

Report for: Housing and Regeneration Scrutiny Panel – 7th March 2017

Title: Community Infrastructure Levy – Governance Arrangements

Report authorised by: Emma Williamson Assistant Director – Planning

Lead Officer: Matthew Patterson, Head of Strategic Planning & Policy

Ward(s) affected: ALL

**Report for Key/
Non Key Decision:** N/A

1. Describe the issue under consideration

- 1.1 On 3rd December 2015, the Housing and Regeneration Scrutiny Panel (HRSP) conducted a review of the Haringey Community Infrastructure Levy, with a specific focus on governance arrangements needed to support allocation of receipts from the Community Infrastructure Levy to local neighbourhoods (the neighbourhood CIL). The panel conducted this review through a ‘scrutiny in a day’ format at a session with local stakeholders, including representatives from the development industry and members of the Highgate and Crouch End neighbourhood forums.
- 1.2 This report provides an update on actions that were agreed by Cabinet on 17th May 2016 (attached at **Appendix 1**) in response to implementing the recommendations of the HRSP.

2. Recommendations

- 2.1 The Housing and Regeneration Scrutiny Panel is asked to note the progress made to date in achieving the recommendations agreed by Cabinet (attached at **Appendix 1**).

3. Reasons for decision

- 3.1 N/A

4. Alternative options considered

- 4.1 N/A

5. Background information

- 5.1 Haringey’s Community Infrastructure Levy (CIL) was introduced in November 2014. As at December 2015, the Council had collected almost £1.4m in CIL and had issued liability notices for £11.4m. By 2017/18, it is expected that CIL income will average around £2m per annum. Receipts from CIL are to be used to support wider community infrastructure needs in the locality of the new development.
- 5.2 Whilst there is guidance to support the disbursement of funds from the strategic element of CIL income (approximately 80% of receipts), guidance for the distribution of

the neighbourhood element (15%) is much less defined. The HRSP review of CIL was established to identify the principles and practices that the Council should consider for the governance and administration of the neighbourhood proportion of CIL. This included:

- Assessing the national and local policy framework for the collection and allocation of CIL receipts;
- Assessing policy and practice at early CIL adopter London Boroughs to help identify good practice;
- Identifying key principles and practice that should underpin governance arrangements for distribution of neighbourhood element of the CIL, particularly in relation to how community infrastructure projects are identified, prioritised and authorised;
- Assessing what arrangements should be in place to further support the distribution of CIL receipts in areas where Neighbourhood Forums are present;
- Assessing how the allocation neighbourhood CIL receipts can maximise opportunities for improving local infrastructure through alignment with other funding programmes both internal and external to the Council.

5.3 In responding to these objectives the panel collated evidence from a wide range of interests including:

- Local council officers (Planning, Finance)
- The Planning Officers Society
- Other local authorities
- Local Neighbourhood Forums
- A developer.

5.4 On the evidence received, the panel made 13 recommendations, all of which were either agreed or partially agreed by Cabinet (see **Appendix 1**).

6. Update on recommendations

6.1 Work has commenced on reviewing the Haringey CIL charging schedule in accordance with recommendation 1. A report to Cabinet (24th January 2017) presented viability evidence that supported only an increase in CIL rates 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 has therefore been agreed.

6.2 With respect to the remaining recommendations (2-11), the Cabinet report of 24th January set out proposed governance arrangements for the spending of the neighbourhood portion of CIL receipts, including:

- The grouping of wards into seven CIL Neighbourhood Areas;
- That, where there is a neighbourhood plan, the neighbourhood plan will set out the local infrastructure proposed to be funded by CIL and will indicate the priority to be accorded to the individual projects listed therein
- That in 2017, consultation will be undertaken for each of the seven CIL Neighbourhood Areas with the local community to identify the specific infrastructure

projects that may be funded by CIL and the priority that should be accorded to each;

- The proforma and criteria that the Council will use to help assess individual projects for funding through the neighbourhood portion of CIL, which includes the ability to leverage additional funding and delivery arrangements; and
- The listing of projects for funding through the neighbourhood portion of CIL for each CIL Neighbourhood Area, as well as the reporting of CIL receipts and liabilities for each Neighbourhood Area, to be provided through the annual Authorities Monitoring Report and on dedicated Council web pages.

