

Report for: Housing, Planning and Development Scrutiny Panel, 13 March 2024

Title: Community Infrastructure Levy

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

Ward(s) affected: All

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

1. Describe the issue under consideration

1.1 The Housing, Planning and Development Scrutiny Panel has asked for a briefing paper on the Haringey Community Infrastructure Levy (CIL). This paper provides a background to CIL covering both Strategic CIL and Neighbourhood CIL, details the Council's adopted Haringey CIL and policy in this regard, and identifies how money raised is being used to support infrastructure delivery in the borough.

2. Recommendations

The Scrutiny Panel is asked to note this briefing paper.

3. Reasons for decision

Not applicable.

4. Alternative options considered

N/A

5. Community Infrastructure Levy (CIL)

Background

5.1 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 (neighbourhood, strategic and borough-wide infrastructure)

- 5.2 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.
- 5.3 CIL is set through the adoption of a Charging Schedule. CIL is a charge based on the floorspace of new buildings to help fund infrastructure needs arising from new development. It is non-negotiable and is calculated based on net increase in floorspace based on a £ per metre square charge (£/m²).
- 5.4 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.
 - **15%** of CIL may be spent on **Neighbourhood CIL (NCIL)** projects, that is projects identified in consultation with local neighbourhoods. The 15% figure increases to 25% where there is an adopted Neighbourhood Plan.
 - The remaining **70-80%** of CIL may be spent on **Strategic CIL (SCIL)** projects.

Haringey CIL

- 5.5 On 21 July 2014 the Council approved the first Haringey CIL Charging Schedule which took effect on 1 November 2014 (“Haringey CIL Charging Schedule 2014”). On 14 March 2022, and following a CIL Partial Review, the Council approved a Revised CIL Charging Schedule (“Haringey CIL Charging Schedule 2022”. This took effect on 1 September 2022 and on the same date the Haringey CIL Charging Schedule 2014 ceased to have effect.
- 5.6 The Haringey CIL Charging Schedule 2022¹ sets out the Council’s CIL rates together with a map showing the different charging zones (see Table 1 below for rates and Figure 1 which shows the related charging zones). The principal change from the Haringey CIL Charging Schedule 2014 is increased rates for a range of uses in the eastern charging zone including an increase in the residential rate from £15 per m² to £50 per m².

