

Report for: Cabinet 24th January 2017

Item number: 11

Title: Community Infrastructure Levy (CIL) Update

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Lead Officer: Matthew Paterson x 5562

Ward(s) affected: St. Ann's, Seven Sisters, West Green, Bruce Grove, Tottenham Green, Tottenham Hale

Report for Key/

Non Key Decision: Key

1. Describe the issue under consideration

- 1.1 Haringey Council approved the introduction of the Community Infrastructure Levy (CIL) in July 2014 and started charging on the 1st November 2014. So far (as of December 2016) the Council has issued liability notices for £11.4m and has collected almost £1.4m in Haringey CIL receipts. In addition the Council has collected £5.7m of Mayoral CIL contributions (based on £35/m² for all development types).
- 1.2 In response to an Overview & Scrutiny report in May 2016, a review of CIL rates and procedures for the governance of CIL receipts is being undertaken. This report outlines the findings of viability evidence which supports an increase in CIL rates only in certain parts of the Borough, namely Seven Sisters, St. Ann's, West Green, Bruce Grove, Tottenham Green, and Tottenham Hale wards. A partial review of the CIL Charging Schedule is therefore proposed
- 1.3 The review of CIL rates also offers the opportunity to update Council's Regulation 123 List – the list of infrastructure that the Council intends to spend CIL on.
- 1.4 Lastly, having received CIL payments, the Council needs to identify how it will manage CIL expenditure. This report sets out the proposed governance arrangements for the spending CIL receipts, including:
 - how infrastructure is to be prioritised;
 - the decision making process;
 - the allocation of funds for both the strategic and neighbourhood proportions of CIL;
 - the delineation of neighbourhoods for the purposes of the neighbourhood proportion of CIL;
 - reporting; and
 - auditing.

2. Cabinet Member Introduction

- 2.1 Making sure that regeneration and new development delivers social benefits for residents, not just financial benefits for distant shareholders is a top priority for us.
- 2.2 I am therefore very pleased to be bringing this report to Cabinet, which sets out proposals to consult on increasing the Community Infrastructure Levy in most of Tottenham, now that development is more viable.
- 2.3 When started the original work on the CIL in 2013, Tottenham land values were in a very different place. Regeneration schemes were being planned but hadn't yet started, we were still having to work very hard with developers to convince them that Tottenham was a good place to invest and planning policy to support. Viability was therefore very low and there was little regeneration precedent. The evidence in front of us only justified a very low CIL charge in Tottenham.
- 2.4 Thanks to the Council's strong leadership on regeneration and planning, we have seen significant investment in Tottenham and proposals for many major regeneration schemes coming forward. This has transformed land values in the area, making development more viable and allowing us to secure a much higher contribution towards vital community infrastructure like schools, health centres, improvements to parks and new sports facilities.
- 2.5 We are proposing increasing the charge in South and East Tottenham from £15 per square metre to £130 per square metre. Looking at sites for which we expect planning applications from 2018-2026, we estimate that this change would see CIL income of around £18.8m come in for community investment, instead of the £2.2m due on current charging rates.
- 2.6 This is a game-changer in terms of our ability to invest in much needed community facilities and amenities. As land values continue to grow, we will review the CIL schedule again in the future, to make sure that we continue to capture a fair share of increasing development values for our residents.

Recommendations

That Cabinet:

- 3.1 Approves publication of the revised CIL Charging Schedule (the Preliminary Draft Charging Schedule) and Regulation 123 List as set out at Appendix A for public consultation, in accordance with the CIL Regulations.
- 3.2 Approves publication of the proposal for the governance of CIL expenditure (as detailed in paragraphs 6.22 – 6.43) for public consultation.

3. Reasons for decision

- 4.1 Amending the CIL charging schedule will increase the scope of CIL receipts from new development to fund strategic infrastructure improvements in the borough.

- 4.2 Governance arrangements are required to ensure CIL expenditure is appropriately managed and the processes for allocating both the strategic and neighbourhood proportions of CIL are made clear.

4. Alternative options considered

- 5.1 The Council has been charging CIL on qualifying developments since 1st November 2014. This includes a significant differential in rates between the west and centre of the borough (£265/m² & £165/m²), and the east of the borough (£15/m²). An alternative is to do nothing, and keep the rates as they are, however, evidence suggests that the majority of the eastern area can support a higher CIL rate. It is considered appropriate that a higher CIL rate is proposed for this area, to create additional funding for strategic infrastructure in the borough to support the growth planned.
- 5.2 In respect of the governance of CIL expenditure, there are a range of options for how the neighbourhood proportion of CIL could be allocated. These options were explored in the 'Scrutiny in a Day' exercise that was undertaken by Overview & Scrutiny that resulted recommendations to advance the proposal put forward in this report.
- 5.3 With regard to the strategic proportion of CIL, the only reasonable alternative was to have a bidding process for the use of CIL monies. However, this option was dismissed in favour of using established processes. .

