

## **NOTICE OF MEETING**

# **HOUSING AND REGENERATION SCRUTINY PANEL**

**Tuesday, 15th January, 2019, 6.30 pm - Civic Centre, High Road,  
Wood Green, N22 8LE**

**Members:** Councillors Dawn Barnes, Isidoros Diakides, Ruth Gordon (Chair),  
Bob Hare, Yvonne Say, Daniel Stone and Sarah Williams

Quorum: 3

### **1. FILMING AT MEETINGS**

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### **2. APOLOGIES FOR ABSENCE**

### **3. URGENT BUSINESS**

The Chair will consider the admission of any late items of urgent business (late items will be considered under the agenda item where they appear. New items will be dealt with as noted below).

#### **4. DECLARATIONS OF INTEREST**

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct.

#### **5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

To consider any requests received in accordance with Part 4, Section B, Paragraph 29 of the Council's Constitution.

#### **6. MINUTES (PAGES 1 - 8)**

To approve the minutes of the previous meeting.

#### **7. Q&A - CABINET MEMBER FOR HOUSING & ESTATE RENEWAL**

An opportunity to question the Cabinet Member for Housing & Estate Renewal, Cllr Emine Ibrahim, on developments within her portfolio.

#### **8. CAPITAL BUDGET**

Report to follow.

This item is to provide additional details on the capital budget proposals for scrutiny.

#### **9. COMMUNITY INFRASTRUCTURE LEVY (CIL) OVERVIEW (PAGES 9 - 24)**

To provide the panel with an overview of the Community Infrastructure Levy including the charging schedule, funds collected and funds spent.

#### **10. NEW ITEMS OF URGENT BUSINESS**

To consider any items admitted at item 3 above.

## **11. DATES OF FUTURE MEETINGS**

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Monday, 07 January 2019

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**MINUTES OF THE MEETING OF THE HOUSING AND  
REGENERATION SCRUTINY PANEL HELD ON MONDAY, 17TH  
DECEMBER, 2018, 6.30 - 10.10 pm**

**PRESENT:**

**Councillors: Dawn Barnes, Isidoros Diakides, Ruth Gordon (Chair),  
Bob Hare, Yvonne Say and Daniel Stone**

**26. FILMING AT MEETINGS**

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein'.

**27. APOLOGIES FOR ABSENCE**

Apologies for absence had been received from Cllr Sarah Williams.

**28. URGENT BUSINESS**

None.

**29. DECLARATIONS OF INTEREST**

None.

**30. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None.

**31. MINUTES**

In relation to the action point in the minutes about anti-social behaviour on the Love Lane estate it was noted that the response from Sean McLaughlin, Managing Director of Homes for Haringey, had said that Estates Watch system [involving a high-spec CCTV and intercom system in the communal areas of the blocks to monitor problems, speak directly to perpetrators and direct police] would be rolled out from April 2019.

However, Cllr Barnes said that the reports of anti-social behaviour were continuing and suggested that the Safer Neighbourhood Team should be involved to support residents during the winter months.

In relation to the item in the minutes on the Tottenham and Wood Green landowner forums, Peter O'Brien, Assistant Director for Area Regeneration, reported that a paper had been submitted to a meeting of the Housing & Regeneration sub-group on 4<sup>th</sup> December. The steer from Members at that meeting was to cease the Tottenham landowner forum and to take more time to consider political representation on the Wood Green landowner forum. Members had been keen to stress that the Borough remained pro-business and wanted to ensure that there are mechanisms and structures for effective engagement with businesses and landowners in line with the draft Borough Plan and the Business Pledge. These proposals remained in draft until such time as the Council's wider approach to business engagement had been established through the Borough Plan process.

In relation to the action point in the minutes about loading bays potentially being placed at the front of retail premises rather than rear access as part of the redevelopment of the Wood Green High Road area, Cllr Adje confirmed that this was indeed the case with minivans used to deliver goods to the High Road, as happens in a similar way elsewhere in London. However, this was predominantly a planning issue and so further questions would need to be directed to those responsible for planning policy.

**AGREED: That the minutes of the Housing & Regeneration Scrutiny Panel meeting held on 15th November 2018 be approved as an accurate record.**

### **32. SCRUTINY OF THE 2019/20 DRAFT BUDGET / 5 YEAR MEDIUM TERM FINANCIAL STRATEGY (2019/20-2023/24)**

Helen Fisher, Director of Housing, Regeneration and Planning, introduced the report on the 2019/20 draft budget and the five-year Medium-Term Financial Strategy (MTFS) for 2019/20 to 2023/24 with a focus on Priority 4 (Economy/Regeneration) and Priority 5 (Housing). The Council's overall proposed budget reductions are £7m in 2019/20 rising to £12.8m by 2023/24 but it is currently estimated that £6.5m of further budget reductions will be required to address the current gap in 2019/20.

The figures for Priorities 4 and 5 are included in Appendix B of the report. This shows a significant drop in the budget for Priority 4 from 2019/20 but this is mainly due to movements out of Priority 4 into Priority 3. It also shows gradual reductions in the Priority 5 budget which is mainly due to savings in the Temporary Accommodation budget. The Priority 4 budget (£4.7m in 2018/19) and Priority 5 budget (£19.8m in 2018/19) combined represents less than 10% of the overall Council budget. The figures from the revised plan are £6.3m for Priority 4 (which comprises of £18.4m of expenditure and £12m of income) and £15.8m for Priority 5 (which comprises of £55.8m of expenditure and £40m of income).

