



rhondda cynon taf  
**community infrastructure levy**  

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*ardoll seilwaith cymunedol*

## Guidance Note 5: Exemptions for Self Build Properties, Extensions and Annexes

### Introduction

CIL exemptions apply to anybody who is building their own home or have commissioned a home from a contractor, house builder or sub-contractor. Individuals claiming the exemption must own the property, provide the requested supporting evidence and occupy the property as your 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.

Exemptions also apply to people who extend their homes or build residential annexes within the grounds of their own homes (that is, either build yourself or commission a builder to build the extension or annexe on your behalf).

You can apply for a self build exemption at any time, as long as the development has not commenced.

The chargeable amount (i.e. the levy that would have been payable if the exemption had not be granted) will be registered as a 'local land charge' on the property for three years from completion.

Self build exemptions can be revoked if a disqualifying event occurs.

### How to claim for exemption

#### Dwellings

1. Applicants wishing to claim must take two steps before commencing their development. Firstly, you must assume liability to pay the CIL levy in relation to the development. This is done by completing the **Assumption of Liability Form**.

Secondly, you must certify that the scheme will meet the criteria to qualify as a self build development. You must submit a **Self Build Exemption Claim Form – Part 1** to the Council.

2. On receipt of the form the Council will notify you in writing as soon as practicable, confirming the amount of exemption granted.

3. Before commencing the development, you must submit a **CIL Commencement Notice** to the Council. This must state the date on which the development will commence, the Council must receive the form on or before that date. The chargeable amount (i.e. the levy that would have been payable if the exemption had not been granted) will be registered as a 'local land charge' on the property for three years from completion.

***Please note if you fail to submit the commencement notice in time you will immediately become liable for the full levy charge.***

4. Within six months of completing the dwelling, you must submit a **Self Build Exemption Claim Form – Part 2** as evidence to confirm that the project is a self build. Completion for the purposes of the self build exemption is defined as the issuing of a compliance certificate for this development under either Regulation 17 of the Building Regulations 2010 or Section 51 of the Building Act 1984.

This evidence must comprise:

- Proof of the date of completion – a copy of the building completion or compliance certificate for the dwelling issued by Building Control/Approved Inspector
- Proof of Ownership - a copy of the title deeds (freehold or leasehold)
- Proof of occupation of the dwelling as the applicant's principal residence – a Council Tax Certificate – and two further proofs of occupation of the dwelling as a principal residence (a utility bill or bank statement or confirmation that the applicant is on the local electoral roll)
- You must also provide a copy of one of the following: An approved claim from HM Revenue and Customs under 'VAT431C: VAT refunds for DIY house builders, or Specialist Self Build Warranty, or an approved self build mortgage from a bank or building society.

***Please note 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 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 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 the 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 work progresses to completion.

### **Disqualifying Events**

A self build exemption is revoked if a disqualifying event occurs during the three year occupancy period.

A disqualifying event for self build exemption is:

- Any change in relation to the self build dwelling such that it ceases to meet the criteria set out in the regulations;
- Failure to comply with the evidence requirements on completion;
- The letting out of a whole dwelling that is a self build dwelling,
- The sale of the self build dwelling.

### **What happens if a disqualifying event occurs?**

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 per cent of the chargeable amount or £2,500, whichever is the lesser, may be applied in addition to the chargeable levy amount. A copy of the notification must be sent to all owners of material interest in the relevant land when it receives this notification.

The only exception is where the exemption fails to comply with the evidence requirements on completion. In such cases, the Council will give the claimant at least 28 days to submit the necessary form and evidence before taking any further action.

### **Extension and Annexes to a dwelling**

If you intend to erect an extension or residential annex within the grounds of your own home you will be exempt from the levy, provided that it meets the following criteria:

- The main dwelling must be the self builders principal residence, and they must have a material interest in it (as defined in Regulation 4(2));
- The residential annex is exempt from the levy if it is built within the curtilage of the principal residence and comprises one new dwelling.

There is no requirement for the occupier of the annex to be related to the owner of the main dwelling, or to commit to staying there for a specified period.

### **What evidence is required for extensions and annexes?**

The applicant must submit a claim for the exemption to the Council before development commences. This claim must be submitted on the **Self Build Annex or Extension Claim Form**. Upon receipt of a valid application, as soon as practicable the Council will write to you and notify you of the amount of exemption that is granted.

In order to benefit from the exemption, you must submit a **CIL Commencement Notice** to the Council before starting work on site.

The chargeable amount (i.e. the levy that would have been payable if the extension had not been granted) will be registered as a 'local land charge' on the property for three years from completion.

### **Disqualifying Events**

In the case of exemptions for a residential annex you will cease to be eligible if a commencement notice is not submitted to the Council at least one day before work begins on site. The annex will also cease to qualify for a self build exemption if any of the following disqualifying events occur within three years of completion:

- The main house is used for any purpose other than as a single dwelling
- The annex is let, or
- Either the main residence, or the annex, is sold separately from the other.

Completion for the purposes of annexes is defined as the issuing of a compliance certificate for the annex under either Regulation 17 of the Building Regulations 2010 or Section 51 of the Building Act 1984.

### **What happens if a disqualifying event occurs?**

If there is a disqualifying event, from the exemption you must notify the Council within 14 days. The exemption will be withdrawn and you will become liable for the levy charge specified by the Council that would have been payable at the time when the exemption was first claimed (or the amount of relief granted, if lower).

### **Rights of Appeal**

An applicant has a right to appeal against the amount of levy exemption granted, under Regulations 116A and 116B. Appeals should be lodged with the Valuation Office Agency.

An interested party may appeal against the grant of self build relief for a residential annex under Regulation 116A. Such appeals are submitted to the Valuation Office Agency.

### **State Aid Considerations**

A self build exemption cannot be granted if it would constitute a notifiable state aid.

Further guidance and necessary forms can be found on the Planning Portal web page. [www.planningportal.gov.uk/cil](http://www.planningportal.gov.uk/cil)