Haringey Local Plan - Consultation Report on the Partial review of the Haringey Community Infrastructure Levy (CIL) (Preliminary Draft Charging Schedule consultation)

1. Consultation Overview

- 1.1 The Preliminary Draft Charging Schedule (PDCS) consultation was held from 10th March until 21st May 2017. All consultees have been given a minimum of 6 weeks to respond to the PDCS, in line with the CIL regulations.
- 1.2 The Preliminary Draft Charging Schedule contained an update to the Council's adopted (2014) CIL rates in the borough. This was limited to the south-eastern charging zone, with the rest of the adopted Charging Schedule remaining unchanged. The proposed updated Charging Schedule is included below.

Proposed Amended CIL Charging Schedule for Haringey (for Preliminary Draft

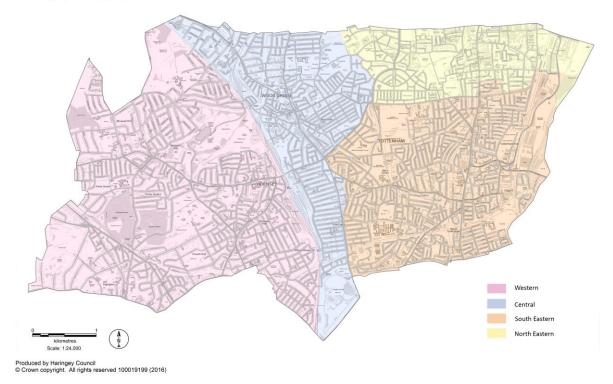
	CIL charge (£/square metre)				
Use	Western	Central	<u>South</u> <u>Eastern</u>	<u>North</u> Eastern	Mayoral CIL
Residential	£265	£165	<u>£130</u>	£15	£35
Student accommodation	£265	£165	<u>£130</u>	£15	£35
Supermarkets		1	£95		£35
Retail Warehousing		£25		£35	
Office, industrial, warehousing, small scale retail (use classes A1-5)	Nil Rate £35				
Health, school and higher education	Nil Rate		Nil		
All other uses		Ni	I Rate		£35

the unit.

Retail warehouses are large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items, and other ranges of goods, catering mainly for car borne customers.

1.3 The map below shows the CIL charging zones:

Haringey Charging Zones



2 Methodology

- 2.1 The consultation methodology and process were in line with Regulation 15 of the Community Infrastructure Levy Regulations 2010 (amended), and the Council's Statement of Community Involvement.
- 2.2 Letters and emails were sent to all consultees on the LDF database, including individual residents, community and voluntary organisations, residents' associations, other stakeholders and statutory consultees, notifying them of the purpose of the consultation, where to view the document and how to respond.

2.3 The relevant information and documents were made available on the Council's website, at the Council's offices, as well as in all local libraries.

3 Summary of representations

- 3.1 The Council Received 15 written responses during the consultation. These were from:
 - 1. Argent Related LLP
 - 2. Canals & River Trust
 - 3. Cllr Zena Brabazon
 - 4. Collective Planning obo Provewell Ltd
 - 5. Collective Planning obo Topfling
 - 6. DP9 obo Grainger PLC
 - 7. Environment Agency
 - 8. Friends of Parks Group
 - 9. Greater London Authority
 - 10. Highways England
 - 11. Montagu Evans obo Lee Valley estates
 - 12. Natural England
 - 13. Quod obo Waterside Places
 - 14. Sport England
 - 15. Transport for London
- 3.2 All responses received in response to the consultation are available on the Council's website at www.haringey.gov.uk/CIL.

4 Main Issues Raised

4.1 Developers raised objections to the proposed increase in CIL in the southeastern charging zone. Issues raised included questioning the effect that raising the CIL rate would have on development in the borough's key growth area of Tottenham Hale, where a number of planning consents have been granted as outline, and the revised CIL rate would potentially be charged on the reserved matters application. This is noted, and this issue will be addressed before further progress is made on Haringey's Charging Schedule.

