

Report for: Leader Decision 20 March 2020

Title: Neighbourhood Community Infrastructure Levy (NCIL) – distribution and Round 1 spend

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Ward(s) affected: All

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

1. Describe the issue under consideration

- 1.1 The Community Infrastructure Levy (CIL) is a charge based on the floorspace of new buildings to help fund infrastructure needs arising from new development. Haringey's CIL has been in effect since 2014.
- 1.2 Legislation allows 15% of CIL collected to be spent on infrastructure or 'anything else that is concerned with addressing the demands that development places on an area', and this is called Neighbourhood CIL (NCIL). In places with an adopted Neighbourhood Plan, this increases to 25% of CIL collected in that area.

Changes to the CIL Governance Document to enable fairer allocation of NCIL

- 1.3 As of 31 December 2019 the amount of NCIL collected in Haringey amounted to £2.36 million. The Council's adopted governance arrangements for the spending of NCIL are set out in the Haringey CIL Governance document (November 2017). For the purposes of spending NCIL the Governance document splits the borough up into 9 areas. It sets out that NCIL should be spent on neighbourhood projects within the neighbourhood of contributing development. Due to varying levels of development across the borough and differences in CIL rates between the western, central and eastern charging zones there are large discrepancies between the amount of NCIL available for spend in each of the 9 areas. As CIL rates across the borough are substantially different and because levels of infrastructure need vary across the borough, the allocation of NCIL purely on the basis of where it is received does not support the Council's aims of fairness and equality. In order to allocate NCIL on a fairer basis it will be necessary to update the Council's CIL Governance document to allow this.
- 1.4 From 3 February 2020 to 9 March 2020 the Council held a consultation on changing the CIL Governance document to allow the Council to spend NCIL in a different area to where it was collected and the necessary amendments to the document to give effect to the same. The consultation responses are

considered in section 8 of this report. Having had regard to the responses and the comments of Regulatory Committee in relation to the proposed changes to the CIL Governance document, approval is sought to amend the CIL Governance Document to facilitate a fairer allocation of NCIL.

Allocation of NCIL

- 1.5 This report sets out four options for the allocation of NCIL across Haringey, the advantages and disadvantages of each option and the option that is recommended the Council pursue. The recommended option allocates NCIL on a much fairer basis between areas with a tilt towards redistributing NCIL in favour of areas that experience more development and Tottenham which has greatest investment need.

Round 1 Consultation (2018) spend

- 1.6 The report also sets out a number of NCIL projects within each of the 9 areas which approval is sought to spend NCIL to progress. These projects were identified by the community through a Round 1 Consultation on NCIL spend in late 2018 and have been selected for delivery in accordance with the CIL Regulations 2010 (as amended) (the “Regulations”), the criteria in the Council’s CIL Governance document for prioritising infrastructure projects to be funded by CIL, and the Borough Plan priorities.

Round 2 Consultation (2020)

- 1.7 Lastly, the report sets out, for information, an overview of the Round 2 Consultation on NCIL spending which will take place later in 2020.

2. Cabinet Member Introduction

- 2.1 The CIL is a charge on developers based on the floorspace of new buildings to help fund infrastructure needs arising from new development. Legislation allows 15% to 25% of CIL collected to be spent in Neighbourhoods on infrastructure which addresses the demands that development places on an area. This is called Neighbourhood CIL (NCIL). Over £2 million of NCIL is currently available to spend in the borough.
- 2.2 The Council’s current adopted approach for the spending of NCIL is that it should be spent on neighbourhood projects within the neighbourhood of contributing development. Due to differences in CIL rates across the borough the amount of NCIL collected in each area doesn’t completely reflect the amount of development that has taken place. Further it also doesn’t recognise different levels of infrastructure need across the borough. This administration supports a more equitable spending of NCIL. As a result, this report recommends a change to the adopted approach for spending accrued NCIL and the subsequent redistribution of NCIL across the borough based on a fairer approach.
- 2.3 The report sets out recommendations for the spending of the accrued NCIL funding on a range of neighbourhood projects suggested by the community

through a consultation in 2018. The projects support the priorities in the Borough Plan and will deliver local improvements that help ensure neighbourhoods feel some of the benefits of new development in their area.

- 2.4 These NCIL spend proposals should be seen alongside the Council's other workstream focused on increasing the CIL rates in the east of the borough, for which a consultation took place from December 2019 to February 2020. Seen alongside NCIL, this demonstrates the Council's commitment to maximising contributions from developers and ensuring local communities feel the benefits of new development.

3. Recommendations

- 3.1 That the Leader of the Council:

- 1) Approves the changes to the CIL Governance document set out in Section 8.2 of this report.
- 2) Approves the allocation of all NCIL collected to date across the borough as set out in Option D in Table 4 in section 9 of this report.
- 3) Approves spending NCIL on Round 1 Consultation (2018) projects as set out in Table 5 in section 10 of this report.

4. Reasons for decision

- 4.1 The collection and spending of CIL including NCIL is governed by the Planning Act 2008 and the Regulations. The Government provides further guidance on CIL and NCIL in the form of Planning Practice Guidance (PPG).
- 4.2 Regulation 59F of the Regulations enables the Council to set aside 15% of CIL receipts (25% in areas with an adopted Neighbourhood Plan Neighbourhood Plan) to support the development of the relevant area by funding— (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or (b) anything else that is concerned with addressing the demands that development places on an area. This portion of CIL is known as NCIL.
- 4.3 The total amount of NCIL funding collected amounts to over £2m. None of this has currently been spent. The Council's current adopted approach for the spending of NCIL set out in the existing CIL Governance document is that NCIL should be spent on neighbourhood projects within the neighbourhood of contributing development. If collected monies are allocated to NCIL areas based on where the CIL was collected there will be large discrepancies across neighbourhoods as to the amount available to spend. The amounts vary not just due to differing amounts of development, but also due to differing CIL rates (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). Consequently, the allocation of NCIL purely on the basis of where it is collected does not support the Council's aims of fairness and equality, particularly when considering the results of the Round 1 consultation on spend.

