

Report for: Cabinet – 8 March 2022

Title: Revised Community Infrastructure Levy Charging Schedule

**Report
Authorised by:** Rob Krzyszowski, Assistant Director Planning, Building Standards and Sustainability

Lead Officer: Bryce Tudball, Interim Head of Planning Policy, Transport & Infrastructure

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. When deciding CIL rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the financial viability of developments.
- 1.2. Haringey Council started charging the Mayor of London's CIL (Mayoral CIL) in April 2012¹ and subsequently approved the introduction of its own CIL in July 2014 and started charging it on 1 November 2014, for which the money collected may be spent on 'infrastructure' and a proportion on neighbourhood projects.
- 1.3. In 2016 the Council initiated a review of its adopted CIL rates. Specialist consultants BNP Paribas were commissioned to prepare updated viability evidence for the Council which indicated that there was potential to increase certain CIL rates in certain parts of the east of the borough. Cabinet subsequently endorsed a partial review of the adopted CIL Charging Schedule (covering the Eastern Charging Zone only) and a Preliminary Draft Charging Schedule (PDCS) was published for consultation in March 2017 setting out proposals for increased rates in the south-eastern part of the borough. Having regard to representations received Cabinet agreed in October 2017 to defer consultation on the Draft Charging Schedule (DCS). In 2019 the Council started again to move forward with the partial review and in November 2019 Cabinet approved the DCS for public consultation which proposed to increase residential CIL rates across the whole Eastern Charging Zone. Following consultation on the DCS the Council made a small number of modifications to the DCS before submitting the Modified DCS (MDCS) for independent examination in September 2021.
- 1.4. In January 2022 the Council received the independent Examiner's report on the MDCS. The report concluded that the proposed revised rates in the MDCS provide an appropriate basis for the collection of the levy in the borough and will

¹ Since superseded by 'Mayoral CIL 2' which took effect in April 2019 and has been taken into account in setting the revised Haringey rates

not put the majority of developments at risk, and that the MDCS can be recommended for approval subject to one minor modification (affecting wording in MDCS rather than the revised rates contained within it).

- 1.5. Having regard to the Examiner's report a Revised Charging Schedule has been prepared for approval by the Council. This incorporates:
 - The rates within the MDCS which were found by the Examiner to be an appropriate basis for the collection of the levy in Haringey;
 - The minor modification recommended by the examiner; and
 - Updating of CIL rates in the Western and Central Charging Zones to reflect indexation / inflation (which automatically applies to CIL rates) since 2014 which is required in order that the Revised Charging Schedule reflects current indexed rates at the point of approval.
- 1.6. The recommended effect date of the Revised Charging Schedule is 1 September 2022. Planning permissions on or after this date would be subject to the rates contained within the schedule.
- 1.7. Once the Revised Charging Schedule takes effect the CIL rates in the Eastern CIL Charging Zone will change as follows:
 - residential rate will increase from £15 per square metre (psm) to £50 psm
 - student accommodation rate will increase from £15 psm to £85 psm
 - Build to Rent rate will increase from £15 psm to £100 psm
- 1.8. The effect of increased rates is that the Council will be able to raise more money from new development in the east of the borough to help fund new and improved infrastructure in Haringey.

2 Cabinet Member Introduction

- 2.1 New development in the borough must be the right development for Haringey and make a positive contribution to the local area. The Council's Borough Plan set out to bring in external funding and use CIL to achieve maximum impact, and to secure investment from development to support the delivery of local physical and social infrastructure, for example school, community facility and park improvements. That is exactly what this proposed CIL rate increase does – securing more income from developers to fund local infrastructure for the benefit of Haringey's residents and businesses.
- 2.2 The Council's existing CIL Charging Schedule was approved over seven years ago in 2014 and was based on viability evidence from even earlier. In 2016 a review was initiated to establish whether the rates contained within it were still appropriate. The evidence indicated that there was potential to increase certain CIL rates in the Eastern Charging Zone and the Council therefore begun the process of seeking to amend the approved Charging Schedule. In 2017 the Council consulted on an initial proposal regarding increasing rates but further progress in this regard was put on hold until 2019 to ensure the deliverability of a number of strategic housing sites in Tottenham Hale (see paras 7.3 and 7.4). Once the risk to these sites was mitigated the Council recommenced the review with another consultation and then proceeded to an independent examination in late 2021.

- 2.3 In setting CIL rates the Council is required by national legislation and guidance to strike a balance between investment to support development and the potential effect on the financial viability of developments. In his report the Examiner concluded that the Council has reached an appropriate balance and considered that the proposed rates will not put the majority of developments in the borough at risk. He therefore recommended that the Council can approve the increased rates.
- 2.4 This report proposes to increase the CIL rates levied by the Council in the east of the borough for residential, student accommodation and build to rent housing. Until now, the CIL rate for residential development in the east of the borough has been £15 per square metre and this report proposes increasing it to £50 bringing it closer in line with residential rates elsewhere in the borough.
- 2.5 I endorse the proposed rates which will maximise financial contributions from development towards infrastructure whilst ensuring the economic viability of development and protecting the Council's ability to secure its preferred affordable housing tenures as part of new development.
- 2.6 To ensure that affordable housing and other 'section 106' financial contributions from developments will not be jeopardized at a late stage in the planning process the revised rates are proposed to take effect on 1 September 2022. Developments in the immediate planning pipeline include Council-led housing schemes in the east of the borough. The grace period before the new rates take effect will ensure that the financial model of cross-subsidy to maximise affordable housing is not put at risk.