5. Background information

What is CIL?

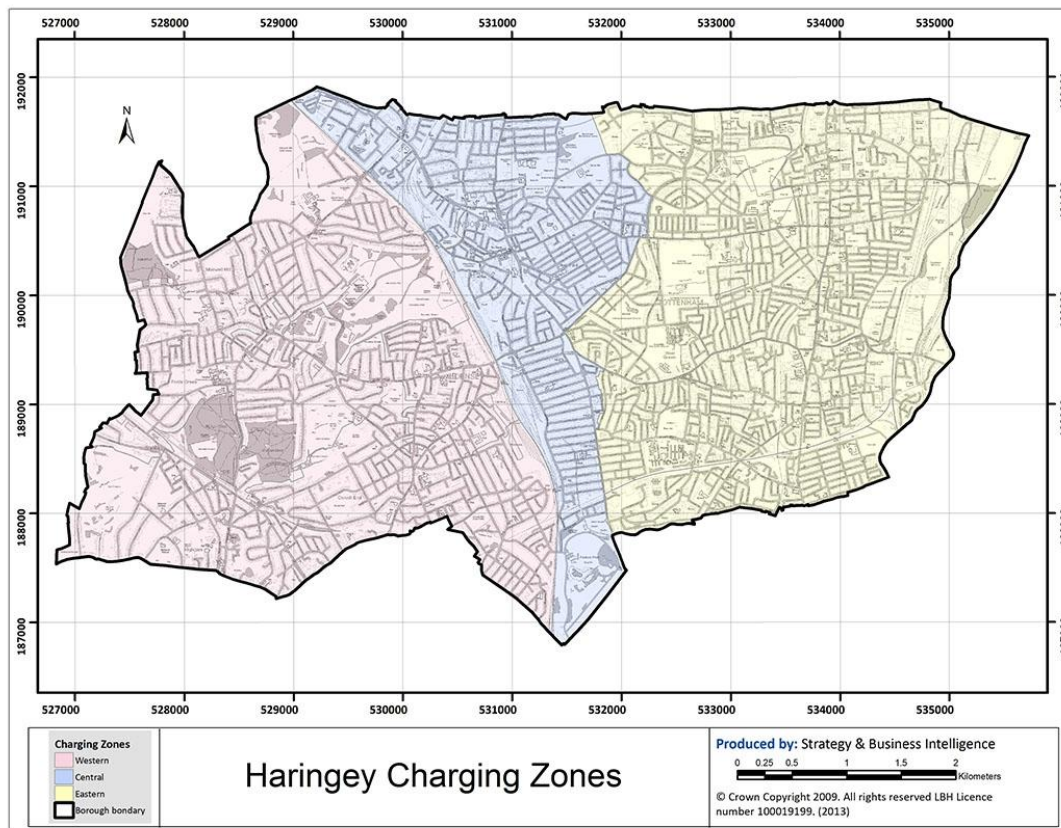
- 6.1 CIL is a standardised non-negotiable local levy placed on development for the purpose of raising funds to support the delivery of infrastructure that is required as a result of new development. CIL provides a more consistent and transparent mechanism to raise financial contributions, than the previous system of s106 agreements. Section 106 contributions can now only be used to secure affordable housing, employment, training and skills obligations and site specific mitigation which is necessary to make a development acceptable such as site specific Highways works, but their use has been significantly scaled back. The delineation between what CIL and section 196 can be spent on will be made clear in the forthcoming review of the Section 106 SPD.

Proposed Changes to the CIL Charging Schedule

- 6.2 There has been a significant increase in property values in the east of the borough over the last 2-3 years. To identify what impact this has on the viability of development, BNP Paribas have been commissioned to complete a viability study of development typologies across the borough in order to understand what changes in CIL rates may be appropriate. BNP Paribas Ltd are specialist viability consultants with a particular expertise and track record in preparing robust borough viability assessments for local authorities across England in support of bringing forward a local CIL.