- 4.4 In these circumstances, and having regard to responses collected to a consultation on changing the CIL Governance document to allow the Council the option of allocating NCIL more fairly across the borough and the comments of Regulatory Committee on the same consultation, it is considered reasonable to amend the Council's adopted approach to allow a fairer approach and subsequently to allocate accrued NCIL across the NCIL areas. There are many ways this could be done but the fairest way is considered to be Option D.
- 4.5 The Council undertook a consultation in 2018 to identify the NCIL spending priorities of neighbourhoods in the borough. Consultation feedback and suggested projects have been reviewed and a proposed package of locally supported projects are proposed for delivery, subject to spending approval. These are compatible with the Regulations and the existing CIL Governance document criteria, align with the Borough Plan priorities and have been agreed with relevant service delivery areas within the Council. The Governance process for identifying projects to be delivered in Neighbourhood Forum Areas is slightly different. Projects within the Highgate Neighbourhood Forum Area have been prioritised by the Highgate Neighbourhood Forum in consultation with the Council, having regard to the policies and proposals within the Highgate Neighbourhood Plan and the other considerations listed above.

5. Alternative options considered

5.1 The alternative options considered are:

- Option 1 - The option of not allocating any NCIL income for NCIL projects has been dismissed. The Council's adopted CIL Governance document sets out governance arrangements for the spending of CIL and is clear that the Council will spend NCIL on local projects as is intended within the Regulations.
- Option 2 - The option of allocating NCIL based purely on the areas in which it has been collected has been dismissed. There is no statutory requirement to do so but this approach would be in accordance with the existing adopted CIL Governance document. However, discrepancies in the amount collected in each area reflect differing levels of development, and the differing CIL rates which are charged across the borough because of varying development viability. This would not be an equitable or fair way to allocate NCIL funds and would be contrary to the Borough Plan objectives. A more detailed consideration of Options A to D for allocation are considered later in the report. Option D is recommended as it combines a fair and equitable approach across each area with a focus on ensuring there is proportionally more NCIL in areas with more development and on Tottenham where there is the greatest need for infrastructure.
- Option 3 – The option of not spending NCIL on projects identified through the 2018 consultation. This option has been dismissed. The Council is required to identify NCIL spending priorities in consultation with local communities. The Round 1 Consultation (2018) yielded over 500 responses and provided a range of appropriate project types and specific projects for potential NCIL spend. These provide a sound basis for the spending of NCIL accrued to date.

6. Background information

CIL

- 6.1 The CIL is a charge on developers based on the floorspace of new buildings to help fund infrastructure needs arising from new development. Receipts from CIL differ from other local contributions for development (i.e. Section 106 planning obligations) in that these are not site specific and can be used to support wider community infrastructure needs. The charging authority sets its own levy rates in a Charging Schedule.
- 6.2 Haringey adopted its first CIL Charging Schedule in July 2014. This was implemented in November 2014. In March 2017 the Council consulted on an updated CIL Partial Review Preliminary Draft Charging Schedule focussing on the east of the borough including a proposed CIL rate increase for residential uses in that part of the borough. This was progressed in November 2019 when Cabinet took the decision to consult on the new Draft Charging Schedule. This consultation started on 18 December 2019 and ended on 11 February 2020.
- 6.3 This report does not focus on the emerging increased CIL rates in the new Draft Charging Schedule, nor does it focus on the spending of the remainder of CIL known as Strategic CIL (SCIL) as these are subject to separate decision-making processes. The focus of this report is on allocating and spending NCIL.

NCIL

- 6.4 The Regulations provide that, where a charging authority has no parish council, up to 15% of CIL collected in an area can be spent in the area on infrastructure projects or 'anything else that is concerned with addressing the demands that development places on an area.' This is known as Neighbourhood CIL (NCIL). This increases to 25% where there is an adopted Neighbourhood Plan in place, (currently the borough only has one adopted Neighbourhood Plan in Highgate). In both cases, the Council must consult with the community on how to spend NCIL.
- 6.5 Planning legislation states that the definition of 'infrastructure' includes but is not limited to:
- Roads and transport facilities
 - Flood defences
 - Schools and other educational facilities
 - Medical facilities
 - Sporting and recreational facilities
 - Open spaces
- 6.6 The Government's PPG on NCIL (paragraph 146) states that the charging authority "should engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. Charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods using their regular communication tools e.g.

website, newsletters, etc. The use of neighbourhood funds should therefore match priorities expressed by local communities, including priorities set out formally in Neighbourhood Plans”.

6.7 Paragraph 146 further clarifies that –

“the law does not prescribe a specific process for agreeing how the neighbourhood portion should be spent. Charging authorities should use existing community consultation and engagement processes. This should include working with any designated Neighbourhood Forums preparing Neighbourhood Plans that exist in the area, theme specific neighbourhood groups, local businesses (particularly those working on business led Neighbourhood Plans) and using networks that ward councillors use. Crucially this consultation should be at the neighbourhood level.

Where the charging authority retains the neighbourhood funding, they can use those funds on the wider range of spending that are open to local councils. In deciding what to spend the neighbourhood portion on, the charging authority and communities should consider such issues as the phasing of development, the costs of different projects (for example, a new road, a new school), the prioritisation, delivery and phasing of projects, the amount of the levy that is expected to be retained in this way and the importance of certain projects for delivering development that the area needs. Where a neighbourhood plan has been made, the charging authority and communities should consider how the neighbourhood portion can be used to deliver the infrastructure identified in the neighbourhood plan as required to address the demands of development. They should also have regard to the infrastructure needs of the wider area.

The charging authority and communities may also wish to consider appropriate linkages to the growth plans for the area and how neighbourhood levy spending might support these objectives.”

Haringey CIL Governance

6.8 In 2015/16, the Housing and Regeneration Scrutiny Panel published a Scrutiny Report on NCIL (see background document). The Report contained 13 NCIL governance recommendations all of which were subsequently agreed to be taken forward by Cabinet on 17 May 2016 (see background document).

6.9 Having regard to these recommendations the CIL charging schedule document adopted in July 2014 was updated to include the CIL Governance document which was adopted by the Council in 2017 (see background document) setting out governance arrangements for CIL including the spending of NCIL.

