

Harrogate District Infrastructure Funding Statement 2020/2021

December 2021

Harrogate
BOROUGH COUNCIL

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Annual Infrastructure Funding Statement 2020/21



Examples of improvements to cemeteries and playgrounds funded by S106 obligations in 2020/21

Introduction 1

Introduction

- 1.1** Welcome to the Harrogate Borough Council Annual Infrastructure Funding Statement. This report provides a summary of the financial and non-financial developer contributions relating to Section 106 Legal Agreements (S106) and Community Infrastructure Levy (CIL) within the Harrogate District for the 2020/21 financial year.
- 1.2** S106 and CIL (collectively known as 'planning obligations' or 'developer contributions') income is used to help fund the provision of supporting infrastructure in association with development and maximise the benefits and opportunities from growth, such as employment opportunities and affordable homes.
- 1.3** Sections 2 and 3 of this statement set out progress in the collection and spending of S106 and CIL income over the last financial year (2020/21).
- 1.4** Section 4 sets out S106 and CIL planned expenditure over the next reporting period (2021/22). It also includes an infrastructure list of projects that Harrogate Borough Council intends to be, or may be, wholly or partly funded by CIL.
- 1.5** 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 01/04/2020 - 31/3/2021
- 1.6** 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 can be found in their IFS [here](#). The S106 contributions received and spent by Harrogate Borough Council therefore relate to open space, village halls and affordable housing.
- 1.7** The Council have made progress with the implementation of 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 Key Headlines

In 2020/21 the headlines are as follows:

S106 Contributions Received in 2020/21

Infrastructure type: S106	S106 monies received (£)
Public Open Space and Village Halls	784,286.53
Affordable Housing	635,748
Air Quality	29,915
TOTAL RECEIVED	1,449,949.53

S106 Contributions Spent in 2020/21

Infrastructure type: S106	S106 monies spent (£)
Public Open Space and Village Halls	277,646.43
Affordable Housing	335,748
Air Quality/ other	nil
Money returned to developers as not claimed in the required timescale ⁽³⁾	447.13
TOTAL SPENT	613,841.56

Total S106 (net) amount available to spend as at March 2021 (£)

Net total as of March 2020	2,894,446.70
S106 income received 2020/21	1,449,949.53
<i>Subtotal</i>	<i>4,344,396.23</i>
Minus monies spent 2020/21	-613,394.43
Minus monies returned to developers	-447.13
Total	3,730,554.67

2.1 In summary therefore, as at 31st March 2021, there is a net total of £3,730,554.67 in S106 contributions available to spend on affordable housing, public open space and air quality projects in the district.

Key Headlines 2

CIL

- 2.2** No CIL receipts were collected in this financial year. This is because the Council's charging schedule only came into effect from 1 October 2020. Therefore, CIL had only been in operation for 6 months of this reporting year. As payment of CIL is not due until commencement of development, there could be a time lag of up to 2 years before the first CIL contributions are received.
- 2.3** The 2021/22 Infrastructure Funding Statement will report on total CIL income, expenditure and planned spend of monies as required by the CIL Regulations 2019.

3 Developer Contributions

Section 106 Planning Obligations

- 3.1** Under 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.
- 3.2** 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.
- 3.3** 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.
- 3.4** 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 :

"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')

- 3.5** The Council's requirements for S106 planning obligations are set out in the following:
- [Provision of Open Space and Village Halls SPD 2021](#)
 - [NYCC Developer Contributions for Education Policy 2020](#)
 - [Affordable Housing SPD 2021](#)
 - [Air Quality SPD 2021](#)
- 3.6** 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)

- 3.7** 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.
- 3.8** 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>

Developer Contributions 3

Forecasting

- 3.9** 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.

4 S106 Contributions

Process for Off-site Financial Contributions

- 4.1** 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 .
- 4.2** 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.
- 4.3** 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

- 4.4** 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.
- 4.5** 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.
- 4.6** Harrogate Borough Council have not charged S106 monitoring fees previously however they were introduced from 1st April 2021 and therefore the IFS for 2021/22 will include a figure for these.
- 4.7** The following monitoring fees now apply to any S106 agreements entered into 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 dwellings 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

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

S106 Contributions 4

S106 Contributions 2020/21

4.9 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.

4.10 All figures below relate to the monies received and spent by Harrogate Borough Council between 1/4/2020 and 31/3/2021. 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.

3. (a) ⁽⁴⁾	Total amount of money to be provided under any planning obligations which were entered into during 2020/21 ⁽⁵⁾ .	£2,353,978.45
(b)	Total amount of money received from planning obligations during 2020/21	£1,449,949.53
(c)	Total amount of money received prior to 2020/21 that has not been allocated	£1,811,373.52

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

(d)(i)	Total number of affordable housing units provided under planning obligations during 2020/21	307
(d)(ii)	Education provisions agreed under S106 agreements during 2019/20	Information provided by NYCC in their IFS

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 2020/21 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)