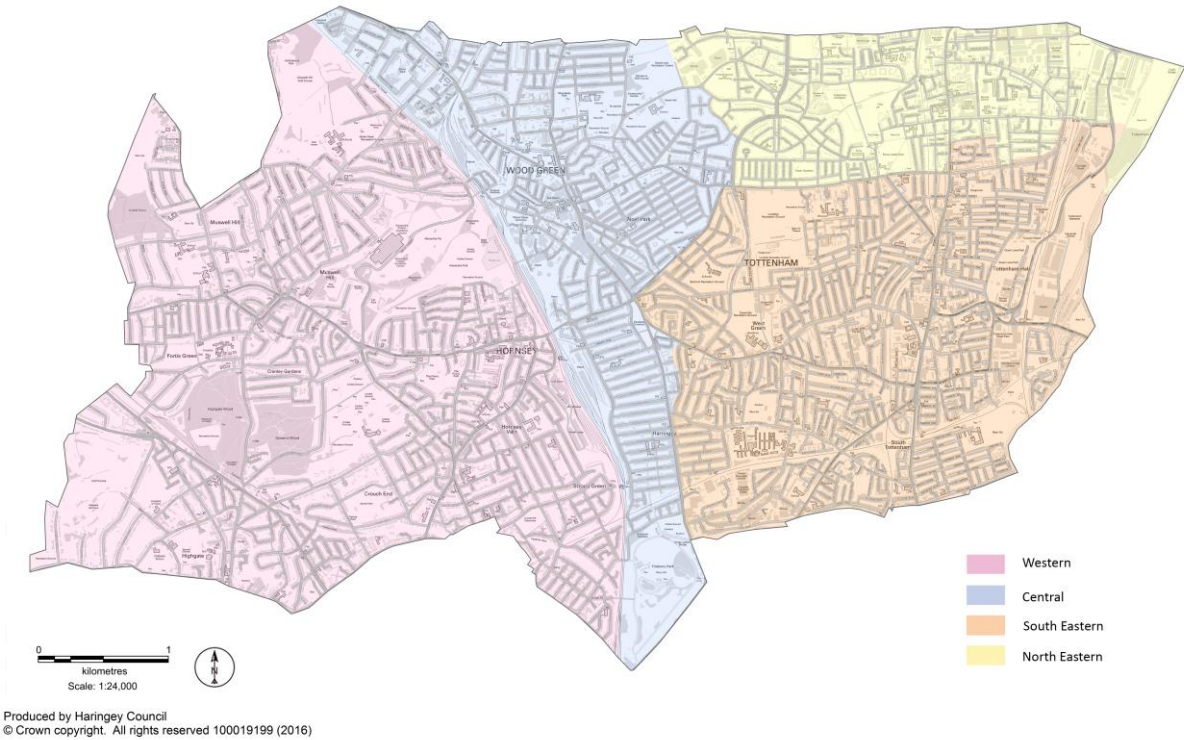
6.3 The BNP Paribas study has identified that there is scope to increase the current CIL rate of £15/m² in Seven Sisters, St. Ann's, West Green, Bruce Grove, Tottenham Green, and Tottenham Hale wards to £130/m². Conversely, the BNP Paribas study does not support changes to the current CIL rates elsewhere across the borough. In particular, the study is clear that there is no scope to increase residential CIL rates in North Tottenham (Northumberland Park and White Hart Lane wards), or within the central or Western Charging Zones. Based upon this evidence base, the remainder of the charging schedule will not be amended.

6.4 The existing CIL charging zones map is set out below.



6.5 The Proposed new CIL charging schedule map is below.

Haringey Charging Zones



6.6 The proposed changes to CIL rates are shown in the track changed table below.

Proposed Amended CIL Charging Schedule for Haringey (for Preliminary Draft Charging Schedule Consultation)					
Use	CIL charge (£/square metre)				
	Western	Central	<u>South Eastern</u>	<u>North Eastern</u>	Mayoral CIL
Residential	£265	£165	<u>£130</u>	£15	£35
Student accommodation	£265	£165	<u>£130</u>	£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.

Estimate of change in revenue

6.7 Since the implementation of CIL in 2014, the Council has collected approximately £1.4m in Haringey CIL. In addition, liability notices have been issued for a further £11.7m, which will continue to be collected over the coming years. The details by ward are set out below (noting that no CIL liable schemes received planning consent or commenced between Nov 2014- Mar 2015, thus no CIL was collected in FY 2014/15).

