

Harrogate District Infrastructure Funding Statement 2019/2020

December 2020



Harrogate
BOROUGH COUNCIL

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Annual Infrastructure Funding Statement 2019/20

Introduction 1

Introduction

- 1.1** The Infrastructure Funding Statement (IFS) is an annual report which provides a summary of the financial and non-financial developer contributions relating to Section 106 Legal Agreements (S106) and Community Infrastructure Levy (CIL) within Harrogate District for the 2019/20 financial year. As the Council only started implementing the CIL on 1st October 2020 this report will not cover this.
- 1.2** It also includes a statement of infrastructure projects that Harrogate Borough Council intends to be, or may be, wholly or partly funded by CIL.
- 1.3** Throughout the IFS there will be references to the following definitions:
- **Agreed** - contributions that have been agreed within a signed legal document but have not yet been collected/delivered because the appropriate trigger point for payment has not yet been reached. If the planning applications are not implemented, they will never be received
 - **Received** - contributions received, either non-monetary or monetary, that have been transferred to Harrogate Borough Council (HBC)
 - **Allocated** - contributions that have been assigned to specific projects ⁽¹⁾
 - **Spent/Delivered** - monetary or non-monetary contributions that have been used as intended, either by spending the allocated funds or completing the contribution as agreed
 - **This financial year** - unless stated otherwise, this refers to the period 01/04/2019 - 31/3/2020
- 1.4** This report provides a summary of financial contributions the Council has secured through section 106 agreements from new developments for off-site infrastructure works and affordable housing. Whilst many of the S106 agreements signed as part of planning applications often include contributions towards education, highways, public transport, cycleways etc these contributions are collected, managed and monitored by North Yorkshire County Council and will be reported in their IFS. The S106 contributions received and spent by Harrogate Borough Council therefore relate to open space, village halls and affordable housing.
- 1.5** In summary the report provides:
- an overview of S106 agreements;
 - the Council's internal process relating to s106 contributions;
 - the s106 contributions paid to the Council in the 2019/20 monitoring period;
 - projects delivered in the Borough via s106 agreements in the 2019/20 monitoring period
 - infrastructure list
- 1.6** The Council are in the process of implementing a new S106/CIL monitoring software package (EXACOM) which will enable the figures for the IFS to be produced. As historic S106 data is still being transferred into the new software, the figures for this IFS were produced using initial outputs from EXACOM as well as financial information from our existing financial systems. ⁽²⁾

1 Sometimes allocation and spending will happen at the same time, as is the case with our present records so the allocation and spend date are the same. Now EXACOM is in place, future IFS's will show if there is a difference and whether money has been allocated for specific projects.

2 Please note that data on developer contributions is imperfect because it represents estimates at a given point in time, and can be subject to change. However, the data reported within this document is the most robust available at the time of publication.

2 Developer Contributions

Section 106 Planning Obligations

- 2.1** Under section 106 (s106) of the Town and Country Planning Act 1990 a Local Planning Authority (LPA) can seek obligations, both physically on-site and contributions for off site, when it is considered that a development will have negative impacts that cannot be dealt with through conditions in the planning permission. Planning Obligations (as known as S106 Agreements) are legal agreements which can be attached to a planning permission to mitigate the impact of an otherwise unacceptable development to make it acceptable in planning terms.
- 2.2** For example, new residential developments place additional pressure on existing social, physical and economic infrastructure in the surrounding area. Planning obligations aim to balance this extra pressure with improvements to the surrounding area to ensure that a development makes a positive contribution to the local area.
- 2.3** Regulations state that a planning obligation may only constitute a reason for granting planning permission for the development if the obligation is:
- necessary to make the development acceptable in planning terms;
 - directly related to the development; and
 - fairly and reasonably related in scale and kind to the development.
- 2.4** The Council cannot ask for contributions via section 106 planning obligations in certain circumstances:

"Planning obligations for affordable housing should only be sought for residential developments that are major developments...For residential development, major development is defined in the National Planning Policy Framework as development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000 square metres or more...Planning obligations should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home" (Planning Practice Guidance 2019 023 'Planning Obligations')

