

# North Yorkshire Council

## Executive

18 March 2025

### Community Infrastructure Levy Spending and Infrastructure Funding Statement 2023/24

#### Report of the Corporate Director of Community Development

#### 1.0 PURPOSE OF REPORT

- 1.1 To consider and agree the strategic Community Infrastructure Levy (CIL) spending and proposed changes to the approach to CIL spending.
- 1.2 To consider and agree the 2023/24 North Yorkshire Annual Infrastructure Funding Statement for publication on the North Yorkshire Council website.

#### 2.0 BACKGROUND

- 2.1 A previous report was considered by the Executive on 6 February 2024 in which Officers put forward recommendations and options in spending funds generated through Community Infrastructure Levy (CIL) across the four charging areas of Hambleton, Harrogate, Ryedale and Selby.
- 2.2 At that meeting Members approved a spending protocol, as set out below:
- 1) The CIL monies should be spent within the Local Plan area within which it was collected because those CIL receipts were designed to fund infrastructure to support planned growth.
  - 2) A list of all infrastructure projects should be identified based on the individual Infrastructure Delivery Plans (IDPs), Infrastructure Funding Statements (IFSs) or those that meet the Local Plan priorities and objectives through the Cross-service Officer Working Group.
  - 3) These projects should then be prioritised using the following criteria:

Is it presently on the Infrastructure List from the IFS or IDP?
How does it support the delivery of growth or priorities within the Council's Local Plan? <ul style="list-style-type: none"><li>• number and importance of the site enabled by the project</li><li>• is it 'essential' infrastructure in terms of type or timing of delivery</li><li>• what is the geographical area covered by the project/improvement</li><li>• what is the community benefit</li></ul>
Are there any alternative sources of funding that could be used to deliver the project, and if so which source(s);
Would it enable other sources of funding to be secured that would not otherwise be available (e.g. needed to match or draw down grant funding) and/or ensure

timely delivery of projects partially funded through Section 106 legal agreements.
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4) Formal Decision making through Management Board, Cabinet and Executive.

2.3 At the time of the last report in February 2024 some narrative was included explaining the possible implementation of a new Infrastructure Levy (IL). Since this time no such legislation will be coming to fruition. Those proposed changes have not been included in the most recent changes to the NPPF published in December 2024 and therefore CIL will be continued in its current form.

## CIL at North Yorkshire

2.4 The earlier report also set out the following position for each of the charging areas. The list has been amended to offer an updated position of the money available in each of the strategic CIL pots.

Legacy Charging Authority	Existing CIL Spending Priorities	Existing CIL Spending Decision Making Process	Approx £ in CIL Pot (at 1/4/23)	Approx £ in CIL pot (at 1/4/24)
Selby	<p>Infrastructure Delivery Plan (IDP) for emerging Selby Local plan to set future infrastructure priorities. Current priorities are:</p> <ul style="list-style-type: none"> <li>• Improvements to Strategic Highways Network</li> <li>• Strategic Flood Mitigation Measures</li> <li>• Healthcare provision</li> </ul>	No formal arrangements had been established for spending decisions, with the two committed schemes being determined by Executive.	£2m	£3.2m
Hambleton	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	Spending decision based on 'bidding' process where bids received by Planning from a variety of sources (colleagues, elected members, community groups directly), Decisions taken by Management Team, Cabinet and Council (and recently the section 24 approval process). This bidding process was only carried out once. However approx. £3.2 million was allocated to projects. *This total includes £370,000 which is committed and not spent.	£2.2m	£3m *
Ryedale	No prioritised list of Infrastructure projects to inform CIL spend prior to reorganisation however it was anticipated that the infrastructure requirements listed in the development plan would have been the basis for a priority list.	In the run up to reorganisation, RDC tried to establish a 'Community Grant Scheme' process to spend the CIL money accrued. This was not approved so no process is in place, however an allocation of £2million funding towards improvement works at Welburn Hall School was approved by NYC Executive in	£3.2m	£1.34m **

