

## **Appendix A - Summary of NCIL Redistribution Consultation Responses**

Responses supporting changes	27
Responses opposing changes	50
Responses – neutral/no comment/not applicable	9
<b>Total responses</b>	<b>86</b>

<b>Key points in support of changes to CIL Governance document</b>	<b>Council response</b>
The Council should have greater flexibility in how NCIL funding is distributed.	Support noted
The amount of CIL collected in the east of the borough per square metre is significantly less than the central or the western zones. Current policy leads to a large discrepancy between neighbourhoods which is fundamentally unfair.	Agree that the substantial differences in CIL rates create an unfair allocation of NCIL under the existing Governance arrangements.
The changes will enable a fairer system that allows NCIL to be spent where it is most needed. Differences in CIL rates mean that some of the areas in greatest need of extra spending receive the least NCIL.	Agree that the existing Governance arrangements do not produce an NCIL allocation that reflects different levels of infrastructure need across the borough.
The Council has the best understanding of local needs. This is better than funding being determined by an arbitrary mechanism.	Support noted
Redistribution is needed to reflect the greater investment needs in Tottenham/the east of the borough.	The Haringey Infrastructure Delivery Plan (IDP) April 2016, which assesses the infrastructure that is needed to support growth in Haringey over the period of the Council's existing Local Plan (2011-2026), indicates that Tottenham has greater investment needs than any other area of the borough.
The current arrangement does not recognise the effects that development in one NCIL area can have on other NCIL areas. Proposed changes would help overcome anomalies relating to the arbitrary boundaries of the NCIL areas.	Agree. The current governance arrangements do not recognise the effects that development generally in the borough can have on an area even though the development may be coming forward in surrounding areas as designated under the CIL Governance document.
The proposed changes are consistent with the Council's objective of achieving fairness in all aspects of its service delivery.	Agree. The Council's Borough Plan 2019-2023 seeks to reduce inequality and make Haringey a fairer place.
<b>Key points in opposition of changes to CIL Governance document</b>	<b>Council response</b>
NCIL raised in an area should be spent in that area in line with the CIL requirements.	The CIL Regulations 2010 (as amended) and Planning Practice Guidance do not prescribe exactly how NCIL should be spent where there is no Parish Council and/or Neighbourhood Plan in place. In areas of the borough where these circumstances apply, there is flexibility for the Council to allocate the NCIL in a different area to where it was collected.

<p>It is noted that a higher CIL rate is charged in the Western and Central zones of the borough. If this causes fairness issues then the Council should fix the charging rates instead of pursuing redistribution. The Council has proposed an uplift in the CIL charges in the east of the borough that will reduce the disparity between areas.</p>	<p>Current CIL charges (including indexation) for residential development in the borough are as follows:</p> <p>Western Charging Zone £370.33 per square metre  Central Charging Zone £230.59 per square metre  Eastern Charging Zone £20.96 per square metre</p> <p>The residential CIL rate for the Western Charging Zone is over 17 times that of the Eastern Charging Zone per square metre and the residential CIL rate for the Central Charging Zone is 11 times that of the Eastern Charging Zone per square metre. In these circumstances, the allocation of NCIL based purely on where it was received does not support the Council's aims of fairness and equality.</p> <p>The law requires that CIL charging rates are set having regard to financial viability. The Council could choose to equalise CIL rates across the borough, however this could only be done by setting the rate at lowest common denominator i.e. the rate viable in the area of the borough with the most challenging economic viability. This would mean losing out on significant amount of CIL income in areas with potential to contribute a higher level of CIL. It is not therefore a suitable option.</p> <p>The Council published a Draft Charging Schedule for consultation in December 2019 which proposed increasing the CIL rate for residential development in the east of the borough to £50 per square metre. While this increased rate would help reduce the disparity between areas, the allocation of NCIL based purely on where it is received would continue to be an unfair approach.</p>
<p>The shortage of NCIL funds in the east of the borough is the result of council policy to charge a minimal rate of CIL in those areas. It is assumed that the lower residential CIL rate in the east of the borough is intended to promote development.</p>	<p>The Council's charging rates for the east of the borough were determined having regard to the financial viability of development. The law does not allow Councils to use CIL as a tool to promote or discourage development in specific locations and this is not the case in Haringey.</p>
<p>Current discrepancies in NCIL available are only temporary and will change in future depending on where the focus of development has moved.</p>	<p>The Council recognises that discrepancies between areas are partly a function of the level of development in each area. However, to a much greater extent the discrepancies are a function of substantial differences in CIL rates between areas. The residential CIL rate for the Western Charging Zone is over 17 times that of the Eastern Charging Zone per square metre and the residential CIL rate for the Central Charging Zone is 11 times that of the Eastern Charging Zone per square metre. Under the existing governance arrangement, large differences in CIL rates will always mean that the east of the borough receives much less NCIL. For this reason,</p>