- 2.5** The Council's requirements for S106 planning obligations are set out in the following: ⁽³⁾
- [Provision for Open Space in connection with new housing development](#)
 - [Provision for Village Halls in connection with new housing development](#)
 - [Guidance on Developer Contributions to Education Facilities - 2017](#)
 - [Planning Guidance: Negotiating Affordable Housing Contributions - 2015](#)
- 2.6** S106 contributions can either be provided on-site, for example through the provision of affordable housing, or off-site in the form of financial payments

Community Infrastructure Levy (CIL)

- 2.7** In contrast to S106 contributions, CIL is intended to fund more generalised infrastructure requirements across the District in order to support new development. It is a mechanism to secure financial contributions from developers on certain viable developments. CIL monies can be used to fund the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area.

³ We have recently been out for consultation on revised Open Space, Village Halls and Affordable Housing DPDs and they can be found on the [Consultation Portal](#)

Developer Contributions 2

- 2.8** CIL rates must be set out via a published charging schedule. The Council's charging schedule was adopted in July 2020 with effect from 1 October 2020. Further information can be found on <https://www.harrogate.gov.uk/planning-policy-guidance/community-infrastructure-levy>

Section 278 Highway Agreements

- 2.9** Additional legal agreements that can fund infrastructure are Section 278 Agreements (S278). These are legally binding agreements made under the Highways Act 1990 between Local Highway Authorities and Developers. S278 agreements are required to ensure that the road networks are able to cope with new development. The Council will look at the possibility of including information for S278 agreements within future versions of IFS.

Forecasting

- 2.10** National guidance suggests that councils should consider reporting on estimated future income where possible. The Council will look at incorporating forecasting of developer contributions within future versions of the IFS.

3 S106 Contributions

Process for Off-site Financial Contributions

- 3.1** Where it is determined that on-site infrastructure and/or affordable housing required by policy is not appropriate, the Council will request from developers a financial contribution to meet these needs outside of the development site through a S106 obligation. The financial contribution requirements and specific processes are set out in the relevant Supplementary Planning Documents and Guidance listed in Section 2 .
- 3.2** Once the S106 has been signed, it is an obligation, but it will only be realised if the planning permission is implemented and reaches the trigger point for payment such as commencement or prior to occupation. When the planning permission is granted, the S106 obligation is registered as a land charge which stays with the land, obligating any future owners until the terms are met.
- 3.3** Any commuted sums received by the Council, but not spent within the timescales set out in the S106 agreement, will be identified during ongoing monitoring and will refunded in accordance set out in the specific agreement. All S106 agreements will be monitored closely through new systems and processes to minimise the risk of funding not being spent.

S106 Monitoring Fees

- 3.4** The Community Infrastructure Levy (Amendment)(England)(No.2) Regulations 2019 now allow Local Authorities to charge a monitoring fee through section 106 planning obligations, to cover the cost of the monitoring and reporting on delivery of that section 106 obligation. Monitoring fees can be used to monitor and report on any type of planning obligation, for the lifetime of that obligation. However, monitoring fees should not be sought retrospectively for historic agreements.
- 3.5** The regulations allow monitoring fees to be either a fixed percentage of the total value of the section 106 agreement or individual obligation; or could be a fixed monetary amount per agreement obligation; or Authorities may decide to set fees using other methods. However, in all cases, monitoring fees must be proportionate and reasonable and reflect the actual cost of monitoring and authorities must report on monitoring fees in their infrastructure funding statements.
- 3.6** Harrogate Borough Council have not charged S106 monitoring fees previously however they are being introduced from 1st April 2021 and therefore the IFS for 2020/21 will include a figure for these.
- 3.7** The following monitoring fees will be added to any s106 agreements associated with planning applications received from 1st April 2021. The fees set out below are considered to be proportionate and will contribute to the Council's reasonable costs of monitoring each obligation.

	Band 1: 1-5 dwellings or up to 1ha of land	Band 2: 6-10 dwellings or up to 3ha of land	Band 3: 11-49 or up to 10ha of land	Band 4: 50+ dwellings or more than 10ha of land
Percentage Increase	0%	20%	40%	80%
Monitoring fee per covenant	£245	£294	£343	£441

S106 Contributions 3

- 3.8** Monitoring fees will be reviewed as part of the Council's annual review of planning fees to reflect up-to-date costs.