		June 2023. This was transferred in 2024 and will be demonstrated in the next IFS 2024/25. ** £1m is also allocated to Norton Lodge Primary School but unspent.		
Harrogate	<p>Harrogate District Infrastructure Delivery Plan 2018 identified infrastructure required to support delivery of the Local Plan.</p> <p>The IFS lists in broad terms the type of infrastructure that would be funded via CIL. Work on a specific CIL Expenditure Strategy was commenced and whilst agreed by Management Board was not signed off politically. This strategy involved developing a detailed list of infrastructure projects based on the IDP which would be prioritised.</p>	<p>Draft Expenditure Strategy identified the creation of an Officer group to:</p> <ul style="list-style-type: none"> <li>• review and agree projects to go on the Infrastructure List</li> <li>• Agree priority projects to recommend for progression</li> <li>• make recommendations to Cabinet or the appropriate committee for agreement, depending on the amount required, and will then follow normal procurement and tendering process.</li> </ul>	£161K	£246k

### 3.0 RECOMMENDED APPROACH

#### Strategic CIL spending

- 3.1 In October 2024 a Cross-Service Officer Working Group was established. Through engagement with various council departments via the working group the list of projects set out in Appendix A has been compiled. This includes projects associated with regeneration, highways and transport, education and flood risk.
- 3.2 Initial assessment of these projects has been carried out against the approved criteria set out in paragraph 2.2. It is noted that the majority of projects identified so far are in the early stages and seek funding no sooner than 2026, therefore meaningful assessment has not been possible in a number of cases. Of the 45 projects, only 4 seek funding immediately and are in the latter stages of development.
- 3.3 The strategic CIL pots have seen some growth in the last year, as expected, however the money available would be unable to fund the project list in its entirety. It is very unlikely that CIL receipts will ever be sufficient to fund all infrastructure required within the plan area. It is therefore necessary to prioritise the infrastructure projects most in need of CIL funding. In order to do this officers would recommend further work be done.
- 3.4 A more detailed review of existing Infrastructure Delivery Plans should be undertaken to determine which of the projects set out in each have already been delivered, what is still relevant and those that are in critical need of funding. This can form a basis for the new Infrastructure Investment List, updated with new and emerging projects.
- 3.5 Alongside this a strategic approach would be established, to ensure any future funding agreed would align with the corporate priorities of the council and objectives and the

emerging North Yorkshire Local Plan. This would also offer an opportunity to be more definitive in setting out specific criteria achievable with the money available in strategic CIL.

- 3.6 The strategic pots available are relatively small making it more crucial that clear vision and considered approach is applied before agreeing spend. Application of this further level of criteria will prevent the CIL spending protocol becoming a wish list of projects and instead spending would follow a strategic approach to support sustainable growth in the charging areas.
- 3.7 It is also noted that further work should be done to flesh out the projects listed, ensuring alternative funding avenues have been properly explored, and the project details align with the spirit and regulation parameters of CIL.
- 3.8 In addition to this Officers feel an increased level of Member engagement is pertinent and should be exercised prior to any spending decision. This is recommended through the introduction of Member workshops with an open invite to Members from the 4 charging areas and any other Member wanting to understand strategic CIL spend better. It is also proposed that Overview and Scrutiny is utilised to discuss the broad strategic principles of CIL spending as this emerges, before any strategic spending proposals go to Executive. This amendment to the spending protocol will also help ensure a whole council approach.
- 3.9 It is for these reasons the Officer recommendation is not to spend any of the strategic CIL pot at this moment in time, while further work is undertaken, and Member engagement is actioned. At this point a further report can be brought back to Executive with proposed project spending options in line with an emerging strategic approach.

### **Outstanding allocations**

- 3.10 There are 3 historic allocations outstanding, these are detailed below. The Officer's recommendation would be to acknowledge these previously committed amounts and to reconfirm and continue with the allocations. Any allocated amounts that remain unspent in the following year can be revisited annually.

