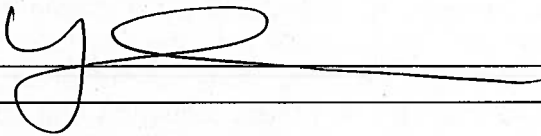




Haringey Council

Report for:	Cllr Joseph Ejiofor, Cabinet Member for Planning and Enforcement	Item Number:	
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Title:	Community Infrastructure Levy (CIL)-Submission of Haringey CIL to Secretary of State for Examination in Public
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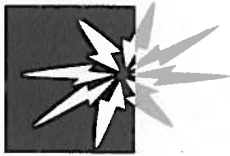
Report Authorised by:	Lyn Garner, Director, Place & Sustainability 
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Lead Officer:	Ransford Stewart Interim Assistant Director Planning - 5507 Gavin Ball-Planning Policy Officer - 5132
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Ward(s) affected: All	Report for Key Decision
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1. Describe the issue under consideration

- 1.1 Cabinet agreed a Draft Community Infrastructure Levy (CIL) Charging Schedule for Haringey in April 2013 for public consultation. This report provides an update on the progress of our work for the introduction of Haringey's Community Infrastructure Levy (CIL), and seeks Cabinet lead member approval of certain minor amendments to the proposed Charging Schedule and to proceed to Examination in Public. This delegation was agreed when Cabinet approved the Draft Charging Schedule in April 2013.
- 1.2 Following the change in Cabinet portfolios, the lead member for Planning and Enforcement is now Cllr Joseph Ejiofor, who has replaced Cllr Alan Strickland with lead responsibility for this issue.
- 1.3 Following consultation with colleagues in Legal, and Member Services, it has been decided to seek a General Exemption for lead member signoff. This is taken on the following grounds:
 - To expedite the adoption of CIL in Haringey, and help ensure implementation by 1st April 2014;
 - As the principal of the decision having already been agreed by Cabinet.



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2. Cabinet Member introduction

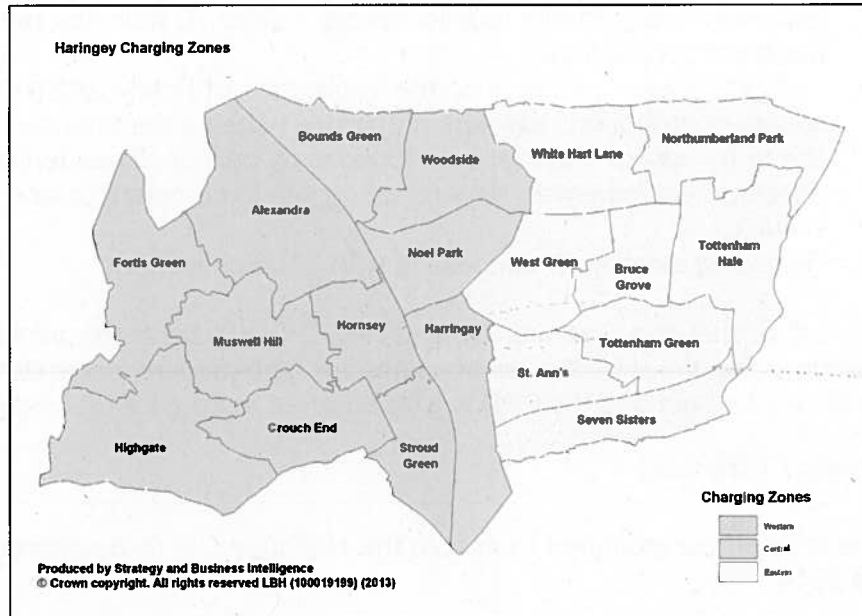
- 2.1 CIL revenue will be used to contribute towards meeting the funding gap that exists for the infrastructure required to support future development. The infrastructure needs over the next 15 years have been assessed in a Community Infrastructure Study (2010) as part of the Local Plan process. The current estimated (overall) infrastructure funding gap that CIL may contribute towards meeting is approximately £200 million over the next 15 years. A comprehensive briefing on CIL is provided in the April Cabinet Report on CIL.
- 2.2 The Infrastructure Delivery Plan (IDP) set out in Appendix 4 of the adopted Local Plan: Strategic Policies 2013-2026 document also provides the baseline for the Regulation 123 (Reg123) list. The Reg123 list sets out the infrastructure projects that Haringey will fund from CIL revenue. This Reg123 list is required to be produced by all authorities collecting and spending CIL, and a proposed Reg123 list is included in the submission Charging Schedule (Appendix 1).
- 2.3 This report recommends that the Council submit the Charging Schedule (as set out in Table 1 below) to the Planning Inspectorate for Examination in Public. For ease of comparison, the changes from the Draft Charging Schedule to the pre-submission version are included as track changes in this table.