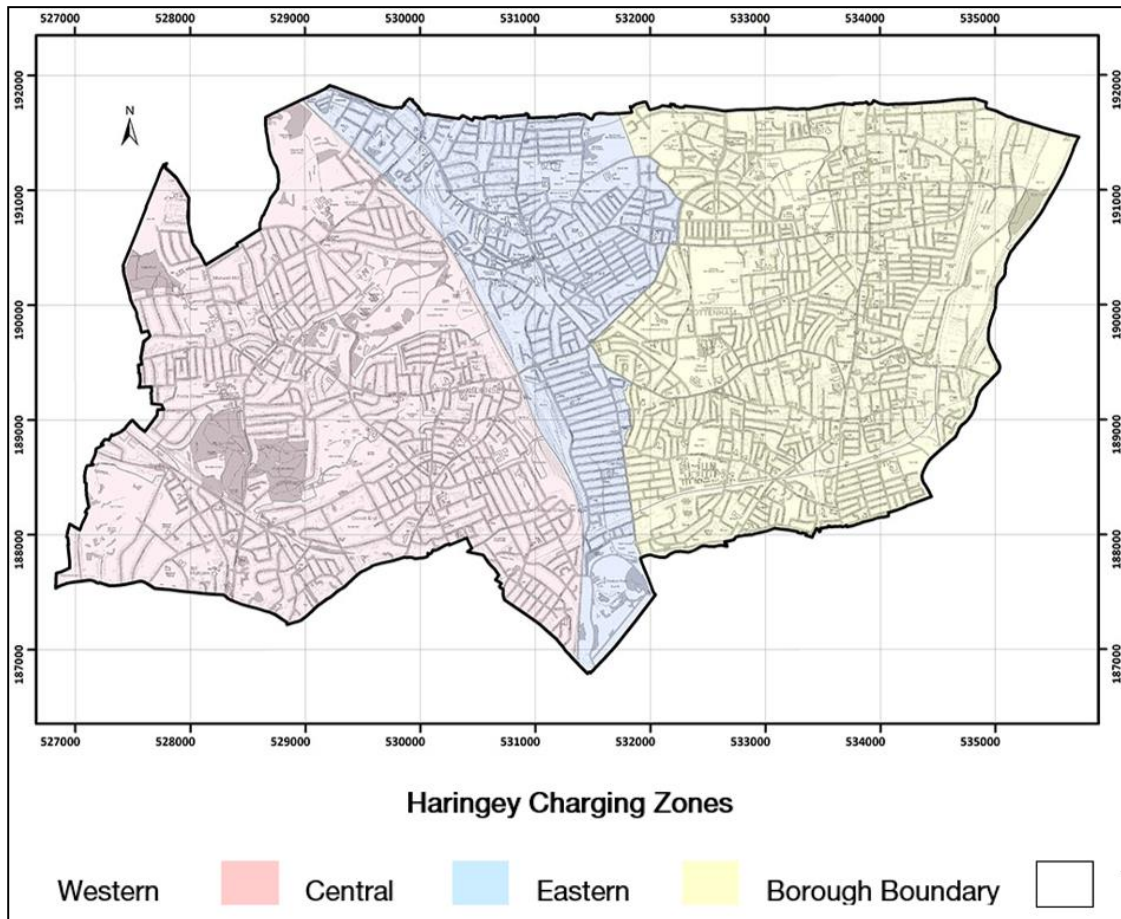
Table 1: Revised CIL Charging Schedule

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		

¹ [Community Infrastructure Levy Charging Schedule 2022 \(haringey.gov.uk\)](https://www.haringey.gov.uk/Community-Infrastructure-Levy-Charging-Schedule-2022)

Retail Warehousing	£34.73
Office, industrial, warehousing, small scale retail	Nil Rate
Health, school and higher education	Nil Rate
All other uses	Nil Rate

Figure 1: Map of Haringey CIL Charging Zones



5.7 CIL charging rates are subject to automatic annual indexation for inflation. The current rates are set out in the Council’s CIL Annual CIL Rate Summary for 2024² which was published in December 2023. The next Annual CIL Rate Summary is required to be published in December 2024.

² [CIL Charging Schedule including Annual CIL Rate Summary for 2024 \(haringey.gov.uk\)](https://www.haringey.gov.uk/cil-charging-schedule-including-annual-cil-rate-summary-for-2024)

Strategic CIL

- 5.8 Legislation requires SCIL to be spent on “funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area”³. Infrastructure is defined as including:
- Roads & transport facilities
 - Flood defences
 - Schools & educational facilities
 - Medical facilities
 - Sporting & recreational facilities
 - Open spaces
- 5.9 National Planning Practice Guidance (PPG) 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”⁴.
- 5.10 Haringey’s CIL Governance document⁵ states that SCIL “will be spent on CIL eligible projects with [sic] the Capital Programme, taking into account the Regulation 123 List and the IDP”.
- 5.11 The SCIL Infrastructure List in the Council’s Infrastructure Funding Statement states that Haringey SCIL funding may be applied in whole or in part to the provision, improvement, replacement or maintenance of the following infrastructure:
- Educational Facilities
 - Further Education Facilities
 - Health and wellbeing Facilities
 - Parks and Open Spaces
 - Social and Community Facilities
 - Transport and Highways excluding works that area required as part of a development proposal to be secured through a Section 278 Agreement
 - Enterprise Space
 - Sports and Leisure Facilities
 - Public Realm Improvements
 - Community Safety Measures
 - District Energy Network and associated infrastructure
- 5.12 The Council’s CIL Governance document makes clear “there will be competing demands” for SCIL and sets a series of prioritisation guiding criteria.
- 5.13 In December 2020⁶ Cabinet approved £14.6m of SCIL monies being spent on projects which best met the relevant criteria. This included £5.1m on walking and cycling projects, £3.55m on decentralised energy networks, £.5m on School Streets as well as major contributions to a handful of other priority placemaking projects.