Ward	collected 2015-16	collected 2016-17	Total Liability Notices issued by Ward	Outstanding Liability Notices
Alexandra			84,266.75	84,266.75
Bounds Green		55,841.28	576,614.34	520,773.06
Bruce Grove	1,593.00	584.97	34,831.97	32,654.00
Crouch End	70,410.50		1,161,912.80	1,091,502.30
Fortis Green		280,871.12	1,757,426.36	1,476,555.24
Harringay	40,619.00	33,329.67	2,552,023.84	2,478,075.17
Highgate	668,884.35	154,614.25	3,930,074.26	3,106,575.66
Hornsey			558,464.15	558,464.15
Muswell Hill	6,625.00		1,003,313.57	996,688.57
Noel Park			180,214.65	180,214.65
Northumberland Park		2,624.46	26,362.85	23,738.39
Seven Sisters		64.19	9,191.44	9,127.25
Stroud Green	1,245.50		384,657.31	383,411.81
St. Ann's	2,805.00		166,063.92	163,258.92
Tottenham Green	630	12,750.00	67,207.08	53,827.08
Tottenham Hale			23,342.59	23,342.59
West Green	11,595.00		158,279.22	146,684.22
White Hart Lane	705	6,300.00	7,110.00	105.00
Woodside		10,598.97	395,853.94	385,254.97
Total	805,112.35	557,578.91	13,077,211.04	11,714,519.78

6.8 The data above shows that the Haringey CIL is still in a “bedding in” period. Due to planning consents lasting for three years, although a total in excess of £13m has been calculated as liable, only £1.4m has been collected. This is due to the payment of CIL being at the point of commencement of development. As such the residual £11.7m-worth of CIL liable development currently has planning consent, but has not yet commenced development. Assuming the developments are commenced in the coming years, the collected amount will increase over the coming years.

6.9 Initial modelling on existing site allocations, on which planning applications are anticipated in the period 2018-2026, within the south eastern charging area are set out below. Over a 9 year period (2018-2026), this increases the estimated average CIL receipts across this cohort of sites from £240,900 p.a. to £2.09m p.a.

Site Name	CIL @ £15	CIL @ £130
Bruce Grove Station (BG2)	£2,916.00	£25,272.00
Tottenham Chances & Nicholson Court (TG2)	£4,074.32	£35,310.78
Bruce Grove Snooker Hall & Banqueting Suite (BG3)	£4,664.84	£40,428.59
Tottenham Police Station & Reynardson Court (TG3)	£4,880.14	£42,294.57
Red House, West Green Rd (SA58)	£5,558.05	£48,169.73
L/b Seven Sisters Road & Tewkesbury Road (SA35)	£8,559.00	£74,178.00
Constable Crescent (TH13)	£25,205.40	£218,446.80
Vale/Eade Roads (SA33)	£25,376.25	£219,927.50
Tottenham Delivery Office (BG4)	£25,771.50	£223,353.00
Herbert Rd (TH12)	£33,325.80	£288,823.60
18-20 Stoud Green Road (SA37)	£61,776.00	£535,392.00
Gourley Triangle (SS4)	£100,859.53	£874,115.93
Ashley Road North (TH7)	£113,152.95	£980,658.90
Station Interchange (TH2)	£137,772.00	£1,194,024.00
Welbourne Centre & Monument Way (TH10)	£189,000.00	£1,638,000.00
Hale Wharf (TH9)	£339,916.50	£2,945,943.00
Arena Retail Park (SA29)	£364,045.50	£3,155,061.00
Tottenham Hale Retail Park (TH3)	£897,059.68	£7,774,517.22
Total	£2,168,330.71	£18,792,199.50

6.10 The above data is based on “indicative capacities” as used in the preparation of Local Plan policies, and the capacities should be considered as minima. As CIL is a per square metre levy, the revenue will increase proportionally if higher densities are granted.

What can CIL be spent on?

6.11 The CIL Regulations set the context for the spending of CIL funds on infrastructure required to support the development of an area. The CIL Regulations encourage the accumulation of CIL funds into a 'pot'. Unlike other obligations or charges, CIL spending does not need to be directly related to the donor development and can address infrastructure needs in general within the wider area.

6.12 The key points set out by the CIL Regulations and Guidance relating to CIL funding are:

- CIL should be spent on infrastructure including: roads and other transport, schools and other education, community facilities, health, sport / recreation and open spaces;
- The infrastructure funded must support the development of the area;
- It can only be spent on capital projects, although associated revenue spending to deliver the project or to maintain the capital infrastructure item is also permissible;

- CIL can be used to increase the capacity of existing infrastructure or to repair failing infrastructure, if needed to support development; and
- CIL and Section 106 (s106) should not be secured to fund the same infrastructure project.

The Regulation 123 List

- 6.13 Regulation 123 of the CIL Regulations requires charging authorities (the Council) to set out a list of those projects or types of infrastructure that it intends to fund, or may fund, through the levy. Government guidance indicates that this list should be based on the evidence of the infrastructure required that the Council prepared in support of its Local Plan and has relied upon, for the examination of its draft charging schedule, to demonstrate a funding gap that justifies the introduction of the levy on development.
- 6.14 The Council's current Regulation 123 list is set out below and contains project specific infrastructure items taken from the Council's Infrastructure Delivery Plan – the evidence base for the Local Plan of the infrastructure required to support the development and growth planned for therein.

