

Calculating CIL liability – section 73 permissions – worked examples

Part 2 to Schedule 1 of the CIL Regulations makes provision for calculating the chargeable amount where a planning permission is amended through section 73 of the TCPA 1990.

The first step to calculate the chargeable amount for the amended permission (as set out in paragraph 3 of the schedule) is to determine whether there has been a change in the notional amount between the earlier planning permission (A) and the amended planning permission (B). This process is demonstrated in Example 1 below.

Where the notional amount for (B) is the same as the notional amount for (A), the chargeable amount is the chargeable amount shown in the most recent liability notice issued in relation to (A).

Where the notional amount for (B) is larger than the notional amount for (A), the procedure in paragraph 4 of schedule 1 applies; and where the notional amount for (B) is smaller than the notional amount for (A), paragraph 5 of the schedule applies.

The following worked examples are presented below:

- Example 1. A planning permission for a residential development is amended to increase the internal area
- Example 2. A planning permission for a residential development is amended to decrease the internal area
- Example 3. A planning permission for a residential development is amended to increase the internal area but a revised charging schedule has doubled the rate for the amended permission
- Example 4. A planning permission for a residential development is amended to decrease the internal area but a revised charging schedule has doubled the rate for the amended permission
- Example 5. A planning permission for residential development and office space is amended to increase the total internal area and redistribute the area of the two development types
- Example 6. A planning permission for residential development with social housing relief is amended through section 73.

Example 1. A planning permission for a residential development is amended to increase the internal area

For the purpose of this example, the following figures have been used:

Original permission (A)			Amended permission (B)		
Residential rate (£ per square metre)	(R _R)	£200	Residential rate (£ per square metre)	(R _R)	£200
Gross internal area of residential development (square metres)	(A _{R1})	800	Gross internal area of residential development (square metres)	(A _{R2})	1000
Index for year planning permission (A) was granted	(I _{p1})	120	Index for year planning permission (B) was granted	(I _{p2})	140
Index for year charging schedule was adopted	(I _c)	100	Index for year charging schedule was adopted	(I _c)	100

Step 1

The first step is to determine whether the notional amount has changed, and if so, whether it has increased or decreased.

The notional chargeable amount for **planning permission (A)** is calculated using the formula in paragraph 1 of the schedule:

$$\frac{R_R \times A_{R1} \times I_{p1}}{I_c} = \frac{200 \times 800 \times 120}{100} = \text{£192,000}$$

The notional chargeable amount for **planning permission (B)** is calculated using the formula in paragraph 1 but as if planning permission (B) was granted on the same day as planning permission (A) – using the index figure (I_p) and rate (R) in the charging schedule that applied to planning permission (A) – (i.e. I_p is 120 and not 140). In this example, the charging schedule is the same, so the rate is unchanged (Example 3 below considers the situation where there is also a new or revised charging schedule). The outcome is:

$$\frac{R_R \times A_{R2} \times I_{p1}}{I_c} = \frac{200 \times 1000 \times 120}{100} = \text{£240,000}$$

The notional amount for (B) is therefore larger than for (A), so paragraph 4 applies.

Step 2

The amount of CIL payable is:

$$(X - Y) + Z$$

Where:

X = the chargeable amount for the development for which (B) was granted calculated in accordance with paragraph 1;

Y = the chargeable amount for the development for which (A) was granted calculated in accordance with paragraph 1, but as if (A) first permits development on the same day as (B) - so the index figure I_p for (A) to be used is the index figure for the calendar year in which (B) was granted;

Z = the chargeable amount for (A) as shown in the most recent CIL notice issued in relation to (A).