Table 1- Submitted CIL Charging Schedule for Haringey				
Proposed CIL charge (£/square metre)				
Use	West	Central	East	Mayoral CIL
Residential	£265	£165	£15	£35
Student accommodation	£ 265	£165	£15	£35
Supermarkets	£95			£35
Retail Warehousing	£25			£35
Office, industrial, warehousing, small scale retail (use class A1-5)	Nil Rate			£35
Health, school and higher education	Nil Rate			Nil
All other uses	£50 Nil Rate			£35
<p>** It will apply to C1, C2, and C4, and D uses not included above and sui generis. Student housing can fall into multiple use classes, but any privately rented student accommodation will be charged the student accommodation rate set out above.</p> <p>Superstores/supermarkets are defined as shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.</p>				

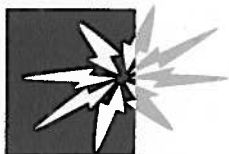


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2.4 The map below shows the proposed charging zones set out in the Charging Schedule.



- 2.5 Minor modifications arising from the Draft Charging Schedule consultation are:
- Removal of the £50/m² miscellaneous rate,
 - Addition of a definition for supermarket and retail warehousing development,
 - Provision of a final Regulation 123 list in place of a draft one,
 - Minor text editing.
- 2.6 The reason for the removal of the £50/m² rate is due to lack of supporting evidence. This rate was added to the charging schedule at the Draft Charging Schedule stage in response to similar rates that exist in the London Boroughs of Redbridge and Croydon. These council's were early adopters, and it appears that the market has increased awareness of this type of charge, and hence raised objections. The change is not thought to have a significant revenue implication.
- 2.7 These minor modifications will necessitate a further consultation of 4-weeks in the form of a pre-submission consultation. After discussions with the Planning Inspectorate, it was advised that the Council submit the Charging Schedule to the Inspectorate at the same time as commencing the pre-submission consultation, in order to minimise the time effect on the Examination.
- 2.8 In order to ensure that the Examination in Public, and future implementation of the Haringey CIL progresses smoothly, a Planning Obligations SPD will be produced. The aims of this document will be:
- Setting out what historical S106 collection rates were over previous years, and what they funded;



Haringey Council

2. Setting out the methodology for review of the Regulation 123 list;
3. Justifying collection of other planning obligations alongside CIL for items such as (but not limited to) affordable housing, public realm improvements, on-site public space, skills & training, renewable and transport connections;
4. Comprehensive guidance on the application of Policy SP2 (Housing) to ensure contributions towards affordable housing are provided on site, off site or by way of financial contributions as part of all residential development schemes, depending on site circumstances and scheme viability;
5. Replacing existing SPGs dealing with S106 collection.

2.9 It is envisaged that the Planning Obligations SPD will be made available in draft form around the time of the examination. A subsequent consultation on this document will be held and the SPD will be adopted in time for CIL implementation.

3 Next Steps / Timetable

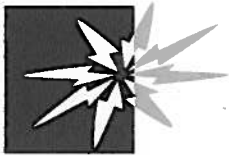
3.1 Below is a timetable designed to enable the Haringey CIL to be operational on the 1st April 2014.

Task	Completion Date
Receive feedback from BNP Paribas	26 th Sep 2013
Lead member signoff following 5 day advertisement period	11th Oct
Submit to Planning Inspectorate (following end of call in period following Lead member signoff)	21st Oct
Pre-submission consultation on minor amendments	21 st Oct-18 th Nov
Examination in Public	18 th Nov-18 th Dec
Receive Inspectors Report (expected)	2 nd Jan
Adoption at February Full Council meeting	26 th Feb 2014
Notification to developers with S106 agreements in train but not yet signed	27 th Feb 2014
Training for DM officers on CIL implementation	Oct 2013 (mayoral) Jan-Mar 2014 (Haringey)
Commence CIL collection	1 st April 2014

3. Recommendations

3.1 This report recommends that the Cabinet Member for Planning and Enforcement:

- Agree that the Haringey CIL charging Schedule be submitted to the Planning Inspectorate on 21st October 2013 with the minor modifications set out in this report.