6.3 The proposed governance arrangements outlined above are to be the subject of public consultation over February – May 2017. The details in respect of progress by recommendation are set out at Appendix 1.

7. 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 ensuring local communities benefit from growth and development.

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 sustainable.

8. Use of Appendices

Appendix 1 – Response by the Planning Service to the HRSP recommendations

9. Local Government (Access to Information) Act 1985

Haringey CIL Charging Schedule <http://www.haringey.gov.uk/planning-and-building-control/planning/planning-applications/pre-application-guidance/community-infrastructure-levy-cil#cil-charging-schedule>

Community Infrastructure Levy Report to Cabinet 24th January 2017
<http://www.minutes.haringey.gov.uk/documents/s90555/CIL%2024.01.2017%2018.05.pdf>

Appendix 1: Recommendations

| Recommendation from Scrutiny Review | Draft response (Agreed / Not agreed / Partially agreed) | Who & when | Update – Current Progress – February 2017 |
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| <p>1. In light of significant increases in both land values and house price sales since the last viability assessment in 2013, and to ensure that CIL remains an effective and efficient process through which to resource local infrastructure, it is recommended that the Haringey CIL Schedule should be reviewed during 2016.</p> | <p>Agreed The service has made a bid for funding to secure the necessary evidence assessments and make provision for examination of the new Charging Schedule and Infrastructure Delivery Plan.</p> | <p>Cabinet Member for Planning and Head of Planning Policy End of December 2016</p> | <p>Tender issued in September 2016. BNP Paribas commissioned and Viability Assessment Report received December 2016. Partial Review of Haringey CIL Schedule agreed by Cabinet at its meeting of 24th January 2017. Preliminary Draft Charging Schedule to be subject to public consultation for six weeks from the end of February 2017.</p> |
| <p>2. It is important that Councillors, community groups, Neighbourhood Forums, and other community stakeholders have a clear understanding of the prospective income derived from the CIL and how this is apportioned to local areas (as defined in recommendation 3). It is recommended that both accrued and (where possible) projected income from the CIL for each area is published annually to support community infrastructure planning and development.</p> | <p>Agreed. Information on CIL income is included in the Authority's Monitoring Report (AMR) This will be revisited to include cautious forecasts based upon new developments likely to commence in the year ahead.</p> | <p>Cabinet Member for Planning and Head of Planning Policy The AMR is produced in December each year and published on the Council's website.</p> | <p>2015/16 ARM to be reported to Cabinet in March and includes CIL income received and liabilities issued by CIL Neighbourhood Group Area.</p> |

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| <p>3. To ensure a fair distribution and to minimise associated administrative costs, it is recommended that the neighbourhood proportion of CIL income (outside neighbourhood forum areas) is apportioned to an amalgam of local wards rather than individual wards. It is suggested that in total, no more than 6-7 local areas are used for this purpose.</p> | <p>Agreed The service will seek to identify ward clusters for the consultation with Ward members as part of the new governance structure to be implemented.</p> | <p>Cabinet Member for Planning, Head of Planning Policy and Wards Members Commence October 2016</p> | <p>Cabinet, at its meeting of 24th January 2017, agreed draft governance arrangements that included the grouping of wards into seven CIL Neighbourhood Group Areas. This proposed arrangement will be subject to public consultation over February – April 2017.</p> |
| <p>4. Community priorities for spending the neighbourhood element of the CIL should be identified through a borough wide consultation¹. This consultation should be multi-format and be sufficiently comprehensive so that analysis can determine priorities of individual areas (as defined in recommendations 3). Priorities for each area should be published and used to inform subsequent assessment and prioritisation of proposed projects for community infrastructure. (This should be repeated every 2-3 years).</p> | <p>Agreed. The format for consultation (except where a neighbourhood plan is in preparation) should focus around the Council's capital programme (and the Infrastructure Delivery Plan, informed by evidence based studies underpinning new planning policy documents. The priorities will be reported through the Authority's Monitoring Report.</p> | <p>Cabinet Member for Planning, Head of Planning Policy and Communications Team. End of December 2016 in line with consultation on the revised Charging Schedule.</p> | <p>Following consultation in February – April 2017 on the draft governance arrangements for the spending of the Neighbourhood Portion of CIL, further consultation will be undertaken with the local communities about their priorities within each CIL Neighbourhood Group Area – this is programmed to commence in April 2017</p> |
| <p>5. Following community consultation to identify priorities, members, community groups, local residents, local businesses and other community stakeholders should be encouraged and supported to nominate</p> | <p>Agreed The Council envisages an online process for nominations with appropriate web form.</p> | <p>Cabinet Member for Planning, Head of Planning Policy, Communications Team and Web Team</p> | <p>There has been no action taken to date on a 'call for nominations' as this will following confirmation of neighbourhood priorities.</p> |