6.10 National CIL guidelines are not specific on what constitutes a neighbourhood area, and hence allow the Council to decide its own definition of NCIL areas. The Haringey CIL Governance document (see background document) divides the borough into 9 areas for NCIL purposes, two of which are Neighbourhood Forum Areas. The delineation of the 9 areas in this manner was based on the recommendation of the NCIL Scrutiny Report. The nine areas are as follows:

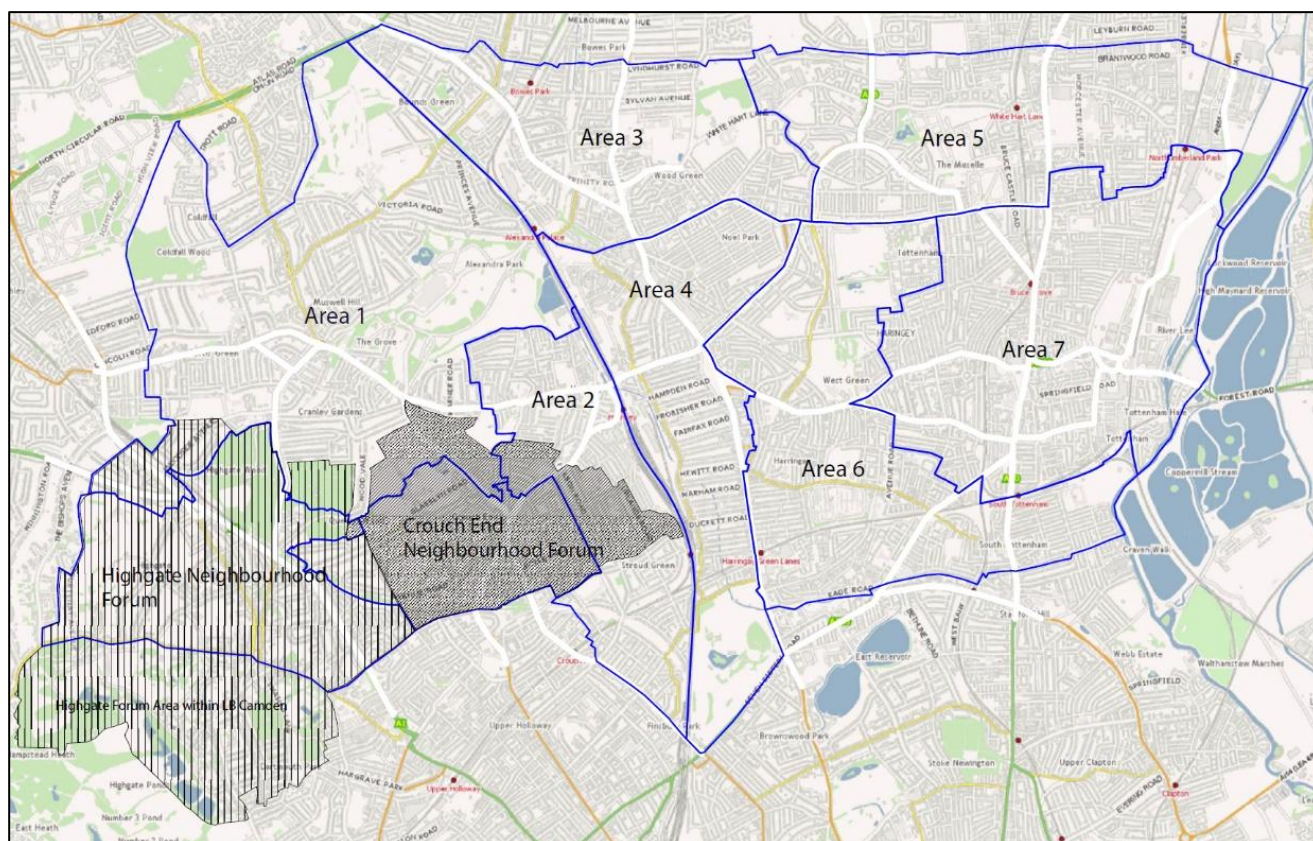
- Area 1- Fortis Green, Muswell Hill and Alexandra

- Area 2- Hornsey and Stroud Green
- Area 3- Bounds Green and Woodside
- Area 4- Noel Park and Harringay
- Area 5- White Hart Lane and Northumberland Park
- Area 6- West Green, St Ann’s and Seven Sisters
- Area 7- Bruce Grove, Tottenham Green and Tottenham Hale
- Highgate Neighbourhood Forum and Plan Area
- Crouch End Neighbourhood Forum Area

6.11 Since the CIL Governance document was adopted in 2017, the Finsbury Park and Stroud Green Neighbourhood Area and Forum has also been established by residents in that area in September 2018.

6.12 The CIL Governance document sets out that NCIL is to be spent on neighbourhood projects within the neighbourhood of contributing development.

Figure 1: Map of 9 Haringey NCIL areas



NCIL collected to previous financial quarter

6.13 The NCIL funds collected to the end of the previous financial quarter (31 December 2019) within each of the nine NCIL areas are set out in Table 1 below. The figures are based upon 15% of relevant CIL receipts in Areas 1 to 7 and the Crouch End Neighbourhood Forum Area, and 25% of relevant receipts in the areas with adopted Neighbourhood Plans (currently only the Highgate Neighbourhood Forum Area).

Table 1: Amount of NCIL collected in each area as at 31 December 2019

NCIL Area	Total NCIL
Area 1- Fortis Green, Muswell Hill and Alexandra	£185,643
Area 2- Hornsey and Stroud Green	£144,790
Area 3- Bounds Green and Woodside	£130,436
Area 4- Noel Park and Harringay	£1,251,384
Area 5- White Hart Lane and Northumberland Park	£32,421
Area 6- West Green, St Ann's and Seven Sisters	£12,288
Area 7- Bruce Grove, Tottenham Green and Tottenham Hale	£238,478
Highgate Neighbourhood Forum and Plan Area	£255,865
Crouch End Neighbourhood Forum Area	£114,997
Total	£2,366,302

6.14 To date no NCIL funds have been spent in Haringey.

7 Justification for considering change to CIL Governance Document

7.1 The key factors that regard has been had to when considering whether to amend the CIL Governance document and the best approach to the allocation of NCIL are set out below:

- Legislation and guidance on NCIL spend;
- The responses received from the 2020 Neighbourhood CIL Redistribution Consultation;
- Borough Plan priorities relating to fairness and equality;
- Equalities legislation;
- The responses to a consultation in 2018 on 'Round 1' NCIL priorities and spend (detailed in section 9);
- Infrastructure needs in each area as set out in the Haringey Infrastructure Delivery Plan (IDP);
- The level of development in each NCIL Area;
- The level of investment need in each NCIL Area.

