

# Harrogate District Infrastructure Funding Statement 2021/2022

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February 2023

**Harrogate**  
BOROUGH COUNCIL

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# Annual Infrastructure Funding Statement 2021/22

## Introduction 1

## Introduction

- 1.1** This is the Harrogate Borough Council Annual Infrastructure Funding Statement (IFS). The report provides a summary of the financial and non-financial developer contributions relating to Section 106 legal agreements (S106) and the Community Infrastructure Levy (CIL) within the Harrogate District for the 2021/22 financial year.
- 1.2** S106 and CIL are collectively known as planning obligations or developer contributions. The income is used to help fund the provision of supporting infrastructure in association with development and to maximise the benefits and opportunities from growth such as employment opportunities and affordable homes.
- 1.3** S106 agreements are legal agreements which are attached to a planning permission to mitigate the impact of the development. The Planning Obligations within the agreements can only be sought where they are directly related to the development and necessary in planning terms to make the development acceptable.
- 1.4** This report provides a summary of financial contributions the Council has secured through S106 agreements from new developments for off-site infrastructure works and affordable housing. Whilst many of the S106 agreements signed as part of the planning applications often include contributions towards education, highways, public transport, cycleway's etc. these are contributions collected, managed and monitored by North Yorkshire County Council and details can be found 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** CIL secures financial contributions from developers on certain developments. It is intended to fund more generalised strategic infrastructure such as transport, health care, schools and sport facilities as well as improvements and maintenance of facilities in order to support new development.
- 1.6** CIL was adopted by Harrogate Borough Council and the CIL rates are set out in the CIL Charging Schedule. The Council's Charging Schedule was adopted July 2020 with effect from 1<sup>st</sup> October 2020.
- 1.7** The Council has continued to make progress with the implementation of the Exacom S106/CIL monitoring system which has enabled figures for the IFS to be produced, however historical data in regards to S106 is still in the process of being completed on this system. Therefore the data in this IFS has been produced by data in both the Exacom system and the financial information from our existing financial systems. <sup>(1)</sup>
- 1.8** The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations came into force on 1<sup>st</sup> September 2019. Under these regulations, Local Authorities are required annually to produce an Infrastructure Funding Statement (IFS). The IFS provides a summary of financial developer contributions secured either through S106 Agreements or CIL payments within Harrogate Borough Council.
- 1.9** Throughout the IFS there are references to the following definitions
- **Agreed** – contributions that have been agreed within a signed legal agreement but have not yet been collected/delivered because the appropriate trigger point for payment has not yet been reached. If the planning application is not implemented, these will not be received.
  - **Received** – contributions received, either monetary or non-monetary, that have been transferred to Harrogate Borough Council (HBC).

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

## 1 Introduction

- **Allocated** – contributions that have been assigned to specific projects. <sup>(1)</sup>
- **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 01/04/2021 to 31/03/2022.

## Developer Contributions 2

### Section 106 Planning Obligations

- 2.1** Under S106 of the Town and Country Planning Act 1990, a Local Planning Authority (LPA) can seek obligations. Both physically on site, when it is considered that a development will have negative impacts that cannot be dealt with through conditions of the planning permission. Planning obligations (are known as S106 agreements) are legal agreements which are 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, a new residential development places pressure on existing social, physical and economic infrastructure in the surrounding area. Planning obligations aim to balance the pressure with improvements to the surrounding area to ensure that the developments 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 S106 planning obligations in certain circumstances such as in relation to affordable housing on smaller sites or minor house extensions.

The Planning Practice Guidance 2019 states - Planning obligation 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.