Lordship Lane Recreation Ground Improvements
Down Lane Park Improvements
Bruce Castle Park Improvements
4 Improved Greenway Cycle & Pedestrian Routes
Alexandra Primary School Expansion
Welbourne Primary School Expansion
Bounds Green Primary School Expansion

- 6.15 It is proposed that the Regulation 123 list is revised and, rather than listing specific projects, should set out a list of generic types of strategic infrastructure eligible for CIL funding (as below). This approach is adopted by the majority of boroughs in London and ensures the Council has greater flexibility in allocating CIL funding to the broadest range of strategic infrastructure provision necessary to support development. It also better recognises that development taking place in different parts of the borough are likely to give rise to very different infrastructure needs and that a range of different funding streams may be used to fund these in whole or part, of which CIL may be one option.
- 6.16 In accordance with the CIL Regulations, the revised Regulation 123 List, shown below, will also be subject to public consultation and examination in public.

Haringey CIL funding may be applied in whole or part to the provision, improvement, replacement or maintenance of the following infrastructure:
Educational Facilities
Further Education Facilities
Health and wellbeing Facilities
Parks and Open Spaces
Social and Community Facilities
Transport and Highways (excluding works that area required as part of a development proposal to be secured through a Section 278 Agreement)

Enterprise Space
Sports and Leisure Facilities
Public Realm Improvements
Community Safety Measures
District Energy Network and associated infrastructure
The above list is not in order of priority.
The above list excludes infrastructure projects that are required to make a development acceptable in planning terms in accordance with the planning policies set out in the Council's Local Plan. Whilst CIL will be the Council's main mechanism for securing funding towards the infrastructure that is required to support the cumulative demands from development in Haringey, there will be some instances where individual development gives rise to their own requirements for infrastructure in order to make the development acceptable in planning terms. Such infrastructure will be secured as part of the development through the use of planning conditions or planning obligations. Further details on this approach are set out in the Council's Planning Obligations SPD.
This Regulation 123 list therefore explicitly excludes the provision of infrastructure that is required to make a development acceptable in planning terms and which meets the legal tests of Regulation 122 of the CIL Regulations. Through the publication of this list the Council therefore retains its discretion to negotiate necessary planning conditions and s106 planning obligations to secure such infrastructure.

CIL and Planning Obligations (s106)

- 6.17 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 Planning Obligations SPD setting out what obligations will be collected through s106 and CIL was adopted by the Council in October 2014.
- 6.18 As it is proposed to alter the approach to the Regulation 123 list, it will be necessary to review the Planning Obligations SPD to ensure there is clarity around the Council's expectations for the infrastructure needs of development that will fall to CIL and that which will be secured via s106, eliminating the scope for any potential 'double charging' of developers for the same item of infrastructure. Further updates to the Section 106 SPD will also be made including, for example, updates to the Employment, Skills and Training requirements.

Distribution of CIL funding

- 6.19 As per the CIL Regulations and Guidance, the Local CIL is proportioned and allocated using the following approach:
- 5% is retained by Haringey Council to cover administrative costs (including consultation on the levy charging schedule, the issuing of liability notices, enforcing CIL, legal costs and reporting on CIL activity);

- 15%, known as the Neighbourhood Proportion, is to be spent on neighbourhood projects within the neighbourhood of contributing development (up to a maximum of £100 per existing Council Tax dwelling). In accordance with Regulation 59C, neighbourhood projects can include funding towards:
 - the provision, improvement, replacement, operation or maintenance of infrastructure; or
 - anything else that is concerned with addressing the demands that development places on an area.
 The funding allocation rises to 25% where a Neighbourhood Plan is in place. At the present time, no Neighbourhood Plans have been adopted within Haringey, although the Highgate Neighbourhood Plan is at an advanced stage, and one is being developed in Crouch End;
- 80%, known as the Strategic Proportion, is retained by Haringey Council to allocate to projects in accordance with the Council's adopted CIL Regulation 123 List.

6.20 It is very unlikely that CIL will generate enough funds to completely cover the cost of new infrastructure needed to fully support planned development. As such, there will be competing demands for this funding. With this in mind, it is important to ensure that there are robust, accountable and democratic structures in place to ensure the spending of CIL funds are prioritised in the right way.

6.21 The sections that follow set out the proposed governance arrangements and approach for how decisions will be made on the prioritisation and expenditure of CIL.

Identifying the specific infrastructure projects to be funded by CIL

Strategic Proportion

6.22 It is intended that all allocated spend relating to the Strategic Proportion of CIL will be reviewed by the Council's Capital Board, chaired by the Section 151 officer who will have the authority to make decisions within the key decision threshold and other changes in excess of this will be made by the executive using the same process as for all Capital projects on the Capital programme.