- 4.2 A local Councillor has identified that the viability evidence suggests that the proposed increase to £130/m² in the southeatern charging zone is also viable in the northeastern charging zone. This valuation only applies to warehouse living floorspace, which would not be permitted in the North-Eastern charging zone, and as such no change to the PDCS is appropriate.
- 4.3 A request for higher rates to be set was made, which the Council rejects, as it is required to set rates that ensure that development remains viable, and higher rates cannot currently be justified.
- 4.4 Additional items were sought to be added to the Regulation 123 list, and the Council accepts some of these. The process was also requested to be streamlined to make the allocation of funding more simple and reduce administrative burden. The Council agrees with this and will propose new governance.

5 Changes Made & Next Steps

- 5.1 The outcome of this consultation is the delay of the development of the revised Haringey CIL Charging Schedule to avoid undermining affordable housing quantums negotiated on outline planning consents in the Tottenham Hale area.
- 5.2 The amended schedule will be put before Cabinet and Full Council Following the Draft Charging Schedule consultation, the Charging Schedule will be examined in public by an independent examiner.

6 Table 2: Milestones in preparation of amendments to the Haringey CIL		
Task	Completion Date	
Preliminary Draft Charging Schedule approved by Cabinet	December 2016	
Preliminary Draft Charging Schedule consultation	Jan-Mar 2017	

Draft updated Planning Obligations SPD approved by Cabinet	Sep 2017
Regulation 123 List approved by Cabinet	_
Revised CIL Governance arrangements approved by Cabinet	
Draft Planning Obligations SPD consultation	Oct-Nov 2017
Final Planning Obligations SPD adopted by Cabinet	Jan 2018
Draft Charging Schedule approved by Cabinet	Sep 2018
Draft Charging Schedule consultation	Oct-Nov 2018
Submission of Draft Charging Schedule to Planning Inspectorate	Dec 2018
Examination in Public of CIL Charging Schedule	Jan 2019
Received Inspectors Report	Feb 2019
Adoption of CIL Charging Schedule at Full Council	March 2019
Implementation of Haringey CIL	1 st April 2019

Appendix: Summary of comments received and Council responses to the Haringey CIL Preliminary Draft Charging Schedule Consultation Document May – July 2013

Sport England	
Representation	Council Response
Regulation 123 list should include reference to the needed indoor and outdoor sports and leisure facilities.	The Council agrees to this.
Object to the lack of evidence base for the provision of required sports facilities in Haringey.	This has been carried out in the Infrastructure Delivery Plan through a benchmarking exercise.
Changes to Charging Schedule	
Add indoor and outdoor sports and leisure fa	acilities to the Regulation 123 list.
Transport for London	
Representation	Council Response
Query whether the rates across the borough are being reviewed or just the Eastern Charging zone, as "resetting" the rates would effectively be a reduction in existing unchanged rates due to indexing.	This is a partial review only, we do not consider the unchanged parts of the Charging Schedule to be under review, and as such the currently indexed rates in the west, centre, and north-east of the borough will not changed from their currently indexed rates.
Para 2.5. You are correct that the purpose of MCIL is to contribute to the funding of Crossrail. However, the aim is to raise £600m for the project from a combination of MCIL and Crossrail s106 contributions.	Noted.
Para 2.6. For clarity, you may wish to indicate that the MCIL rate is index-linked.	Noted.
Para 6.1. The table provided is helpful in giving detail and context. I note that the 16/17 BCIL receipts are likely to be an interim figure given the document publication date, and that the 'liabilities' will only be indicative given the vagaries of permission implementation.	Yes, but these will be updated now that the financial year has ended.
Para 7.5. I note the generic listing of infrastructure types within the regulation 123 list. This is welcome in terms of providing flexibility of spend to meet changing infrastructure demands but should not undermine the need to provide necessary transport infrastructure.	Noted.
Para 7.6. It may be clearer if the proposed Reg. 123 list reference to excluding s278 works was treated in the same way as s106 by forming a footnote underneath the generic list.	