	<p>spending NCIL only in the area where it is received is not considered to be fair.</p>
<p>Redistribution negates the point of the NCIL, which is to mitigate the impact of new development/make developers contribute to the betterment of the neighbourhood in which they develop.</p>	<p>The primary mechanism through which the Council seeks to mitigate the impacts of new development on local communities is Section 106 planning obligations. These are sought from major developments in order to address the infrastructure needs that arise from them. The Council acknowledges that NCIL is a key funding source to secure the betterment of neighbourhoods in which new development takes place and is fully supportive of NCIL being used for these purposes. It does not consider, however, that spending NCIL only in the areas in which it what collected is fair. This is because CIL rates vary substantially between different areas. It is also the case that some areas of the borough have higher levels of investment need than other. Allocation of NCIL based purely on where it is received does not support the Council's aims of fairness and equality.</p>
<p>Funds have been fairly accrued in Area 4 as a result of significant development in the area. New developments create additional demand for infrastructure which requires funding. The higher amounts raised in Area 4 reflect that the area has received more development. Redistribution would be unfair.</p>	<p>The Council acknowledges that NCIL funds in Area 4 have been raised as a result of new development within Area 4. It is also recognised that new development creates additional demand for infrastructure which requires funding. However, the higher amounts raised in Area 4 are not entirely reflective of the area receiving more development than other areas. The east of the borough has also experienced high levels of development. This too has created additional demand for infrastructure which requires funding. Due to CIL rates being far lower in the east part of the borough however, the total amount of CIL collected is substantially lower and therefore the NCIL allocation is also substantially lower. In these circumstances the Council does not consider that existing governance arrangement is fair.</p>
<p>Area 4 needs significant investment in infrastructure. Funding is needed to address a range of local issues which the Council says there is no other funding for. Requests for small local projects have been denied due to lack of funding. Wood Green is a key visitor destination and this should be reflected in NCIL funding for Area 4</p>	<p>NCIL should be seen in the context of other contributions from developers such as Section 106 (S106) planning obligations and Strategic CIL. It is not therefore the only way in which areas get benefits from development. The Council recognises that Area 4 requires investment in infrastructure. A range of investment needs for Wood Green and the surrounding area are set out in the Council's IDP 2016. These investment needs recognise the key role of Wood Green as the borough's only Metropolitan Town Centre and also as an identified Opportunity Area and a Council focus for regeneration. It is however the case that there are other areas of the borough with an equal or greater investment need. The Council does not consider that a policy of spending NCIL only where it is raised is fair as this has no regard to infrastructure need or infrastructure priorities.</p>