¹ Excepting Neighbourhood Plan Areas, which will have their own consultation and involvement plans;

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| <p>local infrastructure projects for funding through the neighbourhood portion of the CIL. Such proposals should aim to outline how the proposed community infrastructure:</p> <ol style="list-style-type: none"> i. Match the local priorities (established in recommendation 4); ii. Supports further growth; or iii. Mitigates the impact of development in a local area. <p>6. To reduce associated costs, it is recommended that the consideration, authorisation and monitoring of community infrastructure projects funded through the neighbourhood portion of the CIL is undertaken through an existing council body. This body should:</p> <ul style="list-style-type: none"> ▪ Include representation from members and officers; ▪ Should be open to public attendance (e.g. a meeting held in public); ▪ Publish details of those proposals which have been approved. <p>7. It is likely that the project proposals will exceed neighbourhood CIL funds available (particularly in the short term), it is therefore recommended that the Council establish set of criteria through which the body identified in recommendation 6 assesses and prioritises those projects to be authorised. It is recommended that the prioritisation criteria should include:</p> <ol style="list-style-type: none"> I. The degree to which proposals can | <p>Partly Agreed. The most suitable body to consider such requests will need to be subject to further consideration and review having regard to the Council's standing orders. Cabinet is therefore likely to be the responsible body due to the infrastructure spend being greater than £500K pa.</p> <p>Partly Agreed. Recommendations I, II, IV, V, VI, VII, and VIII accepted. The impact upon revenue funding should be a consideration but, in certain cases, impact upon revenue may be inevitable for works in the public realm.</p> | <p>February 2017</p> <p>Head of Planning Policy and Democratic Services in consultation with SLT</p> <p>February 2017</p> <p>Cabinet Member for Planning, Head of Planning Policy, Finance and Procurement teams</p> <p>March 2017</p> | <p>However, the draft governance arrangements agreed by Cabinet at its meeting of 24th January included both a standardised proforma and set of guiding criteria that the Council would use to assess nominations. These will be subject to consultation over February – April 2017.</p> <p>It was proposed in the Cabinet report (24th January 2017) that the Council's Capital Programme Board would scrutinize CIL bids and report these to Cabinet for approval in the forthcoming year's programme.</p> <p>The draft governance arrangements agreed by Cabinet at its meeting of 24th January included both a standardised proforma and set of guiding criteria that the Council would use to assess projects for use of CIL funding. These include the criteria listed in the</p> |
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| <p>be used to lever in additional investment (e.g. match funding, grants, or used to bid for funds for larger projects);</p> <p>II. Whether further investment in local infrastructure can be secured from the proposal to create a virtuous circle of investment and development.</p> <p>III. That proposals should have no revenue implications to the Council;</p> <p>IV. The level of member and community support for the proposal (all proposals should have as a minimum 2 members to support);</p> <p>V. That the proposal should be of sufficient scale for local impact, that is, there should be a minimum threshold for projects of £2,500 with no maximum;</p> <p>VI. If the proposal can be demonstrated to compliment and support other discretionary funding projects – e.g. Ward budgets.</p> <p>VII. Those projects which are agreed are completed within 18-24 months of authorisation</p> <p>VIII. The degree to which the project represents value for money.</p> <p>8. Given the community leadership role of elected members, it is recommended that local councillors should be encouraged and supported to play an active role in the operation of the neighbourhood CIL fund through:</p> <ul style="list-style-type: none"> ▪ Ensuring local residents, community | <p>Agreed.</p> <p>The planning and communications teams will seek to support members in this role through updated web pages and materials as appropriate.</p> | <p>Head of Planning Policy, Communications Team and Democracy Services, with assistance of Web Support</p> <p>February 2017</p> | <p>recommendation alongside others. Both the proforma and assessment criteria will be subject to consultation over February – April 2017.</p> <p>Following consultation in February – April 2017 on the draft governance arrangements for the spending of the Neighbourhood Portion of CIL, further consultation will</p> |
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| <p>groups and other groups participate in borough-wide consultation to identify local infrastructure priorities;</p> <ul style="list-style-type: none"> ▪ Identifying and preparing proposals for local community infrastructure projects (either directly themselves or supporting other proposals from other stakeholders); ▪ Engaging in dialogue with neighbouring CIL areas, or wards and Neighbourhood Forums to help identify shared community infrastructure priorities and projects to take forward; ▪ Championing agreed community infrastructure projects in their CIL area. <p>9. In anticipation of continuing and accruing income to the neighbourhood CIL, it is recommended that the authorisation process ensures that there is a 'pipeline' of approved community infrastructure projects so that there is continuity in the use of funds (e.g. in case of project delay/failure).</p> <p>(i) Whilst CIL receipts cannot be directly</p> | <p>Agreed.</p> <p>The Council should aim to over-programme spend to provide for slippage and delay in project delivery. Support may also be required around project delivery – against which the planning service will need to engage further resources (The LPA will seek to ensure that this additional costs falls within the provisions allowed for in the CIL regulations).</p> <p>Agreed.</p> | <p>Head of Planning Policy, and Finance and Procurement</p> <p>March 2017</p> <p>Head of Planning Policy,</p> | <p>be undertaken with the local communities about their priorities within each CIL Neighbourhood Group Area – this is programmed to commence in April 2017. It is expected that ward members will take an active role in the engagement with local communities as part of this consultation.</p> <p>Following consultation in February – April 2017 on the draft governance arrangements for the spending of the Neighbourhood Portion of CIL, further consultation will be undertaken with the local communities about their priorities within each CIL Neighbourhood Group Area. It will be possible at that time to know whether the priority list of projects exceeds likely CIL funding within each area and by how much, and will inform the final list of project to take forward for future funding.</p> <p>The proposed governance</p> |