Para 8.21. I note the 12 criteria set out for assessing strategic projects for CIL funding. You may wish to consider the administrative complexity of the process set out, along with potential weighting of criteria to establish the priority as described in 8.22. Section 10 – Exemptions. My reading of Para 10.1 –	We are clear that there are many criteria that infrastructure could be judged as beneficial against, and hence a long list of criteria is beneficial. It is considered unlikely that all decisions will be based on scores against all criteria, and as such the administration will be manageable.		
10.3 is that Haringey will apply the CIL regulations but does not intend utilising any discretionary exemptions. The penultimate bullet-point of the listing of where CIL will not be levied (10.1) includes development delivering projects identified in the IDP. I would be grateful if you could explain this particular exemption further.	The Council simply feels it is not appropriate to charge CIL on development that is for a needed infrastructure.		
Changes to Charging Schedule			
 Amend Para 2.5 to include reference to Mayoral CIL and Crossrail s106s contributing to the cost of Crossrail. Add reference to indexation on Mayoral CIL rate of £35/m² Update 16/17 CIL collected figures. 			
Greater London Authority			
Representation	Council Response		
No objection	Noted		
Changes to Charging Schedule			
No changes			
Natural England			
Representation	Council Response		
No objection	Noted		
Changes to Charging Schedule			
No changes			
Canals & River Trust			
Representation	Council Response		
No objection	Noted		
Changes to Charging Schedule			
No changes			

Highways England	
Representation	Council Response
No objection	Noted
Changes to Charging Schedule	
No changes	
Haringey Friends of Parks Forum	
Representation	Council Response
Would like to see CIL rates increased	There is no viability gap sufficient to increase rates further.
Would like greater emphasis on public green spaces receiving CIL funding.	Parks and Open Spaces are listed in the Regulation 123 list, thereby making them open to receiving CIL monies.
Viability should not be an exemption criteria.	It has to be under CIL legislation.
Changes to Charging Schedule	
No changes	
Environment Agency	
Representation	Council Response
Would like to see the deculverting of the Moselle, and/or improvement works on the culvert included in the IDP.	We will meet to discuss.
We also consider that the generic list proposed should be expanded to include flood management infrastructure as well as green and blue infrastructure specifically	Noted, wording can be added to this effect.
Believe 2 additional criteria should be added to the list:	
 The use of CIL funding can be used to ensure net gain in biodiversity and green infrastructure enhancements. The use of CIL funding can help to reduce future maintenance costs which would escalate if action is not taken urgently. 	The Council agrees that CIL could be used for biodiversity improvements, but is unlikely to permit CIL funding to be spent on reducing future maintenance costs, preferring it to be directed to increasing capacity.
Changes to Charging Schedule	
Add "including green and blue infrastructure"	" to parks and open spaces in the Reg123 list.

Argent Related	
Representation	Council Response
The study does not, as required by the CIL Guidance, undertake any site specific appraisals for strategic sites, despite their importance in this part of Haringey. As noted above, these sites have specific policy requirements over and above standard sites.	There are not any strategic sites under the definition of "strategic" being 5% of the Local Plan's allocated growth.
	This is not a material consideration, a developer's costing assumptions will naturally change over time as a policy basis, or new costs and/or values are updated. Developers make good and high returns form development by comparison to other investment classes due to the risky nature of development. The Council's proposed uplift in our CIL charges reflects the improvement in viability in the area since the initial CIL charging schedule and supporting evidence was prepared. The Council is able to review its rates at any point in time. The Council has chosen to review the rates due to the very great need to raise funds for infrastructure to support the development in the Borough. The balance between raising money for infrastructure against not making
Significant work on viability based on the adopted CIL rate of £15 per square metre has already been undertaken prior to forming the partnership and this is embedded in the agreement between the Council and Argent Related. We have also	development unviable is the key test that needs to be considered by Councils and Examiners as required by the CIL Regulations. The Council note that Argent have undertaken viability testing of their site with the increased CIL
undertaken some initial assessments on the impact of the proposed rate of £130 per square metre and other rates which reflect a smaller increase on the current rate.	charge and would welcome Argent sharing their appraisals and evidence as part of the Council's public evidence base to assist with setting appropriate rates for the Borough.
The approach taken before CIL was introduced, where a Section 106 agreement allowed the authority to balance the competing obligations, understand site specific viability for strategic sites and work in partnership with developers to ensure that the necessary infrastructure is delivered remains in our view a better model, and would build on the designation of the area as a Housing Zone.	The Council believes that the collection of a flat rate CIL gives greater certainty to developers and infrastructure providers in completing sustainable development, and will not be considering pooling arrangements.