³ Planning Act 2008, CIL Regulations 2010

⁴ National Planning Practice Guidance: CIL

⁵ www.haringey.gov.uk/cil

⁶ www.minutes.haringey.gov.uk/ielssueDetails.aspx?IId=71778&PlanId=0&Opt=3#A166290

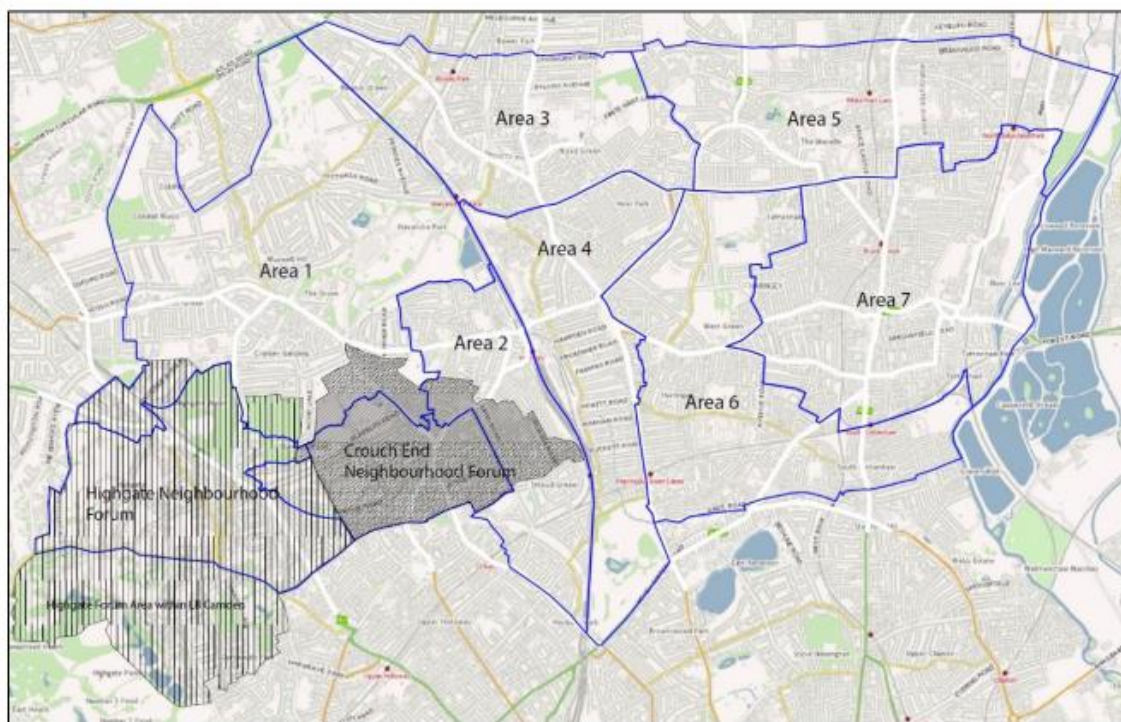
5.14 In February 2024⁷, as part of the Council's 2024-25 budget setting process, Cabinet allocated £9.7m of SCIL to help finance three schemes in the Council's capital programme: Walking and Cycling Action Plan, Road Casualty Reduction, and School Streets. It is noted that this comprised the balance of the Council's unallocated SCIL and therefore more SCIL will need to be accrued going forward before further allocations can be made.

Neighbourhood CIL

5.15 Legislation allows 15% of CIL to be spent on infrastructure or 'anything else that is concerned with addressing the demands that development places on an area'. In places with an adopted Neighbourhood Plan, this increases to 25% of CIL. This is called Neighbourhood CIL (NCIL).