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| <p>released to Neighbourhood Forums, the panel recommends that processes for determining and prioritising the neighbourhood proportion of the CIL spend in these areas should be devolved to these bodies. It is recommended that the Council should continue to consult and liaise with NHF leads to ensure that there is a satisfactory process through which:</p> <ul style="list-style-type: none"> ▪ Local residents are engaged and involved in the identification of community infrastructure projects in the neighbourhood forum area; ▪ There is a mutually agreed procedure through which the delivery of community infrastructure projects are agreed, monitored and overseen in the neighbourhood forum area; ▪ There is appropriate dialogue with adjacent CIL areas (wards) to identify common community infrastructure priorities or projects. <p>(ii) As Neighbourhood Plans are not defined by borough boundaries, the panel recommended that the Council should continue to liaise and consult with those boroughs where a Neighbourhood Plan overlaps to ensure where possible that there is a consistent and coordinated approach to the administration of the CIL.</p> <p>10. The panel recognise that efficient, cost effective and timely 'build-out' of authorised community infrastructure projects is</p> | <p>HNF will be encouraged to set out local CIL projects and to prioritise these in the draft and final Neighbourhood Plan. The process for authorising expenditure should include consideration of the extent to which the Neighbourhood Forum fulfilled the requirements set out with discretion to withhold funds where the process has clearly not been followed appropriately. .</p> <p>Agreed. Haringey and Islington already engage regularly in respect of Highgate. Islington has approached the matter of CIL spend differently.</p> <p>Agreed. The service will explore how this might be facilitated by enhancing the existing</p> | <p>and Finance and Procurement</p> <p>March 2017</p> <p>Cabinet Member for Planning, Divisional Director of Planning and Head of Planning Policy,</p> <p>February 2017</p> <p>Head of Development Management, Communications and</p> | <p>arrangements set out in the report to Cabinet of 24th January, clarifies that, where there is a neighbourhood plan, the plan should set out the infrastructure that CIL funding should help deliver and the priority to assign to each neighbourhood project.</p> <p>The approach set out above has been agreed through consultation on the Highgate Neighbourhood Plan with Camden Council. There are currently no other neighbourhood plans being progressed in Haringey that cross the borough boundary.</p> <p>Following consultation in February – April 2017 on the draft governance</p> |
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| <p>important to help build and maintain community trust and confidence in the CIL. In this context it is recommended that:</p> <ul style="list-style-type: none"> ▪ The Council publish local CIL priorities and authorised projects proposals to help engage and involve a wide range of possible providers (voluntary and community groups, resident groups and developers) to help secure timely and efficient completion of community infrastructure projects; ▪ Given their skills and expertise in delivering infrastructure, local developers should be encouraged to play a role in the delivery of community infrastructure projects (e.g. where appropriate, local developers could be invited to pay CIL receipts 'in-kind' by helping to build out identified community infrastructure projects, rather than cash payments). | <p>web pages. Consideration will be given to specific branding to enable the identification of CIL funding projects on the ground.</p> <p>Partly agreed. The role of developers in delivery will need to be clearly defined.</p> | <p>Procurement team</p> <p>March 2017</p> <p>Head of Planning Policy, Head of Development Management, and Procurement team</p> | <p>arrangements for the spending of the Neighbourhood Portion of CIL, further consultation will be undertaken with the local communities about their priorities within each CIL Neighbourhood Group Area. The intention is that the outcomes from that consultation (i.e. the priorities for each area) will be published on the Council's website on a dedicated neighbourhood CIL page.</p> |
| <p>11. To promote community participation and openness, it is recommended that a dedicated Neighbourhood CIL web page is provided on the Council web site that includes:</p> <ul style="list-style-type: none"> ▪ An overview of the neighbourhood CIL, income and how decisions are made to authorise community infrastructure projects; ▪ Details of community consultations relating to CIL and how local people can be involved; ▪ Provide illustrative examples of community infrastructure projects and how members of the local community can | <p>Agreed. The Council already has a web page dedicated to CIL. This can be expanded as the CIL is reviewed and developed.</p> | <p>Head of Planning Policy and Web Team</p> <p>March 2017</p> | <p>No progress has yet been made in expanding the existing CIL website page to include neighbourhood areas. This is currently programmed for later in the year following consultation on the governance and prioritising spend arrangements</p> |