Using the figures above:

$$X = \frac{R_R \times A_{R2} \times I_{p2}}{I_c} = \frac{200 \times 1000 \times 140}{100} = \textbf{£280,000}$$

$$Y = \frac{R_R \times A_{R1} \times I_{p2}}{I_c} = \frac{200 \times 800 \times 140}{100} = \textbf{£224,000}$$

The value of Z should be taken from the latest liability notice issued for planning permission (A). Where planning permission (B) is not the first section 73 amendment, the value of Z might include the accumulated liabilities from a number of earlier permissions. As the figure is recorded on the latest liability notice, it does not need to be recalculated.

However, for the purposes of this example it would be:

$$Z = \frac{R_R \times A_{R1} \times I_{p1}}{I_c} = \frac{200 \times 800 \times 120}{100} = \textbf{£192,000}$$

Bringing this altogether gives the chargeable amount for (B) of:

$$\textbf{£280,000} - \textbf{£224,000} + \textbf{£192,000} = \textbf{£248,000}$$

The effect of the calculation is to ensure that only the additional internal area is charged at the latest rate including indexation, while the existing internal area continues to be charged at the rates or rates that applied when they were permitted.

Example 2. A planning permission for a residential development is amended to decrease the internal area

For the purpose of this example, the following figures have been used:

Original permission (A)			Amended permission (B)		
Residential rate (£ per square metre)	(R _R)	£200	Residential rate (£ per square metre)	(R _R)	£200
Gross internal area of residential development (square metres)	(A _{R1})	1000	Gross internal area of residential development (square metres)	(A _{R2})	800
Index for year planning permission (A) was granted	(I _{p1})	120	Index for year planning permission (B) was granted	(I _{p2})	140
Index for year charging schedule was adopted	(I _c)	100	Index for year charging schedule was adopted	(I _c)	100

Step 1

The first step is to determine whether the notional amount has changed, and if so, whether it has increased or decreased.

The notional chargeable amount for **planning permission (A)** is calculated using the formula in paragraph 1 of the schedule:

$$\frac{R_R \times A_{R1} \times I_{p1}}{I_c} = \frac{200 \times 1000 \times 120}{100} = \text{£240,000}$$

The notional chargeable amount for **planning permission (B)** is calculated using the formula in paragraph 1 but as if planning permission (B) was granted on the same day as planning permission (A) – using the index figure (I_p) and rate (R) in the charging schedule that applied to planning permission (A) – (i.e. I_p is 120 and not 140). In this example, the charging schedule is the same, so the rate is unchanged (Example 3 below considers the situation where there is also a new or revised charging schedule). The outcome is:

$$\frac{R_R \times A_{R2} \times I_{p1}}{I_c} = \frac{200 \times 800 \times 120}{100} = \text{£192,000}$$

The notional amount for (B) is therefore smaller than for (A), so paragraph 5 applies.

Step 2

The amount of CIL payable is:

$$(X - Y) + Z$$

Where:

X = the chargeable amount for the development for which (B) was granted calculated in accordance with paragraph 1 - but as if (B) first permits development on the same day as the original planning permission. Note that this could either be the planning permission being amended ((A) – as in this example, or an earlier one (referred to as planning permission (O) in the regulations));

Y = the chargeable amount for the development for which (A) was granted calculated in accordance with paragraph 1 - but as if (A) first permits development on the same day as the original planning permission;

Z = the chargeable amount for (A) as shown in the most recent CIL notice issued in relation to (A).

Therefore:

$$X = \frac{R_R \times A_{R2} \times I_{p1}}{I_c} = \frac{200 \times 800 \times 120}{100} = \textbf{£192,000}$$

$$Y = \frac{R_R \times A_{R1} \times I_{p1}}{I_c} = \frac{200 \times 1000 \times 120}{100} = \textbf{£240,000}$$

As with example 1, the value for Z does not need to be recalculated as it is set out on the most recent liability notice for planning permission (A). However, for the purposes of this example, it is:

$$Z = \frac{R_R \times A_{R1} \times I_{p1}}{I_c} = \frac{200 \times 1000 \times 120}{100} = \textbf{£240,000}$$