7.2 The Council's existing adopted approach to NCIL as set out in the Haringey CIL Governance document (see background document) is to spend NCIL in the NCIL area in which it is collected. Under this approach the amount of NCIL available in each NCIL area varies significantly. For example, over £1m is currently available in Area 4 (Noel Park and Harringay wards) and only £12,000 is available in Area 6 (West Green, St Ann's, and Seven Sisters wards). This is partly a function of differing amounts of development across the borough but also it is a function of the fact that CIL charging rates vary substantially across the borough based on the financial viability of development. Current CIL rates for residential development are set out in Table 2.

Table 2: Current CIL charges for residential development (Rates have been indexed for inflation)

Charging Zone	Current CIL rate for residential development (per square metre)

Western Charging Zone	£370.33
Central Charging Zone	£230.59
Eastern Charging Zone	£20.96

- 7.3 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 purely on the basis of where it is received does not support the Council's aims of fairness and equality. It also does 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. If NCIL was only spent within areas based on where the CIL was collected, then there would be large discrepancies across neighbourhoods as to the amount available to spend and the amount to spend would have a weak correlation in relation to the amount of development or infrastructure need across the borough. Instead, the existing adopted NCIL allocation approach is more of a reflection of the financial viability of development and thus the CIL rates set, rather than the amount of development or need.
- 7.4 The Haringey Infrastructure Delivery Plan (IDP) April 2016 (see background document) assesses the infrastructure that is needed to support growth in Haringey over the period of the Council's existing Local Plan (2011-2026). The document does not directly compare the development needs between different areas of the borough, however it identifies area-based deficiencies for a range of infrastructure types together with specific infrastructure interventions needed in the Council's identified growth areas of Tottenham Hale, North Tottenham and Wood Green. On the whole, Tottenham has a much greater investment need that any other area of the borough with funding needed in respect of future health shortfalls, highways schemes, flood and surface water mitigation measures, decentralised energy infrastructure, and costs of £38 million and £57 million estimated for infrastructure to support and regeneration of Tottenham Hale and North Tottenham respectively.
- 7.5 The Regulations and PPG 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.
- 7.6 The PPG does envisage spending 25% of NCIL collected in an area with a Neighbourhood Plan in accordance with consultation responses and having regard to the priorities set out in the Neighbourhood Plan. Currently the borough has one adopted Neighbourhood Plan in Highgate. Amongst other things, this sets out proposals to address the demands development places on that area. 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.

8 Consultation on changes to CIL Governance Document

8.1 From 3 February 2020 to 9 March 2020 the Council consulted on changing the CIL Governance document to allow the Council to spend NCIL in a different area to where it was collected and the necessary amendments to the document to give effect to the same (see background document: NCIL Redistribution consultation document).

8.2 The draft amendments put out to consultation were as follows:

Page 9 (second bullet point)

- 15%, known as the 'Neighbourhood Proportion', is to be spent on neighbourhood projects ~~within the neighbourhood of contributing development~~ (up to a maximum of £100 per existing Council Tax dwelling)...

Page 10 (third paragraph)

- The Council... will pool the neighbourhood proportion of CIL receipts raised ~~from across the borough (except for Neighbourhood Forum areas identified in this document)~~ within the designated neighbourhood area to pay for the items ~~therein~~, investigating other sources of funding (such as grants and match funding) where possible.

Page 11 (first paragraph)

- The Council will then determine how Neighbourhood CIL receipts ~~raised within each CIL Neighbourhood Group are will then be are~~ spent against the list of projects compiled ~~for each area~~ having regard to the consultation responses.

Key

- ~~Strikethrough~~ represents text to be deleted
- Underlined represents text to be added

8.3 During the five-week consultation period, 86 responses were received. 27 responses (31.4%) supported the draft amendments, 50 responses (58.1%) opposed the draft amendments and 9 responses (10.5%) did not indicate a clear for or against position.

- 8.4 The majority of responses opposing the changes (70%) were received from Area 4 which comprises Noel Park and Harringay wards. 29% of responses were received from other areas within the borough or the location was unspecified. One response (1%) was received from outside the borough. Area 4 has collected the greatest amount of NCIL to date and the respondents opposed the changes on the basis that that the area would likely lose some of its current NCIL allocation under any future redistribution scenario. The responses highlighted various infrastructure needs within Area 4 and set out that NCIL collected in the area needed to be retained in the area in order to address these needs. Some responses advised that community support for development would be lost if funds raised from development are spent elsewhere within the borough.
- 8.5 The responses supporting the changes highlighted that the current system of NCIL allocation is unfair and that the proposed changes would facilitate a fairer allocation of NCIL. A common theme within the supportive responses was favour for redistributing NCIL to areas with the greatest infrastructure need, particularly areas 5, 6 and 7 in the east of the borough. A full summary of consultation responses together with the Council's response to them can be found in Appendix A.
- 8.6 On 2 March 2020 Regulatory Committee considered the proposed changes to the CIL Governance document. It recommended the Leader approve the draft changes to the CIL Governance Document having regard to the consultation responses (still ongoing at that time) and the Committee's responses in respect of the consultation. The Committee noted:
- the CIL charging rates are indexed for inflation over time.
 - it had previously recommended an increase in the CIL rates to Cabinet. Cabinet had approved the report to consult on an increase, and this consultation had recently concluded. The results and a recommendation would be submitted to an independent examiner, who would provide a view. Once these steps had completed, a report would be taken at Full Council to implement the increased rates, with implementation likely in 2021. CIL rates must be set based on the financial viability of development.
 - CIL funds had taken some years to build up, CIL was paid upon commencement of a development on site, so there was a time lag between developments being CIL liable and then paying.
 - CIL should be seen in the context of other contributions from developers such as Section 106 (S106) planning obligations and affordable housing
 - that the decision to spend CIL funds would be made taking into consideration where development happened, and the need for development in particular areas.
 - that NCIL boundaries would be reconsidered when the boundary changes had been completed.
- 8.7 The majority of consultation responses opposed the proposed changes to the CIL Governance document. These were mostly received from residents of Harringay and Noel Park wards. Their area would likely see its NCIL allocation reduced under a future NCIL redistribution option. While the majority of respondents therefore oppose the proposed changes, it is considered that retaining the current NCIL arrangement would not be fair. This point was

highlighted by various respondents supporting the proposed changes. Supporters of the proposed changes favoured a revised NCIL allocation which more fairly relates to the amount of development which has taken place in an area and has regard to differences in infrastructure need between areas. Consultation responses identified that the east of the borough has the greatest infrastructure need which is consistent with the Council's IDP (see paragraph 7.4).