<p>Tottenham and Seven Sisters have received significant public sector funding. The west of the borough does not require NCIL redistribution. NCIL is required in Area 4 to be used locally to help alleviate some of the inequalities across the Borough.</p>	<p>The Council recognises that Area 4 requires investment in infrastructure. It is however the case that there are other areas of the borough with an equal or greater investment need, for examples Areas 5 and 6. The Council does not consider that a policy of spending NCIL only where it is raised is fair as this has no regard to infrastructure need or infrastructure priorities.</p>
<p>Redistribution could see much needed funds being transferred from Area 7 (Tottenham Hale and surrounds) to areas which have seen little development (e.g. Area 6).</p>	<p>The existing Governance arrangements do not produce an NCIL allocation that reflects different levels of development or infrastructure need across the borough. The consultation document identifies key principles for redistribution including that NCIL amounts for each area reflect the amount of development that has taken place in an area and the need for investment in an area. The Council therefore considers redistribution will facilitate a better allocation of NCIL funding.</p>
<p>The Council could use Strategic CIL to address the perceived unfairness of NCIL.</p>	<p>The Council could use Strategic CIL (SCIL) to address the unfairness of the current NCIL arrangements, however it does not consider that this would be a good use of SCIL. SCIL is a much larger pot of money than NCIL and is intended to help fund the borough's key infrastructure priorities identified in the IDP as being necessary to support the growth proposed in the Local Plan. Legislation provides that the scope of spend of NCIL is greater than SCIL therefore it is also not possible to simply substitute the funding types. Using SCIL to address the unfairness of the existing arrangement would also not address the fundamental reason for the unfairness.</p>
<p>The proposed changes turn the entirety of CIL money into a pot for borough-wide infrastructure/projects. That creates two linked risks. Firstly, that an increase in development within an area will not be matched by greater NCIL funding to mitigate the impact on the local area an increase in population will have. Secondly it risks undermining support for new development. If development is to proceed it can only succeed with the support of the community in which it occurs. It is essential that the community affected by development receives some direct benefit. The changes will increase opposition to development.</p>	<p>The consultation document identifies key principles for redistribution including that NCIL amounts for each area reflect the amount of development that has taken place in an area and the need for investment in an area. The Council acknowledges the importance of, and need for, community support for development. The Council's preferred approach can continue to ensure that there remains support for development within the borough. It is proposed that any future NCIL redistribution would factor in the level of development that has taken place in an area. Areas of the borough which experience lots of development would therefore see this reflected within their NCIL allocation. The east of the borough has low CIL rates and therefore the level of NCIL collected to date in Areas 5,6 and 7 has been very low. It is considered that a fairer system for the allocation of NCIL would increase overall support for development as all areas of the borough rather than a select few with a high CIL rate would have access to a meaningful level of NCIL funding.</p>
<p>It is unfair that Neighbourhood Forums not only receive a higher percentage of NCIL, but they will be allowed to keep all the NCIL they collect.</p>	<p>Planning Practice Guidance is clear that 25% of NCIL collected in an area with a Neighbourhood Plan should be spent in an area. This is a key incentive by Government to encourage communities to produce Neighbourhood Plans.</p>

	<p>The Council does not allocate 25% to a Neighbourhood Forum until there is a 'made' Neighbourhood Plan covering the Forum Area. Currently the borough has one adopted Neighbourhood Plan in Highgate and it is therefore appropriate to ringfence 25% of CIL receipts collected in that area for projects identified in the Neighbourhood Plan for that area and through discussions with the Neighbourhood Forum.</p>
<p>The proposal is to pool the neighbourhood proportion of CIL receipts raised from across the borough (except for identified Neighbourhood Forum areas). Neighbourhood Forums are most likely to develop in more affluent areas. These areas could however have money redistributed to them under the proposals. This would serve to further increase inequalities across the borough.</p>	<p>The Council notes that redistribution has potential to effect inequalities in the borough. The consultation document identifies key principles for redistribution including ensuring fairness and that NCIL amounts for each area reflect the amount of development that has taken place in an area and the need for investment in an area. The Council therefore considers that there is an opportunity to ameliorate inequalities rather than exacerbate them.</p>
<p>Developers may have a case to challenge CIL payments if they are not going to be spent for the purposes originally intended.</p>	<p>CIL charges are mandatory and non-negotiable. Any decisions the Council makes in relation to the allocation of NCIL will not therefore impact upon CIL collection.</p>
<p>Developers currently know that the NCIL they pay will benefit the occupiers of their development through improved infrastructure in the immediate local area. This certainty may encourage them to proceed with development in areas where otherwise they might not, e.g. due to poor surrounding infrastructure. There may be circumstances in which desirable development does not proceed because of the proposed changes.</p>	<p>The Council does not consider that the redistribution of NCIL will have any bearing on developer decisions to proceed with schemes. Planning policy requires development only to come forward where the necessary impacts can be mitigated and this would be secured as normal through a Section 106 (S106) planning obligation associated with a planning permission. NCIL should be seen in the context of other contributions from developers such as Section 106 (S106) planning obligations and Strategic CIL. It is not therefore the only way in which areas get benefits from development.</p>
<b>Other points raised</b>	<b>Council response</b>
<p>Changes to NCIL allocation would lead to a loss of accountability. The existing system is unambiguous and easy for officers to apply. Without the existing simple and transparent mechanism, decisions on the allocation of funds by the Council may be, or may be suspected of being, subject to political, personal or commercial influences that are not directly relevant to local infrastructure needs. This creates a risk of legal challenge. There needs to be a transparent reallocation that is open to public scrutiny. The decision to 'redirect' an NCIL allocation should be formally agreed by elected Members rather than being a delegated responsibility.</p>	<p>Any decisions that the Council takes in relation to changing the current NCIL allocation arrangement will be made in a transparent way having regard to the responses to the consultation responses on changes to the CIL Governance document.</p>
<p>The Council has provided insufficient clarity about what a fairer distribution might look like. Before the Council changes the Governance document the Council should indicate its plans for redistribution so that</p>	<p>The consultation was purely about the principle of spending NCIL in areas other than where it was collected. The consultation document did however identify key principles for redistribution including ensuring fairness and that NCIL amounts for each</p>