5.16 The process for deciding how the Council spends NCIL is set out in the Council's CIL Governance document. Haringey is currently split into 9 NCIL areas as set out in Figure 2 below. There are different NCIL spend arrangements where a community has an adopted Neighbourhood Plan in place. In Haringey there are 3 Neighbourhood Forums in Highgate, Crouch End and Finsbury Park & Stroud Green. Currently only Highgate has an adopted Neighbourhood Plan which means that 25% of CIL may be spent on NCIL projects. The Finsbury Park and Stroud Green Neighbourhood Forum is not currently recognised in the CIL Governance document which predates it.

Figure 2: Map of Haringey NCIL areas*



* The current NCIL areas are based on ward boundaries prior to 5 May 2022 and as such does not align with the new ward boundaries following the Boundary Commission Review on Haringey's council wards

⁷ www.minutes.haringey.gov.uk/documents/s144073/2024.25Budget%20and%202024.29MTFFS%20Ver5.029Jan24FINAL.pdf

- 5.16 In order to better achieve the Council’s aims of fairness and equality, in March 2020 the Council agreed⁸ to:
- Change the CIL Governance document to allow a fairer approach and spend NCIL in a different area to where it was raised
 - Allocate NCIL via a new methodology as follows:
 - 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 area⁹
 - 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
 - Spend NCIL on a list of 41 ‘Round 1’ projects totalling £2.2m
- 5.17 Re-allocated NCIL monies are calculated once per year at the end of March.
- 5.18 In March 2020 the Council agreed¹⁰ to spend NCIL on a list of 41 ‘Round 1’ projects totalling £2.2m. The projects/priorities for spend were identified by the community through a Round 1 consultation on NCIL spend in 2018.
- 5.19 As at 31 March 2022, there was £1.734m of unallocated NCIL to spend on Round 2 projects. It is planned to launch engagement on potential Round 2 projects later in 2024. As part of Round 2, there is potential for a participatory budgeting pilot covering one or more of the NCIL areas identified above. This could discharge the Council’s commitment in the Corporate Delivery Plan 2023/2024 to “develop a Haringey approach to local participatory budgeting which is consistent with the Haringey Deal”.
- 5.20 Due to ward boundary changes in May 2022 a review of the process for allocating NCIL is required for monies accumulated since 1 April 2022. This will be conducted later in 2024.

Reporting on CIL

- 5.21 The Council is required to publish an Infrastructure Funding Statement (IFS) every year which among other things must report on key CIL matters including receipts, allocation and spend. The Council’s last IFS was published in December 2022¹¹ covering the 2021/22 financial year. The IFS 2022/23 will be published in March 2024.

⁸ www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=435&MId=9371&Ver=4

⁹ 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.

¹⁰ www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=435&MId=9371&Ver=4

¹¹ www.haringey.gov.uk/sites/haringeygovuk/files/infrastructure_funding_statement_-_2021-22.pdf

Planning Service Peer Challenge

5.22 In October 2023¹² a Peer Challenge was carried out of the Council's Planning Service led by a team of local government peers. Following the 'challenge' a Final Report was produced by the peer team which included a series of recommendations. An Action Plan has since been drawn up to address these and the Final Report and Action Plan is due to be considered by Cabinet at its March meeting. Of note, Recommendation 8 was to "consider how allocation of Community Infrastructure Levy and Neighbourhood CIL spending can support members and broader community engagement in the planning process, highlighting the positives of development, and giving clear communication of how those decisions are made." The Action Plan contains related actions to communicate positive outcomes as a result of SCIL and NCIL spend and to highlight during NCIL Round 2 that the funding comes from new development.

6. Contribution to strategic outcomes

6.1 CIL funding can support delivery of key elements of the Corporate Delivery Plan 2023-24 including responding to the climate emergency, and place and economy. NCIL can also support the specific outcome that residents will have a greater number of meaningful opportunities to directly influence how specific funding is spent.

7. Use of Appendices

None

8. Background Documents

None

9. Local Government (Access to Information) Act 1985

N/A

¹²

www.minutes.haringey.gov.uk/documents/s144179/Planning%20Service%20Peer%20Challenge%20Report%20Action%20Plan%20report%20CLEAN.pdf