



**Haringey Council**

<b>Report for:</b>	<b>Cabinet -15 July 2014</b>	<b>Item Number:</b>	
<b>Title:</b>	<b>Community Infrastructure Levy (CIL) Charging Schedule adoption and Planning Obligations Supplementary Planning Document (SPD)</b>		
<b>Report Authorised by:</b>	<b>Lyn Garner, Director Regeneration, Planning and Development</b>		
<b>Lead Officer:</b>	<b>Gavin Ball, Strategic Planning and Transport Policy</b>		
<b>Ward(s) affected: All</b>	<b>Report for Key Decision</b>		

## **1. Describe the issue under consideration**

- 1.1 The Community Infrastructure Levy (CIL) is a method of securing developer contributions towards strategic infrastructure. Haringey has prepared a CIL Charging Schedule, which has been found sound by an independent examiner (with some minor amendments, see paragraph 5.7).
- 1.2 In order for a council to introduce CIL, a gap in infrastructure funding to meet the needs of a growing population, has to be identified and sufficient development viability to contribute towards funding this infrastructure on an area-wide basis has to be demonstrated.
- 1.3 Haringey has set out a community infrastructure delivery plan as part of Local Plan Strategic Policies adopted in March 2013. This infrastructure delivery plan was updated in 2013 and forms the basis of the Haringey CIL.
- 1.4 This report seeks Cabinet endorsement of this Charging Schedule, and Cabinet's recommendation to Full Council that the Charging Schedule is adopted in July for implementation on 1<sup>st</sup> November 2014. The Charging Schedule is set out in Appendix A and it incorporates the minor changes recommended by the Inspector.
- 1.5 Cabinet approval is also sought to commence statutory public consultation on the draft Planning Obligations Supplementary Planning Document (SPD). After



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the introduction of CIL, the funds collected will help deliver strategic infrastructure as identified in Council's Infrastructure Delivery Plan. The Planning Obligations SPD, once adopted will be used to provide guidance in the negotiation of planning contributions for the delivery of affordable housing, employment outcomes, and site-specific mitigations of the effects of new development.

- 1.6 Additionally, the SPD will ensure that:
- i. Haringey optimises development contributions including infrastructure contributions and affordable housing contributions;
  - ii. Developers have certainty about infrastructure costs and development contributions when making a planning application;
  - iii. Communities have certainty about the Council's revenue from development, and how the revenue will be spent.

## **2. Cabinet Member introduction**

- The Community Infrastructure Levy is an important tool in the collection of money to provide strategic infrastructure in Haringey alongside new development.
- The Planning Obligations SPD offers guidance to developers on how the new CIL regime and revised s106 regime will operate together. This is important in terms of mitigating and optimizing new development in terms of:
  - Securing affordable housing
  - Securing infrastructure contributions
  - Securing contributions towards skills & employment
  - Ensuring negative impacts of development are mitigated appropriately
- These two important pieces of work will help to provide a transparent and clearly understood process which uses the anticipated growth in the Borough, to support the delivery of affordable housing and new infrastructure.

## **3. Recommendations**

- 3.1 Cabinet endorses and recommends to Full Council that the CIL Charging Schedule as set out in Appendix A be adopted by Full Council for implementation from 1<sup>st</sup> November 2014.
- 3.2 Cabinet approves the draft Planning Obligations SPD as set out in Appendix B for a 6-week statutory public consultation.

## **4. Alternative options considered**

- 4.1 The CIL Regulations are scheduled to restrict the pooling of s106 planning obligations to 5 sites from 1<sup>st</sup> April 2015. In order for infrastructure planning



obligations to be pooled together from multiple sites post this date, a CIL charging schedule is required.

- 4.2 To explore all of the development and infrastructural opportunities, and ensure that developments come forward along timescales that ensure these synergies are exploited efficiently is not feasible. CIL offers certainty about the quantum of infrastructure contributions to be collected on each site in the borough, without jeopardising affordable housing contributions, and while maintaining the opportunity for bespoke site-specific planning obligations to be collected. As such it is not seen as realistic to proceed with the current planning obligations regime.