- 8.8 Having regard to the key points raised in the consultation responses, and the comments and ultimate resolution of Regulatory Committee, it is recommended that the draft changes proposed to the CIL Governance document set out in paragraph 8.2 above are approved and the CIL Governance document updated to give effect to the changes so that the Council can spend NCIL in a different area to where it was collected. The adoption of a more flexible approach following public consultation which would allow for redistribution of NCIL is consistent with the CIL Regulations and PPG.

9. Allocation of NCIL across the borough

- 9.1 As explained in paragraph 7.5 above, the Regulations and PPG do not prescribe exactly how NCIL should be spent where there is no Parish Council and/or Neighbourhood Plan in place so there is a range of ways that NCIL could be allocated. Four potential options (A to D) for allocating NCIL are set out below. The advantages and disadvantages of the four potential options are set out in Table 3. Option D is the recommended option as it results in a much fairer allocation of NCIL across the borough which neutralises the effects of differential CIL charging rates and has a tilt towards redistributing NCIL in favour of areas that experience more development and Areas 5 and 6 (broadly covering Tottenham) which have been demonstrated through the Council's IDP to have the greatest investment need.
- 9.2 Approval is sought to allocate all NCIL collected to date across the borough as set out in Option D. This method of NCIL allocation would be applied going forward. The NCIL amounts currently available to spend in each area under Option D are set out in the final column of Table 4.
- 9.3 As per paragraph 7.5, all of options ringfence the NCIL within the Highgate Neighbourhood Plan Area. They also ringfence NCIL in the Crouch End Neighbourhood Forum area as this area was identified as separate in the CIL Governance document. As the Crouch End Neighbourhood Forum does not have a Neighbourhood Plan currently the ringfencing is only 15% of NCIL received. The Finsbury Park and Stroud Green Neighbourhood Area and Forum was established in September 2018, after the CIL Governance document was adopted in 2017. As it was not separately identified in the CIL Governance document it is not currently proposed to be ringfenced, but this could be changed in the future should the Forum adopt a Neighbourhood Plan or should the Council review the CIL Governance boundaries.
- **Option A:** Distribute NCIL as per the existing adopted approach based on the percentages set out in the existing Haringey CIL Governance document in the area in which CIL was collected.

- **Option B:** Ringfence the NCIL for the Neighbourhood Forum areas and allocate the remainder of the total NCIL collected equally between Areas 1 to 7.
- **Option C:** Ringfence the NCIL funding for the Neighbourhood Forum areas and allocate the remainder of the total NCIL collected proportionally in Areas 1 to 7 based on the number of wards in an Area.
- **Option D (recommended):** As Option C but with a ‘tilt’ towards allocating some NCIL collected in favour of areas that experience more development and Tottenham which has greater investment need. The methodology is:
 - The Neighbourhood Forum area amounts remain ringfenced. Of the remaining NCIL available:
 - 15% is allocated to Areas based on the amount of development in an Area^[1].
 - 10% is allocated proportionally to the Tottenham areas (Areas 5 and 7) based on the number of wards in the Areas.
 - 75% is allocated proportionally to Areas 1 to 7 based on the number of wards in each Area (as in Option C).

^[1] The amount of development is based on the NCIL collected as the simplest and most reliable and relevant proxy but adjusted so that the effect of the varying CIL rates across the borough is neutralised to ensure fairness. Each area’s percentage share of the overall amount of development is then applied to the topslice amount. This effectively distributes the topslice proportionally based on the amount of development.

Table 3: Advantages and disadvantages of NCIL distribution options

	Advantages	Disadvantages
<p>Option A: Distribute NCIL as per the existing adopted approach based on the percentages set out in the legislation and the area in which CIL was collected.</p>	<p>This is consistent with the Council’s adopted approach in the existing CIL Governance document which is that NCIL should be spent in the area in which it was collected.</p>	<p>This option involves large discrepancies between the amount of funding available in each NCIL Area</p> <p>The amount of funding available for each is not completely reflective of the amount of development that has taken place due to differing CIL rates across the borough which are based on development viability. In this sense, it is a less fair approach.</p>
<p>Option B: Ringfence the NCIL for the Neighbourhood Forum areas and allocate the remainder of the total NCIL collected equally between Areas 1 to 7.</p>	<p>This option is the simplest to calculate. It ensures equality between neighbourhood areas but it does not reflect infrastructure needs or demands generated by new development.</p>	<p>An equal distribution of NCIL funding breaks the link between development and infrastructure funding. Areas which have received more development would get the same amount of funding as areas which have received less development. This option would not necessarily reflect infrastructure needs or demands generated by new development.</p> <p>There would be significantly less NCIL available to support projects within Wood Green which is one of the Council’s two regeneration priorities (however, strategic infrastructure could be funded through Strategic CIL instead of NCIL).</p>
<p>Option C: Ringfence the NCIL funding for the Neighbourhood Forum areas and allocate the remainder of the total NCIL collected proportionally in Areas 1 to 7 based on the number</p>	<p>The same as option B but reflects the differing sizes of the neighbourhood areas (a rough proxy for their populations).</p>	<p>The same as Option B.</p>

	Advantages	Disadvantages
of wards in an Area.		
Option D (recommended): As Option C but with a 'tilt' towards redistributing some NCIL in favour of areas that experience more development and Tottenham which has greater investment need.	<p>The same as Option C but acknowledging some areas experience more development than others with further emphasis on Tottenham identified as an area in need.</p> <p>The effect of the CIL charging rates being different across the borough is cancelled out by this approach.</p>	<p>Causes differences between amount of funding in each NCIL area but not as extreme as Option A.</p> <p>There would be significantly less NCIL available to support projects within Wood Green which is one of the Council's two regeneration priorities (however, strategic infrastructure could be funded through Strategic CIL instead of NCIL).</p>

9.4 No NCIL funds have been spent to date. The table below shows the amounts available to be spent in each area based on the calculations for each option outlined above. The amounts are as at the end of Q3 2019/20.