3 Recommendations

3.1 Cabinet is asked:

- 1) To note the Examiner's report on the examination of the partial review of Haringey's Community Infrastructure Levy Draft Charging Schedule, as modified set out in Appendix C of this report;
- 2) To note that Members of Strategic Planning Committee endorsed the Revised Community Infrastructure Levy Charging Schedule to take effect on 1 September 2022;
- 3) To consider and to recommend to Full Council that the Revised Haringey Community Infrastructure Levy Charging Schedule is approved and publicised as set out at Appendix D to take effect on 1 September 2022.

4 Reasons for decision

- 4.1 The increased CIL rates proposed in the CIL Eastern Charging Zone have been subject to an independent examination which found that they provide an appropriate basis for the collection of the levy in the borough and will not put the majority of developments at risk. The Examiner recommended that the Council may proceed to approve the amended rates subject to one minor modification.

The Council has incorporated this modification within the Revised Charging Schedule for approval.

- 4.2 The amended rates are recommended to take effect from 1 September 2022. The Partial Review has been underway since 2016 and the Council's intent to increase certain CIL rates in the east of the borough has been clear since 2017. The period between Council approval and the rates being given effect will allow the planning authority to ensure that affordable housing and other 'section 106' financial contributions from developments will not be jeopardised by the effect of the new CIL rates at a late stage in the planning process i.e. after extensive pre-application negotiations or after a Planning Sub Committee resolution but pending the conclusion of signed S106 agreements and issuing of formal planning permissions (which trigger CIL liability). This is balanced with the objective of not delaying the effect date too far into the future with the Council missing out on potential increased infrastructure funding.

5 Alternative options considered

5.1 The alternative options considered are:

- Option 1 – Not to approve the Revised Charging Schedule and cancel the partial review. The disadvantage of this would be that CIL rates and therefore the amount of financial contributions from developers for infrastructure would remain the same and would not be maximised. This option is rejected as the Examiner found that the rates in the Revised Charging Schedule provide an appropriate basis for the collection of the levy in the borough and will not put the majority of developments at risk.
- Option 2 – To bring the Revised Charging Schedule into effect earlier or later than the recommended 1 September 2022 date. An earlier effect date is rejected to allow the planning authority to ensure that affordable housing and other 'section 106' financial contributions from developments will not be jeopardized at a late stage in the planning process i.e. after extensive pre-application negotiations or after a Planning Sub Committee resolution but pending the conclusion of signed S106 agreements and issuing of formal planning permissions (which trigger CIL liability). Developments in the immediate planning pipeline include Council-led housing schemes in the east of the borough which would be liable to pay the increased CIL rate which could jeopardise the financial model of cross-subsidy to maximise affordable housing. A later effect date would minimise delivery risks for a greater number of schemes in the borough's pipeline however it would mean foregoing increased infrastructure contributions for a longer period. It is considered that an effect date of 1 September 2022 provides an appropriate balance between the various considerations and therefore the alternative options are rejected and not recommended.

6 Background information

Haringey Local Plan

- 6.1 Haringey's Local Plan makes provision for a minimum of 19,802 homes and an additional 23,800m² employment floorspace over the period 2013 to 2026. This growth will result in increased pressure on local infrastructure, services and

facilities, creating demand for new or enhanced provision. The Council and developers have a responsibility through the planning process to manage the impact of this growth, ensuring that necessary infrastructure is provided.

6.2 The infrastructure required to support this growth has been identified in the Council's Infrastructure Delivery Plan (April 2016) (the '2016 IDP') and its Infrastructure Funding Statement 2020/21 (the '20/21 IFS'). The Council expects new development to contribute to site related and wider infrastructure needs through a combination of the following mechanisms:

- Planning conditions (site/development related)
- Planning obligations to secure developer contributions or works in kind e.g. Section 106 agreements / planning obligations (site/development related)
- CIL (strategic and borough-wide infrastructure)

Setting CIL: infrastructure and viability evidence

6.3 CIL is a levy introduced under the Planning Act 2008 that local authorities can choose to charge on new developments in their area for the purpose of raising funds for the wide range of community infrastructure projects required to support area development. It provides local authorities with an additional means of securing infrastructure contributions from developers.

6.4 CIL is set through the adoption of a Charging Schedule produced in accordance with the relevant Local Plan and using the procedure set out in the Planning Act 2008 and the CIL Regulations 2010 (the 'CIL Regulations') (as amended). The CIL Regulations 2010 (regulation 14) require that in setting rates a charging authority must strike an 'appropriate balance' between:

- a) the desirability of funding from CIL (in whole or in part) the actual and expected estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding; and
- b) the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area.

6.5 As to the meaning of an 'appropriate balance', the Government's Planning Practice Guidance ('PPG') on CIL sets out that the levy is expected to have a positive economic effect on development across a Local Plan area. When deciding the CIL rates, an appropriate balance must be struck between additional investment to support development and the potential effect on the viability of developments (PPG, para 10). In meeting the regulatory requirements, charging authorities should be able to show and explain how their proposed CIL rate (or rates) will contribute towards the implementation of their relevant plan and support development across their area. In doing so, charging authorities should use evidence in accordance with PPG and take account of national planning policy on development contributions.

6.6 As part of the CIL process, the charging authority must establish the total cost of the infrastructure projects they wish to fund wholly or partly through CIL. In doing so, they must consider (i) what additional infrastructure is required to support

development in their area (as identified in the relevant infrastructure assessment) and (ii) what other sources of funding are available based on appropriate evidence. The charging authority will then need to determine the size of its infrastructure funding gap based on which a CIL funding target can be established. It is the identification of the funding gap which evidences the need to put the CIL in place (PPG, para 17).