Bringing this altogether gives the chargeable amount for (B) of:

$$\textbf{£192,000} - \textbf{£240,000} + \textbf{£240,000} = \textbf{£192,000}$$

Example 3. A planning permission for a residential development is amended to increase the internal area but a revised charging schedule has doubled the rate for the amended permission

For the purpose of this example, the following figures have been used:

Original permission (A)			Amended permission (B)		
Residential rate (£ per square metre)	(R _{R1})	£200	Residential rate (£ per square metre)	(R _{R2})	£400
Gross internal area of residential development (square metres)	(A _{R1})	800	Gross internal area of residential development (square metres)	(A _{R2})	1000
Index for year planning permission (A) was granted	(I _{p1})	120	Index for year planning permission (B) was granted	(I _{p2})	140
Index for year charging schedule was adopted	(I _{c1})	100	Index for year charging schedule was adopted	(I _{c2})	140

Step 1

The first step is to determine whether the notional amount has changed, and if so, whether it has increased or decreased.

The notional chargeable amount for **planning permission (A)** is calculated using the formula in paragraph 1 of the schedule:

$$\frac{R_{R1} \times A_{R1} \times I_{p1}}{I_{c1}} = \frac{200 \times 800 \times 120}{100} = \text{£192,000}$$

The notional chargeable amount for **planning permission (B)** is calculated using the formula in paragraph 1 but as if planning permission (B) was granted on the same day as planning permission (A) – using the index figure (I_p) and rate (R) in the charging schedule that applied to planning permission (A) – i.e. I_p = 120 (and not 140) and R = £200 (and not £400). The outcome is:

$$\frac{R_{R1} \times A_{R2} \times I_{p1}}{I_{c1}} = \frac{200 \times 1000 \times 120}{100} = \text{£240,000}$$

The notional amount for (B) is therefore larger than for (A), so paragraph 4 applies.

Step 2

The amount of CIL payable is:

$$(X - Y) + Z$$

Where:

X = the chargeable amount for the development for which (B) was granted calculated in accordance with paragraph 1;

Y = the chargeable amount for the development for which (A) was granted calculated in accordance with paragraph 1 (but as if (A) first permits development on the same day as (B)) - so the index figure I_p for (A) and Rate (R) to be used are the index figure for the calendar year in which (B) was granted and the rate in the relevant schedule;

Z = the chargeable amount for (A) as shown in the most recent CIL notice issued in relation to (A).

Using the figures above:

$$X = \frac{R_{R2} \times A_{R2} \times I_{p2}}{I_{c2}} = \frac{400 \times 1000 \times 140}{140} = \textbf{£400,000}$$

$$Y = \frac{R_{R2} \times A_{R1} \times I_{p2}}{I_{c2}} = \frac{400 \times 800 \times 140}{140} = \textbf{£320,000}$$

The value of Z should be taken from the latest liability notice issued for planning permission (A). This would have involved the same calculation as for Y except that the index figure I_p (and rate R) relate to the calendar year in which the planning permission was granted. It shouldn't therefore need to be recalculated as it is on the latest liability notice. However, for the purposes of this example it would be:

$$Z = \frac{R_{R1} \times A_{R1} \times I_{p1}}{I_{c1}} = \frac{200 \times 800 \times 120}{100} = \textbf{£192,000}$$

Bringing this altogether gives the chargeable amount for (B) of:

$$\textbf{£400,000} - \textbf{£320,000} + \textbf{£192,000} = \textbf{£272,000}$$

Example 4. A planning permission for a residential development is amended to decrease the internal area but a revised charging schedule has doubled the rate for the amended permission

For the purpose of this example, the following figures have been used.