## 5. Background information

### Interface between s106 & CIL – A Planning Obligations SPD

- 5.1 CIL is a standardised non-negotiable local levy placed on development for the purpose of raising funds to support the delivery of infrastructure that is required as a result of new development. CIL provides a more consistent and transparent mechanism to raise financial contributions, than the current system of s106 agreements.
- 5.2 However, under CIL, developers can still be required to directly provide both ‘off-site’ infrastructure, through s106 contributions, and ‘on site’ improvements through planning conditions to mitigate the direct impact of the development proposed (e.g. landscaping, access roads). A draft Planning Obligations SPD setting out what obligations will be collected through s106 and CIL is included as Appendix B.
- 5.3 The types of contributions to be collected through CIL and S106 are summarised in Table 1 below:

Table1- Infrastructure Type		Delivery Mechanism	
Infrastructure Theme	Specific Requirement	Planning Obligation	CIL
<b>Community Facilities</b>	Multi-Use Community Facilities, Youth Centres, Libraries, Leisure Centres	X	✓
<b>Education</b>	Primary School	X	✓
	Secondary School	X	✓
<b>Health</b>	Primary Care Facilities	X	✓
<b>Affordable Housing</b>	Provision of on-site affordable housing	✓	X
	Provision of off-site affordable housing	✓	X
<b>Employment and Training</b>	Provision of employment and training facilities	X	✓
	Construction phase skills and training	✓	X
	End user skills training	✓	X
	Compensation for loss of employment land	✓	X



<b>Transport and Highways</b>	Strategic borough-wide transport improvements	X	✓
	Site-specific transport and highway measures to make development acceptable	✓	X
<b>Open Space and Public Realm</b>	Public Open Space/public parks, including improvements to existing facilities	X	✓
	Borough-wide improvements to Street scene and built environment	X	✓
	Public art not linked to a development site	X	✓
	Public art on or immediately adjacent to a development site	✓	X
	Site-specific improvements to ensure new developments make a positive contribution to the on-site public realm, and their immediate surrounds.	✓	X
<b>Environmental Sustainability</b>	Carbon Reduction Measures/Initiatives	✓	X
	Creation of new decentralised energy capacity	X	✓
	Ensuring new developments are/can be connected to existing/future decentralised energy networks	✓	X
	Biodiversity Measures/Initiatives	✓	X
	Strategic Flood Mitigation	X	✓
	Site-specific flood mitigation	✓	X

