

Hambleton District Council

Report To: Cabinet

Date: 8 September 2020

Subject: **Community Infrastructure Levy (CIL) Funding Priorities**

Portfolio Holder: Economy and Planning
Councillor D A Webster

Wards Affected: All Wards

1.0 Purpose and background

- 1.1 The Council must identify how it intends to use Community Infrastructure Levy (CIL) monies collected to deliver strategic infrastructure. The purpose of this report is to consider the prioritisation of the schemes to be funded either entirely, or in part, through CIL. This report identifies options and seeks Cabinet's approval to undertake the recommended approach. CIL is a levy on development which the Council has collected, where the funds are used to provide infrastructure.
- 1.2 The introduction of the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019) came into force on 1 September 2019. The amendments include the removal of the existing Regulation 123 List which identifies projects that may be suitable for CIL funding and its replacement by an annual Infrastructure Funding Statement (IFS). This sets out the proposed infrastructure projects and priorities that the Council intends to fund through the collection of CIL.
- 1.3 After taking into account monies allocated to Parish and Town Councils, totalling £605,802.46 since 2015/2016, the current CIL monies available to spend on infrastructure amounts to £4,229,615. Included in this sum is £2 million that is committed to be spent on the proposed North Northallerton primary school.
- 1.4 As such there is currently a total of £2,229,615 CIL monies available to be spent on infrastructure. Approximately £160,000 is required from this to cover the payments that will become due to Brompton and Northallerton Town Councils in respect of the North Northallerton development.
- 1.5 Before considering the prioritisation of the schemes, it is appropriate to review the existing Regulation 123 list to ensure that the most appropriate infrastructure requirements for CIL funding are included. This is set out in annex 1 (Existing Regulation 123 List-Intended Infrastructure).

North Northallerton School Development

- 1.6 The North Northallerton development includes outline planning permission for a new primary school. The land, through the accompanying Section 106 Agreement, is to be transferred to the County Council and its use protected for a school until December 2023. The Council has committed £2 million from the previous CIL Regulation 123 List for the construction of the school. It is important to continue to

prioritise this for CIL funding because it is a commitment made by the Council for the proper planning of the area and without it there would be insufficient funds to build the school. The anticipated programme includes handover of the land in July 2020, work to commence in June/July 2021, completion in June 2022 and opening in September 2022. This money could be drawn down by the County Council at any time during this period.

- 1.7 Other priorities in the current CIL Regulation 123 List include the North Northallerton Link Road and Bridge and Northallerton Sports Village. The North Northallerton Link Road and Bridge is to be fully funded through direct provision of land and infrastructure by the North Northallerton Development Consortium and the funding from the Local Enterprise Partnership. The bridge is due to be completed by October 2021.

The Northallerton Sports Village

- 1.8 There is currently a planning application under consideration and a bid has been made for European Regional Development Funding (ERDF). Success with ERDF would enable the Council to deliver informal recreation (trails, allotments, wetland area, tree planting and landscaping to increase biodiversity), a full size 3G artificial pitch, grass pitches and changing facilities. £1 million will be funded by the ERDF (if successful) and by Section 106 legal agreements. Phase 2 would deliver similar to Sowerby Sports Village (excluding rugby pitch) costing £1.2-£1.4 million. Access to funding from the FA would be up to £500,000, so there would be an estimated shortfall of £600,000-£800,000. It is envisaged that this project could be delivered by March 2023.

Proposed New Priorities

- 1.9 Officers have assessed the existing Regulation 123 List projects and those to be taken forward are proposed to be transferred to a draft Infrastructure Funding Statement (IFS), including North Northallerton Sports Village as set out above. The draft IFS is attached at Annex 2 which then sets out potential schemes in Annex 3 (Infrastructure Delivery Schedule). New additional local infrastructure schemes have been added to include Thirsk and Sowerby Sports Village and 'Leisure Centre projects' as a result of the findings, conclusions and recommendations set out in the Council's 'Sports Facilities Strategy 2017-2035'.