we believe the Council could still achieve	
its policy aspirations, including those around	
affordable housing and infrastructure provision, by	There is an infrastructure gap of several million
defining those sites within Tottenham Hale which	pounds in our Infrastructure Delivery Plan.
can deliver the strategic objectives for the	Securing more £CIL is clearly a part of our policy
borough in terms of residential capacity and	aspirations alongside the other uses quoted.
applying the present rate to them.	
Firstly the generic approach to the infrastructure	
list (Regulation 123 list) combined with the	
qualifying exclusions effectively has very little	
function. It does not provide a clear list of what	
the Council will spend CIL on, nor does it safeguard	
developers from on-site contributions.	
Although the Council acknowledges that there	
would be a need to update the Planning	
Obligations SPD to avoid 'double-charging', there is	
no clarity on when this would be reviewed	
and how it fits into the intended timeframe for	
adopting the revised CIL Schedule. We believe	
	The Council's Planning Obligations SPD is
that it is essential for both documents to be	updated, and will be consulted on alongside the
developed, consulted on and adopted at the same	Draft Charging Schedule.
time.	
Secondly, in relation to Governance, the proposed	
approach seems overcomplicated,	
particularly given the relatively small sums raised to	
date. A 'bidding process' using multiple	
criteria as currently suggested would require	
significant work both from providers and the	
Council, and given current constraints on public	
expenditure could generate a very large number	
of bids. The purpose of CIL is to 'deliver	
infrastructure to support the development of the	
area' and in particular the delivery of the Local	
Plan. (Paragraph: 001 Reference ID:	
25-001-20140612) It would therefore appear to us	It is noted that the system proposed was
more effective if the Council were to set out either	complicated and it is now proposed that CIL
the specific infrastructure priorities that it intends	money will be spent against items already
to fund from CIL related to the Local Plan on a	agreed in the Capital programme which support
sub-area basis with CIL ring-fenced to be	growth having regard to what is in the IDP and
re-invested in projects that help bring forward	the Regulation 123 list.
development in Growth Areas.	
The Council could, for example, identify the list of	
critical infrastructure for the Tottenham Hale	
Neighbourhood Area, the timing and phasing of CIL	
funding and when it expects the infrastructure to	
be delivered. Indeed, the Council has already	
identified the key infrastructure projects for the	
area in paragraph 5.146 of the TAAP. We are aware	
of other authorities that have adopted a very short	
prioritised list of infrastructure and have worked	
•	See above
through funding the list moving on to the next item	

when the first has been completed. Identifying	
these in the Regulation 123 list, Planning	
Obligations SPD or a live Infrastructure Delivery	
Plan would negate the need to undertake a	
complex 'Expressions of Interest' process for what	
in the short term is likely to be a relatively small pot	
of money. The Council would still be able to seek	
expressions of interest from partners to deliver	
these specific projects, where necessary using the	
pro-forma criteria set out at paragraph 8.20.	

Changes to Charging Schedule

• Update of streamlined governance arrangements.

Representation	Council Response
	We would highlight that the Council has set our rates based on viability evidence that reflects the fact that viability has improved in this area since the last CIL study was undertaken upon which the Council's adopted CIL Charging Schedule is based. Montague Evans's concerns are noted, however the representation provides no evidence to demonstrate their assertions that an increased CIL charge (which amounts to between 2.1% and 3.3% of costs and is in fact an uplift from the existing charge of 2.9% i.e. higher end of range for the £130 per sq m charge at 3.3% less the lower end of the range for the £15 per square metre charge at 0.4%)" could delay development coming forward and even prevent sites form progressing altogether."
we have seen no evidence accompanying the consultation documents to demonstrate this increase in CIL would not compromise the viability of development in this area. The SDP sites will also contain a mix of uses and are required to respond to particular delivery challenges (for example, the proximity of the underground tunnels below Ashley Road East (TH5) which restricts loading) which are not represented in the generic appraisals. In our view, the Council has therefore not met the requirements of the CIL Guidance and has not justified the level of increase proposed.	It is for the very reason set out by CIL Regulation 14 that the Council has sought to increase the rates in only part of the Eastern Zone. The Council's proposed amendments consider and recognising that there are viability constraints in the north of the Eastern Zone (so are not seeking a change to the rate) but in the South of the Eastern Zone where it is viable to do so are seeking an uplift to the CIL charge and furthermore this is not set at the limits of viability they have allowed for a reasonable buffer from the maximum charge. This increased charge will assist in providing funding to deliver much needed infrastructure to deliver the regeneration envisaged in the area.