Table 4: Amounts currently available if NCIL allocated in accordance with Options A to D above

Area	Option A	Option B	Option C	Option D recommended
Area 1- Fortis Green, Muswell Hill and Alexandra	£185,643	£285,063	£352,136	£271,459
Area 2- Hornsey and Stroud Green	£144,790	£285,063	£234,758	£181,806
Area 3- Bounds Green and Woodside	£130,436	£285,063	£234,758	£184,370
Area 4- Noel Park and Harringay	£1,251,384	£285,063	£234,758	£255,717
Area 5- White Hart Lane and Northumberland Park	£32,421	£285,063	£234,758	£278,585
Area 6- West Green, St Ann's and Seven Sisters	£12,288	£285,063	£352,136	£272,706
Area 7- Bruce Grove, Tottenham Green and Tottenham Hale	£238,478	£285,063	£352,136	£550,796
Highgate Neighbourhood Forum and Plan Area	£255,865	£255,865	£255,865	£255,865
Crouch End Neighbourhood Forum Area	£114,997	£114,997	£114,997	£114,997

Total	£2,366,302	£2,366,302	£2,366,302	£2,366,302
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10. Round 1 Consultation (2018) Spend

- 10.1 From October to November 2018, the Council undertook an initial consultation in relation to the spend of NCIL receipts ('Round 1'). This consultation covered Areas 1 to 7 (see Figure 1) but excluded the Highgate Neighbourhood Forum Area and the Crouch End Neighbourhood Forum Area.
- 10.2 A total of 559 community responses were received through the consultation. Responses were submitted from all seven areas within the scope of the consultation, with the highest number of responses relating to Area 1 (Fortis Green, Muswell Hill and Alexandra). Project types which were heavily promoted through the consultation included:
- Library renovations, particularly Muswell Hill Library accessibility improvements (259 responses);
 - Tree planting;
 - Park and play area improvements;
 - Community safety measures, with an emphasis on more CCTV cameras;
 - Public realm and cleanliness;
 - Youth provision;
 - Improved opportunities for walking, cycling, road improvement and traffic management; and
 - School building renovations.
- 10.3 A more detailed summary of the Round 1 Consultation responses is provided as Appendix B.
- 10.4 The NCIL projects set out in Table 5 below are recommended for spending approval. Further detail on the projects is provided within Appendix C.

Table 5: List of initial NCIL Round 1 Consultation (2018) projects for spending approval, sorted by Area

Area	Project	Ref #	Cost
Area 1 Fortis Green, Muswell Hill and Alexandra	Muswell Hill Library Accessibility Improvements	1	£271,459 contribution (to £357,000 full cost)
	Total for Area		£271,459
Area 2 Hornsey and Stroud Green	Re-deployable cameras x1	2a	£11,000
	On-street waste containment x2	2b	£10,000
	Bike hangars x1	2c	£5,000
	Priory Park Sports and Play Area Enhancements	2d	£100,000
	Stroud Green and Harringay Library Accessibility Improvements	2e	£55,806 contribution (to £180,000 full cost)

Area	Project	Ref #	Cost
	Total for Area		£181,806
Area 3 Bounds Green and Woodside	Re-deployable cameras x2	3a	£22,000
	On-street waste containment x2	3b	£10,000
	Bike hangars x2	3c	£10,000
	Woodside Parks Play Area and landscaping improvements	3d	£46,000
	Chapman's Green New Play Area	3e	£20,000
	Springfield Park enhancements	3f	£10,000
	Wood Green Youth Space Contribution	3g	£50,000
	Total for Area		£168,000
Area 4 Noel Park and Harringay	Re-deployable cameras x2	4a	£22,000
	On-street waste containment x2	4b	£10,000
	Bike Hangars x2	4c	£10,000
	Wood Green Common Playground Update	4d	£50,000
	Wood Green Youth Space Contribution	4e	£150,000
		Total for Area	
Area 5 White Hart Lane and Northumberland Park	Re-deployable cameras x2	5a	£22,000
	On-street waste containment x2	5b	£10,000
	Bike hangars x2	5c	£10,000
	Bruce Castle Park Landscape Enhancement	5d	£50,000
	Bruce Castle Renovate Multi Use Games Area for various sports	5e	£140,000
	Tower Gardens Landscape Improvements to go pesticide free	5f	£30,000
	LGBT+ Crossing The Roundway and Lordship Lane	5g	£10,000
		Total for Area	
Area 6 West Green, St Ann's and Seven Sisters	Re-deployable cameras x3	6a	£33,000
	On-street waste containment x3	6b	£15,000
	Bike Hangars x3	6c	£15,000
	Lordship Recreation Ground- Changing Places Accessible Toilet	6d	£65,000
	Downhills Park- Tennis Courts	6e	£100,000
	Wood Green Youth Space Contribution	6f	£50,000
		Total for Area	
Area 7 Bruce Grove, Tottenham Green and Tottenham Hale	Re-deployable cameras x3	7a	£33,000
	On-street waste containment x3	7b	£15,000
	Bike hangars x3	7c	£15,000
	Hartingdon Park- Landscape Improvements	7d	£30,000
	Tree Planting	7e	£24,000
	Bruce Grove Youth Space Improvement Project	7f	£400,000
	Zebra crossing at Shelbourne	7g	£35,000

Area	Project	Ref #	Cost
	Road		
	Total for Area		£552,000
Highgate Neighbourhood Forum and Plan Area	BMX Track	8a	£170,000
	Parkland Walk Play Area	8b	£90,000
	Tree Planting	8c	£24,000
	Total for Area		£284,000
Total cost	£2,249,265		