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- Note the list of projects for inclusion on the Regulation 123 list to receive CIL funding. This is part of the draft Pre-Submission Charging Schedule in Appendix 1.
- Note that the Infrastructure Delivery Plan and Regulation 123 list will be kept under review and periodically updated to respond to changing Council priorities.

4. Alternative options considered

- 4.1 The Draft Charging Schedule consultation is a final draft version and as such it is expected that this will be taken forward to Examination in Public, unless representations require a change. This is the process set out in the CIL regulations.
- 4.2 The Council considered different options prior to the publication of the Draft Charging Schedule, and having sought evidence, it was decided that the existing Charging Schedule should be taken forward.

5. Background information

- 5.1 Work on producing a Haringey Charging Schedule has been underway since 2012.
- 5.2 In 2012 a Viability Study was commissioned and completed by BNP Paribas which informed the rates proposed in the Charging Schedule. In 2012 a Preliminary Draft Charging Schedule consultation was also held.
- 5.3 In 2013 a Draft Charging Schedule consultation was held which completed the statutory consultation requirements of the CIL regulations. However, as the Council wishes to make changes to the schedule (albeit minor ones), a further 4-week pre-submission consultation is required. Following this there will be an Examination in Public by an independent examiner to assess the soundness of the CIL charging Schedule. Only after all of these processes have been undertaken may the Council adopt, and implement a Haringey CIL.

6. Comments of the Chief Finance Officer and financial implications

- 6.1 Corporate Finance has been consulted on the drafting of this report and has reviewed the modelling of anticipated CIL revenue receipts. The anticipated annual revenue from CIL receipts is expected to be comparable to the current average cash receipts from negotiated S106 agreements, at an average of approximately £2m per annum.
- 6.2 These receipts will be available to be spent on new physical infrastructure and the maintenance of existing physical infrastructure within the borough. It is anticipated that the estimated receipts will be included as part of the annual capital budget making process which determines the relative priorities for allocation of all capital resources.



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- 6.3 The changes suggested from the draft schedule do not have a significant impact on the projection of on average £2m per annum of CIL receipts.

7. Head of Legal Services and legal implications

- 7.1 The submission of documents and information to the Secretary of State is under Regulation 19 of the Community Infrastructure Levy Regulations 2010 and is part of the overall process for bringing into effect the charging schedule.
- 7.2 Regulation 123 of the Regulations restricts the use of planning obligations for infrastructure that will not be funded in whole or in part by CIL to ensure that there is no duplication between the two types of developer contributions. A charging authority must publish a list of infrastructure that will benefit from CIL.
- 7.3 The inclusion of a project or infrastructure type on the list does not signify a commitment from the Council to fund all the projects listed just as the order in the table does not imply any order of preference for spend. The list will be required to be updated on a yearly basis.

8. Equalities and Community Cohesion Comments

- 8.1 As this document is dependent on and gives effect to the Council's Local Plan: Strategic Policies document, which has been through an extensive EQIA process, a repeat of this process was not considered necessary. CIL Guidance supports this in that a Sustainability Appraisal is explicitly not required under this premise

9. Head of Procurement Comments

N/A

10. Policy Implication

- 10.1 The transition from collection of Section 106 to CIL will require training of development management officers in how to implement the new Charging Schedule. Existing staff should be aware of how CIL operates as the Mayoral CIL has been collected by the borough since April 2012.

11. Reasons for Decision

- 11.1 It is recommended that this decision is taken to secure future planning obligations from development consents. CIL has the scope to simplify and add certainty to the amount developers will contribute towards infrastructure in Haringey.



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12. Use of Appendices

- Appendix 1: Haringey CIL Charging Schedule for pre-submission consultation
- Appendix 2: Consultation report on Draft Charging Schedule consultation

13. Local Government (Access to Information) Act 1985

1. Updated Viability Study by BNP Paribas (April 2013)
2. LBH Draft Charging Schedule consultation document (April 2013)



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Appendix 1- Haringey CIL Charging Schedule for pre-submission consultation

Introduction

As part of the changes introduced under the Planning Act 2008, the previous Government introduced the Community Infrastructure Levy (CIL) - a new mechanism to enable infrastructure requirements arising from growth to be funded through developer contributions.