### **Ryedale**

- 3.11 In June 2023 a report was taken to Members requesting allocation of a large proportion of the Ryedale strategic CIL pot (£3m) to Education capital schemes. This need stemmed from the schools' capital fundings becoming overstretched. The notable capital schemes identified included Welburn Hall School and Norton Lodge, a new primary school at Norton, both with significant funding gaps.
- 3.12 A further report in August 2023 highlighted the urgent requirement for Strategic CIL spending of £2m towards Welburn Hall school. This spend was agreed and has since been passed to the Children and Young Person Service within the council for spending, as per the approval.
- 3.13 Since this time, conversations have taken place to understand the outstanding £1m for the new Norton School. Whilst there is no immediate need for this funding CYPS still identify this project as having a significant funding gap. It is anticipated that CIL funds will be needed in order for the new school to be delivered, however delivery of the project is unlikely before 2027/28. CYPS will be carrying out an annual updated assessment on school capacity, once this is finalised the team will have a better understanding of funding requirement.

### **Hambleton**

- 3.14 Prior to the formation of North Yorkshire Council the former Hambleton District Council agreed spending from the strategic CIL pot for a number of different projects. All previously approved projects aside from two have now received the approved funding. The remaining two are as follows:
- 3.15 £330,000 has been committed to a 3G pitch project in Bedale. The improvement project was identified in the legacy Hambleton Play Pitch Strategy as a strategic need. Work has been progressed with the Clubs, the County FA and the Football Foundation, however colleagues in Sport and Active Wellbeing are awaiting the results of the new North Yorkshire Playing Pitch Strategy to assist with some outstanding matters surrounding the improvement project, including the most appropriate site and the production of the analysis. The team feel unlocking this funding should be possible by around Spring 2026.
- 3.16 There is also an existing allocation of £40,000 to contribute to a multi-use games area (MUGA) in Thirsk. Colleagues from Sport and Active Wellbeing are working with the community groups to establish a route forward for spending. It is considered that Thirsk does not have many accessible facilities and therefore the project should be taken forward if possible.

### **North Yorkshire Annual Infrastructure Funding Statement 2023/24**

- 3.17 The Community Infrastructure Levy (CIL) regulations and National Planning Policy Framework (NPPF) require for any local authority that has received developer contributions (section 106 planning obligations or Community Infrastructure Levy) must publish online an infrastructure funding statement every year.
- 3.18 An IFS must contain:
- Details of the income and expenditure relating to Community Infrastructure Levy (CIL) and Section 106 (S106) agreements.
  - A report on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partially with CIL (excluding the neighbourhood portion). This is to be known as the 'Infrastructure Investment List'.
- 3.19 The 2023/24 IFS (Appendix B) focuses on the financial year immediately after the formation of North Yorkshire Council. The required information is split by each of the legacy District and will continue to be set out in the way whilst the existing Local Plans and CIL charging schedules remain in place. Key headline figures from the IFS for the new North Yorkshire Council area however are:
- 975 affordable homes were delivered.
  - £4,570,984.78 of S106 contributions were received from new development
  - £2,253,754.02 of CIL money was received.
  - £396,660.19 of CIL money (the local allocation) was passed to town and parish councils.
  - £7,841,365.28 of S106 funding was spent on infrastructure to mitigate development impacts.
  - £2,394,233.94 of strategic CIL money was spent on infrastructure to support development.

## **4.0 CONTRIBUTION TO COUNCIL PRIORITIES**

- 4.1 It is fundamental that the strategic objectives for CIL and consideration around how the money will be spent aligns with any corporate approaches, as noted in paragraph 3.5.

## **5.0 ALTERNATIVE OPTIONS CONSIDERED**

### **Strategic CIL spending**

- 5.1 CIL regulations do not include anything about the process for spending CIL, only requiring that it is spent on infrastructure. It is the responsibility of individual local authorities to develop their own process for spending CIL.
- 5.2 Should Members be minded, there is an option to spend money from the strategic CIL pots. The working group have established that the following projects are seeking funding imminently and have funding gaps not able to be filled through any other obvious means. However, it is important to note that without a strategic approach in place before hand there is a risk of the strategic CIL becoming a wish list of projects without clear vision and fully understanding infrastructure need as a result of recent development. It is for the reasons set out above Officers do not recommend spending strategic CIL money on any of the below projects at this moment in time.