Responding to a query on the overall staffing budget, Helen Fisher agreed to provide further details about this to the panel in writing. **(Action – Helen Fisher)** Overall staff

numbers across the whole directorate is around 240 but this shifts significantly and often involves agency staff for certain functions. A staffing structure chart was circulated to the panel with details of the senior management within the directorate. The directorate was increasingly moving towards a model of bringing in more planning income and external funding to reduce the impact on the General Fund. Peter O'Brien, Assistant Director for Regeneration, said that the regeneration budget was around £3.3m with around £1.7m to £1.8m coming from the General Fund with the rest covered largely by external funding.

On property services, Helen Fisher said that additional agency staff had been brought in to help with ongoing work to meet the increased income target but it would be better to move to permanent posts in this area. Some properties had not had a rent review for 10-15 years so assets owned by the Council are being reviewed and there is a large backlog to work through. This included reviewing the conditions and health and safety compliance of the properties as well as the rent levels. On a query about the void rate and current rental income, Helen Fisher said that this information would need to be provided in writing. **(Action – Helen Fisher)** It would not be possible to provide an estimate of how much additional rental income could be brought in as this would only be known as each property is reviewed. As an example, one recently reviewed property had seen the rent increase by 50%. The impact of rent increases on local businesses also needed to be taken into account. It was expected that the review would be completed within the next year. Policy direction in this area came from the Strategic Property Board which is chaired by Cllr Ejiofor. Cllr Ibrahim said that many of the tenants of these properties are small businesses, sometimes based on council estates with local people relying on their services, so it was important to be cautious as substantial rent rises could make these businesses unviable.

The panel then examined each of the specific budget proposals.

### **EC1 - Carbon Management**

This proposal involves a saving to the General Fund of £60,000 from the Carbon Management Service by using some of the planning income to support this instead. Helen Fisher confirmed that this change would not result in any staff cuts or an increase in the planning fees as it only involves a shift in the source of funds. The risk of not receiving sufficient income through the planning fees was considered to be low.

Asked which part of the planning service would therefore be carrying the subsequent reduction, Helen Fisher said that the income generated was over and above what was required to pay for the planning service so the money was used to support various other services across the Council that support the planning function. Asked about possible funding for tree work from planning fees Helen Fisher said that this is on the agenda to be resolved but no commitment has yet been made.

### **EC2 - Reduction in consultancy budget**

This proposal involves a reduction in the consultancy budget from £250,000 to £175,000. Asked whether there was any scope to bring more of these functions in-

house, Helen Fisher said that the consultancy budget tends to be used for technical specialist advisers. The directorate does not have, for example, architects, people who can do surveys of ground conditions, quantity surveyors or people to do very detailed financial modelling in-house. It would not make sense to employ this range of people full-time so it is necessary to bring these skills in on a case-by-case consultancy basis.

Asked whether there was scope to reduce the consultancy budget further, Helen Fisher said that it was difficult to estimate what skills would be required as part of the forthcoming housing delivery projects. If it is possible and efficient to bring more staff in-house that this would be done. But at present it was not possible to commit to reducing the consultancy budget any further.

Asked why the use of agency staff was not being reduced, Helen Fisher said that the Major Works team and Property team had been over-reliant on agency staff and so staffing restructures were anticipated in January/February in order to obtain more permanent staff. This wouldn't necessarily generate any revenue savings because the Property team is growing and the Major Works team's savings would be capitalised. In relation to the Planning team there is a balance to be struck as having too many permanent staff can be a problem if there are not enough planning applications coming in.

Asked how much is spent on consultants altogether, including those categorised as capital costs, Peter O'Brien said that it would be difficult to say as there are so many different projects ongoing but further details could be provided in writing. **(Action – Peter O'Brien)**

The panel recommended that consideration be given to further reducing consultancy costs and that senior managers should always examine whether functions can be carried out another way rather than through consultants.

### **EC3 - Deletion of senior post**

This proposal involves saving £225,000 by deleting the Director of Regeneration post and streamlining the senior management level. This was Helen Fisher's post but as she is currently acting up as Director of Regeneration, Planning & Development that post is effectively vacant at present.

The panel was provided with a staffing structure chart. Panel members commented that the structure is currently inconsistent with a Director, two Assistant Directors and a Head of Department all on the same second tier level. Helen Fisher said that this proposal was at an early stage and would be tidied up with a flatter management structure but the overall aim was to deliver savings without impacting negatively on any member of staff.



#### **EC4 - Tackling uncrystallised debt**

This proposal involves bringing in more income by tackling uncrystallised debt in the commercial portfolio including from a backlog of outstanding rent reviews and lease renewals. Asked why the agency surveyor that had commenced at the end of June had achieved only two rent settlements, Helen Fisher said that preparation had been started on many others and that good progress was being made overall. A progress update could be provided to the panel in future if required. Asked about underutilised properties in the commercial portfolio, Helen Fisher said that the Council had not historically been as good as it could have been in terms of asset management. The capital programme included some proposals on investing in some of those properties to bring them back into use. This is the start of the process however and so it was not yet possible to give assurances on the level of any future revenue generation. In addition, this is specialist work and the skills in this area difficult to obtain which sometimes leads to reliance on agency staff.