The Community Infrastructure Levy Regulations 2012 (as amended) allows councils to introduce CIL, being a charge on new buildings and extensions to help pay for supporting infrastructure and replaces s.106 contributions (except in relation to affordable housing and on site mitigation measures).

What is CIL?

CIL is a standardised non negotiable local levy that is placed on new development for the purpose of helping to raise funds to support the delivery of the infrastructure that is required as a result of new development. Far from being a new source of funding, CIL provides a more consistent and transparent mechanism to raise financial contributions, currently sought through s106 agreements.

However, under CIL, developers can still be required to directly provide both 'off-site' infrastructure, through s106 contributions, and 'on site' improvements through planning conditions to mitigate the direct impact of the development proposed (e.g. landscaping, access roads).

How is CIL calculated and charged?

The regulations require two distinct aspects to be considered. Firstly, a 'charging authority' (the Local Authority) needs to demonstrate that new development necessitates the provision of new, or improved, infrastructure. Secondly, that the rate of the proposed levy does not make development proposals unviable, in particular with regards to expected costs that would be associated with the provision of on-site infrastructure (for the purposes of CIL, affordable housing is regarded as an on-site requirement and will continue to be secured through s106 agreements).

The levy is to be expressed as £ per m² and collected on the commencement of development. CIL is to be charged on the 'gross internal floor space' of any new development, apart from affordable housing and buildings used for charitable purposes where standard exemptions have been made.

Whilst the rate of CIL is determined by the charging authority, it is scrutinised by an independent examiner to assess whether the charge has regard to the evidence base and that the level of charge is reasonable and will not impact negatively on the economic viability of development.



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The Infrastructure Funding Gap

The Council has produced an Infrastructure Study in March 2010 setting out the likely infrastructure impacts of growth identified in the Council's Local Plan. This has been built on and an updated document setting out the current anticipated funding requirements to meet infrastructure needs in the Borough was produced in March 2013. The outcomes of this study indicate that there is a total funding gap that CIL can contribute towards of approximately £230m. This is set out below, and the summary document is included on our website.

The level of Investment required is indicative and it includes investment that may need to be undertaken by both the Council and its partners. The investment required will need to be subject to continuous review in light of changes to the funding regimes for both the Council and its partner organisations and changing roles and functions of public sector organisations in years to come. The actual level of investment the Council makes in future years will clearly be subject to Council priorities and available funding and will need to be agreed by Cabinet as appropriate.

Infrastructure Type	Investment Required (£m)	Funding Available (£m)	Funding Gap (£m)
Education	198.0	120.0	78.0
Health	tbc	tbc	Tbc
Open space/ Leisure	22.3	1.5	20.8
Transport	107.6	19.5	88.1
Emergency Services	--	--	--
Decentralised Energy	25.0	2.5	22.5
Water Management & Flooding	20.6	tbc	20.6
Waste	--	--	--
Total (£m)	£373.5	£143.5	£230

Viability in Haringey

Evidence has been provided by BNP Paribas to identify what CIL rates will be viable in Haringey. A primary study was received in February 2012, and updates to the evidence were provided in February 2013. The full set of evidence is available on our website.

The Charging Schedule

The proposed schedule is set out below. The map shows the charging zones:

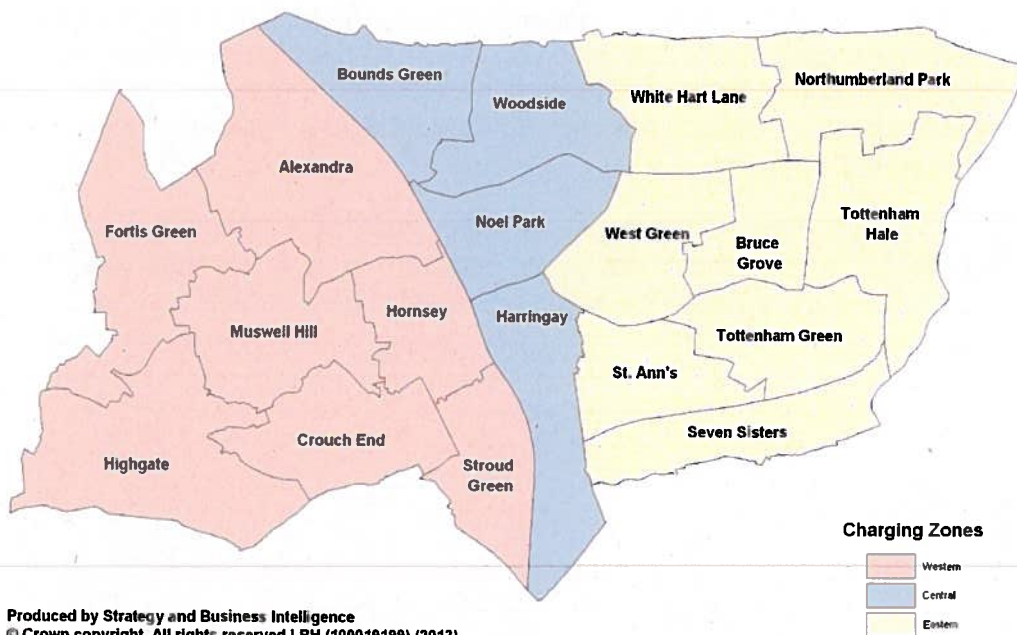
Use	West	Central	East	Mayoral CIL
Residential	£265	£165	£15	£35
Student accommodation	£ 265	£165	£15	£35
Supermarkets		£95		£35
Retail Warehousing		£25		£35
Office, industrial, warehousing, small scale retail (use class A1-5)		Nil Rate		£35



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Health, school and higher education	Nil Rate	Nil
All other uses	Nil Rate	£35
Superstores/supermarkets are defined as shopping destinations in their own right where weekly food shopping needs are met and which can also include non-food floorspace as part of the overall mix of the unit.		

Haringey Charging Zones



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Exemptions

CIL charges will not be levied on:

- Development that creates less than 100m² of new build floor space measured as Gross Internal Area (GIA) and does not result in the creation of one or more dwellings.
- Buildings into which people do not normally go, or only go to perform maintenance.
- Buildings for which planning permission was granted for a limited period.
- Affordable housing, subject to an application by a landowner for CIL relief (CIL regulation 49).
- Development by charities for charitable purposes subject to an application by a charity landowner for CIL relief (CIL regulation 43).



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The CIL Regulations 2010 set out the situations for both mandatory and discretionary exemptions. Mandatory exemptions include affordable housing and developments occupied solely for the purpose of charitable activity by a registered charity. However, the charging authority has discretionary powers to provide relief on:

- the investment activities of charitable institutions
- in exceptional circumstances where:
 - the cost of complying with s106 planning obligation is greater than the chargeable amount payable by a developer;
 - there is an unacceptable impact on the economic viability of a development
 - that the granting of relief would not constitute state aid.

The Council will not expect to implement any discretionary exemptions. The Council believes the charge is viable and will monitor the charge to ensure it remains viable. Should circumstances change the Council will seek to revise the levy rather than provide any discretionary relief from the charge.

Payments in kind

In circumstances where the liable party and Haringey Council agree, payment of the levy may be made by transferring land. The agreement cannot form part of a planning obligation, must be entered into before the chargeable development is commenced and is subject to fulfilling the following:

- the acquired land is used to provide or facilitate the provision of infrastructure within Haringey;
- the land is acquired by the Council or a person nominated by the Council;
- the transfer of the land must be from a person who has assumed liability to pay CIL;
- the land has to be valued by an independent person agreed by the Council and the person liable to pay CIL;
- 'Land' includes existing buildings and other structures, land covered with water, and any estate, interest, easement, servitude or right in or over the land.

Collection of CIL

London Borough of Haringey is the collecting authority for the purpose of Part 11 of the Planning Act 2008 and CIL Regulations 2010 (as amended by Regulations 2011 and 2012).

When planning permission is granted, Haringey Council will issue a liability notice setting out the amount payable, and the payment procedure.

In the case of development enabled through permitted development orders, the person(s) liable to pay will need to consider whether their proposed development is chargeable, and to issue Haringey Council a notice of chargeable development.



Payment Instalments

Where the payable amount of CIL is £500,000 or less, the whole amount shall be paid in a single installment not more than 60 days after commencement of the development.