6.23 In preparing the Haringey's Local Plan, that sets out how much and where growth in the borough should be delivered, the Council was required to produce an Infrastructure Delivery Plan (IDP) identifying the infrastructure needed to support planned development. The IDP takes account of the more detailed infrastructure assessments undertaken for areas masterplanned to date by the Council, including Tottenham Hale and High Road West, alongside the investment and delivery plans of our partner service providers, such as TfL & the NHS.

6.24 Within the context of the generic infrastructure types set out in the Regulation 123 list, the IDP will be used as the starting point for the identification of specific infrastructure projects for the strategic proportion of CIL expenditure. It is

intended that the IDP be a 'live' document updated periodically to take account of changes in service provision, funding regimes and new projects. All relevant partner infrastructure providers are engaged in the review process. Work will be undertaken on the current IDP to set out infrastructure provision by Neighbourhood Group area (see paragraph 6.31 below) and a trajectory of short, medium, and longer-term projects, including key trigger points and any mutual dependencies for delivery, including alignment with the Council's Capital Programme.

- 6.25 As a result of the work described above it is intended that the Capital Programme will be refreshed so it is very clear which infrastructure improvements are being funded through CIL. The refreshed plan will be reviewed by the Capital Board and will form part of the annual report to Cabinet to approve the overall Capital Programme.
- 6.26 Where CIL funding is requested for new projects proposals for the use of the CIL will be put forward for comment to the Capital Board using the current processes with prior approval from the Assistant Director Planning and they will then follow the same process as for other Capital projects.

Neighbourhood proportion

- 6.27 Where there is a neighbourhood plan in place, the neighbourhood plan should identify the local neighbourhood projects required to support development proposed by the plan or to give effect to policies/proposals within the plan. Projects eligible for CIL funding should be specifically identified and, where appropriate, projects prioritised (see the assessment criteria for prioritising infrastructure to be funded by CIL set out at paragraph 6.39).
- 6.28 CIL eligible neighbourhood projects could include, for example: road and footpath improvements; tree planting; new or improved play spaces and facilities; community safety measures (e.g. CCTV, lighting); new or improved cycling facilities; traffic calming measures; improvements to school grounds and buildings; and the improvement of local facilities such as libraries, community centres or sports halls. Such projects could be funded in whole or part through CIL receipts.
- 6.29 The Council will cost the eligible neighbourhood projects (including project management costs, contingencies and long-term maintenance provision) and will pool the neighbourhood proportion of CIL receipts raised within the designated neighbourhood area to pay for the items therein, investigating other sources of funding (such as grants and match funding) where possible.
- 6.30 Outside of neighbourhood plan areas, the CIL Regulations allow the Council as Charging Authority to decide what its own bespoke definition of a 'local' neighbourhood area is. As such, the wards in Haringey have been grouped into seven CIL Neighbourhood Groups (see Appendix A) based upon having the same CIL rate and having regard to the broad distribution of growth planned through the Local Plan. This is the approach recommended by Scrutiny in order to streamline the process, provide for a meaningful level of CIL funding to deliver larger projects, and ensure an element of strategic decision making across these seven areas:

- Area 1 – Fortis Green, Alexandra and Muswell Hill
- Area 2 – The areas of Highgate & Crouch End outside of the neighbourhood plan areas, along with Hornsey and Stroud Green
- Area 3– Bounds Green and Wood Side
- Area 4 – Noel Park and Harringay
- Area 5 – White Hart Lane and Northumberland Park
- Area 6 – West Green, St Ann’s and Seven Sisters
- Area 7 – Tottenham Green, Bruce Grove and Tottenham Hale