Thirsk & Sowerby Leisure Centre

- 1.10 The Council has undertaken an options feasibility study for improving the centre and a preferred option was chosen. A cost confidence study was undertaken and a preferred option was approved by Cabinet in July 2020. The costs for an improved centre would be approximately £3.8m and planning permission will be sought at the next stage of cost certainty.

Bedale Leisure Centre

- 1.11 The Council currently has a cost for improving the health and fitness offer at the centre, which is also the subject of a Cabinet report on this agenda, of approximately £314,000.

Thirsk and Sowerby Sports Village

- 1.12 The Council has undertaken remediation, installed a sustainable urban drainage system and created 18 allotment gardens, a car park, a 1km fitness trail, grass pitches and significant landscaping to increase biodiversity. This part of the site is open and is well used for recreation. The Council has also constructed the main vehicular and pedestrian access and completed temporary car parking. This leaves the construction of a full size 3G pitch, full size grass rugby pitch (floodlit) and changing facilities. Future plans also include a “learn to ride facility”, storage for adapted bikes for people with disabilities and a trackside shelter. It is anticipated that this would be delivered in 2020, subject to successful funding bids. There is a shortfall of funding of approximately £1.5m for the next phase. It is envisaged that funding from sports governing bodies could be secured (potentially up to £600,000 so shortfall is estimated at £900,000) and that this project would be delivered by March 2022.

Education – Section 106 Agreements

- 1.13 The draft IFS does not include any education schemes aside from the North Northallerton Primary School. The Regulation 123 List contained provision of primary school places required as a result of new development, however these have not been included in the IFS as it is proposed that education contributions be collected through Section 106 agreements. North Yorkshire County Council adopted a new policy on developer contributions for education in July 2020 which will request Section 106 contributions for education across the County.

Prioritisation

- 1.14 The options for prioritisation and allocation of monies are set out in Annex 4. It is proposed that the key strategic infrastructure schemes in relation to the planned growth of the District in terms of need, timing and relevance to the Development Plan and wider Council published priorities are prioritised and CIL monies allocated accordingly. The schemes identified within the Infrastructure Delivery Schedule at Annex 3 all have strategic importance and contribute towards delivering housing, supporting economic growth and local communities and protecting the environment.
- 1.15 It is proposed that the principles by which the Council will allocate CIL receipts to infrastructure are; strategic and local priority, risk of not allocating funding, deliverability, including planning permission, match funding and inclusion in the Council’s Local Plan. In the light of COVID-19 there is a strong drive by central government to improve the health of all communities and Hambleton District Council is committed to fully supporting the well-being of our residents. It is therefore proposed that CIL funding is allocated as a priority to supporting the development of sports, recreation and leisure facilities.
- 1.16 It is proposed that the priority schemes for 2020/2021 are (in priority order):
- (1) A new Primary School in North Northallerton (£2 million already allocated)
 - (2) Thirsk and Sowerby Leisure Centre
 - (3) Sowerby Sports Village
 - (4) The Northallerton Sports Village at North Northallerton
 - (5) Bedale Leisure Centre