- 10.5 The total cost of projects recommended for approval is £2.25m which compares to the £2.36m NCIL available as of 31 December 2019.
- 10.6 The projects listed for Areas 1 to 7 were identified by the community through the Round 1 Consultation in 2018. In some cases, they have arisen as a specific suggestion for example, accessibility improvements at Muswell Hill Library. In other cases, the project has developed and refined internally following a more general suggestion, for example, 'tree planting in Area 7.'
- 10.7 All of the projects identified within Table 5 meet the NCIL legislative requirements which state that NCIL funds must be spent on infrastructure or 'anything else that is concerned with addressing the demands that development places on an area.'
- 10.8 All of the suggested projects have been assessed against the Borough Plan 2019-2023 priorities to ensure they support the Council's ambitions for the borough. They have also been assessed against the criteria in the Council's CIL Governance document for prioritising infrastructure projects to be funded by CIL. Appendix D sets out the performance of each project against the criteria. Each project recommended for NCIL spend scores well against the criteria and is therefore a high priority for receiving NCIL funding.
- 10.9 The different service delivery areas within the Council have been engaged to ensure that the projects are feasible and deliverable. An indicative or baseline cost has been assigned to each project and a delivery process and timescale for delivery has been agreed. A small number of project ideas suggested during the consultation have been excluded from the table as the Council cannot ensure their deliverability e.g. due to feasibility, capacity or funding reasons.
- 10.10 The Governance process for identifying projects to be delivered in Neighbourhood Forum Areas is different to that for projects in Areas 1 to 7. In accordance with recommendation 10 of the Housing and Regeneration Scrutiny Panel's report on the spending of the neighbourhood proportion of CIL (see background document), the processes for determining and prioritising how NCIL is spent should be devolved to Neighbourhood Forums, in consultation with the Council so that it can be ensured the overall process is satisfactory.
- 10.11 The Round 1 Consultation did not cover the Neighbourhood Forum Areas identified in the existing CIL Governance document. Officers have therefore met with the Forums to discuss their priorities and receive their specific project

nominations based on their adopted or emerging Neighbourhood Plan work and the engagement they have already undertaken directly with residents.

- 10.12 Projects identified within the Highgate Neighbourhood Forum Area have been prioritised by the Highgate Neighbourhood Forum in consultation with the Council. These projects have been selected having regard to the policies and proposals within the Highgate Neighbourhood Plan and the other considerations listed in paragraphs 10.7 to 10.9 above. The Highgate Neighbourhood Forum has opted to defer the delivery of accessibility improvements to Highgate Library to a future NCIL spending round. This is on the basis that the funding currently available in the area is not great enough to fund all of the nominated projects and they have assigned the listed projects a higher priority for Round 1 delivery.
- 10.13 The Crouch End Neighbourhood Forum was not included in the Round 1 Consultation in 2018. It has expressed a preference to formulate its own procedure to come up with future NCIL spend projects and consequently there is no proposed project spend in the Crouch End area at this time. The Council will consider future spend in Crouch End following further consultation.
- 10.14 All of the projects listed in Table 5 are recommended for spending approval. This is on the basis they have been identified by the community through the Round 1 Consultation in 2018 (or chosen by the Highgate Neighbourhood Forum Area as set out in paragraph 10.12), meet the NCIL legislative requirements, support the Council's ambitions for the borough as set out in the Borough Plan, and have been demonstrated to be feasible and deliverable.
- 10.15 The Turnpike Lane Improvement Project submitted through the consultation by the Turnpike Lane Joint Strategy Working Group is not proposed to be funded through NCIL but wider Wood Green Regeneration projects were approved by Cabinet on 11 February 2020 and by Council on 24 February 2020 as part of the budget / Capital Programme scheme reference #480 within which the Turnpike Lane project is included. A separate decision will be taken to confirm the source of funding for this approved project, of which Strategic CIL will be considered. Re-deployable cameras put forward through the consultation by the Turnpike Lane Joint Strategy Group are still proposed to be funded by NCIL.
- 10.16 Table 6 sets out the value of projects in each Neighbourhood Area proposed for spending approval versus the NCIL that is available within the respective areas under the recommended allocation option D. While the Round 1 consultation has been very valuable in informing the spend within Areas 1 to 7, it has not directed the spend precisely. The first point to note is that the value of individual projects suggested through the Round 1 Consultation varied considerably. The second point to note is that as response rates varied significantly across the borough some areas nominated many more projects than others. This contributed to differences in the total value of projects nominated in individual areas. Thirdly, the total value of projects has also been impacted by the exclusion of a small number of suggested projects which do not meet the legal requirements for NCIL spending or which Council service departments did not consider to be feasible or deliverable. Not all project ideas or suggestions can be funded through Round 1, but there are opportunities in future Rounds for projects to be put forward.

Table 6: Value of recommended projects in each Neighbourhood Area versus the NCIL that is available under the recommended allocation option D

Area	Funding available under recommended Option D as at 31 December 2019	Value of recommended projects
Area 1- Fortis Green, Muswell Hill and Alexandra	£271,459	£271,459
Area 2- Hornsey and Stroud Green	£181,806	£181,806
Area 3- Bounds Green and Woodside	£184,370	£168,000
Area 4- Noel Park and Harringay	£255,717	£242,000
Area 5- White Hart Lane and Northumberland Park	£278,585	£272,000
Area 6- West Green, St Ann's and Seven Sisters	£272,706	£278,000
Area 7- Bruce Grove, Tottenham Green and Tottenham Hale	£550,796	£552,000
Highgate Neighbourhood Forum and Plan Area	£255,865	£284,000
Crouch End Neighbourhood Forum Area	£114,997	£0
Total	£2,366,302	£2,249,265

11. Round 2 Consultation (2020)

11.1 While the list of initial NCIL Round 1 Consultation (2018) projects for spending approval (set out in Table 5) requires the use of most accrued NCIL in each area, there is expected to be a reliable source of new NCIL over coming years as development which has been granted planning permission comes forward. It is important that the Council builds up a portfolio of possible projects for each neighbourhood so that there aren't considerable delays between NCIL becoming available and NCIL projects being identified and delivered. This is consistent with Recommendation 9 of the Housing and Regeneration Scrutiny Panel's Scrutiny Project on Governance arrangements for spending the neighbourhood proportion of the Community Infrastructure Levy which was as follows: "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)." This recommendation was agreed by Cabinet (May 2016) with the response provided that "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 (sic) additional costs falls within the provisions allowed for in the CIL regulations)."