#### **EC5 - Outdoor media advertising**

This proposal involves generating new income through the introduction of outdoor media advertising on the Council's commercial estate. Asked why there was no new income projected for 2019/20, Helen Fisher said that sites were in the process of being identified through a piece of consultancy work and then planning permission and marketing of the sites would be required so this is why there is an anticipated delay. Asked how much other nearby boroughs were able to raise through this kind of work, the consultants would be doing some benchmarking of this as part of their work. It is anticipated that more detail on this would be available by January which could be provided to the panel. **(Action – Helen Fisher)**

Asked why consultants are required for this work, Helen Fisher said that the Property team is small and so it would take some time to be able to get this work done. It was hoped that in future the team would be more geared up to do this kind of work but at the moment this is not the case. Asked about the cost of the consultancy work in this case, Helen Fisher said she would need to find out and provide this information to the panel in writing. **(Action – Helen Fisher)**

Asked whether this approach clashes with the aim of a good local environment without street clutter Helen Fisher said that this is why it is important that the process goes through the planning system. Cllr Barnes said that because of these issues, although achieving income in 2019/20 would be welcome, it is also important not to rush the implementation.

The panel agreed to support the proposal with the recommendations that:

- Consideration is given to whether it would be possible to obtain some revenue in 2019/20.
- Consideration is given to avoiding excessive street clutter when implementing the scheme.

### **HO1 - Temporary accommodation reduction plan**

This proposal involves reducing the current budget of £7.1m for Temporary Accommodation including by increasing the supply of lower-cost temporary accommodation through a new Purchase Repair & Management Joint Venture Partnership. Asked why this involves a partnership, Cllr Ibrahim said that while this is a joint venture it doesn't require the Council to put any land or capital in and allows the Council to have some level of control over the rent levels which are currently very high within the Temporary Accommodation market and the quality of conditions in the accommodation which can sometimes currently be poor.

Asked why Homes for Haringey (HfH) couldn't perform this function independently, Cllr Ibrahim said that this would involve the purchase of properties which HfH wouldn't necessarily have the funds for. Helen Fisher added that there are a number of initiatives here including a Purchase Repair and Management (PRAM) scheme which would involve an external partner buying up properties and carrying out repairs and maintenance while the Council's role is to ensure tenants for these properties. The Council will then own these properties within 30-40 years. However, the recent lifting of the HRA borrowing cap by the government means that there are now more options available to consider. A paper on this would be brought to Cabinet in March. The Community Benefit Society would involve the Council increasing the level of acquisitions and this stock would be managed by HfH. More information could be provided to the panel in future about each of the different models. The Panel agreed that this should be brought back to the panel as a separate future agenda item, perhaps in March. **(Action – Helen Fisher)**

Asked whether the £920,000 saving on Temporary Accommodation budget for 2019/20 could be achieved, Helen Fisher said that the Council was able to use an unallocated portion of the Flexible Homeless Support Grant received from the government but that in the longer-term the initiatives that had been discussed would help to bring the budget down.

### **HO2 – Capitalisation of Development team salary costs**

This proposal involves charging the salaries of development team staff to the HRA rather than the General Fund. This does not represent an actual saving as such, only reduced pressure on the General Fund. It is possible that further staff could be migrated in this way in future. There would still be £764,000 in the budget for development team staff costs but it was not possible to say whether this could be reduced further until it was known what programmes and initiatives would need to be delivered.

### **PL1 – Additional HMO licensing scheme**

This proposal relates to Priority 3 and would therefore be scrutinised by the Community and Environment scrutiny panel, but due to its relevance to housing policy

this had been included in the agenda pack for the Housing & Regeneration scrutiny panel for their comments:

- Panel members generally welcomed the Licensing Scheme as a positive policy aimed at tackling poor quality housing.
- There were mixed comments in relation to the fee levels – one member commented that costs equating to 80p per week per tenant were quite low and questioned whether the fees could be increased. However, other members noted that they understood the intention of the scheme to be cost neutral and aimed at improving housing quality and not to raise funds. Members also questioned whether landlords would end up passing on the cost of the scheme to their tenants.
- Panel members also expressed concerns about displacement. Similar schemes elsewhere had been linked to high levels of evictions and they didn't want to see people in vulnerable circumstances being put into a worse situation as an unintended side-effect. They asked how people in such circumstances would be assessed and supported where necessary.
- Panel members asked whether there were already staff in place to carry out the new work or whether new staff need to be recruited.
- Panel members asked why there was no additional income for 2019/20. The delay to 2020/21 seemed unambitious as earlier implementation and more resources to do this work could generate gains for the Council more rapidly.

### **Capital Schemes**

On the Wood Green Regeneration (Capital Scheme 480), Peter O'Brien commented that this covers a wide range of capital investments in the Wood Green area over several years including on highways, parks, health centre, schools and community infrastructure. The assumption is that this will be funded from various sources including CIL and Section 106 money.

Peter O'Brien said that the Strategic Investment Pot (Capital Scheme 481), related to an external grant for various uses including for a broadband project covering Haringey and other north London boroughs and for the Productive Valley Fund which is similar to the Opportunity Investment Fund but with a focus on the Upper Lea Valley.

Helen Fisher said that the Strategic Property funding (Capital Scheme 482), is a pot of money that had been identified to cover a range of different things including property acquisitions and capital investment into the Council's commercial property portfolio. Each project within this will be subject to a detailed business case.

On the Wholly Owned Company (WOC) (Capital Scheme 512), Helen Fisher said that this was the funding required to establish the WOC and support housing delivery. The amount of funding set out may reduce significantly as the development activity moves into the HRA.

