

REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

1st December 2021

TITLE OF REPORT: Infrastructure Funding Statement

**REPORT OF: Anneliese Hutchinson, Service Director, Climate Change,
Compliance, Planning and Transport**

Purpose of the Report

1. To inform Planning and Development Committee about about the latest version of the Infrastructure Funding Statement (IFS) which is required to be published annually on the Council's website by 31 December each year.

Background

2. The existing IFS was approved by Cabinet in December 2020. The IFS sets out what the Council has secured through Community Infrastructure Levy (CIL) contributions and Section 106 agreements from new developments. The IFS also sets out the priorities for spending the strategic (main) portion of CIL and wards where funding from the CIL neighbourhood fund is likely to become available.
3. As part of last year's IFS, Cabinet approved the recommendation that the main portion of CIL is used to part fund improvements to junctions along the A695 to mitigate the impact of new housing developments in Crawcrook and Ryton.
4. In October 2021, Cabinet approved changes to the governance of the CIL neighbourhood fund to provide more flexibility and longer notice periods for funds coming available.
5. The IFS is required to include:
 - A statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL.
 - A report about CIL, in relation to the previous financial year which includes:
 - The total value of CIL set out in all demand notices.
 - The total amount of CIL receipts.
 - The total amount of CIL expenditure.
 - The items of strategic infrastructure on which CIL has been spent.
 - The amount of CIL used for the neighbourhood portion and the items of infrastructure it has been allocated for or spent on.

- A report about Section 106 Agreements in relation to the previous financial year which includes information on monies received and what they were spent on.
6. A copy of this year's IFS is included at Appendix 2. This is due to go to Cabinet this month to seek approval to publish the document on the website.

A695 corridor

7. For strategic infrastructure, Cabinet have already approved the use of CIL (alongside Section 106 contributions) to fund the upgrade of junctions along the A695 corridor to support new housing in this area, on three sites at Crawcrook North, Crawcrook South and Ryton (187 homes at Crawcrook North, 169 homes at Crawcrook South and 550 homes at Ryton). It also includes 404 homes at the Prudhoe Hospital (within Northumberland) which leaves a total of 1310 new homes.
8. So far, Section 106 contributions have funded the signalisation of Blaydon Roundabout and the widening of the Beweshill Lane roundabout. This leaves additional remedial works at Beweshill Lane, which have come out of the safety audit process, the Stargate Lane roundabout and the Greenside Road roundabout.
9. Current estimated costs for the whole A695 corridor are £2,250,820. A total of £1,054,590 is already committed from Section 106 contributions which leaves £1,196,230 to be funded through CIL once sufficient CIL funds are in place.
10. As new homes are already completed at Crawcrook North and South and the initial site preparations for the build-out of the Ryton site are taking place, the remaining works along the A695 corridor need to be carried out to prevent severe cumulative impacts on the road network.

Recommendation

It is recommended that the Committee note this report and the Infrastructure Funding Statement 20/21 for information.

APPENDIX 1

1. FINANCIAL IMPLICATIONS

Nil

2. RISK MANAGEMENT IMPLICATIONS

Nil

3. HUMAN RESOURCES IMPLICATIONS

Nil

4. EQUALITY AND DIVERSITY IMPLICATIONS

Nil

5. CRIME AND DISORDER IMPLICATIONS

Nil

6. SUSTAINABILITY IMPLICATIONS

Nil

7. HUMAN RIGHTS IMPLICATIONS

Nil

8. WARD IMPLICATIONS

This applies to all wards.

9. BACKGROUND INFORMATION

APPENDIX 2

Gateshead Infrastructure Funding Statement 2020/21

November 2021

1.0 Introduction

1.1 This report provides a summary of financial contributions the Council has secured through CIL Contributions and Section 106 agreements from new developments for off-site infrastructure works and affordable housing.

1.2 The information included in the report will be updated annually and published on the Council's website. This will ensure the most up to date information on the amount of developer contributions received from new developments in addition to information on where these monies have been spent is readily available to members of the public and other interested parties.

1.3 The report does not include information on the infrastructure delivered on site as part of new developments in the borough.

1.4 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.

2.0 Section 106 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.

2.2 Regulations state that a planning obligation may only constitute a reason for granting planning permission for the development if the obligations is i) necessary to make the development acceptable in planning terms; ii) directly related to the development; and iii) fairly and reasonably related in scale and kind to the development.