11.2 The Council's CIL Governance document commits the Council to rerun consultation on NCIL every two to three years to ensure the projects and priorities are still the most relevant to the local community. The Round 1 consultation was held in Autumn 2018 and so the Council will hold a Round 2 consultation on future spending of NCIL later in 2020. This will help inform future NCIL spend in coming years as more NCIL money is collected.

12. Contribution to strategic outcomes

12.1 Priority 2 (People) 'To narrow the gap in outcomes': Allocating NCIL in a different area to where it was collected will enable the Council to increase spend on projects in the areas of the borough which have the greatest level of infrastructure need.

12.2 Priority 3 (Place): NCIL helps fund local infrastructure projects which are necessary to ensure that the growth in the borough is something that everyone can benefit from and produces sustainable, safe, attractive and accessible places. The NCIL consultation process also offers communities the opportunity to shape Place.

12.3 Priority 4 (Economy): CIL receipts are a key source of funding to support the delivery of local physical and social infrastructure. One of the objectives is to "Take account of how people feel about the way their local areas are changing" with an action to "Seek to bring in external funding and use Section 106 and Community Infrastructure Levy budgets to achieve maximum impact".

12.4 Priority 5 (Your Council): The allocation of NCIL in a different area to where it was collected will allow the Council to use its resources in such a way that prioritises the residents and areas which have the greatest level of infrastructure need.

13. Statutory Officers comments

Finance

13.1 The recommendations in this report are that the Leader of the Council:

- 1) Approves the changes to the CIL Governance document set out in Section 8.2 of this report.
- 2) Approves the allocation of all NCIL collected to date across the borough as set out in Option D in Table 4 in section 9 of this report.
- 3) Approves spending NCIL on Round 1 Consultation (2018) projects as set out in Table 5 in section 10 of this report.

13.2 The total cost of projects recommended for approval for Round 1 (see Table 5) is £2.25m which compares to the £2.36m NCIL available as of 31 December 2019.

Procurement

13.3 There are no procurement implications for this report.

Legal

13.4 The Assistant Director of Corporate Governance has viewed and noted this report. The NCIL is to be applied in accordance with the Planning Act 2008 and the CIL Regulations 2010 (as amended). The applicable legal tests and Government Guidance to be followed by the Council when applying NCIL is in sections 4 and 6 of this report

13.5 The Leader is authorised under Article 7.03 of the Council's Constitution to carry out the Council's executive functions. The law does not specify that the approval of NCIL spend is a function that cannot be the responsibility of an authority's executive and so the Leader can authorise the recommendations in section 3 of this report.

Equality

13.6 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

13.7 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

13.8 The report presents various options to the Leader for the allocation of NCIL on a geographic basis in the Borough and various projects that NCIL may be spent on. The options presented may result in different outcomes in terms of equality and equity. These are noted at paragraph 8.7 and it is for the Leader to consider which option may best enable the achievement of Borough Plan outcomes while having due regard for the three aims of the Public Sector Equality Duty noted above.

13.9 Projects that the NCIL may be spent on are identified in Table 5. It is notable that each of these projects may represent a measure to reduce inequalities in Haringey, as follows:

- Accessibility improvements at libraries represent measures to meet the needs of residents with disabilities and older people and may result in improved outcomes for these groups through provision of library services
- CCTV cameras may help to reduce fear of crime and overall levels of criminal activity. It is notable that fear of crime is higher than average among women, BAME communities, Jewish and Muslim residents, those with

disabilities, and LGBT+ residents. BAME communities and younger people are also more likely than average to be victims of crime

- On-street waste containment may help to reduce littering and correspondingly benefit groups who live in areas that are disproportionately impacted by littering
- Improvement and upgrade measures in parks are likely to lead to improved health outcomes for children and young people as well as residents of the areas local to those parks
- Measures to increase tree planting may result in improvements to air quality, which is known to disproportionately harm children, older people, those with disabilities, and BAME communities
- Bruce Grove and Wood Green youth space improvements will help to support young people who may be disadvantaged and have other protected characteristics
- Pedestrian crossing creates an inclusive and safer environment, particularly those with accessibility requirements, and LGBT+ crossings represent the valuing of diversity and support visibility of the LGBT+ community in the borough, which is a protected characteristic

13.10 As noted in the report, the projects outlined here link to outcomes of the Haringey Borough Plan 2019-23. The Borough Plan equalities impact assessment is available to view here:

http://www.minutes.haringey.gov.uk/documents/s107023/ Borough%20Plan%20EQIA_FINAL.pdf

14. Use of Appendices

Appendix A Summary of NCIL Redistribution Consultation responses

Appendix B: Summary of Round 1 Consultation Responses

Appendix C: Round 1 Consultation Spend

Appendix D: Assessment of Round 1 Spend Projects against key criteria

15. Local Government (Access to Information) Act 1985

Background documents:

Adopted Haringey CIL Governance document (November 2017)

https://www.haringey.gov.uk/sites/haringeygovuk/files/cil_charging_schedule_updated_governance_revised_reg_123_004_003.pdf

NCIL Redistribution consultation document

https://www.haringey.gov.uk/sites/haringeygovuk/files/ncil_redistribution_consultation_document.pdf

Haringey Infrastructure Delivery Plan Update April 2016

https://www.haringey.gov.uk/sites/haringeygovuk/files/haringey_idp_update_april_2016.pdf

Housing and Regeneration Scrutiny Panel (3 March 2016): Community Infrastructure Levy Governance Arrangements
<http://minutes.harinet.haringey.gov.uk/ieListDocuments.aspx?CId=754&MId=7423&Ver=4>

Cabinet (17 May 2016): Scrutiny Review of Community Infrastructure Levy Governance Arrangements:
<http://minutes.harinet.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=7842&Ver=4>

Cabinet (17 October 2017): Community Infrastructure Levy Governance / Planning Obligations SPD
<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=8290&Ver=4>