On a query about why the Muswell Hill Flats (Capital Scheme 513), which involved 6 flats being fitted out, were being used for shared ownership and not temporary

accommodation Helen Fisher said that the Council is working with the CCG to open a GP surgery on the ground floor and is currently looking at whether the 6 flats on the upper floors could be used for social rent. The Panel supported the proposal on the condition that the flats were not used for shared ownership.

Panel members commented that insufficient detail had been provided on the capital proposals that involved, in some cases, investment of millions of pounds. Helen Fisher responded that areas such as the Strategic Property funding were part of a long-term strategic approach and therefore information specific acquisitions were not available because they had not happened yet. In addition, individual projects within these allocations would need to go back to Cabinet for approval before they can go ahead.

After some discussion the panel concluded that more detailed information about each of the capital proposals should be brought to the next meeting of the panel for scrutiny on 15<sup>th</sup> January. This could include more information about the sources of the funding and what it would be used for.

**AGREED: That comments on PL1 be passed to the Community & Environment scrutiny panel ahead of its budget scrutiny meeting on 18<sup>th</sup> December.**

**AGREED: That an agenda item for scrutiny of the main Capital schemes for Priorities 4 & 5 be added for the meeting of the Panel on 15<sup>th</sup> January.**

**AGREED: That the panel note the revenue proposals for Priorities 4 & 5 in the 2019/20 Draft Budget and MTFS for 2019/20 to 2023/24 and that a list of recommendations be provided to the Overview & Scrutiny Committee ahead of its meeting on 28<sup>th</sup> January.**

### **33. NEW ITEMS OF URGENT BUSINESS**

None.

### **34. DATES OF FUTURE MEETINGS**

- 15<sup>th</sup> January 2019
- 14<sup>th</sup> February 2019
- 14<sup>th</sup> March 2019

CHAIR: Councillor Ruth Gordon

Signed by Chair .....

Date .....

**Report for:** Housing and Regeneration Scrutiny Panel - January 15 2019

**Title:** CIL and Section 106 Briefing Note Planning Service - January 2019

**Report authorised by:** Helen Fisher, Director- Housing, Regeneration and Planning

**Lead Officer:** Emma Williamson, Assistant Director-Planning, x5507, emma.williamson@haringey.gov.uk

**Ward(s) affected:** All

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

**1. Describe the issue under consideration**

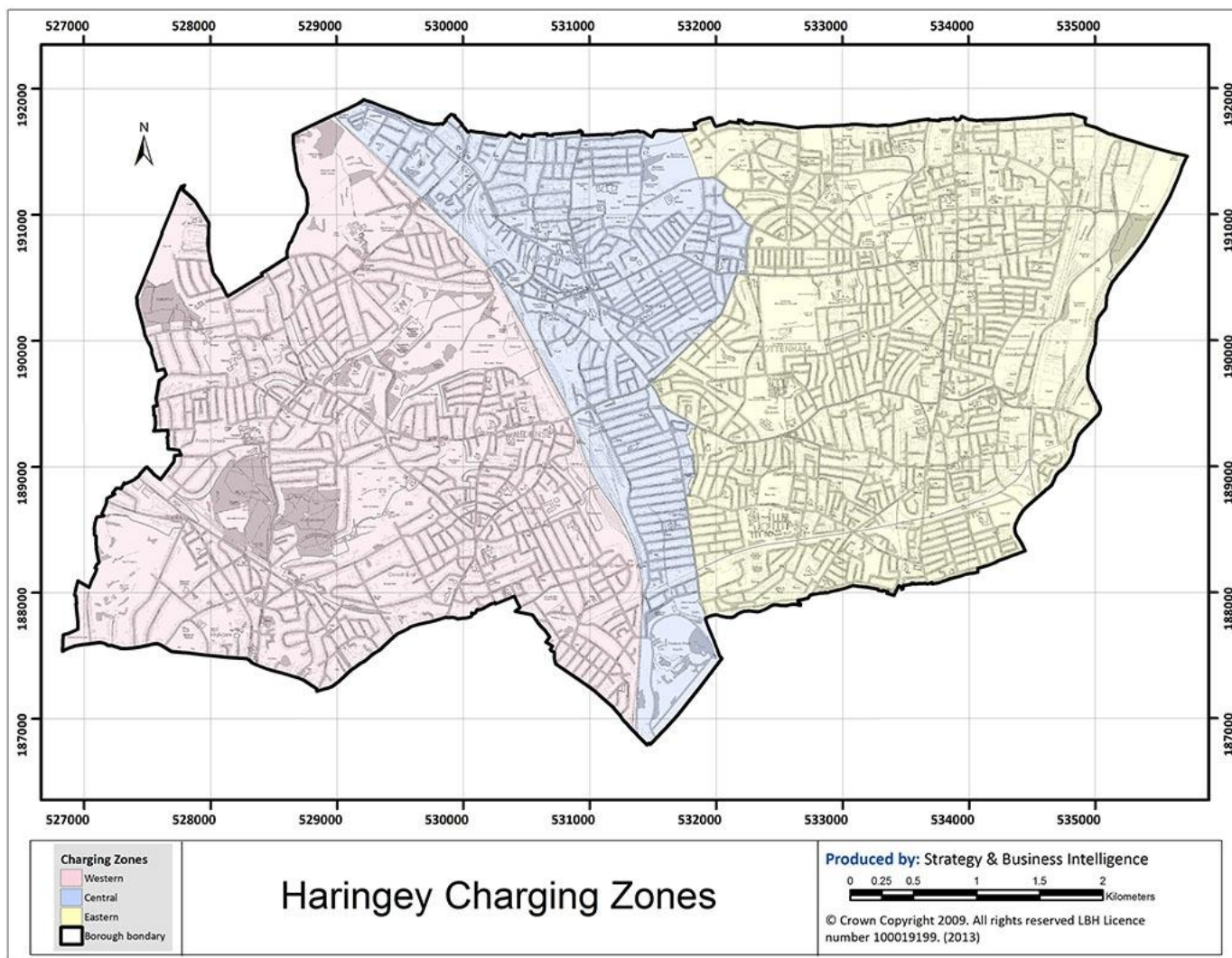
The Assistant Director - Planning was requested by the Scrutiny committee to provide an update on Section 106 and CIL.