2.3 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.

2.4 The obligations may be provided by the developers 'in kind', where the developer builds or provides directly the matters necessary to fulfil the obligation. This might be to build a certain number of affordable homes on-site, for example. Alternatively, planning obligations can be met in the form of financial payments to the Council to provide off-site infrastructure works or contributions towards providing affordable housing elsewhere in the borough. In some cases, it can be a combination of both on-site provision and off-site financial contributions.

2.5 Gateshead Council has adopted a Planning Obligations Supplementary Planning Document which sets out the Council's approach to requesting contributions towards infrastructure contributions from developers. The SPD does not set policy but provides a framework for implementation of policy DEL1: Infrastructure and Developer Contributions of the Local Plan.

2.6 In December 2016 the council adopted the first review version of the SPD, which is aligned with the provisions set out in Gateshead's CIL, and in particular the 123 Infrastructure List. A second review of the SPD has now been carried out, this included updates arising from the adoption of MSGP and also included an updated monitoring framework, including fees. Links to both documents are below:-

https://www.gateshead.gov.uk/media/20990/Planning-Obligations-Supplementary-Planning-Document-Second-Review-July-2020/pdf/Planning_Obligations_Supplementary_Planning_Document_2nd_review_July_2020_Final.pdf?m=637310256147930000

<https://www.gateshead.gov.uk/media/1917/Planning-Obligations-SPD-First-Review-Version/pdf/Planning-Obligations-SPD-First-Review-Version.pdf?m=636669002200300000>

2.7 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 as described above. 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.

2.8 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.

2.9 Therefore, the following monitoring fees have been added to any new s106 agreements from October 2020. The fees set out below are considered to be proportionate and will contribute to the Council's reasonable costs of monitoring each obligation.

Obligation Category	Fee	Notes
<u>Financial Monitoring</u>		
Financial Contribution with commencement trigger	£258.63 <i>(per obligation)</i>	Based on one day of officer time
<u>Financial Monitoring</u>		
Financial Contribution with future trigger	£517.26 <i>(per obligation and per trigger point)</i>	Based on two days of officer time
<u>Physical Monitoring</u>		
Obligations on site during construction and post occupation e.g. <ul style="list-style-type: none"> • Employment & training Plans • Local workforce commitments • Restriction of occupation 	£517.26 <i>(per obligation and per trigger point)</i>	Based on two days of officer time
<u>Physical Monitoring</u>		
Developer provision e.g. <ul style="list-style-type: none"> • Open Space/Play • Affordable Housing • Highway works 	£517.26 <i>(per obligation and per trigger point)</i>	Based on two days of officer time
Very large or complex developments may require a longer monitoring with commensurate monitoring charges	<i>*On application</i>	
Request to confirm compliance with S106 Obligations	£52.42 <i>(per obligation)</i>	Based on one and a half hours of officer time

2.10 Monitoring fees will be reviewed annually to reflect up-to-date costs. To clarify, the fee will be added to the s106 requirements.

3.0 Summary of Contributions received in 2020/21 (1st April 2020 – 31st March 2021)

3.1 A total of **£164,021.00** has been **received** in S106 contributions for the year 2020/21. This is split into: -

Affordable Housing - **£31,021.00**

Highways - **£60,000.00**

Ecology - **£73,000.00**

3.2 Table showing S106 payments **received** in **2020/21**

(1st April 2020 – 31st March 2021)

Development/Developer	Amount	Planning Ref	Date paid	Contribution Type
Gullane Close, Bill Quay Bede and Cuthbert Development Limited, Keel House, Garth Heads, Newcastle NE1 2JE	£33,000.00	DC/17/01267/FUL	Paid 23/06/2020	Ecology
Garden Street, Blaydon TCWP 017 LTD, 3 Keel Row, The Watermark, Gateshead, Tyne and Wear, NE11 9SZ	£31,021.00	DC/18/00863/FUL	Paid 19/10/2020	Affordable Housing

Collingdon Rd, High Spen				
Avant Homes Limited Investor House, Colima Avenue, Sunderland Enterprise Park, Sunderland SR5 3XB	£40,000.00	DC/18/00859/FUL	Paid 07/12/2020	Ecology
Collingdon Rd, High Spen				
Avant Homes Limited Investor House, Colima Avenue, Sunderland Enterprise Park, Sunderland SR5 3XB	£62,000.00	DC/18/00859/FUL	Paid 07/12/2020	Highways