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| <p>make their own suggestions for community for projects in their area;</p> <ul style="list-style-type: none"> ▪ Details of those community projects which have been authorised for implementation; ▪ Links to local Neighbourhood Forums that may operate different consultation and involvement processes in deciding how community CIL may be spent. <p>12. To support effective development, it is recommended that an annual report is provided to Overview & Scrutiny Committee on the administration of the CIL neighbourhood fund. Scrutiny input should aim to provide strategic oversight of the CIL neighbourhood fund to:</p> <ul style="list-style-type: none"> ▪ Ensure that consultation processes are adequate; ▪ Decision making processes are open and transparent; ▪ There is sufficient project monitoring and evaluation of those projects authorised. | <p>Noted and agreed. This could be supplemented with the annual Authority's Monitoring Report and the web pages in order to reduce the impact upon the resource requirements and duplication of activity.</p> | <p>Cabinet Member for Planning, Divisional Director of Planning and Head of Planning Policy</p> <p>In line with reporting on the AMR.</p> | <p>This CIL update report is the first of the annual reports to the Overview and Scrutiny Committee. The 2017/18 report will likely include much more information as the changes to the Charging Schedule will have been through examination, the governance arrangements formalised, agreed and implemented, and consultation with the community undertaken on the priorities for each CIL neighbourhood area.</p> |
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