**2. Community Infrastructure Levy**

- 2.1 In Haringey a minimum of 19,802 homes are planned to be built and 12,000 new jobs created by 2026. This growth will result in increased pressure on local infrastructure, services and facilities, creating demands for new provision. The Council and developers have a responsibility through the planning process to manage the impact of this growth and ensure that any harm caused by development is mitigated and that the necessary infrastructure is provided.
- 2.2 The Infrastructure required to support this growth has been identified in the Council's Infrastructure Delivery Plan. The Council expects new development to contribute to site related and wider infrastructure needs through a combination of the following mechanisms:
- Planning conditions (site/development related)
  - Planning obligations to secure developer contributions or works in kind eg Section 106 agreements (site/development related)
  - CIL (strategic local and borough-wide infrastructure)

2.3 Haringey introduced its Local CIL in November 2014. The rates are set out below along with the relevant map showing the zones. Note that, in addition to local CIL, Mayoral CIL is also applicable.

CIL Charging Schedule for Haringey				
	CIL charge (£/square metre)			
Use	Western	Central	Eastern	Mayoral CIL
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.				



## CIL Review

- 2.4 An update of Haringey's current CIL was recommended through a 'Scrutiny in a Day' review.
- 2.5 To support the establishment of new CIL rates, a viability evidence base was procured. The original BNP study was borough-wide and concluded that development could not support the existing CIL rates in the western and central zones as a result of inflation and rising build costs. However, the southern part of the eastern zone could support a substantial uplift from £15/sqm (£17.70/sqm with inflation since 2014) to £130/sqm exclusive of Mayoral CIL.
- 2.6 The BNP study concluded that development within the northern part of the eastern zone could not support an increase in CIL rates (i.e. above the existing £60.70/sqm (£15/sqm + £35/sqm + inflation since 2014)).
- 2.7 Directed by the evidence, in preference to reducing the rates in the western and central zones, it was decided to progress with a partial review focused on the eastern zone.
- 2.8 The proposed new CIL rates, a revised Regulation 123 List and proposed CIL governance arrangements were reported to Cabinet in December 2016 and approved for public consultation.

## Consultation

- 2.9 Consultation on the Preliminary Draft Charging Schedule (PDCS) was held from 10th March to 21st May 2017.
- 2.10 15 representations were received but only one was considered to raise a valid issue – that, for outline applications the Council has already granted, the new CIL rate would be applicable to subsequent reserved matters applications. In these circumstances, the Council has granted the applications based upon a balance of obligations and viability predicated on the current CIL rate of £15/sqm (£17.70). The imposition of an increase in CIL to £130/sqm would be a significant detrimental impact on delivering these schemes and the levels of affordable housing negotiated.
- 2.11 It was concluded that this would impact on three strategic development sites that had outline planning permission in Tottenham Hale. Officers therefore sought legal advice.

## Summary of Legal Opinion

- 2.12 Planning permission "first permits development" on the day that the planning permission is granted for that development. The CIL Regulations were amended in 2014 to make different provision for phased development, such that: -

*"In the case of an outline planning permission, the planning permission "first permits" a phase of the development (regs. 8(2) and 8(3A)(a)) - "(i) on the day of final approval of the last reserved matter associated with that phase; or (ii) if earlier, and if agreed in writing*



*by the collecting authority before commencement of any development under that permission, on the day final approval is given under any pre-commencement condition associated with that phase.”*

- 2.13 The reference to “final” in the last sub-para is slightly misleading, as the main point is that the Council can agree that the liability for CIL is calculated on the day that approval is given under any of the pre-commencement conditions.
- 2.14 In practice this means that the CIL rate can be fixed at the point when the first pre-commencement condition on the first reserved matters application in each outline application is approved. Nevertheless, the legal opinion concluded that we had also fallen foul of the National Planning Policy Guidance, which set out the following: *“When reviewing their charging schedule, charging authorities should take account of the impact of revised levy rates on approved phased developments, as well as future planned development.”*
- 2.15 Unfortunately, the outline permissions granted in Tottenham Hale had not been taken into account in the BNP viability work carried out to support the increased rate.
- 2.16 For the sites affected in Tottenham Hale, we estimated that they would discharge their pre-commencement conditions by January 2019. Given that we did not wish to undermine the current levels of affordable housing agreed on these sites, Cabinet recommended to delay the revision of the CIL until a projected implementation date of January 2019.