Montagu Evans obo Lee Valley Estates

No change	
DP9 obo Grainger plc	
Representation	Council Response
It is unclear, firstly, how the Development Plan in this case (the London Plan and Haringey Local Plan: Strategic Policies) has informed the proposed CIL rates and, secondly, how the proposed rates will impact on the deliverability of the Development Plan	for the Local Plan, and based on growth
	Based on advice from BNP Paribas Real Estate, whilst the increase in the CIL rate from £17,70 per sq m (the current indexed CIL rate) to the proposed rate of £130 per sq m reflects an increase of 734% (lower than DP9's 867% allowing for the correct current CIL charge), which sounds significant in these terms it does in fact only equate to an uplift of 2.9% of development costs(i.e. the higher end of range for the £130 per sq m charge at 3.3% less the lower end of the range for the £15 per square metre charge at 0.4%). Measured in this more practical reference to scheme costs the impact is considered to be very minor, particularly in light of the comparison that Developers regularly allow for a 5% of cost contingency allowance in schemes. Moreover this 2.9% uplift in costs is demonstrated to be viable in the evidence supporting the Council's CIL charging schedule. The information submitted by DP9 cannot be
	considered to be appropriate available evidence as it lacks suitable detail and sufficient credibility to be relied upon. DP9 confirms that the data is taken from across London – so it is not known if these are indeed comparable sites. Without named schemes it is impossible to verify that the data produced is credible and not 'cherry picked'
Accompanying this letter is benchmarking data prepared by Core Five which includes seven residential projects over six storeys in height within the Greater London area. From this it is clear that all of the benchmark schemes exceed the £2,055 per square metre figure as set out in the BNPP report,	BNP Paribas Real Estate questions how an increased charge of 2.9% of build costs could "pose a serious risk to the viability and deliverability of development within the Borough" Grainger assert that the CIL charge of £130 per sq m figure should be "significantly reduced" but
and in one case the build costs realised are more than 200% greater than the BNPP figure. This is a	provide no evidence as to what level this should be reduced to that could viably be accommodated. The Council considers that the proposed rates

do not threaten the viability and deliverability based on the supporting evidence informing their preliminary draft CIL charging schedule. The Council considers that it has followed the requirements of the NPPF and NPPG and that the proposed approach to their CIL charges in the PDCS strikes an appropriate balance between deliverability and viability and funding necessary infrastructure to support the development coming forward.
BNP Paribas Real Estate have based the adopted development assumptions on "appropriate available evidence" as required by the NPPG Para 018. BCIS build costs from the RICS database have been accepted as appropriate available evidence for build costs in numerous CIL evidence base documents at Examination.

Changes	4~	Charaina	Schedule
Changes	ω	Charging	Scheuule

•

Quod obo Waterside Places

Representation	Council Response				
Seeking exemption from any changes to the CIL charging Schedule. Based on the CIL charge being on the Reserved Matters part of the application having a detrimental effect.	In relation to the impact on the Outline application for Hale Wharf this concern is noted and because of the impact on consented outline applications the implementation of the revised rate is being delayed.				
Changes to Charging Schedule					
No changes					
Collective Planning obo Topfling					
Collective Planning obo Topfling Representation	Council Response				

