

Report for: Cabinet, 8 December 2020

Item number: N/A

Title: Spending Strategic Community Infrastructure Levy (SCIL)

Report authorised by: David Joyce, Director of Housing, Regeneration & Planning

Lead Officer: Rob Krzyszowski, Interim Assistant Director for Planning, Building Standards & Sustainability

Ward(s) affected: All

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

1. Describe the issue under consideration

1.1. This report recommends projects to be allocated Strategic Community Infrastructure Levy (SCIL) monies, in accordance with national legislation and guidance and Haringey policy.

2. Cabinet Member Introduction

2.1. The Council is committed to maximising the contributions from developers to support the delivery of local infrastructure and development for the benefit of residents and businesses in the borough.

2.2. The Council has already advanced work on increasing the CIL rates charged to developers. The Council has also changed the allocation process for Neighbourhood CIL (NCIL) so that is fairer, and has allocated £2.2m of NCIL to projects across the borough following consultation with local people to understand their priorities, in accordance with the fairer distribution.

2.3. Now the Council is spending £14.6m of its Strategic CIL (SCIL) monies on important infrastructure to support the development of the borough. This is particularly important as part of the Council's Good Economy Recovery Plan and response to the impacts of Covid-19.

3. Recommendations

3.1. Cabinet approves £14.6m of Strategic CIL (SCIL) monies being spent on the projects set out in section 6 of this report.

4. Reasons for decision

4.1. The Council must spend 70-80% of CIL on Strategic CIL (SCIL) projects. As of the end of October 2020, there is £14.6m of SCIL available to spend.

- 4.2. The requirements, process and criteria for spending SCIL are set out in national legislation and guidance, and also in adopted Haringey policy, summarised in this report.
- 4.3. Following consideration of the requirements, process and criteria, a shortlist of projects is recommended for SCIL spend. These projects are important to support the delivery of local infrastructure and development for the benefit of residents and businesses in the borough.

5. **Alternative options considered**

- 5.1. The alternative options considered to the recommended approach are as follows:
 - **Option 1 – Do not spend SCIL at this time.** This is not considered appropriate as there are significant SCIL funds available to support residents and businesses through the development of the borough by capital expenditure on infrastructure which will also help address infrastructure impacts from Covid-19.
 - **Option 2 – Spend SCIL on projects which are not infrastructure, or do not support development of the borough.** This is not an option as it would not comply with the legal requirements for spending SCIL.
 - **Option 3 – Spend SCIL on projects through an approach different to that in the CIL Governance document.** This is not considered appropriate as it would not be in accordance with Haringey's adopted CIL Governance document. As the CIL Governance document has been shaped by previous public consultation, any further changes to the CIL Governance document would likely require further public consultation.
 - **Option 4 – Spend SCIL to different projects within the Capital Programme.** This is not considered appropriate as the recommended projects have been selected as they best meet the relevant requirements and criteria for SCIL spend and support the Council's priorities.

6. **Background**

What is CIL?

- 6.1. CIL is a charge based on the floorspace of new buildings related to planning permissions to help fund infrastructure needs arising from new development. More information on CIL is available at www.haringey.gov.uk/cil.

National reforms to CIL

- 6.2. CIL was introduced in the Planning Act 2008 with the CIL Regulations 2010 bringing the key powers into effect.
- 6.3. CIL has been subject to almost constant reform since its introduction. Since 2010 every year there has either been national amendments to CIL Regulations, CIL Guidance, or a national review or consultation on changes to CIL.

- 6.4. The changes to the CIL Regulations in 2019 introduced a requirement for the Council to publish an Infrastructure Funding Statement (IFS) by the end of December 2020, and then on an annual basis. The IFS includes mainly factual financial data on the collection, allocation and spend of CIL (and section 106 monies). Any decisions on SCIL spend from this Cabinet Report will be reflected in the IFS to be published in December 2020.
- 6.5. On 6 August 2020 the Government published the 'Planning for the Future: White Paper' for consultation. This included proposals for CIL to be reformed into a new "consolidated infrastructure levy". The Council responded to the consultation in October 2020. It should be noted that the White Paper is only at the consultation stage, if the proposals within it are to be implemented, there will likely need to be secondary (and possibly primary) legislation, and further consultation on detailed policy and guidance, before any of the proposed changes can take effect. The final result of the reforms is likely to be different somewhat to what is proposed in the White Paper. There would also likely need to be a very lengthy transition period between the current CIL system and any new system due to the large number of planning permissions in the pipeline that are already liable for, or have paid, CIL. In light of this, it is not considered that this should affect the Council's approach to spending SCIL in any way in the immediate term.