6.7 The PPG requires that information on infrastructure needs should be drawn from the infrastructure assessment that was undertaken as part of preparing the Council's Local Plan (PPG, para 17). The Council's adopted Local Plan was supported by the IDP 2016, which identifies an expected funding gap to 2026/27 of £348.6 million) (section 13) and lists the prices and potential funding sources, including CIL, for the list of necessary infrastructure projects (section 14). The IDP dates to 2016 and it was not deemed necessary to re-do or update the infrastructure evidence in support of CIL, which was tested at examination and found to be sound. An update to the IDP will take place in support of the Council's emerging New Local Plan. As set out above, it is considered that the 2016 IDP is sufficiently robust for the purpose of supporting the Council's partial review of the CIL Charging Schedule.

6.8 In order to assess the potential economic impact of the imposition of CIL, a viability assessment is required, using an area-based approach and informed by the appropriate available evidence. A charging authority's proposed rate(s) should be reasonable given the available evidence, but there is no requirement for it to exactly mirror the evidence. There is room for some pragmatism. It would be appropriate to ensure that a 'buffer' or margin is included, so that the CIL rate is able to support development when economic circumstances adjust (PPG, para 20).

Haringey CIL

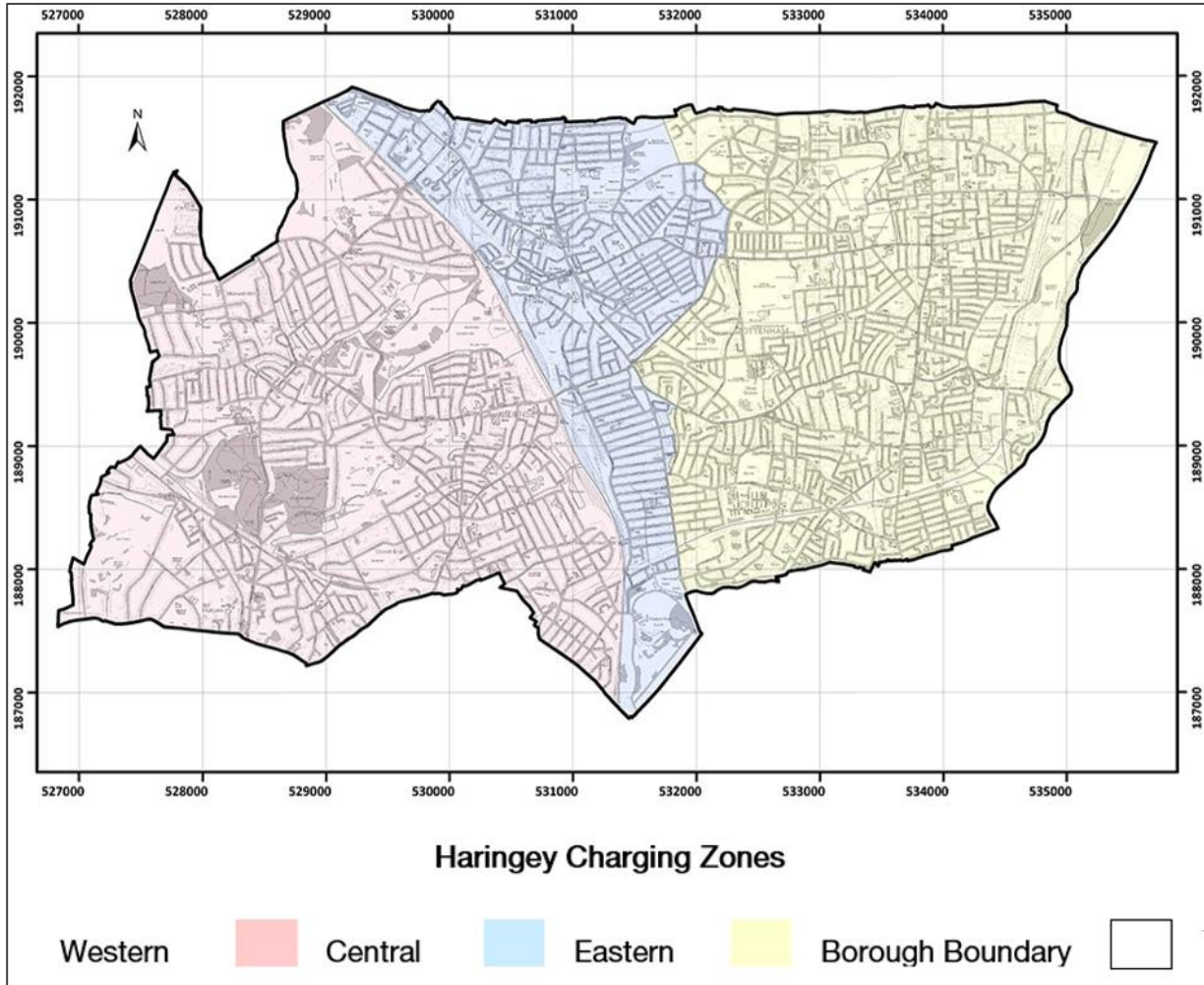
6.9 The Council approved the introduction of a local CIL in July 2014 and started charging on 1 November 2014. The rates together with the map showing the different charging zones are set out in the Council's existing adopted CIL Charging Schedule (Appendix A). The adopted rates are as follows:

Table 1: Adopted CIL Charging Schedule for Haringey (2014)

Adopted CIL Charging Schedule for Haringey			
	CIL charge (£/square metre)		
Use	Western	Central	Eastern
Residential	£265	£165	£15
Student accommodation	£265	£165	£15
Supermarkets	£95		
Retail Warehousing	£25		
Office, industrial, warehousing, small scale retail (use class A1-5)	Nil Rate		