circumstances. This is recognised within Section

	2 of the key guidance document, Viability Testing Local Plans: Advice for planning practitioners, Local Housing Delivery Group, Chaired by Sir John Harman, June 2012, which identifies the purpose and role of viability assessments within plan-making. This identifies that: "The role of the test is not to give a precise answer as to the viability of every development likely to take place during the plan period. No assessment could realistically provide this level of detail. Some site- specific tests are still likely to be required at the development management stage. Rather, it is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan."
	Viability methodology would dictate that there is a need to allow for a benchmark land value to establish if development is viable. This would be the land in its existing use or the development of the land for an alternative use which would ultimately require remediation of the site so it eats away at the value of the site. But would the remediation costs be the same for all sites and is it reasonable to consider his sites on their own are they strategic sites? Would an additional 2.9% of costs really make their sites unviable?
Our client has owned sites across the borough for a number of years as they intend to rejuvenate the existing community, including those in the warehouse district, through affordable regeneration schemes. They would therefore not be buying a previously developed site and would be unable to factor in remediation costs/suitable contingencies via a purchase. This cost would have to be absorbed by our client in addition to the proposed CIL charge which would render the developments unviable.	In his Report on Bristol City Council' CIL Charging Schedule the Examiner identified at Para 26 that, "By definition, the CIL cannot make allowance for abnormal, site specific, costs. The rates have to be based on a generic analysis of a variety of size and type of schemes across the area, taking into account average local build costs, not the individual circumstances of particular sites. The fact that a few specific schemes that are already marginal may become unviable in certain locations should not have a significant impact on the delivery of new housing across the city to meet the requirements of the adopted CS."
The CIL Viability Update Study fails to assess the Private Rented Sector in association with market and affordable housing and is therefore unsound as this is a key sector of the housing market and within Haringey. The PRS sector in the UK has grown substantially in recent years and more developers are pursuing Build to Rent schemes as an	PRS schemes will all have their own viability characteristics and the Council will need to secure such developments as PRS in the S106 agreement to ensure that developer's cannot flip schemes to private sale developments without needing to consider the viability of

	delivering traditional affordable housing and payment of CIL.				
Warehouse living is a very new typology that has only just been included in adopted policy. It has many varied forms and typologies that are currently being explored through the pre-application process. It is classed by Haringey Development Management Policies DPD as a 'sui-generis' use. It therefore cannot be compared in the same way to residential	We agree that warehouse living is a non- conventional residential product, falling into Sui Generis. The evidence for the rate for this use was calculated separately from the rate for residential, however, considering the efficiency and competition in the London residential property market, it is unsurprising that non- conventional and conventional housing rates have comparable CIL values.				
significant element of commercial studio space, it should be considered more akin to commercial	The Council note that in the Warehouse Living developments a discreet quantum of employment floorspace will be required. This floorspace will not be charged the residential rate.				
hamper the quality of warehouse living space in key	The evidence does not support this supposition. The residents of these sites contribute to the need for infrastructure in the local area, and the development of these sites should contribute to the increasing infrastructure requirement.				
Changes to Charging Schedule					
No change					
CIIr Brabazon					
Representation	Council Response				
	Paragraph 1.14 relates specifically to student accommodation rather than traditional residential products, and the Council considers that is simpler to keep the student rate the same as the residential rate across the borough. The Viability testing of residential development				
	has identified that viability is more challenging in the North Eastern charging Zone by comparison to the South Eastern Charging Zone on the basis that lower residential sales values are achieved in the North Eastern Zone.				
would equate to 3.4% of development costs.	Given the results of BNP's appraisals it was recommended that the Council considers maintaining the nominal rate in the North Eastern				

	Zone to ensure that they contribute (albeit a nominal amount) towards infrastructure but the rates will "not threaten the ability to develop viably the sites and scale of development identified in the relevant Plan" as required by Para 007 in the NPPG CIL Guidance.			
Property websites show price increases at present. Given this it seems to me that this low CIL rate is becomes extremely advantageous to developers, yet will mean that their contribution to the significant infrastructure needed for the vast regeneration plans, will be very low. The public sector contribution, on the other hand, to the developments and infrastructure in Northumberland Park has been very extensive, running into tens of millions of pounds. Is this considered in the CIL assessments?	The NPPG identifies at Para 020 that, "Differences in rates need to be justified by reference to the economic viability of development. Differential rates should not be used as a means to deliver policy objectives." BNP Paribas Real Estate considers that the viability for residential development justifies the differential rate and that a higher flat rate across an area cannot be set to deliver policy objectives of funding infrastructure.			
Changes to Charging Schedule				
No change				