### ***Project 1***

- 5.3 Slingsby Sports Club intend to extend the existing club to create fully accessible and segregated facilities. The project also seeks improvement of the catering facilities, the sporting facilities, coaching resources and enhanced outside seating for families and disabled visitors.
- 5.4 The Sports Club applied for funding of £166,961.09 through Ryedale's strategic CIL pot prior to the formation of North Yorkshire Council. Due to series of events the originally bidding process applied by Councillors of Ryedale District Council did not proceed and no funding was granted.
- 5.5 Since this time the Club has been successful in securing funding from alternative means including North Yorkshire Sport, Community grants, the parish council, Sports England and potentially the Football Foundation. However, capital works have increased significantly including an additional £33,535 needed for an Air Source Heat pump to be Building Regulation compliant. Assuming the Football Foundation and further match funding from North Yorkshire Sport (totalling around £100,000) is successful, there would still be a funding gap of £51,937.37. Slingsby Sports Club are seeking this funding through the Ryedale Strategic CIL pot.
- 5.6 The project broadly aligns with the parameters of the existing Ryedale Infrastructure Delivery Plan in meeting deficiencies of open and recreational space in service villages. The IDP does not detail the nature of those priority deficiencies, but the document largely supports CIL spending on open and recreational space in service villages like Slingsby where needed.

### ***Project 2***

- 5.7 Ryedale Special families plan to create a purpose-built property for disabled people and their families located in Pickering. The building will enable RSF to provide an education centre for young adults with disabilities and provide the necessary support for those families. The building would offer a wide range of facilities such as an activity room, sensory room, facilities for cooking activities, outdoor area and office space.
- 5.8 The RSF believe the new building will offer an education facility for disabled young people. The project is seeking £135,158 in CIL funding from the Ryedale CIL pot with intentions for the building to be completed in June 2025.

- 5.9 The relevant Infrastructure Delivery Plan makes no reference to using CIL funding for the provision of community facilities. Similarly, whilst the Ryedale Local Plan supports the provision of new and enhanced community facilities no associated deficiencies have been identified.

### **Project 3**

- 5.10 The Station Gateway Scheme in Selby, a project led by the council's regeneration team has been successful in securing £28m in Transforming City funds. The project is designed to enhance the public realm between Selby Railway Station and the town centre and focuses on the existing station buildings. £1.5m is sought from the strategic CIL pot to ensure that the aspirations to connect the scheme more holistically with the wider Station Quarter project can be maintained. This would be achieved through enhanced cycleways/pedestrian access, introducing real time bus information, enhancing bus waiting facility, safer 24 access from the park and improved car parking.
- 5.11 However, it has come to light that the Station Gateway project may face a funding gap meaning CIL monies would be required for the project to reach completion rather than to enhance the scheme. Currently there is still some uncertainty as to whether this additional funding will be required as the final costings for the scheme are still to be evaluated (expected April 2025). Whilst this project is not captured in Selby's IDP as a priority project the Selby Local Plan contains a specific policy for the station quarter enhancement. It is also important to consider that the £1.5m sought represents a significant proportion of the Selby strategic CIL pot available (approximately 50%).

### **Project 4**

- 5.12 Jigsaw Childcare seek CIL funding of £45,000 towards a replacement modular building on their existing site in Church Fenton with the intention that works will begin in April 2025. This new building will introduce a second story to meet the demand through increased capacity and enhanced facility to support the existing day care nursey.
- 5.13 Early years care provision is not identified in the Selby Infrastructure Delivery Plan or the existing Local Plan as requiring infrastructure provision. In addition, colleagues in Children and Young People Services were informed of this project and the current funding gap; it was considered that CIL funding available should be prioritised for the expansion of places in maintained schools and academies. It is understood that money to cover the funding gap is being sought through a Department of Education Expansion Capital Grant at this time, with a decision yet to be made.

### **Infrastructure Funding Statement**

- 5.14 There is no alternative, as failing to publish an IFS would mean that the Council would not meet the requirements of the Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019.