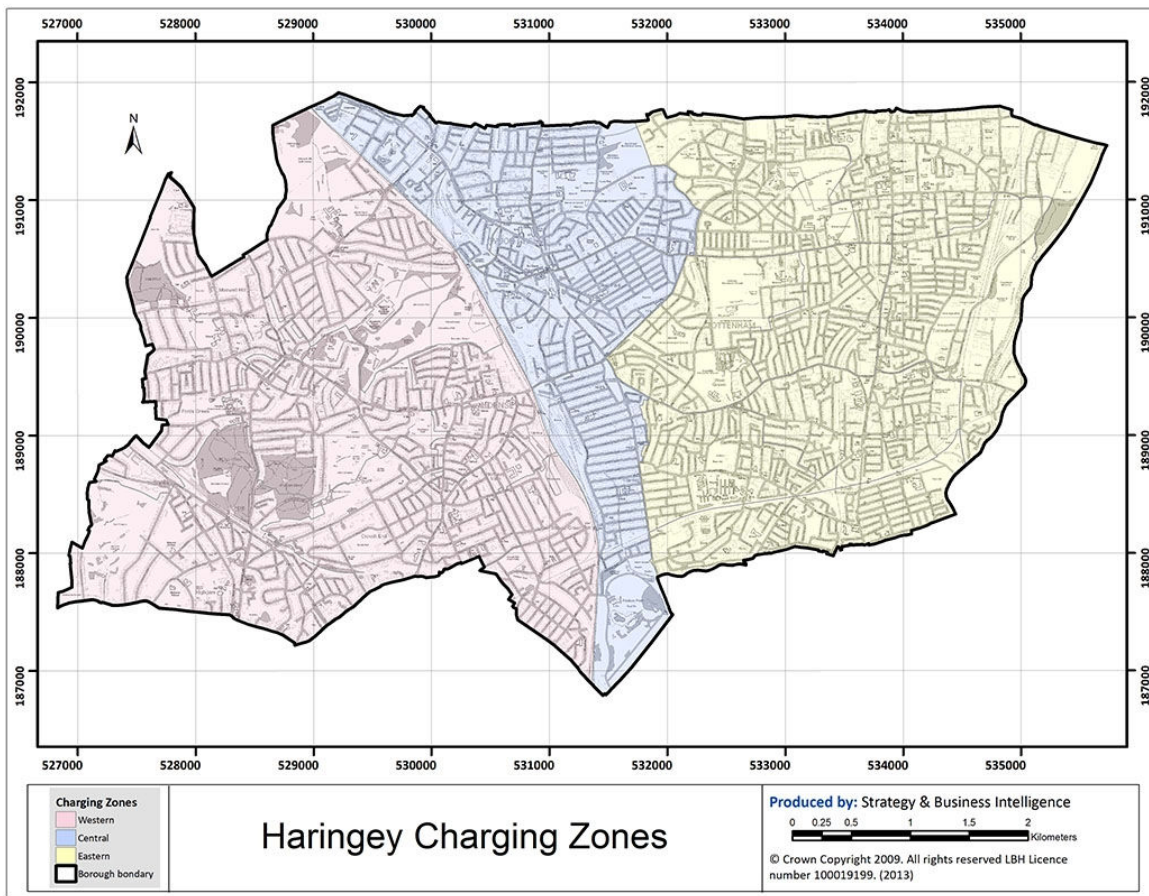
## Adoption of CIL

5.4 Regulations governing CIL were produced in 2010 (amended 2011, 2012, 2013, 2014). These govern how a CIL Charging Schedule must be prepared, and what it must contain. Table 2 below sets out the processes involved in the preparation of Haringey's CIL Charging Schedule.

<b>Table 2: Milestones in preparation of Haringey CIL</b>	
<b>Task</b>	<b>Completion Date</b>
Preliminary Draft Charging Schedule consultation	Aug-Sep 2012
Draft Charging Schedule consultation	Apr-Jun 2013
Submission to the Planning Inspectorate	Nov 2013
Pre-submission consultation on minor amendments	12 <sup>th</sup> Nov-10 <sup>th</sup> Dec 2013
Examination in Public	18 <sup>th</sup> Dec 2013
Received Inspectors Report	4 <sup>th</sup> Feb 2014
Cabinet meeting to recommend adoption of CIL Charging Schedule & commence consultation on Planning Obligations SPD	15 <sup>th</sup> July 2014
Adoption of CIL Charging Schedule at July Full Council	21 <sup>st</sup> July 2014
Consultation period for Planning Obligations SPD	July-Sep 2014
Implementation of Haringey CIL	1 <sup>st</sup> November 2014
Adoption of Planning Obligations SPD (estimated)	Oct 2014



- 5.5 The schedule will be kept under review for future amendments in light of infrastructure delivery, macro economics trends and changes in local land values. Any further changes to the charging schedule will require a fresh viability study, a repeat of public consultation, and another independent examination.
- 5.6 Further information was provided in reports to Cabinet in April 2013, and in the form of a report to the Cabinet Member for Planning and Enforcement in October 2013. Following these reports, the Draft Charging Schedule was submitted to the Planning Inspectorate for Examination in Public.
- 5.7 The Council's Draft Charging Schedule was approved by an Independent Inspector in February 2014, subject to the minor modifications below:
- EM1 – Append the OS based map (see below), defining the residential zone boundaries, to the schedule.
  - EM 2 - Add the name of the charging authority to the schedule.
  - EM 3 – Add a definition of Retail Warehouses as follows; “Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items, and other ranges of goods, catering mainly for car borne customers.”



5.8 The Final Charging Schedule in Tabular form which will be put to Full Council for adoption is below. A draft of the Final Haringey CIL Charging Schedule document is included as Appendix A.

<b>Table 3- Approved CIL Charging Schedule for Haringey</b>				
<b>CIL charge (£/square metre)</b>				
<b>Use</b>	<b>Western</b>	<b>Central</b>	<b>Eastern</b>	<b>Mayoral CIL</b>
Residential	£265	£165	£15	£35
Student accommodation	£265	£165	£15	£35
Supermarkets		£95		£35
Retail Warehousing		£25		£35
Office, industrial, warehousing, small scale retail (use class A1-5)		Nil Rate		£35
Health, school and higher education		Nil Rate		Nil
All other uses		Nil Rate		£35

Superstores/supermarkets are defined as shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.  
Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items, and other ranges of goods, catering mainly for car borne customers.