Original permission (A)			Amended permission (B)		
Residential rate (£ per square metre)	(R _{R1})	£200	Residential rate (£ per square metre)	(R _{R2})	£400
Gross internal area of residential development (square metres)	(A _{R1})	1000	Gross internal area of residential development (square metres)	(A _{R2})	800
Index for year planning permission (A) was granted	(I _{p1})	120	Index for year planning permission (B) was granted	(I _{p2})	140
Index for year charging schedule was adopted	(I _{c1})	100	Index for year charging schedule was adopted	(I _{c2})	140

Step 1

The first step is to determine whether the notional amount has changed, and if so, whether it has increased or decreased.

The notional chargeable amount for **planning permission (A)** is calculated using the formula in paragraph 1 of the schedule:

$$\frac{R_{R1} \times A_{R1} \times I_{p1}}{I_{c1}} = \frac{200 \times 1000 \times 120}{100} = \text{£240,000}$$

The notional chargeable amount for **planning permission (B)** is calculated using the formula in paragraph 1 but as if planning permission (B) was granted on the same day as planning permission (A) – using the index figure (I_p) and rate (R) in the charging schedule that applied to planning permission (A) – i.e. I_p = 120 (and not 140) and R = £200 (and not £400). The outcome is:

$$\frac{R_{R1} \times A_{R2} \times I_{p1}}{I_{c1}} = \frac{200 \times 800 \times 120}{100} = \text{£192,000}$$

The notional amount for (B) is therefore smaller than for (A), so paragraph 5 applies.

Step 2

The amount of CIL payable is:

$$(X - Y) + Z$$

Where:

X = the chargeable amount for the development for which (B) was granted calculated in accordance with paragraph 1 - but as if (B) first permits development on the same day as the original planning permission. Note that this could either be the planning permission being amended ((A) – as in this example), or an earlier one (referred to as planning permission (O) in the regulations);

Y = the chargeable amount for the development for which (A) was granted calculated in accordance with paragraph 1 - but as if (A) first permits development on the same day as the original planning permission;

Z = the chargeable amount for (A) as shown in the most recent CIL notice issued in relation to (A).

Therefore:

$$X = \frac{R_{R1} \times A_{R2} \times I_{p1}}{I_{c1}} = \frac{200 \times 800 \times 120}{100} = \textbf{£192,000}$$

$$Y = \frac{R_{R1} \times A_{R1} \times I_{p1}}{I_{c1}} = \frac{200 \times 1000 \times 120}{100} = \textbf{£240,000}$$

The value of Z should be taken from the latest liability notice issued for planning permission (A). This would have involved the same calculation as for Y except that the index figure Ip (and rate R) relate to the calendar year in which the planning permission was granted. It shouldn't therefore need to be recalculated it is on the latest liability notice. However, for the purposes of this example it would be:

$$Z = \frac{R_{R1} \times A_{R1} \times I_{p1}}{I_{c1}} = \frac{200 \times 1000 \times 120}{100} = \textbf{£240,000}$$

Bringing this altogether gives the chargeable amount for (B) of:

$$\textbf{£192,000} - \textbf{£240,000} + \textbf{£240,000} = \textbf{£192,000}$$

The fact that a new charging schedule has been adopted in the period between the two planning permissions being granted does not affect the chargeable amount where there is a decrease in the notional chargeable amount as the calculations to determine X and Y are

based on the index figure I_p and Rate (R) that applied in the calendar year that the original permission was granted (in this case planning permission A).

However, if planning permission (A) was not the original permission, but there was an earlier permission - planning permission (O) which was granted, for example, in the same year that the charging schedule was adopted (so in this case the I_p for the original permission (I_{p0}) would be the same as I_c - i.e. 100) the chargeable amount would differ from the figure calculated above:

$$X = \frac{R_{R1} \times A_{R2} \times I_{p0}}{I_{c1}} = \frac{200 \times 800 \times 100}{100} = \textbf{£160,000}$$

$$Y = \frac{R_{R1} \times A_{R1} \times I_{p0}}{I_{c1}} = \frac{200 \times 1000 \times 100}{100} = \textbf{£200,000}$$