Health, school and higher education	Nil Rate
All other uses	Nil Rate

6.10 The map of the three geographical zones (Western, Central and Eastern) is shown below:



6.11 CIL charging rates are subject to automatic annual indexation for inflation therefore the current rates already charged by the Council are approximately 40% higher than the adopted rates in Table 1. The current rates are set out in the Council's CIL Annual CIL Rate Summary (Appendix B) as follows:

Table 2: Current Haringey CIL Rates automatically indexed for inflation (2022)

Use	CIL charge (£/square metre)		
	Western	Central	Eastern
Residential	£368.12	£229.21	£20.84
Student accommodation	£368.12	£229.21	£20.84
Supermarkets	£131.97		
Retail Warehousing	£34.73		
Office, industrial, warehousing, small scale retail (use class A1-5)	Nil Rate		
Health, school and higher education	Nil Rate		
All other uses	Nil Rate		

7 Partial Review of the CIL Charging Schedule

Initiation of Partial Review - Preliminary Draft Charging Schedule (PDCS) (2016-17)

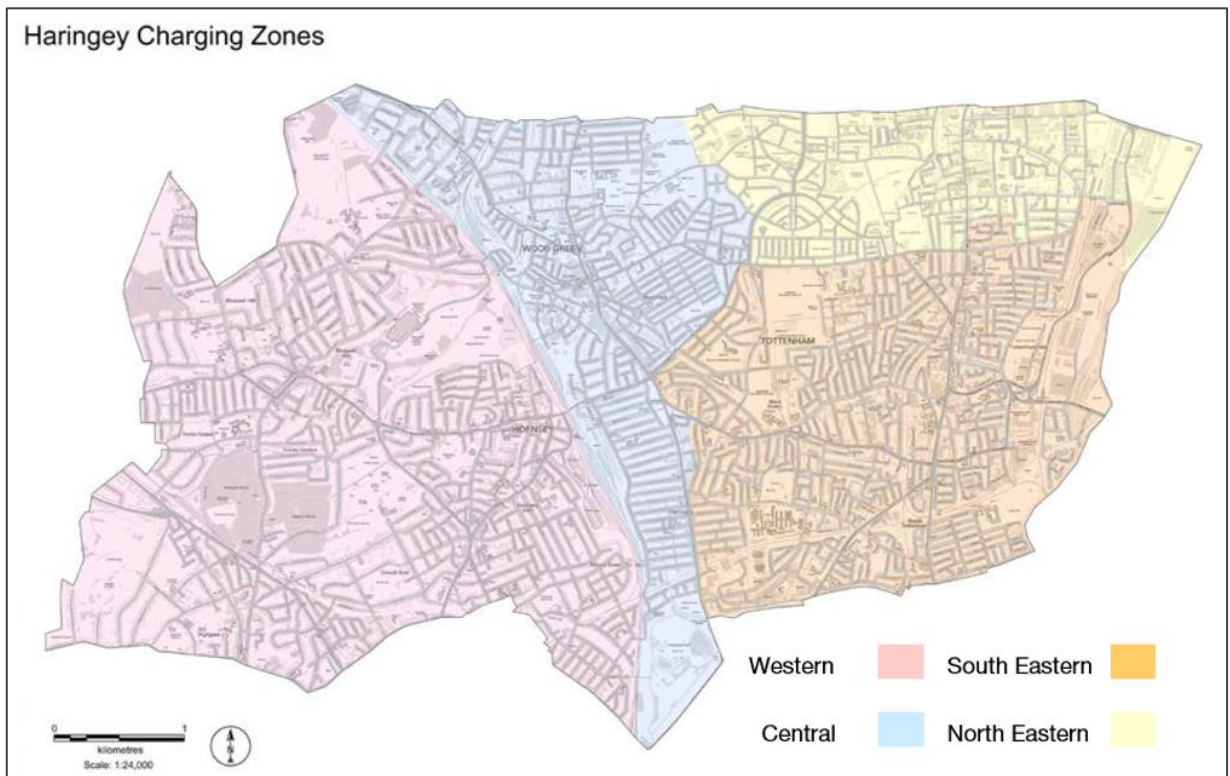
7.1 In 2016 the Council initiated a review of its adopted CIL rates. Specialist consultants BNP Paribas prepared updated viability evidence for the Council which indicated that there was potential to increase CIL rates in the south east of the borough. Cabinet subsequently endorsed a partial review of the CIL Charging Schedule and a Preliminary Draft Charging Schedule (PDCS) was published for consultation in March 2017. This proposed an uplift to the CIL that would be charged for residential development in the south east of the borough to be implemented via the creation of a new south-eastern charging zone for residential development. The rest of the Charging Schedule remained unchanged.

Table 3: Preliminary Draft Charging Schedule (red shows changes proposed in 2017 consultation)

Use	CIL charge (£/square metre)			
	Western	Central	<u>South Eastern</u>	<u>North Eastern</u>
Residential	£265	£165	<u>£130</u>	£15
Student accommodation	£265	£165	<u>£130</u>	£15
<u>Warehouse Living</u>	<u>N/A</u>	<u>N/A</u>	<u>£130</u>	<u>N/A</u>
Supermarkets	£95			
Retail Warehousing	£25			

Office, industrial, warehousing, small scale retail (use class A1-5)	Nil Rate
Health, school and higher education	Nil Rate
All other uses	Nil Rate

7.2 The map of the four geographical zones (Western, Central and South Eastern and North Eastern) is shown below:



7.3 The Council received 15 written responses during the consultation. There were a number of objections from developers in relation to the proposed increase in CIL in the south-eastern charging zone. One of the representations raised the issue that for outline applications the Council had already granted the new CIL rate would be applicable to subsequent reserved matters applications. The imposition of a higher CIL rate was identified as having potential to significantly impact on three strategic development sites in Tottenham Hale that had outline planning permission, principally by undermining the delivery of affordable housing that had been agreed on the sites. This would have led to the levels of affordable housing on these sites having to be revised and would have undermined the delivery of the Council's Local Plan and Housing Zone objectives.