the real impact of the proposed wording change is understood.	area reflect the amount of development that has taken place in an area and the need for investment in an area.
The consultation would have benefitted from additional detail on the drivers behind the large accrual of NCIL monies in Area 4 relative to the other areas.	Comment noted
Changes to the CIL Governance document should ensure that if any money redistribution takes place, it supports disadvantaged areas and communities. A strategic pledge could be made by the Council to indicate that there would be clear prioritisation of the funds in less affluent areas. This would alleviate worries that more prosperous areas of the borough were being prioritised ahead of the less well off.	Comment noted
If redistribution is to take place there should be safeguards in place to ensure every area receives a fair sum of funding.	Comment noted
The Council should consider an approach where it allows the existing NCIL balances to be spent within the neighbourhoods they've been collected in but that going forward NCIL is redistributed based on a fairer approach.	While the Council acknowledges why this approach to redistribution would be favoured by residents of Areas who have accrued high amounts of NCIL to date, this approach would not be fair as it does not address the imbalances in accrued NCIL which has resulted from significantly different CIL charging rates across the borough.
CIL monies should be spent within a certain radius of the contributing development. This will allow for transparency and accountability and ensure it benefits the people who are directly impacted by new development regardless of ward boundaries. The radius could be calculated based upon the population increase brought about from a development.	The Council notes the benefits of such an approach. However, this approach would be extremely complex to administer as individual NCIL contributions would all have to be spent within a different radius. This approach would require considerable changes to the Council's existing governance approach which divides up Haringey into 9 NCIL areas.
NCIL funding should be used to reduce business rates and /or council tax	NCIL cannot legally be used for this purpose. It is required to be spent on infrastructure or 'anything else that is concerned with addressing the demands that development places on an area'. NCIL cannot be relied on in such a way as a sustainable and stable source of funding to be able to guarantee and administer this proposal.
The Council has been too slow to invest NCIL already collected. It is now more than 18 months since a consultation on NCIL project spending started with no outcome.	While the Council's CIL charging schedule came into effect in 2014, CIL funds have taken some years to build up. CIL is paid upon commencement of a development on site, so there is a time lag between developments being CIL liable and then paying. The Council and its Housing and Regeneration Scrutiny Panel considered the governance process for NCIL in 2015-16, Cabinet adopted its approach in 2017 and in 2018 the Council consulted on what NCIL funds should be spent on ('Round 1'). Now that consultation on changes to the Haringey CIL Governance document has

	concluded the Council is in position to make decisions on NCIL spending.
There is no visible mechanism as to how communities can request use of NCIL in their Area.	In 2018 the Council carried a Round 1 consultation seeking the community's views on what NCIL funds should be spent on. A total of 559 responses were received. A second consultation about projects for spend ('Round 2') will take place later in 2020 which will provide residents with a further opportunity to identify priorities or specific projects for NCIL spend. The Council does not consider that it would be practical to have an ongoing request process. Now that consultation on changes to the Haringey CIL Governance document has concluded the Council will decide on Round 1 NCIL spending having regard to the Round 1 consultation responses and other relevant factors.
Concerned that there is not a joined-up approach to spending NCIL funds.	The Council's approach to spending CIL is outlined in the Haringey CIL Governance document. To ensure a joined-up approach it sets out a range of criteria for prioritising projects to be funded by CIL. Each project should be measured against these to ensure the most appropriate use of limited funding.
Should the proposed changes take effect, there is a risk that those who are most engaged with community initiatives (and therefore most able to bid for money), or those able to lobby and galvanise the highest volume of support, will wind up receiving the bulk of funding, even though this may bear little relation to where the greatest need for investment is.	The consultation document identifies key principles for redistribution including ensuring fairness and that NCIL amounts for each area reflect the amount of development that has taken place in an area and the need for investment in an area.
The consultation has not been adequately publicised	The Council has publicised the consultation in the same way as other recent planning consultations. Emails were sent to all individuals and parties on the council's planning policy consultation database. The database includes several hundred individuals plus a large number of community and civic groups who are active in the borough. A second consultation about projects for spend ('Round 2') will take place later in 2020 which will provide residents with a further opportunity to identify priorities or specific projects for NCIL spend. This will include significant engagement with the borough's communities.