The value of Z should be taken from the latest liability notice issued for planning permission (A). This would have involved the same calculation as for Y except that the index figure I_p (and rate R) relate to the calendar year in which the planning permission was granted. It shouldn't therefore need to be recalculated it is on the latest liability notice. However, for the purposes of this example it would be:

$$Z = \frac{R_{R1} \times A_{R1} \times I_{p1}}{I_{c1}} = \frac{200 \times 1000 \times 120}{100} = \textbf{£240,000}$$

Bringing this altogether gives the chargeable amount for (B) of:

$$\textbf{£160,000} - \textbf{£200,000} + \textbf{£240,000} = \textbf{£200,000}$$

Example 5. A planning permission for residential development and office space is amended to increase the total internal area and redistribute the area of the two development types

For the purpose of this example, the following variables have been used.

Original permission (A)			Amended permission (B)		
Residential rate (£ per square metre)	(R _R)	£200	Residential rate (£ per square metre)	(R _R)	£200
Office rate (£ per square metre)	(R _O)	£50	Office rate (£ per square metre)	(R _O)	£50
Gross internal area of residential development (square metres)	(A _{R1})	800	Gross internal area of residential development (square metres)	(A _{R2})	1000
Gross internal area of office development (square metres)	(A _{O1})	1000	Gross internal area of office development (square metres)	(A _{O2})	900
Index for year planning permission (A) was granted	(I _{p1})	120	Index for year planning permission (B) was granted	(I _{p2})	140
Index for year charging schedule was adopted	(I _c)	100	Index for year charging schedule was adopted	(I _c)	100

Step 1

The first step is to determine whether the notional amount has changed, and if so, whether it has increased or decreased.

The notional chargeable amount for **planning permission (A)** is calculated using the formula in paragraph 1 of the schedule for each rate type:

(1) Residential:

$$\frac{R_R \times A_{R1} \times I_{p1}}{I_c} = \frac{200 \times 800 \times 120}{100} = \text{£192,000}$$

(2) Office:

$$\frac{R_O \times A_{O1} \times I_{p1}}{I_c} = \frac{50 \times 1000 \times 120}{100} = \text{£60,000}$$

The notional chargeable amount for planning permission A is the aggregate of the two notional sums:

$$£192,000 + £60,000 = £252,000$$

The notional chargeable amount for **planning permission (B)** is calculated using the formula in paragraph 1 but as if planning permission (B) was granted on the same day as planning permission (A) – using the index figure (Ip) for planning permission (A) – i.e. 120 (and not 140). The outcome is

(1) Residential:

$$\frac{R_R \times A_{R2} \times I_{p1}}{I_c} = \frac{200 \times 1000 \times 120}{100} = \text{£240,000}$$

(2) Office:

$$\frac{R_o \times A_{o2} \times I_{p1}}{I_c} = \frac{50 \times 900 \times 120}{100} = \text{£54,000}$$

The notional amount for (B) is

$$£240,000 + £54,000 = £294,000$$

The notional amount for (B) is therefore larger than for (A), so paragraph 4 applies.

Step 2

As in step 1, each rate type is calculated separately, and the outcome are added together.

(1) Residential

The amount of CIL payable for the residential component is:

$$(X - Y) + Z$$

Where:

X = the chargeable amount for the development for which (B) was granted calculated in accordance with paragraph 1;

Y = the chargeable amount for the development for which (A) was granted calculated in accordance with paragraph 1 (but as if (A) first permits development on the same day as (B)) - so the index figure Ip for (A) to be used is the index figure for the calendar year in which (B) was granted;

Z = the chargeable amount for (A) as shown in the most recent CIL notice issued in relation to (A).