7.4 Following legal advice, and upon being advised of the risk to affordable housing delivery, Cabinet agreed in October 2017 to defer consultation on the Draft Charging Schedule (DCS) until such time as its publication would not put known development of affordable housing within Tottenham Hale at risk of not being

deliverable. In 2019, once reserved matters applications had been determined on the three strategic development sites in Tottenham Hale and CIL liability notices had been issued based on the existing adopted CIL rates, officers considered that the viability risk to affordable housing had been satisfactorily mitigated and therefore recommended the partial review.

Recommencement of Partial Review – Draft Charging Schedule (DCS) (2019)

- 7.5 The Eastern Haringey CIL Viability Update Study which supported the PDCS was finalised in December 2016. As it was three years old an update was commissioned to the study to establish whether the rates proposed in the PDCS were still viable. The affordable housing requirements which were tested in the original study were not in line with the Council's new preferences as set out in the revised Appendix C of the Housing Strategy 2017-2022 (adopted March 2019). Appendix C sets out that for general needs homes the Council has an explicit preference for social rent with rents at target rent levels, especially for Council rented homes at Council rents. It also sets out that the Council's preference for the Intermediate portion is for Discount Market Rent Housing at London Living Rent levels. Officers therefore instructed BNP Paribas to factor in the new preferred affordable housing tenures as part of the updated study. The purpose of this was to understand the impact the new affordable housing preferences had upon development viability and the consequential CIL rates which could be levied on residential development without putting affordable housing delivery at risk.
- 7.6 The updated viability work by BNP Paribas, finalised in October 2019, indicated it was possible for the Council to increase the rates for residential development and student accommodation.
- 7.7 BNP Paribas recommended that the Council introduce a flat rate charge of £50 per sqm for residential development in all wards of the Eastern Charging Zone.
- 7.8 BNP Paribas also analysed the viability of student accommodation in the Eastern Charging Zone and recommended there was potential to increase the charge from the current adopted rate of £15 per sqm to £85 per sqm.
- 7.9 BNP Paribas also tested two specialist housing uses. It was found that purpose built private rented sector (PRS) schemes (referred to as "Built to Rent" in the London Plan 2021) can sustain a higher charge than standard residential development. BNP Paribas recommended that the Council introduce a new rate of £100 per sqm for PRS. The viability update also considered the viability of "Warehouse Living", a specialist housing use which is found in some parts of the east of the borough. BNP Paribas recommended that the Council introduce a new rate of £130 per sqm for Warehouse Living (in line with what was proposed in the PDCS).
- 7.10 In light of the updated viability evidence and having regard to the relevant legal tests and national guidance, a DCS was prepared incorporating the following changes:
- 1) Increased the residential rate in the Eastern Charging Zone from £15 per sqm to £50 per sqm;

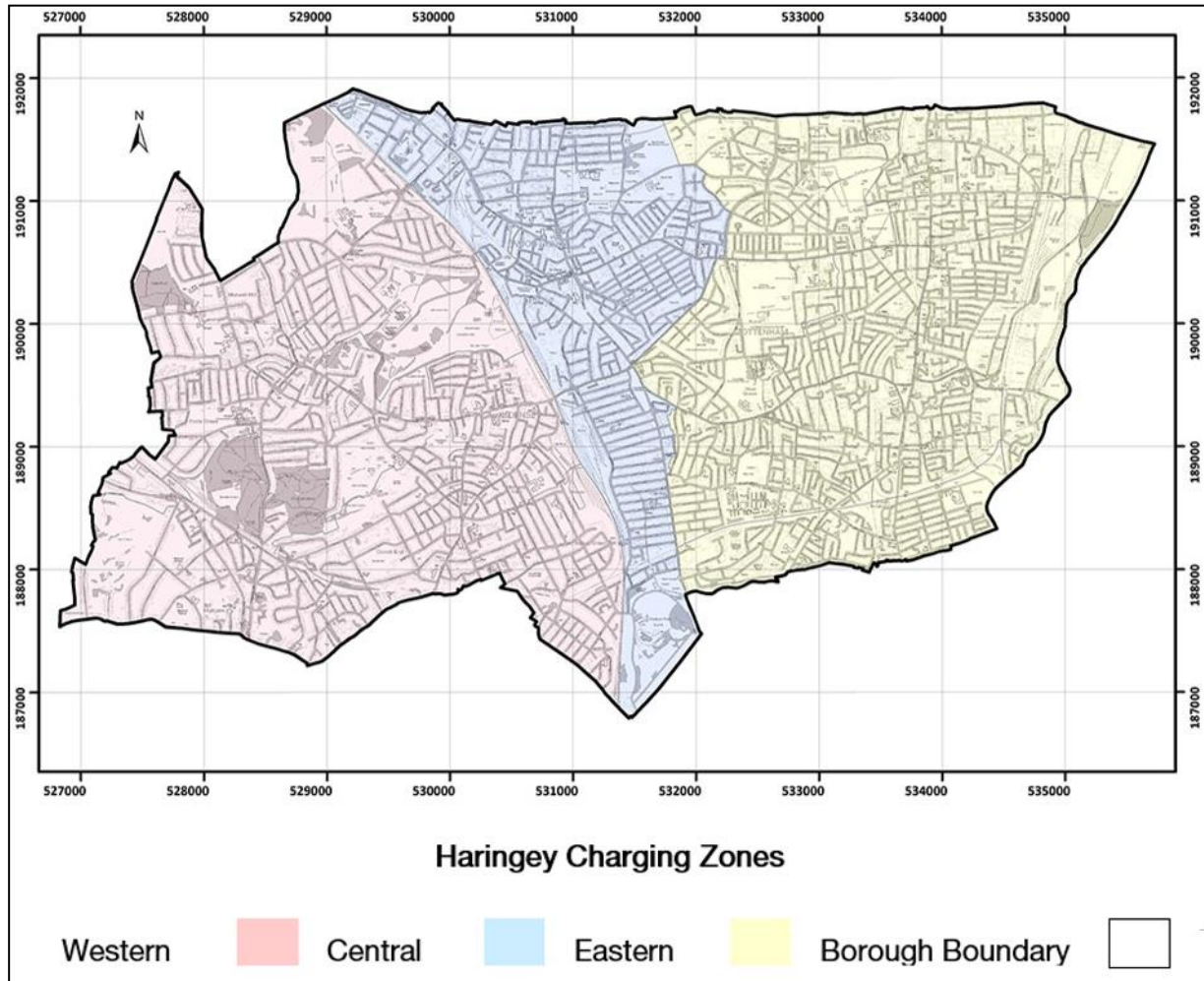
- 2) Increased the student accommodation rate in the Eastern Charging Zone from £15 per sqm to £85 per sqm;
- 3) Included a new charge for “Built to Rent” at £100 per sqm in the Eastern Charging Zone (the Built to Rent rate in the Western and Central Charging Zones would be amended so that it is in line with the existing residential rate for those zones).
- 4) Included a new charge for “Warehouse Living” at £130 per sqm in the Eastern Charging Zone.

