Revenue and Customs under VAT431C: VAT returns for DIY housebuilders,
- a Specialist Self Build or Custom Build Warranty for the development
- An approved Self Build Mortgage from a bank or building society.

If the evidence is not submitted to the Council within the 6 month time period, the full levy charge becomes payable.

What is a Self Build Warranty?

A Self Build or Custom Build Warranty is a warranty and Certificate of Approval issued by a Warranty Provider which provides a “latent defects insurance” policy and which is accompanied by a certified Stage Completion Certificates issued to the owner/occupier of the home.

What is a Self Build Mortgage?

A Self Build Mortgage is an approved mortgage arranged to purchase land and /or fund the cost of erecting a house where the loan funds are paid out to the owner occupier in stages as the building works progress to completion.

The chargeable amount (i.e. the levy that would have been payable if the exemption had not been granted) will be registered against the property as a “local land charge” in the Council’s local land charges register for three years from completion of the development.

Self build exemptions can be revoked if a disqualifying event occurs within three years of completion and the levy will become payable.

A disqualifying event for self build exemption (as set out in Reg 54 D) is

- a change in relation to the scheme such that it ceases to meet the criteria for self build set out in the Regulations
- failure to comply with the evidence requirements referred to in part 2 of the claim form on completion
- the letting out of a whole dwelling or building that is self build housing
- the sale of the self build housing

If a disqualifying event occurs you must notify the Council in writing within 14 days. Where this is not done a surcharge equal to 20% of the chargeable amount or £2500, whichever is the lesser will be applied in addition to the chargeable amount that would have been payable on commencement of development had exemption not been granted.

As soon as practical the Council will notify the relevant person of the amount of CIL due and will notify them at least 28 days before taking any action in relation to the disqualifying event, informing them of the date after which they intend to take any action.

Once a Demand Notice has been issued, the amount will be due as indicated on this notice. In the event that a disqualifying event is due to the sale of a self-build dwelling, it should be noted that CIL is not payable on the completion of an exchange or from the proceeds of a sale. Any Liability due will be required to be paid in full before any sale is finalised. As CIL is registered as a Land Charge, if this has not been discharged this may be transferred with a sale.

NOTE: This Guidance Note does not set out the Community Infrastructure Levy regulations in detail and is simply a summary of the relevant provisions. You should seek your own advice if you are in any doubt as regards how the Community Infrastructure Levy operates or affects your own position.

Further information can be found in Paragraph 135 in the guidance using the following link -

<http://planningguidance.communities.gov.uk/blog/guidance/community-infrastructure-levy/relief/>