3.3 Table showing obligations contained in S106 agreements **signed** in **2020/21**

(1st April 2020 – 31st March 2021)

Developer/Development	Planning Reference	Contribution type	Amount
Bellway Homes Cushy Cow Lane Local Workforce Contrib	DC/16/00320/FUL	Economic Development	£63,000.00

Bellway Homes Cushy Cow Lane Ecology 1 st Instalment	DC/16/00320/FU L	Ecology	£75,000.00
Bellway Homes Cushy Cow Lane Ecology 2 nd Instalment	DC/16/00320/FU L	Ecology	£25,000.00
Bellway Homes Cushy Cow Lane Ecology 3 rd Instalment	DC/16/00320/FU L	Ecology	£28,636.36
Bellway Homes Cushy Cow Lane Affordable Housing	DC/16/00320/FU L	Affordable Housing	43 Affordable Dwellings
Taylor Wimpey Woodside Lane Local Workforce Cont	DC/17/01376/FU L	Economic Development	£56,000.00
Taylor Wimpey Woodside Lane Ecology 1 st instalment	DC/17/01376/FU L	Ecology	£75,000.00
Taylor Wimpey Woodside Lane Ecology 2 nd instalment	DC/17/01376/FU L	Ecology	£25,000.00
Taylor Wimpey Woodside Lane Ecology 3 rd instalment	DC/17/01376/FU L	Ecology	£21,364.00
Taylor Wimpey Woodside Lane Affordable Provision	DC/17/01376/FU L	Affordable Housing	40 Affordable Dwellings
LOK Developments Ltd The Cottage Sunnside Affordable Provision	DC/20/00197/FU L	Affordable Housing	£182,367.32
LOK Developments Ltd The Cottage Sunnside Ecology	DC/20/00197/FU L	Ecology	£51,698.39

4.0 Summary of Contributions received in 2019/20

(1st April 2019 – 31st March 2020)

4.1 A total of **£304,281.41** has been **received** in S106 contributions for the year 2019/20. This is split into: -

Education - **£68,820.15**

Ecology - **£61,501.26**

Highways - **£173,960.00**

4.2 Table showing S106 payments **received** in **2019/20**

(1st April 2019 – 31st March 2020)

Development/Developer	Amount	Planning Ref	Date paid	Contribution Type
A695 Crawcrook Story Homes Ltd Panther House, Asama Court, Newcastle NE4 7YD	£68,820.15	DC/15/01004/FUL	Paid 30/09/2019	Education Contribution
Sawmill, Felling MH Southern & Co Ltd Green Lane Sawmills Felling, Gateshead NE10 0JS	£18,100.00	DC/18/00508/FUL	Paid 06/08/19	Ecology
Pennyfine Rd, Sunnyside Avant Homes Limited Investor House, Colima Avenue, Sunderland	£3,600.00	DC/18/00704/FUL	Paid 09/09/2019	Highways (tanfield railway path)

Enterprise Park, Sunderland SR5 3XB				
Pennyfine Rd, Sunniside Avant Homes Limited Investor House, Colima Avenue, Sunderland Enterprise Park, Sunderland SR5 3XB	£20,360.00	DC/18/00704/FUL	Paid 09/09/201 9	Highways (lighting of Tanfield railway path)
Pennyfine Rd, Sunniside Avant Homes Limited Investor House, Colima Avenue, Sunderland Enterprise Park, Sunderland SR5 3XB	£31,252.60	DC/18/00704/FUL	Paid 09/09/201 9	Ecology
Prudhoe Development Gentoo Homes Limited 2 Emperor House, 2 Emperor Way, Sunderland SR3 3XR	£150,000.00	Northumberland planning application	Paid 18/11/201 9	Highways (Blaydon Roundabout)
Bus Depot, Mandela Way The Go Ahead Group PLC 3rd Floor, 41- 51 Grey Street, Newcastle upon Tyne NE1 6EE	£12,148.66	DC/18/00804/FUL	Paid 09/03/202 0	Ecology

4.3 Table showing obligations contained in S106 agreements **signed** in **2019/20**

(1st April 2019 – 31st March 2020)