- 6.31 Supported by officers, ward members will play a key role in consulting with the local communities to identify the local neighbourhood projects that could fall to the Neighbourhood Proportion of CIL to fund in whole or part.
- 6.32 A formal consultation process will be undertaken in each Neighbourhood Group area, commencing in April 2017. In addition to asking for potential specific projects, the consultation will ask people to indicate a priority by broad infrastructure type (i.e. transport, public realm, education, health, community safety, open space, culture and leisure). This information will assist in establishing the priority to be assigned to the specific neighbourhood projects identified.
- 6.33 The proposed list of local neighbourhood projects will then be reviewed by the Planning team to ensure the projects are those eligible for CIL funding. Once the list of neighbourhood projects has been established for each area, officers will cost the projects, will complete a proforma for each, and will prioritise CIL expenditure having regard to the feedback from consultation and the assessment criteria. The final neighbourhood project lists and accompanying proformas and assessments will be published on the CIL pages of the Council’s website.
- 6.34 Depending on the outcomes from the consultation and the scope and nature of the neighbourhood projects to be advanced, it may be appropriate to introduce a threshold (e.g. £50,000) to delineate between smaller and larger projects, with the Neighbourhood Proportion of the CIL apportioned on a 40:60 basis to fund the different projects over different timeframes. Decisions on use of the neighbourhood portion for projects under £50,000 will be delegated to the Assistant Director of Planning and where necessary will follow the same process as the Capital Programme projects. Projects over this value will need to be reviewed by the Capital Board and then be authorised through the Capital Programme process.
- 6.33 The Council will then pool the Neighbourhood Proportion of CIL raised from development within the Neighbourhood Group area until such time as the required level of funding is achieved when arrangements will be made to release the CIL monies and deliver the specific project.
- 6.34 Consultation with the community within each CIL Neighbourhood Group will be undertaken every two to three years to ensure the projects and priorities are still the most relevant to the local community.

The proforma

6.35 As with all projects on the Council's capital programme, projects identified to be funded by CIL, will need to be accompanied by a standardised proforma setting out the following:

- The scope of the project;
- Outline business case;
- The overall cost and outline breakdown of costs;
- The timetable for delivery of the project;
- Who will the project be delivered by;
- The public benefits of the project;
- How the scheme will support the development of the neighbourhood area;
- What other funding sources have been identified/explored;
- Arrangements for ongoing maintenance if any; timescale;
- Details of consultation - level of stakeholder support;
- A determination as to any potential State Aid issues.

6.36 As set out above neighbourhood spend under £50,000 can be agreed by the Assitant Director, Planning and where necessary will follow the same process as the Capital Programme projects . Projects over this value will need to be presented to the Capital Board for review and agreed through the Capital Programme process.

Prioritising the infrastructure projects to be funded by CIL

6.37 Strategic infrastructure and neighbourhood projects identified for the allocation of CIL spend will be assessed against the following set of guiding criteria and will be justified and prioritised accordingly:

- a. The proposed project has the support of the service provider or operator;
- b. The use of CIL funding is necessary as no alternative funding sources are available to deliver the proposed infrastructure, including funding that may be made available in a later funding period (the exception is where there is an urgent need for the infrastructure and the Council can secure the CIL funds to be reimbursed at specified later date);
- c. The proposed infrastructure will promote a sustainable form of development and will not give rise to local impacts;
- d. The use of CIL funding can help to optimised the delivery of identified infrastructure through the ability to leverage other sources of funding, such as match or gap funding, or to reduce borrowing costs;
- e. The use of CIL funding can provide additionality to a capital infrastructure project that maximises the benefits of the parent project where mainstream funding does not provide for this;
- f. The use of CIL funding can increase the capacity of existing strategic infrastructure;
- g. The use of CIL funding can help to deliver coordinated improvements within the area;
- h. The use of CIL funding can help to accelerate the delivery of regeneration initiatives;
- i. The use of CIL funding will help further sustainable economic growth for the benefit of the area or the borough;

- j. The proposed infrastructure is of a sufficient scale or scope so as to positively impact the local area;
- k. The proposed infrastructure can be delivered within 24 months of authorisation;
- l. The use of CIL funding represents value for money and will not give rise to long-term liabilities that place a financial burden on the service provider or operator.

6.38 The more criteria met, the greater the priority the CIL funding project will receive.

The decision making process

6.39 Similar to existing s106 arrangements, it is recommended that Officers in the Planning team manage both the Strategic and Neighbourhood Proportion of CIL with recommendations for the Strategic portion, and recommendations for the neighbourhood portion over £50,000 going to Capital Board for review and going through the Capital Programme authorisation process. This includes consultations, the receipt of infrastructure proposals, assessments, recommendations for priorities, monitoring of delivery, auditing and reporting.

6.40 This approach is particularly relevant to the Strategic Proportion of CIL, ensuring that, through the assessment and negotiation of individual strategic planning applications, the infrastructure needs of both the development site and the wider area can be coordinated. It will also enable the consideration of whether the identified strategic infrastructure to be funded by CIL, can be delivered by a developer as 'works in kind'. Such arrangements are both cost effective and ensure the timely delivery of necessary infrastructure, including that to be delivered via S106 or other obligations, to support the development.

6.41 The subsequent disbursement of CIL expenditure following Capital Board review will be authorised by the Assistant Director of Planning, and where necessary will follow the same process as the Capital Board .