7.11 In November 2019 Cabinet endorsed a DCS to this effect to be published for public consultation.

Table 4: Draft Charging Schedule (red shows changes proposed to the Council’s adopted CIL Charging Schedule) (2019)

Use	CIL charge (£/square metre)		
	Western	Central	Eastern
Residential	£265*	£165*	£15 £50
Student accommodation	£265*	£165*	£15 £85
<u>Build to Rent housing</u>	<u>£265*</u>	<u>£165*</u>	<u>£100</u>
<u>Warehouse Living</u>	<u>Nil Rate</u>	<u>Nil Rate</u>	<u>£130</u>
Supermarkets	£95*		
Retail Warehousing	£25*		
Office, industrial, warehousing, small scale retail (use class A1-5)	Nil Rate		
Health, school and higher education	Nil Rate		
All other uses	Nil Rate		

7.12 The map of the three geographical zones (Western, Central and Eastern) is shown below:



Public consultation on Draft Charging Schedule (DCS) (2019)

7.13 The Haringey CIL Draft Charging Schedule 2019 was published for public consultation from 18 December 2019 to 11 February 2020. A total of 14 representations were received.

Modification to Draft Charging Schedule (DCS) (2020-21)

7.14 Having regard to the issues raised in the representations the Council decided that the Warehouse Living charge proposed in the DCS did not meet the legal requirements relating to charge setting and it would also be contrary to the aims of policy DM39 in the Council’s Development Management DPD which seeks to secure a long-term sustainable economic future for key Warehouse Living sites. As a result it, was decided that a necessary modification to the DCS was to delete the proposed Warehouse Living charge of £130 per sqm.

Submission of Modified Draft Charging Schedule (MDCS) for examination (2021)

7.15 On 27 September 2021 the Council submitted the MDCS for an independent examination. The appointed Examiner was Terry Kemmann-Lane.

7.16 Table 5 below sets out the rates in the submitted MDCS and highlights the changes proposed versus the Council's existing adopted schedule.

Table 5: Modified Draft Charging Schedule (red shows changes proposed to the Council's adopted CIL Charging Schedule) (2021)

Use	CIL charge (£/square metre)		
	Western	Central	Eastern
Residential	£265	£165	£15-£50
Student accommodation	£265	£165	£15 £85
<u>Build to Rent housing</u>	<u>£265</u>	<u>£165</u>	<u>£100</u>
Supermarkets	£95		
Retail Warehousing	£25		
Office, industrial, warehousing, small scale retail (use class A1-5)	Nil Rate		
Health, school and higher education	Nil Rate		
All other uses	Nil Rate		

7.17 The map of the three geographical zones (Western, Central and Eastern) was unchanged from the previous stage.

7.18 The MDCS was subject to a four-week consultation period whereby any person could request to be heard by the Examiner in relation to any of the modifications proposed by the Council.

Examination of Modified Draft Charging Schedule (MDCS) (2021-22)

7.19 On 11 November 2021 the Examiner submitted questions to the Council arising from his examination of the submitted documents and the representations that were made. On 25 November 2021 the Council responded to the Examiner's questions.

7.20 On 16 November 2021 the Examiner submitted an additional question to the Council which the Council provided a response to on 19 November 2021.

7.21 On 24 December 2021 the Council was informed by the Programme Officer that the Examiner would not be holding a public hearing as part of his examination.

7.22 On 24 January 2022 the Council was issued with the Examiner's report on the examination of the Council's MDCS (Appendix C).

Report on the examination of the Modified Draft Charging Schedule (MDCS) (2022)

7.23 The Examiner's report on the MDCS contains his assessment of the Council's MDCS in terms of whether the schedule is compliant in legal terms and whether it is economically viable as well as reasonable, realistic and consistent with national guidance.