- 1.17 It is considered that the above projects are of strategic and local priority as they are set out as allocations in the Council's Local Plan or contribute to the broader aims and objectives of the delivery of the plan as well as meeting the aims and objectives of the Council Plan. All the projects will contribute to meeting the need for improved infrastructure as a consequence of new development. The priority projects are largely health and wellbeing projects which clearly reflect the Council's priorities to the enhance health and wellbeing of communities. The above schemes are key projects for the Council to implement to seek to achieve its aims of increasing participation in physical activity.
- 1.18 All the projects are subject to detailed timelines or project plans demonstrating that the projects are feasible. It is evident that some of these schemes will already have Section 106 contributions or other funding secured collected, and because there remains a funding gap the remainder could be funded through CIL. The projects have or are likely to achieve additional funding as well as relevant planning permissions to ensure deliverability.
- 1.19 It should be noted that £210,000 has already been earmarked for a sports hall at Stokesley school (IDS ref. no. 38) and £200,000 (IDS ref. no. 37) for a 3G pitch at Stokesley.
- 1.20 It is considered appropriate to prioritise Thirsk and Sowerby Leisure Centre given the benefit and scale of the scheme and the risks of service disruption and closure, due to the condition of the centre, should significant investment not be forthcoming. Subsequently priority order has been determined upon existing funding in place, likely future funding arrangements, project implementation and deliverability progress, land transfer timings and planning permissions granted.
- 1.21 It is recommended that all CIL monies are pooled to be retained and allocated based on the prioritised schemes and that the actual amounts to be allocated to the priority schemes, in relation to CIL receipts held at present, is as follows:
- (1) Thirsk and Sowerby Leisure Centre-50% of total CIL funds available - £1,034,860
 - (2) Sowerby Sports Village- 25% of total CIL funds available-£517,403
 - (3) The Northallerton Sports Village at North Northallerton-15% of total CIL funds available-£310,442
 - (4) Bedale Leisure Centre-10% of total CIL funds available-£206,961
- 1.22 CIL will continue to be collected and will be available to distribute to priority schemes. It is proposed that further CIL collected up to the 31st March 2021 be paid to the priority schemes identified in paragraph 1.21.

2.0 Link to Council Priorities

- 2.1 CIL supports the provision of key projects identified in the Council Plan under the priority of 'Enhancing Health and Wellbeing'. Provision of improved community facilities also enhances vibrancy of, and the attractiveness of the area to residents and visitors, 'Providing a Special Place to Live' and helping to 'Drive Economic Vitality'. The Council plays a major role in improving public health and wellbeing, particularly in respect of prevention, and the continued improvement of facilities will help to improve and promote the physical and mental activity needs of the local population.

3.0 Risk Assessment

3.1 Risk in approving the recommendations:

Risk	Implication	Gross Prob	Gross Imp	Gross Total	Preventative action	Net Prob	Net Imp	Net Total
Delivery partners disagree with the infrastructure projects identified and also their priority.	Difficulty in relationships with delivery partners	4	4	12	Engage with delivery partners on the assessment of further and future priority schemes	3	3	9

3.2 The key risk is in not approving the recommendation(s) as shown below:-

Risk	Implication	Gross Prob	Gross Imp	Gross Total	Preventative action	Net Prob	Net Imp	Net Total
Infrastructure not provided to support development or its delivery is significantly delayed.	Delay in delivery of key strategic infrastructure will result in Council priorities not being met, monies would not be spent to support development and the provision of local infrastructure for communities not provided	4	5	20	Agree recommendation	2	2	4

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

3.3 Overall the risk of agreeing with the recommendations outweighs the risks of not agreeing them and is considered acceptable.

4.0 Financial Implications

4.1 There are no financial implications to the Council by following the recommendation of this report.

5.0 Legal Implications

5.1 The Council will need to follow the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019) as amended to ensure that the proper legal procedures continue to be adhered to in implementing the Charging Schedule. The arrangements for the management of CIL monies may require legal mechanisms between the Council and any delivery partners.

6.0 Equality/Diversity Issues

6.1 Equality and Diversity Issues have been considered however there are no issues associated with this report.

7.0 Recommendations

7.1 That Cabinet approves and recommends to Council:

- (1) the Draft Infrastructure Funding Statement set out in Annex's 2 and 3 of the report, to replace the Regulation 123 list;
- (2) the recommended prioritisation of schemes for 2020/2021, in accordance with paragraph 1.16 of the report; and
- (3) that £2,069,666 of CIL funding be committed to the priority schemes, in accordance with paragraph 1.21 of the report;
- (4) that further CIL received up to the 31st March 2021 be committed to the priority schemes in accord with the percentages set out in paragraph 1.21 of the report.

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Background papers: Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019
National Planning Policy Framework

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