Where the payable amount is more than £500,000, developers should have the option to pay two installment payments:

- The greater of £500,000 or half the value of the total payable amount 60 days after commencement, and
- The remainder 240 days after commencement.

Appeals

A liable person can request a review of the chargeable amount by the charging authority within 28 days from the issue of the liability notice. CIL Regulations allow for appeals on:

- the calculation of the chargeable amount following a review of the calculation by the Council.
- disagreement with the Council's apportioned liability to pay the charge.
- any surcharges incurred on the basis that they were calculated incorrectly, that a liability notice was not served or the breach did not occur.
- a deemed commencement date if considered that the date has been determined incorrectly.
- against a stop notice if a warning notice was not issued or the development has not yet commenced.

A person aggrieved by the levy (or attempt to levy) of a distress can appeal to the Magistrates Court.

Spending CIL revenue

CIL revenue will be spent on infrastructure needed to support development in Haringey. This need is assessed as part of the Local Plan making process and an Infrastructure Delivery Plan is included in the adopted Local Plan: Strategic Policies. This infrastructure needs and delivery plan are updated regularly.

The Council includes as part of this submission the proposed Regulation 123 list below.

2014/15-2018/19 Reg 123 Projects
Lordship Lane Recreation Ground improvements
Down Lane Park improvements
Bruce Castle Park improvements
4 Improved Greenway cycle & pedestrian routes
Alexandra Primary School Expansion



Haringey Council

Welbourne Primary School Expansion
Bounds Green Primary School extension

The Council will publish annual reports showing, for each financial year:

- How much has been collected in CIL;
- How much has been spent;
- The infrastructure on which it has been spent;
- Any amount used to repay borrowed money;
- Amount of CIL retained at the end of the reported year.

It is the Government's intention to allow for a proportion of CIL to be passed to Local Councils and Neighbourhoods. The Council will abide by regulations to administer this as they are introduced.

Administrative costs

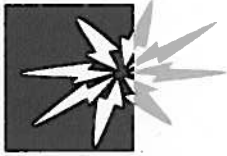
An additional 5% will be added to all contributions to pay for the costs of administering the Community Infrastructure Levy. This charge would support the Council in monitoring and enforcement of the charge as well as providing infrastructure planning support to manage and co-ordinate the delivery of infrastructure improvements that address the impacts resulting from development.

CIL and Section 106 agreements

Unlike s106, the levy is to provide infrastructure to support the development of an area, not to make individual planning applications acceptable in planning terms. It breaks the link between a specific development site and the provision of infrastructure and thus provides greater flexibility for delivery of infrastructure when and where it is needed.

Section 106 agreements and Section 278 Highways Agreements will continue to be used to secure site-specific mitigation and affordable housing. In some instances, S106 agreements may be used in large development sites needing the provision of their own specific infrastructure for which delivery may be more suitably dealt with through s106s. Type of s106 requirements may include the following:

- Specific infrastructure requirements that directly arises from five or fewer developments, section 106 arrangements may continue to apply if the infrastructure is required to make the development acceptable in planning terms
- Affordable housing contributions
- New access roads/ junction improvements serving the site
- Connections to a renewable/ decentralised energy network
- On-site open space requirements
- Employment and training provision
- Travel plans / Car clubs / Cycle parking



Haringey Council

- Town Centre management funding

For further information on how CIL is collected, and the relationship between CIL and other planning obligations, please refer to the Planning Obligations SPD.

Mayoral CIL

The Mayoral CIL has been in effect since April 2012 in accordance with Regulation 25 (a) of the Community Infrastructure Regulations 2010 (as amended). The Mayor published his CIL charging schedule on the GLA's website, and it is intended to contribute towards the funding of Cross Rail, and the Mayor has in effect declared his aim of raising £300m from Mayoral CIL towards this project. The Mayor's target is expected to be achieved by 2019. It is very likely that further London wide infrastructure funding will be required in the future and the revision and required collection of Mayoral CIL will now form a permanent feature of the planning and development policy framework operating in London.

The London boroughs collect the Mayor's CIL on his behalf. Haringey falls within Zone 2 of the Mayor's Charging Schedule which means that Haringey is required to collect £35/m² on behalf of the Mayor for any development that falls within scope of the regulations.