### **6.0 FINANCIAL IMPLICATIONS**

- 6.1 The Community Infrastructure Levy (CIL) together with Planning Obligations (s106) represent sources of funding to provide additional infrastructure or services necessary to enable or support development.
- 6.2 Such funding normally only represents a proportion of the total cost of the infrastructure. Therefore, additional funding from other sources will be required to deliver the infrastructure

necessary. These sources could include the Department for Transport via National Highways and Network Rail, Department for Education, and other specific grants including Grant in Aid from Defra and Levelling Up funding.

- 6.3 Up to 5% of the total CIL receipts can be apportioned specifically to administration expenses in accordance with Regulation 61 of the Community Infrastructure Levy Regulations 2010, as amended by the 2014 Regulations. This means the monitoring and implementation of CIL is self-financing.
- 6.4 There are no VAT implications (CIL is o/s for VAT).
- 6.5 The Council's Finance team have been consulted during the preparation of this report and their comments have been incorporated into this report.

## **7.0 LEGAL IMPLICATIONS**

- 7.1 The Community Infrastructure Levy is a charge brought in by the Planning Act 2008 and the provision enabling authorities to charge CIL came into force through the Community Infrastructure Levy Regulations 2010 (as amended). Since LGR North Yorkshire Council has become the CIL Charging Authority and the implications of this are there is now one Charging Authority Area, North Yorkshire Council rather than the previous four areas of Harrogate, Hambleton, Ryedale and Selby.

## **8.0 EQUALITIES IMPLICATIONS**

- 8.1 Consideration has been given to the potential for any adverse equality impacts arising from these decisions see Appendix C - Initial equality impact assessment (EIA) screening form.
- 8.2 This proposal ensures that future spending priorities are identified in line with projects that support Local Plan growth within each area. These projects provide the valuable infrastructure required to support additional growth to ensure that existing communities are not negatively impacted by insufficient or ineffective infrastructure. It is concluded therefore that the proposal would not negatively impact any of protected characteristics.
- 8.3 In addition Officers have worked collaboratively with departments such as Public Health to ensure community needs are considered.

## **9.0 CLIMATE CHANGE IMPLICATIONS**

- 9.1 There are no implications as this proposal looks to establish an amended approach to the CIL spending protocol the impacts are neutral. A Climate Change Impact Assessments has been undertaken (Appendix D) and will be undertaken for future projects that are funded through strategic CIL.
- 9.2 The Infrastructure Funding Statement is a factual document detailing income and expenditure of S106 and CIL over the last financial year. There is no climate change impacts relevant to this.

## **10.0 REASONS FOR RECOMMENDATIONS**

- 10.1 The recommendations within the report will:
- provide clarity, transparency and consistency in the allocation and spending of CIL receipts.



- ensure CIL receipts are spent on infrastructure required to support development, in accordance with the CIL Regulations 2010 specifically as amended in September 2019 ('the CIL Regulations').
- ensure CIL serves its purpose of supporting the delivery of the infrastructure necessary to support the development in North Yorkshire.
- meet regulations with regard to the approval and publication of the IFS.

## 11.0 RECOMMENDATIONS

- To agree the proposed amendment to the CIL spending process.
- To agree no spend of the strategic CIL pots until the above changes have been implemented.
- To reconfirm the allocations previously agreed.
- To approve the 2023/24 North Yorkshire Infrastructure Funding Statement (Appendix B) and publish it on the Council website.

### APPENDICES:

Appendix A – List of proposed CIL spending projects  
 Appendix B – North Yorkshire Annual Infrastructure Funding Statement 2023/24  
 Appendix C – Equality Impact Assessment Screening Form  
 Appendix D – Initial Climate Change Impact Assessment

### BACKGROUND DOCUMENTS:

February 2024 report, page 793 ([Public Pack](#))[Agenda Document for Executive, 06/02/2024 11:00](#)  
 June 2023 report, from page 597 ([Public Pack](#))[Agenda Document for Executive, 20/06/2023 11:00](#)  
 August 2023 report, from page 3 ([Public Pack](#))[Agenda Document for Children and Young People's Service - Executive Members & Corporate Director Meetings, 23/08/2023 09:00](#)

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 5<sup>th</sup> March 2025

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.