S106 Contributions 2019/20

- 3.9** The Community Infrastructure Levy (Amendment)(England)(No.2) Regulations 2019, Regulation 121A , Schedule 2 lists those matters to be included in the Infrastructure Funding Statement.
- 3.10** All figures below relate to the monies received and spent by Harrogate Borough Council between 1/4/2019 and 31/3/2020. Whilst S106s often include financial and non-financial contributions for highway and education related issues, these are collected, monitored and managed by North Yorkshire County Council and will therefore be reported in their own Infrastructure Funding Statement.

a. ⁽⁴⁾	Total amount of money to be provided under any planning obligations which were entered into during 2019/20 ⁽⁵⁾ .	£1,241,316.41
b.	Total amount of money received from planning obligations during 2019/20	£550,162.10
c.	Total amount of money received prior to 2019/20 that has not been spent	£2,433,141.36

It is not unusual for the Council to have a large sum of money built up in the S106 budget for the following reasons:

- the council is allowed to hold commuted sums for 10 years;
- parish councils often ask us to 'hold' the commuted sums for them to allow them to build up so they can save for larger projects;
- to avoid the risks associated with unfinished developments or developers going out of business, commuted sums can only be spent when the final payment has been received which for large schemes with multiple instalments can be a number of years
- sums can also be accumulated to spend on projects when sufficient amounts are available

di.	Total number of affordable housing units provided under planning obligations during 2019/20	130
dii.	Education provisions agreed under S106 agreements during 2019/20	Information provided by NYCC in their IFS

The following table provides a summary of those S106 agreements which detail non-monetary obligations:

5 This figure does not consider indexation (inflation/deflation) that may be applied when the money becomes due. This figure represents the financial contributions (open space, village halls, affordable housing) included in S106 agreement signed within 2019/20 which will need to be paid by developers. As payments are usually paid at commencement of development and at different points throughout construction, the money could be received by the Council over a number of years

4 Relates to the specific IFS requirement number in Schedule 2 of the CIL Regulations 2019 (as amended)

3 S106 Contributions

Application Number	Site	Covenant Type
17/02937/FULMAJ	Greystones residential development, Boroughbridge	Affordable housing, on-site open Space, highway improvements, travel Plan,
17/01908/OUTMAJ	Sleights Lane, Rainton	Affordable housing,
18/04749/FULMAJ	Grainbeck Lane, Killinghall	Affordable housing, education contribution, on-site open space, highway improvements,
18/00335/FULMAJ	Yew Tree Farm, Marton cum Grafton	Affordable housing, on-site open space
18/01802/OUTMAJ	Marston Business Park, Tockwith	Highway improvements,
17/04277/OUTMAJ	Kingsley Drive, Harrogate	Affordable housing, on-site open space, education contribution, travel plan
17/00525/FULMAJ	Hymas site, Burton Leonard	Affordable housing,
15/05687/FULMAJ	Cabin Lane, Dacre Banks	Affordable housing
19/00339/REM	Clint Bank, Birstwith	On-site open space,
18/04254/OUT	North of Home Farm, Cundall	Highway improvements,
18/02960/FULMAJ	Beckwith Road, Harrogate	Affordable housing, on-site open space, education contribution
18/02118/OUTMAJ	Station Road, Goldsborough	Affordable housing, on-site open space, education contribution
18/01557/FULMAJ	Harrogate Road, Ferrensby	Affordable housing, on-site open space, sustainable transport
18/01532/FULMAJ	Yule Lane, Green Hammerton	Affordable housing, on-site open space, education contribution, travel plan, public transport, cycleway and highway improvements
17/04295/OUTMAJ	Chapel Lane, Marton le Moor	Affordable housing,
17/01350/OUTMAJ	Boroughbridge Road, Knaresborough	On site open space, Sustainable drainage, affordable housing, education contribution, highway improvements, travel plan,
14/01253/FULMAJ	Station View, Harrogate	Affordable housing,

S106 Contributions 3

e/f	Total amount of money from planning obligations allocated/spent towards infrastructure during 2019/20	£196,033.67 (£0.00 was spent by a third party on behalf of HBC)
g	Items of infrastructure with money allocated towards during 2019/20 with unspent allocations	0

hi. In relation to money which was spent by Harrogate Borough Council during 2019/20, the items of infrastructure that planning obligations money has been spent on and the amounts are as follows:

Infrastructure Type	Spent	Projects
Children's Play – Enhancements/New	£68,059.73	<ul style="list-style-type: none"> new/replacement play equipment and repairs district wide play area enhancements and repairs district wide laying out new play areas district wide
Village Hall Enhancements	£57,616.05	<ul style="list-style-type: none"> car park Resurfacing, Sharow and Sicklinghall heating, Little Ribston toilets, Killinghall windows, Marton le Moor safety Curtains, Darley lighting, Little Ribston roof, Askwith boiler, Bewerley door, Norwood signage Hampsthwaite sports matting, Kirk Hammerton electrics, Bishop Monkton consultant fees
Allotment Enhancements	£4239.81	<ul style="list-style-type: none"> storage, Jubilee Allotments fencing, Ripon drainage, Unity
Churchyard/Cemetery Enhancement/Repairs	£8826.74	<ul style="list-style-type: none"> statue, Stonefall path enhancements, St Michael's Church driveway and walls, John the Baptist Church gates, Holy Trinity, Dacre Banks
Outdoor Sports Repairs/Enhancements	£25,550.87	<ul style="list-style-type: none"> ground repairs, Hampsthwaite Cricket Ground, wicket covers, Killinghall Cricket Ground changing rooms, Black Swan Bowling Club contractor fees multi-use games area, Kirkby Malzeard trim trail, Green Hammerton

3 S106 Contributions

Infrastructure Type	Spent	Projects
Open Space Enhancements/Repairs	£21,571.81	<ul style="list-style-type: none"> • drainage, Queen Ethelburgas Fields, Harrogate • footpaths/gates, Bellman Walk, Ripon • fencing, Hampsthwaite • Valley Gardens • contractor fees • gates, Bishop Monkton
Other	£10,168.66	<ul style="list-style-type: none"> • village signs, Little Ouseburn • planters, Darley • pond, Grewelthorpe • bench, Hartwith cum Winsley • Nidd Gorge Bridge

hii.	Total spent on repaying money borrowed including any interest	£0.00
hiii.	Planning obligation money spent in respect of administration of planning obligations and monitoring in relation to the delivery of planning obligations during 2019/20	£0.00
i.	Total amount of money retained at the end of 2019/20 (31.3.2020)	£2,740,125.70

Community Infrastructure Levy (CIL) 4

Community Infrastructure Levy (CIL) Contributions 2019/20

- 4.1** The Community Infrastructure Levy (Amendment)(England)(No.2) Regulations 2019, Regulation 121A , Schedule 2 lists those matters to be included in the Infrastructure Funding Statement.
- 4.2** The Council's charging schedule was adopted in July 2020 with effect from 1 October 2020 and therefore no CIL contributions have been received for the reporting year 2019/20. The Infrastructure Funding Statement for 2020/21 however will record the following information:
- The total value of demand notices issued in the reported period;
 - The total amount of CIL collected within the reported period;
 - The amount of CIL collected prior to the reported period;
 - The total amount of CIL collected prior to the reported period allocated in the reported period in relation to cash received and land payments (including payments in kind and infrastructure payments);
 - The total CIL expenditure recorded for the reported period;
 - The total amount of CIL allocated and not spent during the reported period;
 - The items of infrastructure on which CIL (including land payments) has been spent within the reported year, and the amount of CIL spent on each item;
 - The amount of CIL spent on repaying money borrowed, including any interest, and details of the items of infrastructure which that money was used to provide (wholly or in part);
 - The amount of CIL collected towards administration expenses;
 - CIL collected and allocated within the reported year that has not been spent, summary details of what has been allocated, is remaining to be spent and what it has been allocated towards;
 - The total amount of CIL passed to a neighbourhood zone under Regulation 59A (collected on behalf of the neighbourhood zone in cash), cash collected and allocated towards Neighbourhood CIL, and 59B (cash provided by the Charging Authority to Neighbourhood Zones equivalent to what they would have received on a payment in kind);
 - The amount within the reported year have been passed to a third party to spend on the provision, improvement, replacement, operation or maintenance of infrastructure under Regulation 59(4);
 - The total collected by Harrogate Borough Council for the reported year under Regulation 59E (CIL returned to the Charging Authority after 5 years if not spent), under Regulation 59F, CIL collected and retained by the Charging Authority for areas that are not designated Neighbourhood Zones;
 - The amount of CIL allocated during the reported year under Regulation 59E, CIL returned to the Charging Authority that had been passed to a Neighbourhood Zone and had not been applied to infrastructure after a 5 year period, during the reported year;