7.24 The report concluded that "in setting the CIL charging rates in the MDCS, and the DCS that went before it, the Council has had regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in the LBH. The council has been realistic in terms of achieving a reasonable level of income to address a gap in infrastructure funding, while ensuring that, in general, development remains viable across most of the eastern side of the borough.... An appropriate balance has been struck" (para 49).

7.25 The report found that: the legal requirements are met in terms of the Charging Schedule complying with national legislation/policy/guidance, including in respect of the statutory processes and an appropriate level of consultation; the proposed rates are informed by and consistent with the evidence on viability across the Eastern Zone of the borough, and it is supported by an adequate financial appraisal; it is consistent with the Local Plan, while not undermining its delivery (para 50). On the basis of the above, and subject to one modification the report recommended that the MDCS be approved by the Council.

7.26 In the report the Examiner drew the Council's attention to the fact that it appeared appropriate to delete a reference to outdated planning use classes 'A1-A5' (retail uses) in the MDCS. This follows substantial changes to the Use Classes made as part of the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 which came into force on 1 September 2020. In this regard, the Examiner included a proposed modification (EM1) as follows: "In the table of CIL rates, in column 1 under the heading "Use", within the development type "Office, Industrial, warehousing, small scale retail", delete the references in brackets to use class A1-5." This is a technical modification to remove reference to outdated planning use classes and does not affect the rates to be charged.

7.27 The examination of the MDCS only assessed increasing charging rates in the borough's Eastern Charging Zone. When the Council approves a new Charging Schedule, it approves the Schedule as a whole, which will include reference to the rates in the Western and Central Zones which have not been subject to review. However, these Western and Central Zone charges have automatically increased for indexation and inflation over time since the original Charging Schedule was adopted (as explained earlier in this report and in Table 2). To ensure these automatic increases over time are not 'lost' or 'reset' through the approval of the new Charging Schedule, the Council set out in its documentation and advised the Examiner that "rates that are not amended as part of the Partial Review of the CIL Charging Schedule will be indexed for inflation in accordance with the CIL Regulations 2010 (as amended) based on the date of their original effect in the original CIL Charging Schedule (November 2014) to the date of final

approval (expected 2022). The updated indexed figures will be provided as part of the final reviewed CIL Charging Schedule at the point of final approval.” The Council published its Annual CIL Rate Summary 2022, dated December 2021, (Appendix B) which shows the automatic indexed rates that are currently applicable. The Council suggested that the Examiner may wish to recommend a modification now that the Council had the 2022 CIL figures. However, in his report the Examiner stated that since he had only been appointed to examine the Partial Review of the CIL Charging Schedule, it would be going beyond his my remit to make a recommendation about these revised figures but stated that “nevertheless, it was appropriate to draw my attention to the updated figures, and provide me with a copy of the new Annual CIL Rate Summary document that has been put on the webpage. It seems sensible for me to record here the council’s intentions, for the sake of clarity”. The following new rates will be inserted by the Council when it approves the rates:

Table 6: Indexed CIL rates as set out in Haringey Annual CIL Rate Summary 2022

Use	Western	Central
Residential		
Student accommodation	£368.12	£229.21
Supermarkets	£131.97	
Retail warehousing	£34.73	

Revised Charging Schedule for approval (2022)

7.28 Having regard to the Examiner’s report a Revised Charging Schedule has been prepared for approval by the Council (Appendix D). This incorporates:

- The rates within the MDCS which were found by the Examiner to be an appropriate basis for the collection of the levy in the borough;
- The minor modification recommended by the Examiner; and
- Updating of CIL rates in the Western and Central Charging Zones to reflect indexation / inflation (which automatically applies to CIL rates) since 2014 which is required in order that the Charging Schedule reflects the current indexed rates at the point of approval.

Table 7: Revised Charging Schedule for approval

Use	CIL charge (£/square metre)		
	Western	Central	Eastern
Residential	£368.12	£229.21	£50
Student accommodation	£368.12	£229.21	£85
Build to Rent housing	£368.12	£229.21	£100
Supermarkets	£131.97		
Retail Warehousing	£34.73		

Office, industrial, warehousing, small scale retail	Nil Rate
Health, school and higher education	Nil Rate
All other uses	Nil Rate

7.29 The map of the three geographical zones (Western, Central and Eastern) is unchanged from the previous stage.

7.30 The geographical zones correspond to Haringey ward boundaries as at March 2022. When the borough's ward boundaries change in May 2022 the geographical zones will no longer precisely follow ward boundaries. This has no implications for the charging of CIL as a development is charged based upon the geographical zone that it is located in rather than the ward it is located in.

Effect date of Revised Charging Schedule

7.31 It is recommended that the Revised Charging Schedule takes effect on 1 September 2022 as set out within the document for approval at Appendix D. This means that developments granted planning permission on or after 1 September 2022 will be required to pay the rates contained within it. For the avoidance of doubt, where applications are subject to a Section 106 agreement, planning permission is not granted until the S106 agreement related to the planning application has been signed.

7.32 The proposed effect date of 1 September 2022 will allow the planning authority to ensure that affordable housing and other 'section 106' financial contributions from developments will not be jeopardised at a late stage in the planning process i.e. after extensive pre-application negotiations or after a Planning Sub Committee resolution but pending the conclusion of signed S106s agreements and issuing of formal planning permissions (which trigger CIL liability). This is balanced with the objective of not delaying the effect date too far into future with a consequent reduction in infrastructure funding.

7.33 An earlier effect date means that developments in the immediate pipeline including Council-led housing schemes in the east of the borough would be liable to pay the increased CIL rate. This could jeopardise the financial model of cross-subsidy to maximise affordable housing. A later effect date minimises delivery risks for a greater number of schemes in the borough's pipeline but means foregoing increased infrastructure contributions for a longer period.