What does Haringey charge developers in CIL?

- 6.6. The Council's CIL charging rates are set out in its CIL Charging Schedule¹ which has been in effect since November 2014.
- 6.7. A consultation on proposed increases to some of the Council's CIL rates through a new Draft Charging Schedule was approved by Cabinet on 12 November 2019 and undertaken from December 2019 to February 2020². The Draft Charging Schedule will be submitted for independent examination in due course and subject to the outcome of that examination, and formal council approval, it will come into effect in 2021.

How much SCIL has Haringey collected and spent so far? How much SCIL is available to spend now?

- 6.8. As of the end of October 2020, Haringey has collected a total of £16.5m SCIL and spent £1.9m of it on Bounds Green Primary School expansion in 2016/17. This means that **£14.6m of SCIL is currently available to spend.**

What can CIL be spent on?

- 6.9. CIL must be spent as follows:
- Up to **5%** of CIL may be spent on the **administrative expenses** incurred by the Council in administering the collecting and spending of CIL.

¹ www.haringey.gov.uk/cil

² www.haringey.gov.uk/cil

- **15%** of CIL must be spent on **Neighbourhood CIL (NCIL)** projects, that is projects identified in consultation with local neighbourhoods, including ward Members. The 15% figure increases to 25% where there is an adopted Neighbourhood Plan. A decision on NCIL spend projects was made in March 2020³, and NCIL is not the subject of this report.
- The remaining **70-80%** of CIL may be spent on **Strategic CIL (SCIL)** projects. As set out above, there is currently £14.6m of SCIL available to spend.

What can Strategic CIL (SCIL) be spent on?

6.10. Decisions on spending of SCIL must take into account the following, which are set out under the subsequent headings:

- **National legislation, policy & guidance**
- **Haringey policy:**
 - **CIL Governance document:**
 - **Regulation 123 List**
 - **SCIL spending criteria**
 - **Capital Programme**
 - **Infrastructure Delivery Plan (IDP)**

National legislation, policy & guidance

6.11. Legislation requires SCIL to be spent on “funding the provision, improvement, replacement, operation or maintenance **of infrastructure to support the development of its area**”⁴. Infrastructure is defined as including:

- **Roads & transport facilities**
- **Flood defences**
- **Schools & educational facilities**
- **Medical facilities**
- **Sporting & recreational facilities**
- **Open spaces**

6.12. National Planning Practice Guidance on CIL states that SCIL “can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development”⁵.

Haringey CIL Governance document

6.13. Haringey’s adopted CIL Governance document states that SCIL “**will be spent on CIL eligible projects with [sic] the Capital Programme, taking into account the Regulation 123 List and the Infrastructure Delivery Plan (IDP)**”.

³ www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=435&MId=9371&Ver=4

⁴ Planning Act 2008, CIL Regulations 2010

⁵ www.gov.uk/guidance/community-infrastructure-levy

Haringey Regulation 123 List

6.14. Haringey's adopted CIL Governance document requires SCIL to be spent in accordance with its adopted Regulation 123 List⁶:

- **Educational Facilities**
- **Further Education Facilities**
- **Health & wellbeing Facilities**
- **Parks & Open Spaces**
- **Social & Community Facilities**
- **Transport & Highways** excluding works that area required as part of a development proposal to be secured through a Section 278 Agreement
- **Enterprise Space**
- **Sports & Leisure Facilities**
- **Public Realm Improvements**
- **Community Safety Measures**
- **District Energy Network** and associated infrastructure

Haringey SCIL spending criteria

6.15. Haringey's adopted CIL Governance document states "there will be competing demands for this funding". The criteria listed below will be considered to assess and prioritise what SCIL will be spent on with greater priority given to projects that meet the greater number of 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 optimise 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;

⁶ www.haringey.gov.uk/cil

- 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.