4 Community Infrastructure Levy (CIL)

- The amount of CIL requested under Regulation 59E for the reported year per neighbourhood zone;
- The amount of CIL still outstanding for recovery under Regulation 59E at the end of the reported year for all years for each neighbourhood zone;
- The amount of CIL collected, not assigned for Neighbourhood CIL or CIL Administration, for the reported year and that had not been spent;
- The amount of CIL collected, not assigned for Neighbourhood CIL or CIL Administration to the end of the reported year that had not been spent;
- The amount CIL collected and that had not been spent under Regulations 59E and 59F during the reported year;
- The amount of CIL collected to the end of the reported year under Regulations 59E and 59F that has not been spent:

Infrastructure List

4.3 The Harrogate Infrastructure Delivery Plan 2018 (IDP) which was prepared alongside the adopted Harrogate District Local Plan establishes what additional infrastructure and service needs are required to support the level of development proposed in the Local Plan. It also helps ensure that the additional infrastructure and services that are needed are identified and delivered in a timely, co-ordinated and sustainable way.

4.4 In compliance with Regulation 121A, the IFS should include an 'Infrastructure List' which details the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL. The Harrogate CIL Charging Schedule July 2020 (Appendix 5) includes the Infrastructure List and this list is shown below.

Infrastructure Type or Projects intended to be funded through CIL	Infrastructure Type or Projects intended to be funded through S106/S278
Education facilities	
Strategic education infrastructure District wide	Provision necessary to make the development acceptable in planning terms
Green Infrastructure/Open Space	
Provision and enhancement of the Green Infrastructure network as defined in the Green Infrastructure Supplementary Planning Document (2014) or any subsequent update	<ul style="list-style-type: none"> • Provision necessary to make the development acceptable in planning terms • On-site open space provision as required by Local Plan policies (including requirements for financial contributions/off-site provision in lieu of on-site provision in certain circumstances) directly related to a specific site
Community, cultural and leisure facilities	
<ul style="list-style-type: none"> • Provision of new facilities for community use and improvements to existing facilities 	Provision necessary to make the development acceptable in planning terms

Community Infrastructure Levy (CIL) 4

Infrastructure Type or Projects intended to be funded through CIL	Infrastructure Type or Projects intended to be funded through S106/S278
<ul style="list-style-type: none"> • Provision of new facilities for cultural use and improvements to existing facilities • Provision of new facilities for leisure and recreational use and improvements to existing facilities • Provision of new cemeteries 	
Transport Schemes	
<ul style="list-style-type: none"> • Improvements to bus and train stations • Provision of new cycle and footpath links and improvements to existing • Improvements to the Strategic Road network • Improvements to the Local Road Network • Strategic improvements to the rail network 	Provision necessary to make the development acceptable in planning terms
Health	
Provision of new health facilities and improvements to existing facilities	Provision necessary to make the development acceptable in planning terms
Environmental Improvements	
<ul style="list-style-type: none"> • Environmental improvements to enhance the appearance, safety and security of the public realm • Provision and improvement of public greenspace 	<ul style="list-style-type: none"> • Provision necessary to make the development acceptable in planning terms • Air Quality mitigation measures • On-site sustainable energy requirements
Housing	
	Affordable Housing

Infrastructure projects that HBC intends will be, or may be, wholly or partly funded by CIL

- 4.5** It is intended that the Council will review the Infrastructure List and develop a list of specific spending priorities and projects as part of forthcoming work to develop a CIL Expenditure Strategy however any amendments will be informed by the most up to date infrastructure planning evidence and the monitoring of CIL collection and spending. Any changes to the list will be justified, clear and subject to appropriate local consultation, in line with the CIL Regulations.