Using the figures above:

$$X = \frac{R_R \times A_{R2} \times I_{p2}}{I_c} = \frac{200 \times 1000 \times 140}{100} = \textbf{£280,000}$$

$$Y = \frac{R_R \times A_{R1} \times I_{p2}}{I_c} = \frac{200 \times 800 \times 140}{100} = \textbf{£224,000}$$

The value of Z should be taken from the latest liability notice issued for planning permission (A). This would have involved the same calculation as for Y except that the index figure I_p relates to the calendar year in which the planning permission was granted. It shouldn't therefore need to be recalculated. However, for the purposes of this example it would be:

$$Z = \frac{R_R \times A_{R1} \times I_{p1}}{I_c} = \frac{200 \times 800 \times 120}{100} = \textbf{£192,000}$$

Bringing this altogether gives the chargeable amount for residential development for planning permission (B) of:

$$\textbf{£280,000} - \textbf{£224,000} + \textbf{£192,000} = \textbf{£248,000}$$

(2) Office:

$$X = \frac{R_o \times A_{o2} \times I_{p2}}{I_c} = \frac{50 \times 900 \times 140}{100} = \textbf{£63,000}$$

$$Y = \frac{R_o \times A_{o1} \times I_{p2}}{I_c} = \frac{50 \times 1000 \times 140}{100} = \textbf{£70,000}$$

The value of Z should be taken from the latest liability notice issued for planning permission (A). As above it shouldn't need to be recalculated. However, for the purposes of this example it would be:

$$Z = \frac{R_o \times A_{o1} \times I_{p1}}{I_c} = \frac{50 \times 1000 \times 120}{100} = \textbf{£60,000}$$

Bringing this altogether gives the chargeable amount for office development for planning permission (B) of:

$$\textbf{£63,000} - \textbf{£70,000} + \textbf{£60,000} = \textbf{£53,000}$$

The new chargeable amount for planning permission (B) is:

$$\textbf{£248,000} + \textbf{£53,000} = \textbf{£301,000}$$

Example 6. A planning permission for residential development with social housing relief which is amended through section 73.

In this example, the planning permission for residential development includes 100 square metres of social housing for which relief had been applied for and obtained. The planning permission is subsequently amended through section 73 to increase both the gross internal area of residential development and the area of social housing.

For the purpose of this example, the following figures have been used.

Original permission (A)			Amended permission (B)		
Residential rate (£ per square metre)	(R _R)	£200	Residential rate (£ per square metre)	(R _R)	£200
Gross internal area of residential development (square metres)	(A _{R1})	800	Gross internal area of residential development (square metres)	(A _{R2})	1000
Gross internal area of social housing (square metres)	(A _{Rel1})	100	Gross internal area of social housing (square metres)	(A _{Rel2})	120
Index for year planning permission (A) was granted	(I _{p1})	120	Index for year planning permission (B) was granted	(I _{p2})	140
Index for year charging schedule was adopted	(I _c)	100	Index for year charging schedule was adopted	(I _c)	100

Step 1

As with Example 1, the first step is to determine whether the notional amount has changed, and if so, whether it has increased or decreased. When doing so, the notional chargeable amount for planning permission (B) is calculated as if it had been granted on the same day as planning permissions (A). Any applicable relief should be deducted from the notional amounts as illustrated below.

The notional chargeable amount for **planning permission (A)** is calculated using the formula in paragraph 1 of the schedule:

$$\frac{R_R \times A_{R1} \times I_{p1}}{I_c} = \frac{200 \times 800 \times 120}{100} = \text{£192,000}$$

From this is deducted the applicable relief - which in this case is:

$$\frac{R_R \times A_{Rel1} \times I_{p1}}{I_c} = \frac{200 \times 100 \times 120}{100} = \text{£24,000}$$

The notional amount for planning permission (A) is therefore:

$$£192,000 - £24,000 = \text{£168,000}$$

The notional chargeable amount for **planning permission (B)** is calculated using the formula in paragraph 1 but as if planning permission (B) was granted on the same day as planning permission (A) – using the index figure (Ip) for planning permission (A) – i.e. 120 (and not 140). The outcome is:

$$\frac{R_R \times A_{R2} \times I_{p1}}{I_c} = \frac{200 \times 1000 \times 120}{100} = \text{£240,000}$$