#### **Further changes impacting a review**

- 2.17 In June 2017, the Mayor of London published revised Mayoral CIL rates that would see Haringey’s Mayoral CIL rate increase from £35/sqm (*£43/sqm inclusive of inflation*) to £60/sqm. Given the current inflation adjusted rate, it was not considered the application of an addition £17/sqm would put development within the borough at risk and that the funding was required to fund Crossrail2 in the future, which would significantly benefit Haringey residents. This was the Council’s response.
- 2.18 No further consultation has taken place on the Mayoral CIL. Although indications are that the GLA are still planning to bring this into effect in 2019.
- 2.19 The evidence base prepared by BNP, in support of the review of the Haringey CIL, was prior to the consultation and has not had regard to this potential increase in Mayoral CIL, which is effectively ‘top-sliced’ from the local CIL rate.
- 2.20 In January 2018, the Government published consultation on proposed amendments to developer contributions (i.e. both S106 and CIL). There were many welcome proposed changes. These include:
- Reducing the stages required to prepare and consult upon the introduction or review of a CIL, making it around four to five months shorter;

- Lifting the pooling restrictions on S106's for 'strategic development sites', which would enable Haringey's growth areas to be excluded from CIL and subject to just planning obligations to deliver all infrastructure needed to support the planned development;
- Allowing CIL rates to be set based on the existing use of the land. This would allow the Council to capture any value generated through planning permissions to fund infrastructure, such as the change of use from low grade industrial use to mixed-use with a significant proportion of high value residential use.

2.21 The Government is currently consulting on further changes.

### Timetable for Review

2.22 Given the changes list above, it would be necessary to start the review afresh. This includes commissioning a new viability evidence base and updating the infrastructure requirements plan. A revised viability report has been commissioned.

2.23 Assuming the change is made to streamline the process, below is an indicative work plan:

Stages	Months															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Commission evidence																
Draft new Charging Schedule																
Regulatory approvals																
Consultation																
Analysis of comments & amend Charging Schedule																
Regulatory Approval for submission to SoS																
Submission																
Examination in Public																
Receipt of Inspector's report																
Formal adoption																
Implementation																

### 2.24 CIL collected since inception of Mayoral and Borough CIL

Ward	CIL Collected (minus Admin) 2015/16	Neighbourhood Portion	CIL Collected (minus Admin) 2016/17	Neighbourhood Portion	CIL Collected (minus Admin) 2017/18	Neighbourhood Portion	CIL Collected (minus Admin) 2018/19 Qtr 1	Neighbourhood Portion	%	Total Neighbourhood Portion Collected
Year	Mayoral	Borough	Total Amount							
2012/13	90,856.49	-	<b>90,856.49</b>							
2013/14	454,386.72	-	<b>454,386.72</b>							
2014/15	329,074.03	-	<b>329,074.03</b>							
2015/16	2,602,303.82	764,856.73	<b>3,367,160.55</b>							
2016/17	3,957,496.79	1,904,625.21	<b>5,862,122.00</b>							
2017/18	890,240.67	1,887,688.21	<b>2,777,928.88</b>							
2018/19 (Q1)	736,130.52	368,975.96	<b>1,105,106.48</b>							
<b>Total</b>	<b>9,060,489.04</b>	<b>4,557,170.15</b>	<b>13,986,635.15</b>							

2.25 Haringey CIL is divided into 3 portions- Strategic portion (generally 80% ), Neighbourhood portion (generally 15%) and administration portion (5%)

CIL spent:

2.26 Mayoral CIL is just collected by Haringey and passed across to TfL on a quarterly basis after the deduction of a 4% administration portion that remains with Haringey. £1.9 million was spent in 2016 on the expansion Bounds Green Primary School.

Neighbourhood portion

2.27 The following table shows the neighbourhood portion collected from introduction.

Alexandra					24,143.59	3,621.54	89,977.46	13,496.62	15%	17,118.16
Bounds Green			121,646.27	18,246.94	131,042.27	19,656.34	25,752.14	3,862.82	15%	41,766.10
Bruce Grove	1,513.35	227.00	1,268.22	190.23	4,160.40	624.06			15%	1,041.29
Crouch End	66,889.98	16,722.49	138,111.81	34,527.95	16,132.95	4,033.24	35,556.16	8,889.04	25%	64,172.72
Fortis Green			266,827.56	40,024.13	188,010.71	28,201.61	39,536.33	5,930.45	15%	74,156.19
Harringay	38,588.05	5,788.21	806,130.94	120,919.64	769,693.77	115,454.07	7,333.39	1,100.01	15%	243,261.93
Highgate	635,440.13	158,860.03	146,883.54	36,720.88	184,029.25	46,007.31			25%	241,588.22
Hornsey			30,089.42	4,513.41	155,757.22	23,363.58			15%	27,876.99
Muswell Hill	6,293.75	944.06	44,308.00	6,646.20	302,104.53	45,315.68			15%	52,905.94
Noel Park			12,225.87	1,833.88	28,972.42	4,345.86			15%	6,179.74
Northumberland Park			2,493.24	373.99	6,626.25	993.94			15%	1,367.93
Seven Sisters			972.98	145.95					15%	145.95
St. Anns	2,664.75	399.71			412.34	61.85	299.23	44.88	15%	506.44
Stroud Green	1,183.23	177.48	3,373.45	506.02					15%	683.50
Tottenham Green	598.50	89.78	14,364.71	2,154.71	34,625.28	5,193.79	96,434.69	14,465.20	15%	21,903.48
Tottenham Hale					5,375.63	806.34	9,792.71	1,468.91	15%	2,275.25
West Green	11,015.25	1,652.29	20,546.68	3,082.00	254.42	38.16			15%	4,772.45
White Hart Lane	669.75	100.46	5,985.00	897.75					15%	998.21
Woodside			289,397.52	43,409.63	36,347.19	5,452.08			15%	48,861.71