Haringey Infrastructure Delivery Plan (IDP)

6.16. The Haringey Infrastructure Delivery Plan (IDP) Update (April 2016)⁷ sets out how the Council will deliver local and strategic development needs including housing, employment, leisure and retail provision to support the implementation of the Local Plan. It considers infrastructure needs for the following categories:

- **Education**
- **Health**
- **Libraries & museums**
- **Open space, leisure & sport**
- **Transport**
- **Waste facilities**
- **Surface water management measures**
- **Water quality**
- **Electricity network**
- **Decentralised energy infrastructure**
- **Emergency services**

Haringey Capital Programme

- 6.17. The Council publishes an updated Capital Programme every year as part of its annual budget, listing the main capital investment projects. The latest Capital Programme was approved by Full Council in February 2020⁸.
- 6.18. The CIL Governance document requires SCIL to be spent on projects within the Capital Programme. The CIL Governance document does allow projects outside of the Capital Programme to be considered for SCIL spend by the Assistant Director for Planning and referred to the Capital Board. Those projects outside of the existing adopted Capital Programme (February 2020) but being considered for the emerging draft updated Capital Programme (December 2020) have been considered in this way and are included in the list of proposed projects for SCIL funding.
- 6.19. The Council's capital budget already assumes £5m of SCIL as a funding source but does not specify which Capital Programme projects would be funded in this way. This decision will confirm which projects in the Capital Programme are funded by SCIL rather than other sources such as borrowing.

Haringey Good Economy Recovery Plan

⁷ www.haringey.gov.uk/planning-and-building-control/planning/planning-policy/local-plan/local-plan-evidence-base#hidpu

⁸ www.minutes.haringey.gov.uk/mgAi.aspx?ID=64310#mgDocuments

6.20. The Council has been working closely with our business community and local partners to provide support and advice to help local people through the Covid-19 pandemic. Following engagement, the Council published Haringey's Good Economy Recovery Plan⁹ in August which is a 12-18 month plan with a focus on jobs, securing a green recovery and embracing technology, with 4 key priorities:

- **Re-open and support our high streets and town centres**
- **Support businesses through recovery and into renewal**
- **Support residents into work and training**
- **Secure social and economic value through investment in our neighbourhoods and communities**

6.21. As a result of the Recovery Plan and in response to Covid-19, a number of further capital projects have been considered by the Assistant Director and Capital Board and are being added to the Capital Programme, which are eligible for SCIL spend.