Reporting

6.42 C IL spend will be reported through the Capital Programme Board monitoring and reporting processes. Outstanding liabilities and expenditure will also be reported within the Authority's Monitoring Report, which is reported to the Regulatory Committee and Cabinet and published annually. This follows the existing reporting procedures for s106. Where necessary, updates as to the status of large contributions, such as those linked to major development, can be provided on request.

Accounting for CIL

6.43 In order to meet the Council's accounting obligations and to ensure efficient oversight of budget setting, all capital expenditure including CIL funded projects, must be recorded as part of the Council's medium term financial plan.

Next steps in Amending the CIL Charging Schedule and the Regulation 123 List

6.44 There are two public consultation stages, and an Examination in Public by an independent inspector in the preparation of a CIL charging schedule. The proposed timeframe to carry out the CIL review is set out below.

Table 2: Milestones in preparation of amendments to the Haringey CIL	
Task	Completion Date
Preliminary Draft Charging Schedule approved by Cabinet	January 2017
Preliminary Draft Charging Schedule consultation	February-March 2017
Draft Charging Schedule and updated Planning Obligations SPD approved by Cabinet	April 2017
Draft Charging Schedule and updated Planning Obligations SPD consultation	April-May 2017
Submission to the Planning Inspectorate	June 2017
Examination in Public	August 2017
Received Inspectors Report	September 2017
Cabinet meeting to recommend adoption of CIL Charging Schedule & adopt Planning Obligations SPD	November 2017
Adoption of CIL Charging Schedule at Full Council	December 2017
Implementation of Haringey CIL	1 st January 2018

6. Contribution to strategic outcomes

- 7.1 Priority 4: Drive Growth from which everyone can benefit. By amending the CIL rate upwards, CIL receipts will be increased as a source of funding for local and strategic infrastructure projects.
- 7.2 Priority 5: Create homes and communities where people choose to live and are able to thrive. By amending the CIL rate, increased revenues will be made available to fund local and strategic infrastructure projects which will ensure that the necessary infrastructure is provided to make Haringey's places

7. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1 In June 2016 Cabinet approved a 10-year capital strategy and there were a number of infrastructure projects within this strategy which it was anticipated will be funded from the strategic element of the Haringey CIL. This reduces the Council's underlying need to borrow to fund its capital infrastructure programme.
- 8.2 Any new schemes, which it is anticipated will be funded from CIL, will need to follow the same approvals and monitoring processes as outlined in the Council's standing orders and financial regulations in relation to capital expenditure.

- 8.3 This will ensure that CIL infrastructure schemes are fully aligned with the Council's core capital investment programme, affordability is properly considered and appropriate financial controls are in place.
- 8.4 It is understood that the neighbourhood element could be utilised in a number of ways e.g. the Council delivering an infrastructure project itself or by passing monies to an organisation to deliver the scheme. Again, the normal Council approvals and monitoring processes should be followed as above.

Legal

- 8.5 As set out in the CIL Regulations when setting rates in a charging schedule the Council must strike an appropriate balance between the desirability of CIL funding the actual and estimated costs of infrastructure required to support development (taking into account other actual and expected funding sources) and the potential effects of CIL on economic viability in its area.
- 8.6 The process for revising a charging schedule is as set in the report and follows the CIL Regulations. This includes: preparing a draft charging schedule for consultation; publication of the draft charging schedule; submitting it together with a statement of representations received to an independent examiner for the holding an examination in public of the draft charging schedule; having regard to and publishing the examiner's recommendations; and then if applicable, to approve the charging schedule at a meeting of the Council and publish and give notice of the approved charging schedule.
- 8.7 There is no such set process for revising the Regulation 123 list but the Government's Planning Practice Guidance states that the changes should be clearly explained and subject to appropriate local consultation.
- 8.8 Apart from the approval of the charging schedule all other governance arrangements are executive functions and can be allocated and delegated as appropriate and in accordance with the Council's Constitution.

Equalities

- 8.9 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:
- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.
- 8.10 An Equality Impact Assessment will be undertaken and accompany final decisions (expected December 2017) on Haringey's Community Infrastructure

charging schedule, updated Regulation 123 list of infrastructure and proposed governance arrangements.

- 8.11 The consultation on the draft proposals will help inform this EqIA and the final recommendations. We will engage with a wide range of people and stakeholders during the consultation process, including those that share protected characteristics.

9. Local Government (Access to Information) Act 1985

Existing CIL Charging Schedule

<http://www.haringey.gov.uk/planning-and-building-control/planning/planning-applications/pre-application-guidance/community-infrastructure-levy-cil>

Infrastructure Delivery Plan

Scrutiny Panel Report on CIL Review

<http://www.haringey.gov.uk/planning-and-building-control/planning/planning-applications/pre-application-guidance/community-infrastructure-levy-cil>