7.34 It is considered that an effect date of 1 September 2022 provides an appropriate balance between the various considerations and therefore the alternative options are rejected and not recommended.

Implications of revised CIL rates

7.35 The Revised Charging Schedule contains increased CIL rates in the Eastern Charging Zone for residential, student accommodation and Build to Rent housing. The primary effect of this for the Council will be to increase CIL receipts versus

what would be collected if the current adopted rate was retained. This will increase available funding for new and improved infrastructure in Haringey.

- 7.36 It is important to note that it is very difficult to forecast CIL receipts as this is entirely dependent on planning applications being submitted, approved, development commenced and certain triggers being met, such as commencement on site, with a wide range of factors outside of the control of the Council influencing this. Particularly, the wider economy and development and construction industry factors play a big role. Contributions can vary from very small to very large across different development sites meaning that forecasts can be 'lumpy', volatile and be significantly impacted by one or two small changes.
- 7.37 The increased CIL rates have potential to impact upon the viability of development schemes including those being brought forward by the Council. However, it should be noted that the rates were assessed by an independent Examiner who concluded that they provide an appropriate basis for the collection of the levy in the borough and will not put the majority of developments at risk. CIL normally accounts for only a small proportion of overall development costs (circa 1%) and therefore the proposed increase is unlikely to make the difference between a given scheme being viable and not viable. Social housing qualifies for relief from CIL therefore where Council housing schemes being brought forward are for Council housing only there is no additional CIL liability. Where Council housing schemes include an element of market housing the increased CIL rates will apply to that housing.

Strategic Planning Committee comments

- 7.38 Strategic Planning Committee was consulted on the proposals which are the subject of this report between 22 February 2022 and 28 February 2022. Members of the Committee endorsed the Revised Charging Schedule to take effect on 1 September 2022 without any changes for consideration.

CIL spending and reporting

- 7.39 The spending of CIL is not the subject of this report and does not form part of the recommendations. More information on spending and reporting on CIL is available at www.haringey.gov.uk/cil.

8 Contribution to strategic outcomes

- 8.1 Priority 3 (Place): CIL helps fund local and strategic infrastructure projects which are necessary to ensure that the growth in the borough is something that everyone can benefit from and produces sustainable, attractive and accessible places.
- 8.2 Priority 4 (Economy): CIL receipts are a key source of funding to support the delivery of local physical and social infrastructure.

9 Statutory Officer comments (Comments of Director of Finance (including procurement), Head of Legal and Governance, Equalities)

Finance

- 9.1 The report requests Cabinet to approve the recommendations as set out in Section 3 of this report.
- 9.2 There will be a potential increase in CIL income which would result in additional income to the authority. It is not possible at this time to be precise about the additional income that may arise as a result of the acceptance of the recommendation and the increase in CIL charges.

Procurement

- 9.3 There are no procurement implications arising from this report.

Legal

- 9.4 The Head of Legal and Governance has reviewed this report and comments as follows.
- 9.5 Section 6 of this report sets out the legal requirements/guidance to be followed/regard had to when revising the Council's Community Infrastructure charging schedule.
- 9.6 The Council's Constitution provides in Article 4.02 and Part Three that the Council's Community Infrastructure Levy charging schedule shall only be approved by Full Council and so Cabinet recommending that Full Council approve the charging schedule set out in appendix D to this report is a decision Cabinet can take in accordance with the Council's Constitution.

Equality

- 9.7 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.
- 9.8 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.
- 9.9 An increase in the CIL rate for residential development in the east of the borough has the potential to put the delivery of some housing schemes at risk including those which contain an element of affordable housing. As affordable housing is more likely to represent a singular viable housing option for individuals and groups with protected characteristics this risk has potential equalities

implications. However, by setting the CIL rates based on the viability of development, as demonstrated through the examination and accepted by the Examiner, any risk to affordable housing delivery has been minimised. The increase in CIL rates will generate additional funding towards the delivery of infrastructure and neighbourhood projects in the borough which have potential for positive effects on protected groups.

- 9.10 An Equalities Impact Assessment (EQIA) screening tool has been completed and as no particular equalities considerations were identified as arising from the proposal to proceed with the approval of the Revised Charging Schedule a full EQIA is not required.

10 Use of Appendices

- Appendix A – Haringey CIL Charging Schedule 2014
- Appendix B – Haringey Annual CIL Rate Summary 2022
- Appendix C – Examiner’s report on the examination of the partial review of Haringey’s Community Infrastructure Levy draft charging schedule, as modified
- Appendix D – Revised Haringey Community Infrastructure Levy Charging Schedule

11 Background Papers

N/A

12 Local Government (Access to Information) Act 1985

- 12.1 Report to Cabinet (24 January 2017) seeking approval for consultation on the revised CIL rates, regulation 123 list, and the proposed new CIL governance arrangements:

<https://www.minutes.haringey.gov.uk/documents/s90555/CIL%2024.01.2017%2018.05.pdf>

- 12.2 Report to Cabinet (17 October 2017) providing update on Community Infrastructure Levy Charging Schedule and Planning Obligations SPD:

https://www.minutes.haringey.gov.uk/documents/s96913/CIL_Planning%20Obs%20SPD%20Cabinet%20Report%20021017%20003.pdf

- 12.3 Report to Cabinet (12 November 2019) on Community Infrastructure Levy Partial Review: Draft Charging Schedule consultation:

<https://www.minutes.haringey.gov.uk/documents/s112459/CIL%20DCS%20report%20Cabinet%20Oct%202019%20V15.pdf>