Developer/Development	Planning Reference	Contribution type	Amount
DAMF (NE) Ltd Highfield Road Ecology 1 st Instalment	DC/19/00279/F UL	Ecology	£10,000.00
DAMF (NE) Ltd Highfield Road Ecology 2 nd Instalment	DC/19/00279/F UL	Ecology	£10,000.00
DAMF (NE) Ltd Highfield Road Ecology 3 rd Instalment	DC/19/00279/F UL	Ecology	£16,000.00
Gateshead Trading Co Woodhouse Mews Affordable Provision	DC/18/03349/F UL	Affordable Housing	3 Affordable Dwellings
TCWP 017 Ltd Blaydon House Affordable Contribution	DC/18/00863/F UL	Affordable Housing	£31,021.00

5.0 Community Infrastructure Levy

5.1 CIL is a tariff-based charge on the development of new floorspace (per square metre) in the borough. This money can be used to fund a wide range of infrastructure that is required to meet the future growth needs of the borough. Unlike Section 106 agreements, the rate of CIL payable is both mandatory and non-negotiable.

5.2 The amount of CIL payable depends on where the development is located within the borough and the type of development (ranging from £0, £30 and £60 per square metre). The Gateshead CIL Charging Schedule and map of the charging zones is available to view on The Council's website at:

<https://www.gateshead.gov.uk/article/2972/Gateshead-Community-Infrastructure-Levy>

5.3 Once a CIL development has commenced a demand notice details the whole amount the developer is required to pay. The developer will then be able to pay either the whole amount or in instalments. Therefore, the amounts shown in the table below are a detailed look at the whole amounts required (the Demand Amount) to show the total amount of CIL due, which will be different to the CIL amounts received if only one instalment has been received.

Year	Demand Amount
2017/2018	£103,058.26
2018/2019	£517,968.12
2019/2020	£0
2020/2021	£266,120.06
2021/2022 (so far)	£1,570,927.51
Total	£2,458,073.95

5.4 The **total amount of CIL received** since being introduced in 2017 is shown in the table below: -

Year	Received Amount
2017/2018	£34,009.23
2018/2019	£170,929.48
2019/2020	£69,049.03
2020/2021	£322,905.44
2021/2022 (so far)	£637,211.07
Total	£1,234,104.25

5.5 In Gateshead 15% of CIL receipts collected are to be distributed as the Neighbourhood Portion. The total amount of CIL collected for this since 2017 is shown in the table below: -

Year	Neighbourhood Portion (15%)
2017/2018	£5,101.38
2018/2019	£25,639.42
2019/2020	£10,357.35
2020/2021	£48,435.82
2021/2022 (so far)	£95,581.66
Total	£185,115.63

5.6 Up to 5% of CIL funds can be retained annually to cover **administrative costs**. This is shown in the table below: -

Year	Administrative Costs (5%)
2017/2018	£1,700.46
2018/2019	£8,546.47
2019/2020	£3,452.45
2020/2021	£16,145.27
2021/2022 (so far)	£31,860.55
Total	£61,705.20

6.0 CIL EXPENDITURE

6.1 This section sets out how CIL and S106 income will be spent and prioritised over the next reporting period (as per the requirements set out in relevant planning practice guidance and the CIL regulations).

6.2 The level and timing of CIL funding will depend on the nature and scale of the development, the number of implemented planning permissions, build-out rates, and the phasing of development etc. This makes it difficult to forecast exactly when future CIL income and expenditure might be paid.

6.3 Strategic CIL (main pot)

Strategic CIL is to be allocated to the delivery of strategic infrastructure projects to support the growth of the Borough as set out in the Core Strategy and Urban Core Plan (CSUCP) as to when sufficient funds become available.

6.4 A695 corridor

This includes improvements to roundabouts along the A695 through widening works and the signalisation of Blaydon Roundabout. This is to support the delivery of new housing sites at Crawcrook North, Crawcrook South and Ryton. These improvements will also mitigate the impact on Gateshead's highway infrastructure of new development within Northumberland – namely development at Prudhoe Hospital.

The A695 corridor improvements are to be funded by Section 106 contributions secured prior to the implementation of CIL as well as CIL and so far, this has helped fund the signalisation of Blaydon Roundabout.

Estimated costs for the whole A695 corridor are £2,250,820. A total of £1,054,590 is already committed from Section 106 contributions which leaves **£1,196,230** to be funded through CIL.