- 2.5** The Council's requirements for S106 planning obligations are set out in the
- Provision of Open Space and Village Halls SPD 2021
  - NYCC Developer Contributions for Education Policy 2020
  - Affordable Housing SPD 2021
  - Air Quality SPD 2021
- 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.
- 2.7** In 2021/22 HBC received a total of £2,069,491.00 in S106 contributions.
- 2.8** There has been 17 new agreements signed in this reporting year which will provide a potential £426,262.85.
- 2.9** Parish Councils by way of Commuted Sums have received monies from S106 contributions and these monies have been used to fund projects – see below

## 2 Developer Contributions

Infrastructure Type	Spent	Project
Children's play Enhancement/New	£8560.60	<ul style="list-style-type: none"> <li>• New Spring Horse at Langthorpe play area.</li> <li>• Play equipment at Rainton.</li> <li>• New signage at Rainton play area.</li> <li>• Play area wall repairs</li> </ul>
Parks and Gardens	£23,359.63	<ul style="list-style-type: none"> <li>• Wild Seeding Luchon Way</li> <li>• Wild Seed Cow Dyke Beck</li> <li>• Re-seeding Oatlands Park</li> <li>• Tree Planting Luchon Way</li> </ul>
Village Hall Enhancement	£196,325.08	<ul style="list-style-type: none"> <li>• Killinghall Village Hall Architects fees for the Kitchen/and building work.</li> <li>• Pannal Memorial Improvements.</li> <li>• Defibrillator at Robinson Library/Village Hall, Washburn.</li> <li>• New doors Bishop Monkton Village Hall.</li> <li>• Carpark Lights at Coronation Hall, Boroughbridge.</li> <li>• Car park resurfacing, Ripley.</li> </ul>
Churchyard Cemetery Enhancement/Repairs	£10,658.60	<ul style="list-style-type: none"> <li>• Reinstate War Memorial at Grove Road.</li> <li>• Waterbut at Boroughbridge Cemetery.</li> <li>• New lighting at Arkendale churchyard.</li> <li>• New gravel path at Whixley</li> <li>• Footpath improvement at Markington.</li> </ul>
Outdoor Sports Repairs/Enhancements	£20,027.91	<ul style="list-style-type: none"> <li>• Little Ribston Cricket Club Sight Screen Repair.</li> <li>• Ground work at Dragon Bowling club.</li> <li>• Toilet refurbishment at Little Ribston.</li> <li>• Outdoor Gym at Pannal.</li> <li>• Replacement Zip wire Rainton.</li> </ul>

## Developer Contributions 2

Infrastructure Type	Spent	Project
		<ul style="list-style-type: none"> <li>• New benches at the sports ground at Middlesmoor.</li> <li>• Pentanque pitch, Marton Cum Grafton</li> </ul>
Open Space and Parks Enhancements/Repairs	£7,168.25	<ul style="list-style-type: none"> <li>• Tree planting at Cow Dyke Beck</li> <li>• Wild flowers at Crimple bridge, Little Ribston.</li> <li>• Tree planting at Harlow Hill</li> <li>• New signage at Deep Ghyll, Ripon.</li> <li>• Tree work at Marton Cum Grafton.</li> <li>• Bird and Bat boxes at Jacob Smith Park</li> </ul>

Table 2.1

- 2.10** There is currently a balance of £300,000.00 from previous years, and £406,758.00 from this reported year, for new Affordable Housing provision, which has been allocated to the Council's Housing Delivery Programme.
- 2.11** This £706,758.00 has been used for Affordable Housing in this reported year to purchase affordable housing.

### Community Infrastructure Levy

- 2.12** A total of **£29,353.75** in CIL receipts have been collected since 2020 when CIL was adopted by HBC to the end of this reporting year (1/10/2020 – 31/3/22), with £29,353.75 being collected in this monitoring year 2021/22.
- 2.13** It should be noted that as CIL was only adopted by HBC in 2020 there has only been a small amount of CIL receipts in the period of this report. CIL payments are not due until the development for which it is applied has commenced. It is usual for a 'time lag' of about 2 years before any receipts are actually received, and our reports evidence that CIL charges have only been received since July 2021.
- 2.14** The CIL Regulations sets out the methodology for how money collected from the CIL are distributed as below:
- **Administration** - 5% of receipts
  - **Neighbourhood Fund** -
    - 15% of receipts for areas which do not have an adopted Neighbourhood Plan
    - 25% of receipts for areas which have an adopted Neighbourhood Plan
  - **CIL Infrastructure** - The remaining CIL receipts once the above have been allocated
- 2.15** To date HBC has 3 Neighbourhood areas with adopted Neighbourhood plans.