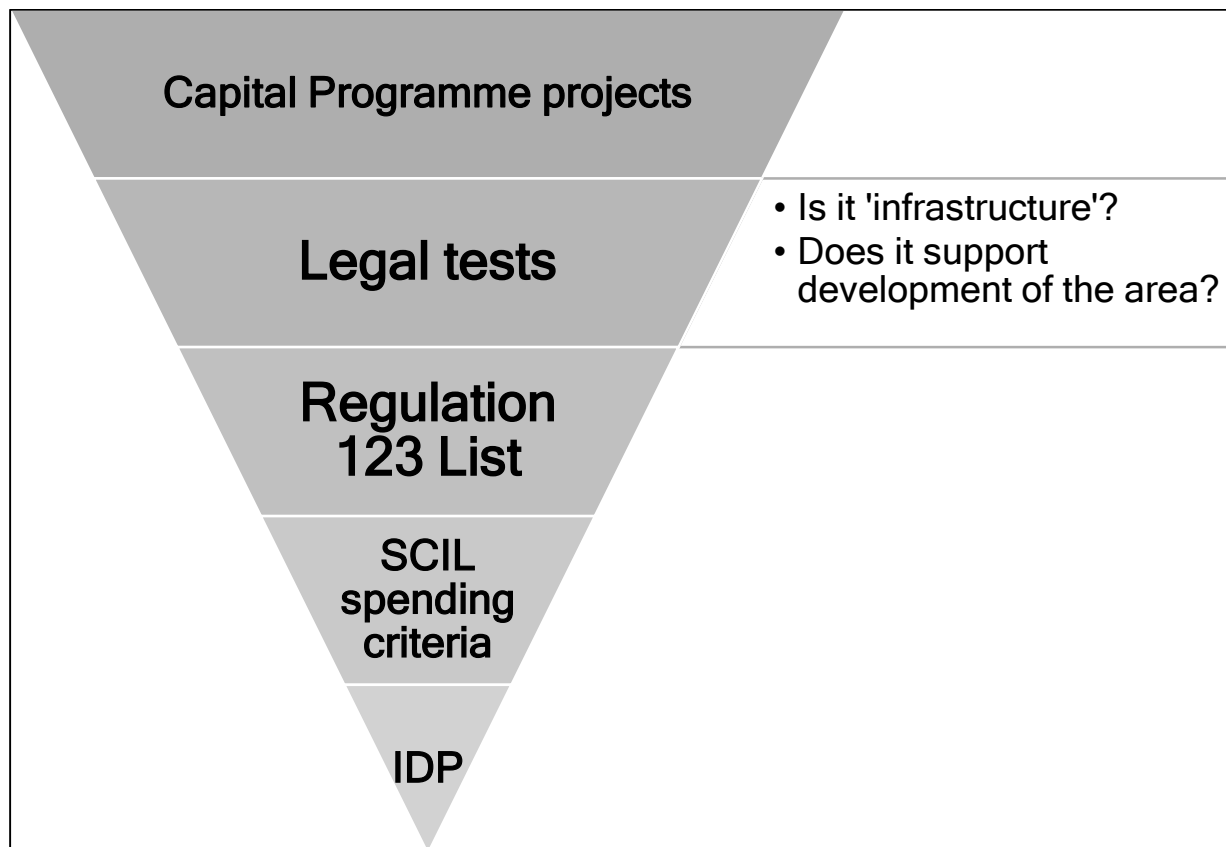
Recommended shortlist of projects to spend SCIL on

6.22. As set out above, there is **£14.6m of SCIL available to spend** as of the end of September 2020.

6.23. To decide on how to spend SCIL, the Council must take into account the above listed documents and criteria.

6.24. To do this, projects from the Capital Programme must be 'filtered' or 'shortlisted' as follows:

⁹ www.haringey.gov.uk/business/haringey-s-good-economy-recovery-action-plan



6.25. The projects which meet the requirements and best meet the relevant criteria are listed below:

SCIL Ref	Capital Programme			Recommended SCIL spend contribution
	Ref	Project & description	Full amount	
Capital Programme (February 2020)				
1	109	Youth Services (Wood Green Youth Space) New temporary youth space in Wood Green – raising attainment and aspirations for all young people who use the centre. £1m total capital cost + £150k x3 years revenue = £1.45m total: <ul style="list-style-type: none"> • £100k GLA Good Growth Fund • £100k Haringey Young People at Risk Strategy fund • £60k Wood Green capital fund • £250k NCIL (agreed March 2020) • £940k SCIL 		£940,000
2	119	School Streets A set of physical measures and interventions around the school gates. Making the space safer, more active travel friendly, and unsuitable for drivers to park and drive through. Measures may include pavement widening, planters for urban greening and chicanes, cycle parking, enforcement cameras,	£1,500,000 borrowing £1,500,000 external	£1,500,000