After the A695 corridor, potential future projects to be funded (or part funded) by Strategic CIL are:

6.5 Primary School expansion

There is a particular need to support Primary School expansion to take into account the increased population that will result from the future development of the Exemplar Neighbourhood site.

6.6 Strategic transport improvements other than the A695 corridor

These include cycle network improvements and key junction/road improvements, removal of Gateshead Highway flyover and creation of a tree lined boulevard from Durham Road to the Redheugh Bridge.

6.7 Strategic green infrastructure

These include areas of ecological and biodiversity enhancements and green spaces.

6.8 MetroGreen strategic flood alleviation and mitigation and green infrastructure

This includes a strategic land drainage network, flood defence along the River Tyne and strategic compensatory storage in the River Derwent.

7.0 Neighbourhood portion of CIL

The Neighbourhood portion of CIL is being used to help deliver a wide range of projects that relate to the provision of infrastructure or address the demands arising from development in an area.

In 2017, Cabinet approved a process for bids for the neighbourhood portion to be made and assessed*. The process is administered by the Community Foundation and decisions on bids made by local Ward Members and the Portfolio holder for Communities and Volunteering. Bids that come from the Ward in which the CIL development takes place are given priority and if funds

are not used up, bids are opened to neighbouring wards and then the whole of the Borough.

Earlier this Year, the Community Foundation sought bids from community groups within the wards and adjacent wards where CIL had been secured and 3 separate grants have been awarded for a total of £21,749.00 funding. This is set out in the table below.

*Apart from CIL development within Lamesley Parish where the CIL Neighbourhood portion is automatically passed on to the Parish Council to spend.

7.1 Table showing Neighbourhood Portion awards granted in 2021

Ref #	Organisation	Project	Amount awarded
FR-13413	1st Winlaton Scout Group	Refurbishing the scout hut in Winlaton	£4,000.00
FR-13437	High Spenn Community Group	The purchase of a secure storage facility for use by the Group and the wider community	£8,513.00
FR-13659	South West Tyneside Methodist Circuit	Creating a community meeting/training room in Sunnyside Methodist Church	£9,236.00
Total			£21,749.00

7.2 Table showing Neighbourhood Portion awards granted in 2020

Ref #	Organisation	Project	Amount awarded
FR-10170	South West Tyneside Methodist Circuit	Undertaking phase 1 of the building redevelopment	£4,500.00

FR-10211	Tyneside Vineyard	New flooring, lighting, furniture and kitchen equipment	£5,000.00
FR-10111	Marley Hill Community Bowling Club	Pavilion repairs	£5,000.00
FR-10627	Chopwell Regeneration CIO	Stage 1 of the building work for the renovation of the former Lloyds Bank in Chopwell	£5,000.00
FR-10961	Gateshead District Scout Council	Purchasing a grass cutter for Whickham Thorns outdoor activity centre	£5,000.00
FR-10969	The Soundroom Community Music Project	Refurbish the basement of the building into accessible space for community use	£4,404.00
FR-10908	Durham Wildlife Trust	Employing a contractor to build a boardwalk to access the wetland's site	£3,400.00
FR-10798	Bensham Grove Community Centre	Develop a Community Garden on the site adjacent to the Community Hall	£3,400.00
Total			£35,704.00

7.3 Projections for the Neighbourhood portion in 2021/22

For the financial year 2021/22 the following table shows the funds available for the Neighbourhood portion. The Community Foundation will publicise the funding opportunities in Wards where the CIL development is located, in early 2022 with decisions on funding applications made soon after. If funds are remaining, further publicity will be undertaken by the Community Foundation for applications in adjacent Wards and if funds are still remaining the rest of the Borough.

Development	Ward	Full Payment Instalment amount	Amount available as Neighbourhood Portion	Date payment due

Taylor Wimpey Ryton Development	Ryton, Crookhill and Stella	£505,104.81	£75,765.72	22 nd September 2021 - PAID
Story Homes Dunston Hill	Dunston Hill and Whickham East	£20,153.44	£3,023.02	10 th September 2021 - PAID
Bellway Ryton Development	Ryton, Crookhill and Stella	£180,774.78	£27,116.22	31 st December 2021
Avant Homes High Spen Development	Winlton and High Spen	£87,819.62	£13,172.94	29 th March 2022