## 2 Developer Contributions

- 2.16** No CIL payments have been returned to HBC in regards to Neighbourhood portions and no payments in kind have been received.
- 2.17** In the reporting year, **£1,467.69** has been spent on administration of CIL, **£4403.06** has been allocated to the Neighbourhood Fund (15%) (£3002.96 of which has been passed over to parish councils within this reporting year) leaving a total of **£23,483** available for CIL Infrastructure (known as Strategic CIL).

## Infrastructure List 3

## Infrastructure List

**3.1** The Harrogate District Infrastructure Delivery Plan 2018 (IDP) was prepared alongside the adopted Harrogate District Local Plan which 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.

**3.2** In compliance with Regulation 121a, the IFS should include an 'infrastructure list' which details infrastructure projects and types of infrastructure which the Council intends to be wholly or in part funded by CIL. The table below shows this, along with details of infrastructure intended to be funded by S106 /S278 <sup>(2)</sup>

Infrastructure Type or Projects intended to be funded through CIL	Infrastructure Type or Projects intended to be funded through S106/S278
<b>Education Facilities</b>	
Strategic education infrastructure District wide	Provision necessary to make the development acceptable in planning terms
<b>Green Infrastructure/Open Space</b>	
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"> <li>Provision necessary to make the development acceptable in planning terms</li> <li>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</li> </ul>
<b>Community, cultural and leisure facilities</b>	
<ul style="list-style-type: none"> <li>Provision of new facilities for community use and improvements to existing facilities</li> <li>Provision of new facilities for cultural use and improvements to existing facilities</li> <li>Provision of new facilities for leisure and recreational use and improvements to existing facilities</li> <li>Provision for new cemeteries</li> </ul>	Provision necessary to make the development acceptable in planning terms
<b>Transport Schemes</b>	
<ul style="list-style-type: none"> <li>Improvements to bus and train stations</li> <li>Provision of new cycle and footpath links and improvements to existing</li> <li>Improvements to the Strategic Road network</li> <li>Improvements to the Local Road network</li> <li>Strategic improvements to the rail network</li> </ul>	Provision necessary to make the development acceptable in planning terms
<b>Health</b>	
Provision of new health facilities and improvements to existing facilities	Provision necessary to make the development acceptable in planning terms
<b>Environmental Improvements</b>	

<sup>2</sup> Section 278 (or S278) is a section of the Highways Act 1980 that allows developers to enter into a legal agreement with a Council (in capacity as the Highway Authority) to make permanent alterations or improvements to a public highway, as part of a planning approval.

### 3 Infrastructure List

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"> <li>• Environmental improvements to enhance the appearance, safety and security of the public realm</li> <li>• Provision and improvement of public greenspace</li> </ul>	<ul style="list-style-type: none"> <li>• Provision necessary to make the development acceptable in planning terms</li> <li>• Air Quality mitigation measures</li> <li>• On-site sustainable energy requirements</li> </ul>
<b>Drainage and Flood Alleviation</b>	
Strategic flood alleviation schemes District wide	Provision necessary to make the development acceptable in planning terms
<b>Housing</b>	
	Affordable Housing

Table 3.1

**3.3** It is intended that the Council will review the Infrastructure list and develop specific spending priorities and projects as part of the development of a CIL Expenditure Strategy. 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 infrastructure list will have to be justified, clear and subject to appropriate local consultation in line with the CIL Regulations.

## Forecasting

- 4.1 National guidance suggests that Councils should consider reporting estimated future income where possible. The Council will look to incorporate the forecasting of developer contributions in future IFS's, which due to local government re-organisation in April 2023 will be the responsibility of the new North Yorkshire Council.

## 5 Section 278 Matters

### **Community Infrastructure Levy Regulations (2019 Amendment) Regulation 121a Schedule 2 Section 4**

- 5.1** This section seeks a summary of the funding or provision of infrastructure provided under Section 278 (S278) Agreements during the reporting year.
- 5.2** These are legally binding agreements made under the Highways Act 1990 between the Local Highway Authorities and developers. S278 Agreements are required to ensure that the road networks are able to cope with new development.
- 5.3** North Yorkshire County Council (NYCC) are the Local Highway Authority. Highway improvements can be delivered by S278 Agreements but details of these agreements are not included in this report as they are monitored and reported by NYCC. For details of the allocations and spending please refer to NYCC.