SCIL Ref	Capital Programme			Recommended SCIL spend contribution
	Ref	Project & description	Full amount	
		temporary gates to close roads to vehicular traffic.		
3	313	Active Life in Parks Outdoor gyms, children's playgrounds, MUGAs, tennis courts, pitch improvements (£901k NCIL for wider parks projects across other capital lines was agreed March 2020)	£1,150,000 borrowing	£500,000
4	474	Tottenham High Road Strategy Deliver a number of public realm infrastructure, open spaces, workspace and mixed used sites projects across Seven Sisters, Tottenham Green and Bruce Grove. Proposal for SCIL is for the Tottenham Green project element as part of High Streets Recovery Action Plan.	£12,727,000 borrowing	£342,000
5	411	Tottenham High Road & Bruce Grove station Delivery of employment workspace and public realm improvements in Bruce Grove Ward	£569,000 borrowing	£569,000
6	480	Wood Green Regen	£34,413,000 borrowing	£600,000
6.1		<u>Turnpike Lane Improvement Project</u> Community-led regeneration to contribute to a safer environment; enhance public spaces; improve safety and design out anti-social behaviour; secure a legacy of good design; and promote and support recovery of the local economy. Working closely with the Turnpike Lane Traders Association. Total capital cost £1.2m: <ul style="list-style-type: none"> £600k Council capital £600k SCIL 		
6.2		<u>Penstock Tunnel and Public Space</u> Public realm improvements to Penstock Tunnel in Wood Green. The tunnel forms a strategic link connecting Wood Green town centre and Cultural Quarter with Alexandra Palace and Park and Hornsey to the west. The proposals will seek to create better connections between the east and west of the borough with improvements including drainage, wayfinding, lighting and landscaping, along with an integrated artwork commission. £700k total capital cost: <ul style="list-style-type: none"> £100k TfL funding no longer available, propose to replace with SCIL, and top up with extra £34k £566k GLA/S106/Wood Green capital fund 		

SCIL Ref	Capital Programme			Recommended SCIL spend contribution
	Ref	Project & description	Full amount	
6.3		<p><u>Wood Green Common / Barratt Gardens / Tower Terrace</u> Sustainable drainage to take water from neighbouring roads and facilitate infiltration in areas with mature trees, increase tree planting and biodiversity. Key outcome is it created play and amenity spaces for the three neighbouring schools that connect onto this space. £1.25m total capital cost:</p> <ul style="list-style-type: none"> • £500k GLA Good Growth Fund 3 Accelerator • £750k SCIL 		£750,000
7	4008	<p>Wood Green Decentralised Energy Network (DEN) To support the delivery of a DEN around Wood Green. This may include funding towards the delivery of the energy centre where the low carbon heat is generated, air quality mitigation, the pipework around Wood Green to take the heat from the energy centre to the buildings that will then use it, and the connections into the buildings which would replace individual boiler systems.</p>	£7,000,000 self-finance	£650,000
8	4007	<p>Tottenham Hale Decentralised Energy Network (DEN) Funding to support the delivery of a DEN around Tottenham Hale. This may include funding towards the delivery of the energy centre where the low carbon heat is generated, the pipework around Tottenham Hale to take the heat from the energy centre to the buildings that will then use it (2021/22), heat storage facility and the connections into the buildings which would replace individual boiler systems. SCIL £1.5m for pipes at Ashley Road</p>	£6,500,000 self-finance	£1,500,000
9	465	<p>District Energy Network (DEN) To support the strategic delivery of the DEN programme sites across the borough (such as North Tottenham DEN and linking it to Edmonton Energy from Waste Plant).</p>	£12,960,000 self-finance	£1,400,000
Total for projects in Capital Programme (February 2020)				£8,885,000
Capital Programme draft (December 2020)				
10	NEW1	<p>Good Economy Recovery Plan: Making High Streets Fit for purpose Building on short-term Reopening High Streets Safely interventions</p>	£500,000	£500,000

SCIL Ref	Capital Programme			Recommended SCIL spend contribution
	Ref	Project & description	Full amount	
		and targeting high streets not covered by that grant. Funding for socially distant provision of attractive meeting/dwelling spaces in town centres including maintenance and provision of pavement expansion/street trading for local SMEs to allow for more customers		
11	NEW2	Good Economy Recovery Plan: Market trading investment £30k capital investment for Tottenham Green Market, £30k for Crouch End / other TCs. Providing trading opportunities for dozens of traders, providing a focal point and regular event to promote each town centre and encourage further investment. Signage, electricity points, water points, public realm, storage.	£60,000	£60,000
12	NEW3	Good Economy Recovery Plan: Streetspace Plan projects for Walking & Cycling Those projects that are as yet unfunded by TfL/DfT. Includes £200k for 2020/21 financial year.	£5,100,000	£5,100,000
13	NEW4	Good Economy Recovery Plan: 'Welcome Back' to town centres – signage / commissions at key gateways Act as place-branding for areas, clearly delineating town centres, used to promote the town centre for further investment and development	£100,000	£100,000
Total for projects in Capital Programme draft (December 2020)				£5,760,000
Grand Total				£14,645,000

7. Contribution to strategic outcomes

7.1. CIL can be spent on a wide variety of projects which cross-cut the Borough Plan priorities of Housing, People, Place and Economy. In particular the actions for the Economy priority include:

- “Seek to bring in external funding and use S106 and CIL budgets [to] [sic] achieve maximum impact”; and
- “Secure investment from development to support the delivery of local physical and social infrastructure”.