<b>Total</b>	<b>764,856.74</b>	<b>184,961.52</b>	<b>1,904,625.21</b>	<b>314,193.32</b>	<b>1,887,688.22</b>	<b>303,169.45</b>	<b>304,682.11</b>	<b>49,257.93</b>		<b>851,582.20</b>
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- 2.27 At October 2017 Cabinet it was agreed that all funding for new projects from strategic CIL revenues will be required to be for projects within the Capital Programme for the borough, which are assessed by the Assistant Director for Planning as being CIL eligible and suitable to support growth linked to development in the borough. It has been agreed with members to refresh the Capital Programme and this review will ensure all the projects needed to support regeneration are listed.
- 2.28 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 the neighbourhood portion of CIL funding should be specifically identified and, where appropriate, projects prioritised. In areas where a neighbourhood plan is in place 25% of the CIL is allocated to the Neighbourhood portion, elsewhere it is 15%.
- 2.29 In areas where there is not an adopted neighbourhood plan, wards have been grouped into 8 CIL Neighbourhood Groups. Consultation will be undertaken this year with the communities in each of these group areas to identify and prioritise projects specific to each that the neighbourhood portion of CIL could deliver in part or full. The indicative list of projects for each Neighbourhood Group area will be provided on the Council's website alongside the neighbourhood portion of CIL receipts received and owing. Neighbourhood projects costing more than £100k will be referred to the Council's Capital Board for approval, otherwise, the Assistant Director for Planning will approve the projects following an assessment of CIL eligibility and evaluation against criteria to ensure these support new development and growth, and represent value for money.
- 2.30 The CIL Neighbourhood Groups are set out below alongside the funding available up to June 2018:
- Area 1 – Fortis Green, Alexandra and Muswell Hill wards £144,1809.29
- Area 2 – The areas of Highgate & Crouch End wards outside of the Neighbourhood Plan areas, along with Hornsey and Stroud Green wards TBC as the Highgate Neighbourhood Plan area needs to be plotted

Area 3 –	Bounds Green ward £41,766.10
Area 4 –	Noel Park and Woodside wards £55,011.45
Area 5 –	Harringay ward £243,261.93
Area 6 –	White Hart Lane and Northumberland Park wards £2,366.14
Area 7 –	West Green, St Ann's and Seven Sisters wards £5,424,84
Area 8 –	Tottenham Green, Bruce Grove and Tottenham Hale wards £25,220.02

- 2.31 The Planning Service has recently concluded a consultation asking for ideas from the community within each CIL Neighbourhood Group in order to compile an initial list of projects and the priorities. CIL receipts raised within each CIL Neighbourhood Group will then be spent against the list of projects compiled for each area with the decision on this spend being made by the Assistant Director of Planning in consultation with the Capital Board/P4 board (to be decided). Approximately 250 responses were received and these are currently being collated and analysed.
- 2.32 The Assistant Director of Planning will assess and prioritise project proposals against the following set of guiding criteria:
- 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.

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

2.34 The consultation will be rerun every two to three years to ensure the projects and priorities are still the most relevant to the local community.

CIL admin portion

2.35 4% of Mayoral CIL and 5% of Haringey CIL is protected for use in administering the function.

Year	Mayoral CIL Admin 4%	Borough Admin 5%	Total Amount
2012/13	3,785.68	-	3,785.68
2013/14	18,932.78	-	18,932.78
2014/15	13,711.42	-	13,711.42

2015/16	108,429.33	40,255.62	148,684.95
2016/17	164,895.70	100,243.43	265,139.13
2017/18	37,093.36	99,352.01	136,445.37
2018/19	30,672.10	23,864.26	54,536.36
Totals	377,520.37	263,715.32	641,235.69

2.36 £428,299.33 of this admin portion has been spent since 2012/13 and £158,400 remains in reserve.

2.37 This money has been used to fund the CIL Officer, contributions to planning officer time and management time, staff training and the costs associated with the CIL review.

#### Review of the management process

2.38 A review of the management of CIL collection, spend and reporting was an outstanding item from the Planning Service Improvement programme. A recent review of the CIL process by the Assistant Director has led to the conclusion that, given the level of development expected in the coming years and the level of complexity of the queries received that another post should be proposed in the forthcoming restructure.

2.39 In addition a review by a specialist CIL management consultancy will be taking place in February 2019. The initial review by the Assistant Director, after discussion with staff involved in the process and a desktop analysis of the processes, suggests potential matters to be improved following this review would potentially be the procurement of a specialist database, succession planning and improvement of reporting processes.

### **3. Section 106 (planning obligations)**

3.1 Where a development proposal does not meet the standards required of local planning policy, it may be possible to make acceptable development proposals which might otherwise be unacceptable through the use of planning obligations. Planning obligations are used to secure measures which are essential for the development to proceed and measures which are required to mitigate the impact of the development. Planning obligations do this through prescribing the nature of a development (eg by requiring a proportion of affordable housing); securing a contribution from a developer to compensate or re-provide for loss or damage created by a development (eg



through the transfer of land, the requiring of a cash payment to be made, or new habitats to be created) and mitigating a development's impact on the locality (eg through environmental improvements and the provision of both on and off-site infrastructure and facilities to serve the development such as new roads or junction improvements which without the proposed development taking place would not necessarily be required).