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**Delivery of CIL**

- 5.9 Once CIL is implemented and contributions are collected, this will become a highly visible and transparent method for funding infrastructure (and will be recorded through the Annual Monitoring Report).
- 5.10 How funding choices for infrastructure are made will continue to be an important part of the Council's role in bringing forward sustainable development in the borough. This will require decisions on the way that funding is distributed across both strategic and local projects - ensuring that local needs can be addressed, alongside improved strategic infrastructure.
- 5.11 The CIL revenue collected will only partially meet the infrastructure delivery gap. The development of a coherent, long term plan for growth (the Haringey Local Plan) will therefore need to take place alongside a refresh of the infrastructure delivery plan, and wider programme funds from across and beyond the Council. Monitoring growth trends and managing the investment in infrastructure through short and longer term infrastructure plans (linked to growth programmes) will also be required.
- 5.12 In consultation with colleagues across the Council, officers will monitor and update the Infrastructure Delivery Plan and its short term delivery priorities as part of the Council's plan-making process. In the first instance, the emerging Site Allocations Development Plan Document and the Tottenham Area Action Plan will take account of identified infrastructure needs.
- 5.13 There is a requirement in the CIL regulations for a "reasonable amount" of CIL revenue to be made available in the area in which the development is built.
- 5.14 In early 2013 the government announced the amount of CIL to be spent locally (a 'meaningful amount') would be 15% with a cap at £100 per council tax dwelling for all areas with a Parish Council in England. For areas with an adopted neighbourhood plan this would be 25% with no cap.

## **6. Comments of the Chief Finance Officer and financial implications**

- 6.1 Section 106 funding has been an important source of funding for the Council, especially for school expansion projects and is largely used to support the capital programme.
- 6.2 Under the new legislation the funding previously received via S106 will be largely replaced by CIL, with the exceptions of those areas highlighted in Section 5.3 of this report. It is envisaged that in future the level of funding received from S106 and CIL combined will be broadly similar with the funding received from S106 in prior years.



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- 6.3 Once set the Council has the option to review its Regulation 123 list on a periodic basis and allocate funding received differently to reflect the Council's funding priorities.
- 6.4 In addition to CIL payments to Haringey, the Borough is also responsible for collecting CIL payments due to the Mayor of London.”

## **7. Comments of the Assistant Director of Corporate Governance and legal implications**

- 7.1 The Assistant Director of Corporate Governance has been consulted on the contents of this report and comments as follows.
- 7.2 The CIL Charging Schedule has been subject to the relevant statutory process provided for in the Community Infrastructure Levy Regulations and has been found sound by an independent examiner subject to some minor amendments which have been actioned. The final step in the process is formal adoption by the Council.
- 7.3 The CIL Charging Schedule, when adopted, will provide the legal basis on which a developer’s liability for infrastructure payments is assessed and payment is secured.
- 7.4 The Council is required under the Town and Country Planning (Local Planning) (England) Regulations 2012 to consult on the Planning Obligations SPD and to take into account all consultation responses received before adopting thereof.
- 7.5 Under the Localism Act 2011 there is placed on plan making authorities a statutory duty to co-operate with adjoining authorities and prescribed bodies and persons in the preparation of development plan documents and other local development documents. This duty requires active and constructive engagement with those parties and to have regard to the activities of those parties.
- 7.6 Section 38(6) of the Planning and Compulsory Purchase Act 2004 states that, if regard is to be had to the development plan for the purpose of any determination to be made under the planning Acts, the determination must be made in accordance with the plan unless material considerations indicate otherwise.
- 7.7 Although the proposed SPD is not a development plan document it will, upon adoption, be a material consideration in the determination of planning applications within the area covered by the SPD and will assist and guide the Council, developers and other stakeholders in addressing the provision of affordable housing and site specific infrastructure requirements in an open and transparent manner.





## **8. Equalities and Community Cohesion Comments**

- 8.1 The CIL and Planning Obligations are tools to provide the infrastructure necessary to deliver sustainable communities and quality environment. The strategic implications of growth in our borough and its impact on infrastructure that could arise are considered in the Equalities Impact Assessment (EqIA) that supports the adopted Local Plan Strategic Policies. Equality impacts of specific developments are considered as proposals come forward.

## **9. Head of Procurement Comments**

- 9.1 Not applicable

## **10. Policy Implication**

- 10.1 The term 'infrastructure' includes schools and other educational facilities, open space, green infrastructure, transport facilities, health and medical facilities, flood defences, sporting and recreational facilities. The Local Plan: Strategic Policies document sets out the basis for strategic infrastructure that will be required to support growth in the borough during the plan period. The CIL will be used to help contribute towards meeting the funding gap that exists for the infrastructure. Documents such as CIL and Planning Obligations SPD help to deliver Local Plan Strategic Policies and the Corporate Plan priorities, especially those contained in the "Opportunities for All" section.

## **11. Reasons for Decision**

- 11.1 Adoption of CIL should be agreed by Cabinet prior to adoption at full Council.
- 11.2 SPD preparation requires a statutory 6-week public consultation which will commence after Cabinet approval.

## **12. Use of Appendices**

Appendix A: Haringey CIL Charging Schedule for adoption  
Appendix B: Draft Planning Obligations SPD for consultation

## **13. Local Government (Access to Information) Act 1985**