4 S106 Contributions

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

Application Number	Site	Covenant Type	Date Deed Signed
13/00535/EIAMAJ	Manse Farm, Knaresborough	Affordable housing	28/09/2020
19/02002/FULMAJ	Woodfield House, Woodfield Square, Harrogate	On-site open space	12/11/2020
19/04830/FULMAJ	Residential Development Site At Grid Ref 428164 456978, Skipton Road, Harrogate	Affordable Housing, On-site open space	1/12/2020
18/04504/OUTMAJ	2 Hutton Bank, Ripon	Affordable Housing, On-site open space, employment floorspace	02/12/2020
19/02262/OUTMAJ	Land Comprising Field At 431917 456498, Harrogate, HG1 4RF	On-site open space	17/12/2020
19/03854/FULMAJ	Primrose House, Copgrove Road, Burton Leonard	Affordable Housing	22/12/2020
18/05001/FULMAJ	Land Comprising OS Field 1541, Skelton Road, Langthorpe	Affordable Housing	21/05/2020
17/01399/REMMAJ	Land Comprising Field At 428221 457140, Otley Road, Killinghall	Affordable Housing, On-site open space	01/12/2020
18/04657/FULMAJ	Land Comprising Field At 433113 471863, Back Lane, Sharow	Affordable Housing, On-site open space	28/04/2020
19/01734/FULMAJ	Land North Of Westfield Road, Tockwith	Affordable Housing, On-site open space	13/10/2020
18/04183/FULMAJ	Land Comprising Field At 427874 456986, Otley Road, Killinghall	On-site open space	26/06/2020
16/05447/DVCMAJ	Pannal Business Park, Station Road, Pannal	Affordable Housing	07/08/2020
17/04866/FULMAJ	Land Adjacent To C And G Interiors, Unit 8, Goughs Yard, Moor Lane, Hunsingore,	Affordable Housing	27/01/2021

S106 Contributions 4

Application Number	Site	Covenant Type	Date Deed Signed
19/03094/FULMAJ	Former County Highways Depot, Millfield Street, Pateley Bridge	Affordable Housing	02/12/2020

(e)(f)	Total amount of money from planning obligations allocated/spent towards infrastructure during 2020/21	£124,357.26 allocated £613,394.43 spent (£0 was spent by a third party on behalf of HBC)
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(g) The following items have had money allocated towards them during the reported year with unspent allocations:

Infrastructure	Allocated	Date Allocated	Unspent
Killinghall Village Hall	£146,512.03	28 May 2020	£115,460.26
Bishop Monkton Play Area	£11,077.00	29 May 2020	£8,897.00



S106 obligations delivered five shared ownership homes at Church View, Dacre Banks.

4 S106 Contributions



S106 monies have funded an extension to Pannal Village Hall and extensive internal improvements.

(h)(i) In relation to money which was spent by Harrogate Borough Council during 2020/21, the items of infrastructure that planning obligations money has been spent on and the amounts are split out in the table below:

Infrastructure Type	Spent	Projects
Affordable Housing	£335,748	<ul style="list-style-type: none"> • Purchase of houses
Children's Play – Enhancements/New	£77,152.62	<ul style="list-style-type: none"> • Laying out new play areas at Oatlands, Great Ouseburn, Ripon Skate Park, Luchon Way, Belmont Park, Harlow Hill, Bishop Monkton, Grove Lane and Panhandle.
Village Hall Enhancements	£133,354.26	<ul style="list-style-type: none"> • Pannal Village Hall refurbishments • Killinghall Village Hall roofing works and architects fees • Boroughbridge Community and Information Centre, noticeboard and pre-app fees • Rainton with Newby Village Hall roof repairs • Littlethorpe Village Hall, new heaters • Bishop Monkton Village Hall electrical work • Tockwith Village Hall, insulation improvements

S106 Contributions 4

Infrastructure Type	Spent	Projects
		<ul style="list-style-type: none"> Whixley Village Hall, planning application fees and removal of trees Sharrow Village Hall, access slabs
Allotment Enhancements	£2,376.70	<ul style="list-style-type: none"> Various enhancements including new shed, water supplies, replacement gate, security locks, and notice board at Harlow Hill Allotments. Fencing at Church Row allotments.
Churchyard/Cemetery Enhancement/Repairs	£22,640.65	<ul style="list-style-type: none"> "Doves Ascending" sculpture - Stonefall Railings, restoration of paths and car park - St Johns Cemetery , Bishop Thornton Railings and gardening - St Chads Graveyard, Middlesmoor Memorial Bench - Masham Methodist Church Floodlights and wall repairs - St Roberts Church Pothole - Ripon Cathedral Noticeboard - St James, Baldersby
Outdoor Sports Repairs/Enhancements	£28,868.79	<ul style="list-style-type: none"> Astro turf, Langthorpe Artificial practice area, Killinghall Cricket Ground Fencing, King Georges Football Croquet club irrigation, Bishop Monkton Recreation Ground Football goals and basketball equipment across the district
Open Space and Parks Enhancements/Repairs	£13,253.41	<ul style="list-style-type: none"> Crazy golf, Ripon Spa Park Planters, Daleside Park Fencing, Fysche Hall Field Stile repairs, Starbeck Bilton Cycle Path Noticeboards, district-wide Footpath improvement works, Bishops Glade, Ripon.

(h)(ii)	Total spent on repaying money borrowed including any interest	£0.00
(h)(iii)	Planning obligation money spent in respect of administration of planning obligations and monitoring in relation to the delivery of planning obligations during 2020/21	£0.00
(i)	Total amount of money retained at the end of 2020/21 (31.3.2021)	£3,730,554.67

4 S106 Contributions



S106 monies have funded refurbishment of the crazy golf course at Ripon Spa Gardens, and improvements to Pannal Junior Football Club.

Community Infrastructure Levy (CIL) 5

Community Infrastructure Levy (CIL) Contributions 2020/21

- 5.1** 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.
- 5.2** The Council's charging schedule was adopted in July 2020 with effect from 1 October 2020. No CIL contributions were received for the reporting year 2020/21. £4,130 of Liability Notices were issued. The Infrastructure Funding Statement for 2021/22 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;

5 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

5.3 The Harrogate District 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.

5.4 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) 5

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

- 5.5** 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.