- 3.2 The outcome of the use of planning obligations should be that the proposed development is brought into compliance with the Local Plan policies and that any development specific works are undertaken satisfactorily. Used properly, planning obligations can significantly increase the quality of development.
- 3.3 While planning obligations can secure benefits capable of mitigating the adverse impacts of a development, they cannot however, be used to make a bad application good where, for example, a schemes does not comply with the spatial strategy and land use principles of the Local Plan.
- 3.4 Planning obligations can be made pursuant to several different legislative provisions but are most usually made under section 106 of the 1990 Town and Country Planning Act. This is where the term Section 106 agreement derives from.
- 3.5 Planning Obligations may either be positive ie requiring a person to carry out specified actions or negative is restricting a person from developing or using the land in a specified way.
- 3.6 These agreements run with the land and may be enforced against the person entering into it and against any successors in title.
- 3.7 The National Planning Policy Framework sets out that planning obligations need to meet three tests:
  - Be necessary to make the development acceptable in planning terms;
  - Be directly related to the development; and
  - Be fairly and reasonably related in scale and kind to the development.
- 3.8 It is not lawful to collect Section 106 contributions which are covered by CIL. In addition currently Section 106 contributions cannot be pooled from more than 5 sites.
- 3.9 The table below sets out the amount of Section 106 contributions that has been negotiated, received and spent since 2011/12.
- 3.10 To note the total figure negotiated, spent and collected set out are independent figures for each year ( ie the 5.755 spent in 2012/13 is not necessarily part of the 4.238 collected). Schemes subject to Section 106 agreements may take several years to reach construction stage, and may have several trigger points for payment of money due.

£mn	2011/12	2012/13	2014/15	2015/16	2016/17	2017/18	2018/19 (Q1)	Total
Negotiated	21.898	4.238	6.548	3.716	3.898	3.249	5.95	<b>43.547</b>
Collected	2.068	4.019	0.992	2.867	2.104	1.843	0.007	<b>13.9</b>
Spent	0.419	5.755	0.743	1.693	0.158	3.92	0.133	<b>12.82</b>

- 3.11 The £21 million negotiated in 2011/12 was a combination of a number of large development proposals receiving approval, including Clarendon Road (£8 million) and Hale Village (£10 million). In fact the Clarendon Road sum will not be received as the scheme has now been superseded and the new section 106 sum is within 2017/18 negotiated figure. It is lower as most 106 items are now superseded by CIL payments.

#### S106 Spend – 2017/18

Planning Obligation Type	Amount Spent
Affordable Housing	1,571,954.52
Education	1,773,874.92
Employment	499,854.00
Highways/Transport	67,000.00
Recreation	5,600.00

- 3.12 The Total amount of Section 106 contributions that remains unspent is circa £2 million

#### Agreement of Section 106 spend

- 3.13 The Planning Service send out the available Section 106 funding to departments of the Council on a quarterly basis. Departments then need to bid for this funding. These bids are considered by the Assistant Director-Planning as to their suitability and are then put forward to the P4 Operational Board for approval. The spend is reported to the Capital Board on a quarterly basis.

- 3.14 There is an option for Developers to ask for Section 106 money that is not spent within 5 years to be repaid. In practice this very rarely happens. The monitoring tables are colour coded and is red where the 5 years have expired, amber after 3 years and green otherwise.

#### Revised processes

- 3.15 Following a review of section 106 processes which was again part of the Planning Service Improvement plan our processes around administering Section 106 agreements and monitoring compliance has been amended.
- 3.16 Previously the Section 106 requirements for each application were set out in a summary sheet for each application and kept on the drive with all the section 106 agreements as well as a master sheet that has all obligations on one master spreadsheet for all 106 applications. This system relied on the one Section 106/CIL monitoring officer. Given the number of schemes that will have starting shortly this is no longer sustainable. In addition there is a desire for planning officers to take responsibility for the process end-end. The new process that is currently in the process of being implemented requires each case officer to compile a detailed spreadsheet after the decision is issued setting out each obligation and the timeframe for it to be submitted (i.e. pre-implementation, pre-occupation etc). The case officer is then responsible for monitoring that obligations are carried out/paid when they should be. In the forthcoming restructure two additional enforcement monitoring/compliance posts are proposed in order to allow for pro-active site visits.

#### Remedies for non-compliance

- 3.17 There are not high levels of non-compliance, currently we have two cases where we have negotiated staged payments, however the following sets out what the process is when an obligation is not complied with.
- 3.18 In the event that a person breaches an obligation to pay a contribution under a section 106 agreement, the Council has the statutory power to apply to court for an injunction requiring payment of the contribution and, if the development is still underway, prohibiting any further building and occupation of the development until the debt has been paid. If a person fails to comply with an injunction, the court has the power to impose a fine or commit them to prison. Alternatively to seeking court injunctions, the Council can commence legal proceedings as a private debt claim, although by pursuing this option the Council cannot apply for a restriction on the developer prohibiting them carrying out and occupying the development. Normally any unpaid contribution in breach of a section 106 agreement will be subject to indexation and interest.
- 3.19 The Council has a range of statutory powers for non-payment of CIL, which includes imposing surcharges (in some circumstances up to 20% of the amount owed) and interest on any late payment. If the CIL payment is still unpaid and the development has started, the Council can issue a stop notice requiring building operations to cease. It is a criminal offence to contravene a stop notice, punishable by a fine of up to £20,000 in the Magistrates' Court or more if heard in the Crown Court. In addition, the Council may obtain a liability order from the Magistrates' Court confirming that the debt is owed and, once the order is obtained, it can take steps to enforce the debt;

for example, the Council could enter the land to recover goods, place a charge on the land, or in rare situations ask the court to the commit the debtor to prison.