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

Finance

- 8.1. As of October 2020 there is £14.6m of SCIL available to spend. The criteria for spending SCIL are set out in national legislation and guidance and also in adopted Haringey policy.
- 8.2. The recommended projects are either identified in the existing adopted Capital Programme (February 2020) or being considered for the emerging draft updated Capital Programme (December 2020) and it is deemed that SCIL is a suitable funding source for these projects.
- 8.3. The Council's capital budget already assumes £5m of SCIL as a funding source but does not specify which Capital Programme projects would be funded in this way. This decision will confirm which projects in the Capital Programme are funded by SCIL rather than other sources such as borrowing.

Procurement

- 8.4. N/A

Legal

- 8.5. Approving the spend of SCIL on the projects identified in section 6 of this report will ensure the Council complies with its legal obligation under the CIL Regulations to spend CIL on infrastructure to support development of its area.
- 8.6. Regard has been had to national guidance and the documents listed in section 10 of this report when identifying the projects in section 6 that SCIL is to be spent on.
- 8.7. Approving the spending of SCIL on the projects in section 6 of this report does not form part of the Council's revenue budget and so is a decision that can be taken by Cabinet in accordance with the Council's Constitution.

Equality

- 8.8. 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; and
 - Foster good relations between people who share those characteristics and people who do not.
- 8.9. 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.
- 8.10. The proposed decision is to fund the recommended projects described in Section 6 through £14.6m of Strategic CIL funding. These projects were set out

in either the Capital Programme, which was approved as part of the Budget 2020/21 process, or the Good Economy Recovery Plan (published August 2020).

- 8.11. Projects outlined in the Capital Programme were considered as part of the Budget process and the Council's equality duties in February 2020. The Equalities Impact Assessment (EQIA) accompanying the Budget detailed potential impacts on individuals with protected characteristics arising from the Budget. Proposals contained within the Budget were developed according to the Equality Principles and Objectives contained within the Borough Plan 2019/2023. Individual projects contained within the Capital Programme have been developed and approved by Council for progression.
- 8.12. The decision to spend SCIL on important infrastructure should support the development of the borough and is an important part of the Council's Good Economy Recovery Plan in response to the impacts of Covid-19. Covid-19 has had disproportionate, negative health and economic impacts on protected groups, including BAME people, elderly people, young people, women and disabled people. Efforts to promote the development of the local economy by developing infrastructure has potential for a positive impact on the general public, including those with protected characteristics. An analysis of equalities impacts for specific projects will be contained within the decision report for each project.
- 8.13. The Public Sector Equality Duty is ongoing, and the Council will continue to pay due regard to equalities through its activity. Where potential negative impacts to protected groups are identified through the decision making process for individual projects in receipt of SCIL funding, steps will be taken to mitigate those impacts.

9. Use of Appendices

- 9.1. N/A

10. Local Government (Access to Information) Act 1985

- 10.1. **CIL Charging Schedule updated with Governance and revised Regulation 123 List (November 2017, amended March 2020)** (also known as 'the CIL Governance document') available at www.haringey.gov.uk/cil
- 10.2. **Infrastructure Delivery Plan (IDP) Update (April 2016)** available at www.haringey.gov.uk/planning-and-building-control/planning/planning-policy/local-plan/local-plan-evidence-base#hidpu
- 10.3. **Capital Programme (February 2020)** available at www.minutes.haringey.gov.uk/mgAi.aspx?ID=64310#mgDocuments
- 10.4. **Good Economy Recovery Plan (August 2020)** available at www.haringey.gov.uk/business/haringey-s-good-economy-recovery-action-plan