

# House extension fees relief coming to Surrey?

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News that the Government could end the controversial house-extension taxes that slapped Waverley homeowners with huge fines or even the prospect of jail has been welcomed.

The Community Infrastructure Levy was first introduced in 2010 to enable councils to fund projects such as new schools, green spaces and health facilities. The idea was to balance the impact that new developments had on existing communities.

In 2014, exemptions for people building their own homes or smaller extensions were introduced. However, these had to be applied for in advance, creating a ticking time bomb for residents caught out in a labyrinth of paperwork.

It soon became clear that some householders were slipping through the cracks, creating inadvertent or unintentional charges despite qualifying for exemptions. This left them facing huge and unexpected bills, with many Waverley residents directly impacted.

The Government has now said it will look to change the system and launch a consultation in due course. This has been welcomed by action groups and politicians alike. However, until that becomes law, Waverley Borough Council remains bound by the existing system.

For example, liability notices, where a charge is placed against a property, still cannot be lifted. Any changes will have to wait until the Government adopts its new policy.

In a statement following the Government's announcement, Waverley Borough Council recognised the difficulties some homeowners had faced and said it had written to Ministers highlighting concerns.

Councillor Liz Townsend, Waverley Borough Council's portfolio holder for planning, said that while the announcement laid out a path forward, there were still limits on what the authority was able to do.

The law still prevents councils from repaying money collected in CIL charges from the so-called CIL pot. Any payment must instead come from general funds, at either the taxpayers' expense or a cost to services. Equally, while the Government has said it will consult on reform, no dates have been set.

Cllr Townsend said: "We still cannot refund CIL from the CIL pot. We have always been clear that we couldn't refund from the CIL pot; it will be from the general fund under discretionary review.

"That's what we've already done and we've already made a payment, and that was where that was from. It hasn't changed, as we could make ex-gratia payments under exceptional circumstances.

"Removal of liability notices still can't be done, and that is so critical for our residents. It's currently black and white at the moment and we can't use our discretion. It's desperately important for residents that this is resolved. That needs to be done through an Act of Parliament.

"The consultation is very welcome. Hopefully it will put things right. We've been lobbying the Government for this; it desperately needs to be changed. It's too inflexible in its current state. We hope there are fundamental changes to housebuilder and self-builds."

CIL is a set charge on most new developments of 100 square metres or more, as well as on new dwellings of any size. It applies only in areas where a local authority has consulted on and approved a charging schedule setting out its levy rates, and has published that on its website.

It was adopted by Waverley Borough Council on October 31, 2018, and implemented on March 1, 2019.

The Government is now looking to change the system "to ensure that these issues do not arise again in the future - recognising the need to improve the operation of the CIL regime going forwards".

Its aim is to make CIL clearer and more proportionate for householders and self-builders.

Matthew Pennycook, Minister of State for Housing and Planning, said: "We are confident that these proposed changes will ensure that householders and self-builders who would otherwise be eligible for a CIL exemption are not faced with unexpected liability charges as a result of procedural errors in future.

"We are working to publish the consultation as soon as possible."

Waverley's Conservative opposition group has called for the council to go a step further and be proactive in making compensation payments from its general fund to those caught out by administrative errors.

Councillor Jane Austin, leader of the Waverley Conservative Group, said: “This is an important moment for residents hit by huge bills for self-builds and home extensions.

“Government has now confirmed councils are not powerless. Authorities retain discretion over enforcement and may consider ex-gratia compensation in exceptional cases. Let us get on with delivering justice for those hit - no more excuses.”

CIL campaigners described the process to get here as long, challenging and emotionally draining. They said they felt vindicated by the Government’s acknowledgement of the injustice and added: “What has seemed on many occasions impossible has today been made possible.”

A statement from the group said: “After a long, challenging and emotionally draining campaign, the victims of disproportionate Community Infrastructure Levy charges have finally been heard.

“The Government has now acknowledged the injustice faced by homeowners who have been subjected to substantial CIL liabilities as a result of procedural or administrative errors while simply seeking to improve their homes.”

Chris Caulfield Local Democracy Reporter

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