From this is deducted the applicable relief which in this case is:

$$\frac{R_R \times A_{Rel2} \times I_{p1}}{I_c} = \frac{200 \times 120 \times 120}{100} = \text{£28,800}$$

The notional amount for planning permission (A) is therefore:

$$£240,000 - £28,800 = £211,200$$

The notional amount for (B) is therefore larger than for (A), so paragraph 4 applies.

Step 2

The amount of CIL payable in respect of the development is the chargeable amount for the development minus the relief amount where—

(a) the chargeable amount for the development is:

$$(X - Y) + Z$$

Where:

X = the chargeable amount for the development for which (B) was granted calculated in accordance with paragraph 1;

Y = the chargeable amount for the development for which (A) was granted calculated in accordance with paragraph 1 (but as if (A) first permits development on the same day as (B) - so the index figure Ip for (A) to be used is the index figure for the calendar year in which (B) was granted;

Z = the chargeable amount for (A) as shown in the most recent CIL notice issued in relation to (A).

(b) the relief amount is:

$$(Rx - Ry) + Rz$$

Where:

Rx = the amount of any applicable relief in relation to the development for which (B) was granted calculated in accordance with Part 6 of the Regulations;

Ry = the amount of any applicable relief in relation to the development for which (A) was granted under Part 6 of the Regulations (but as if (A) was granted on the same day as (B));

Rz = the amount of any applicable relief in relation to the development for which (A) was granted under Part 6 of the Regulations (and as shown on the most recent liability notice issued in relation to (A)).

Using the figures above, the chargeable amount for the development is:

$$X = \frac{R_R \times A_{R2} \times I_{p2}}{I_c} = \frac{200 \times 1000 \times 140}{100} = \text{£280,000}$$

$$Y = \frac{R_R \times A_{R1} \times I_{p2}}{I_c} = \frac{200 \times 800 \times 140}{100} = \text{£224,000}$$

The value of Z should be taken from the latest liability notice issued for planning permission (A). This would have involved the same calculation as for Y except that the index figure Ip relates to the calendar year in which the planning permission was granted. It shouldn't therefore need to be recalculated it is on the latest liability notice. However, for the purposes of this example it would be:

$$Z = \frac{R_R \times A_{R1} \times I_{p1}}{I_c} = \frac{200 \times 800 \times 120}{100} = \text{£192,000}$$

Bringing this altogether gives the chargeable amount for (B) of:

$$\text{£280,000} - \text{£224,000} + \text{£192,000} = \text{£248,000}$$

From this is deducted the relief amount which is calculated as below:

$$Rx = \frac{R_R \times A_{Rel2} \times I_{p2}}{I_c} = \frac{200 \times 120 \times 140}{100} = \text{£33,600}$$

$$Ry = \frac{R_R \times A_{Rel1} \times I_{p2}}{I_c} = \frac{200 \times 100 \times 140}{100} = \text{£28,000}$$

$$RZ = \frac{R_R \times A_{Rel1} \times I_{p1}}{I_c} = \frac{200 \times 100 \times 120}{100} = \textbf{£24,000}$$

The relief amount is therefore:

$$\textbf{£33,600} - \textbf{£28,000} + \textbf{£24,000} = \textbf{£29,600}$$

The net amount payable is therefore:

$$\textbf{£248,000} - \textbf{£29,600} = \textbf{£218,400}$$

The liability notice should include both the chargeable amount for (B) and the relief amount. This makes it easier for a charging authority to determine the amount of clawback if there is a disqualifying event within the clawback period. It also makes the calculations easier if there is a subsequent section 73 amendment which changes the chargeable amount.